

SME WEEKLY NEWS

(3 July 2017 – 7 July 2017)

Countries	Highlights
<p>MALAYSIA</p> <p>Challenges for SMEs in digital era</p>	<p>SMEs must respond speedily to changes in the market to maintain their competitive edge. Director of National Human Resource Centre, HRDF, Mohd Sidki Hasan said going digital had brought a lot of benefits but there was a greater urgency now to stay ahead of new players. Meanwhile, Chief Digital Officer of Digi, Praveen Rajan encouraged SMEs to constantly evolve to anticipate their customers' needs. "The world 20 years ago was IT-based but now it is digital-based. Whether it is for cost efficiency or to improve the customer service, your strategy has to be very relevant to the business," he said. Rep from GCG Malaysia Berhad, Jenny Hoh Chiew Moi said that moving to digital was one way to keep up. "Having the same product all the time is risky. During challenging times, SMEs need to stand out," she said. In addition, MATRADE northern regional office director, Sharifah Nazreen Farhana Syed Marzuki urged SMEs to kick-start their business globally through e-TRADE programmes.</p> <p style="text-align: right;"><i>(Source: The Star, 7 July 2017)</i></p>
<p>MALAYSIA</p> <p>Foreign workers in Malaysia go into hiding, fearing immigration raids</p>	<p>Malaysian employers are already feeling the pressure of a nationwide operation to weed out illegal foreign workers. A large number of legal and illegal foreign workers have gone into hiding, and their employers fear they will not turn up for work until things have cooled down. Among the industries badly affected are construction and SMEs. Datuk Seri Tan Thian Poh of ACCCIM said small businesses would be most affected by the recent crackdown. "Big industry players will not be affected as most of us are employing legal foreign workers. However, smaller players and SMEs will be badly affected as most of them are not eligible to employ foreign workers legally," he added. President of SME Association of Malaysia, Datuk Michael Kang said the crackdown was expected to affect SMEs' productivity as illegal workers no longer dared to work out in the open. "We hope SMEs will be allowed to bring in legal workers to make up for the shortfall," he said.</p> <p style="text-align: right;"><i>(Source: The Straits Asia, 3 July 2017)</i></p>
<p>PHILIPPINES</p> <p>SMEs are new target of cyber attacks</p>	<p>SMEs are at risk of failing as they appear susceptible to cyber attacks. "SMEs have become the prime target of cyber criminals because compared with larger companies, these emerging businesses have little to no cyber security strategy in place, thus making them easier to penetrate," said Group Chief Security Information Officer of ePLDT, Angel Redoble. He warned it is possible that hackers may use SMEs as the gateway to attack bigger companies. While small businesses may not feel the pressing need to adopt cyber security architecture now, working with professionals who can identify and mitigate cyber risks would be beneficial for SMEs. "Budget constraints may limit leaders of these small businesses in deploying cyber security infrastructure, but they need to at least work with professionals who have the right skills in combating cyber threats," he said. Thus, ePLDT works with SMEs to strengthen their cyber security posture with the right infrastructure, expertise and strategies. Through its cyber security portfolio, ePLDT offers security risk assessment, digital forensics, ransomware investigation & malware analysis and incident response.</p> <p style="text-align: right;"><i>(Source: Phil Star Global, 9 July 2017)</i></p>

CAMBODIA

Indonesian event to boost trade, tourism

The 11th Indonesian Trade and Tourism Promotion 2017 event held in Cambodia was a showcase for products from Indonesia such as automotive components, vehicle lubricants, furniture, building and construction material, plywood, F&B, cosmetics, health care and fashion. The event promoted Indonesian tourism destinations and cuisine and included direct sales, product introduction, business matching and education fair. "I am glad to observe that our trade value has been steadily growing to a positive trend. Last year, the value of bilateral trade volume reached more than \$450 million," said the Indonesian Ambassador, Pitono Purnomo. The event was held to help boost trade and tourism relations by introducing Indonesian export commodities as well as Indonesian potential tourist destinations to the Cambodian market. Commerce Minister, Pan Sorasak said that the significance of trade and economic relations between Cambodia and Indonesia was increasing yearly. He also encouraged Cambodia's SMEs to continue developing so they could take part in similar events overseas because these kinds of events were very important in diversifying markets for Cambodian products. "The development of SMEs will contribute to the inclusive growth of the Cambodian people as SMEs are the catalysts for greater economic growth," Mr Sorasak said.

(Source: Khmer Times, 9 July 2017)

EASY DOES IT FOR ASSEMBLY LINE MAKER

Slow and steady wins the race. After 20 years of diligently developing products and establishing the business, Chaw Kamheng feels that now is indeed an opportune time for modular conveyor solutions provider, Modu System (M) Sdn Bhd. Chaw considers himself more of an engineer than an entrepreneur. That stubborn belief in good quality has helped him grow the company not just in Malaysia but in the global market.

In 1995, Chaw decided to set up his own conveyor systems distribution company in Singapore. Started at a good time, demand for conveyor products in the region was growing with the economic boom in mid-1990s. He brought products in from Europe and supplied them to manufacturers in the region. However, the onset of the Asian Financial Crisis forced him to relook his operations as customers started defaulting on their payments and the cost of importing products became unbearable. But Chaw was not about to be knocked down by the crisis. He relocated back to Malaysia in 1998 to look for new customers and to look for ways to develop conveyor products locally to keep costs in check.

Chaw started designing his own conveyor system and looked for suppliers to produce various parts of the conveyor line for him. "It wasn't easy. There are not many manufacturers for conveyor products in the world and there were none in this part of



of the world. So no one had the expertise to produce the products here," he says. For the next 10 years or so, the company worked on designing and developing their own products. Eventually, they built up an impressive catalogue of conveyor solutions for various industries including food and packaging, pharmaceutical, automotive, electronics and electrical and carton handling.

They also started looking at export opportunities. Chaw notes that the availability of cheap foreign labour in Malaysia made it difficult to implement more sophisticated conveyor and automation solutions. Modu's advantage on the global stage is its lower cost of production and its wide range of



products. Modu is currently one of only two conveyor manufacturers in South-East Asia. He set up offices in the UK, China, the US and Australia to grow its market abroad.

Today, the company has around 60 staff and an impressive portfolio of international clients including German multinational Bosch. While its sales averaged about RM5 mil from 1998 to 2005, Modu posted revenue of more than RM40mil last year in 2016, of which, more than 80% was from exports. Chaw expects the company's revenue to further increase by 25% this year, supported by its global business.

However, Chaw does not dismiss the opportunities that are available in the local market, particularly with the Government's drive to implement Industry 4.0. Modu expanded its offerings last year to include robotics in its conveyor systems to help manufacturers with automation.

(Source: The Star, 3 July 2017)