

SME WEEKLY NEWS

(7 August 2017 – 11 August 2017)

Countries	Highlights
<p>MALAYSIA</p> <p>Tax concerns challenge SMEs looking to export</p>	<p>Transfer pricing and taxation concerns are among major hurdles for SMEs interested in exporting their goods, said Baker Tilly (Malaysia). China's Belt and Road initiative can give SMEs, facing bottlenecks in local demand, access to new markets. Now, Baker Tilly is looking forward to working with MDEC to encourage SMEs to take advantage of e-commerce in cross-border trade. Meanwhile, MDEC has almost achieved 70% of the 1,500 SMEs that they targeted to join the e-World Trade Platform by October 2017. While MDEC is currently aiming to bring on board Malaysian companies exporting products, it is not yet able to reveal the details of harmonised incentives between MATRADE and SME Corp. For the e-fulfilment hub at Kuala Lumpur International Airport Aeropolis, a process improvement task force has been established to improve cargo clearing time from six hours to three hours.</p> <p style="text-align: right;"><i>(Source: The Edge Market, 9 August 2017)</i></p>
<p>MALAYSIA</p> <p>Tremendous economic opportunities in digital era</p>	<p>There are tremendous opportunities for young Malaysians, as well as the SMEs in the digital era to improve their economy and income. CEO of MDEC, Datuk Yasmin Mahmood, said digital entrepreneurship could generate high income stream and it was proven that e-commerce could give so much improvement and leapfrogging business access for young Malaysians and the SMEs. With DFTZ, Yasmin said Artificial Intelligence, Internet of Things plus other digital innovations would impact on e-commerce, and provide physical and virtual zones to facilitate the SMEs to capitalise on the convergence of exponential growth of the Internet economy and cross-border activities. She also urged Malaysians to try the 'Go e-commerce' online platform at www.goecommerce.my, a dedicated one-stop business resource online centre to guide the SMEs in e-commerce adoption.</p> <p style="text-align: right;"><i>(Source: The Borneo Post, 12 August 2017)</i></p>
<p>THAILAND</p> <p>Exim Thailand links with partners to help finance SMEs</p>	<p>The Export-Import Bank of Thailand (Exim Thailand) has joined with Thai Credit Guarantee and Central Lab Thai to finance SME exporters and upgrade product standards to promote the Thai brand globally, especially for agricultural products, foods and cosmetics. Under this collaboration, SME exporters using "Exim Instant Credit Super Value", which is a working capital credit line of up to 2 million baht, secured only by a letter of guarantee from TCG and requiring no collateral assets, are entitled to an interest reduction of 0.5 percentage point in the first year to only 4.5% and a complimentary coupon for product standard upgrade worth 5,000 baht per exporter. In international trade competition, Thai SME exporters need to be proactive, relying on market studies, product quality development to reach international standards, new market penetration and financial readiness.</p> <p style="text-align: right;"><i>(Source: The Nation, 11 August 2017)</i></p>
<p>INDONESIA</p> <p>SME players utilise momentum of the revival of tourism sector</p>	<p>The tourism sector of Indonesia is experiencing a revival with the increasing number of tourist visits. This momentum is expected to generate SME potentials in tourist destinations. Special Staff of Minister of Cooperatives and SME, Hermawan Kartadjaja said that tourism will grow new SME players. If tourism is developing, then the SME sector will also advance. "Do not just work at the hotel, but open homestay, do not be a tour guide, but open a segmented travel agent, do not be a souvenir shop employee, but try to be a souvenir entrepreneur," said Hermawan who is also President of the Asia Council for Small Business (ACSB). At the ASEAN level, the growth rate of tourism in Indonesia is at 23%, ranked second after Vietnam with 24%.</p> <p style="text-align: right;"><i>(Source: Netral News, 10 August 2017)</i></p>

A BETTER VENTURE THE SECOND TIME AROUND

Director of Amperes Electronics Sdn Bhd, Ng Siew Kean, did not let one failure stop him from trying again. Ng got his first taste of being an entrepreneur in 1995 but that venture didn't pan out. In the mid-1990s, Ng started a security system company with his friends to sell and install security devices for residential and commercial properties after quitting his job as an engineer. He was naive back then, he thought he could grow the company without having a client base to start with. Sure enough, he lost about RM20,000 of his savings in the business.

"When I was almost broke, I knew this business was not going to work out," he says. After a year of trying to make it work, he realised it was time to let go of the security devices supply business and move forward. "It was an educational experience, albeit an expensive one," he quips. In about three months, he was back on his feet working at an audio visual project company as a project executive.



But in less than a year, Ng was once again left high and dry. The dark clouds of the Asian Financial Crisis was looming and projects were coming to a standstill. Ng was retrenched. But rather than be bitter over the incident, he chose to see the bright side of being retrenched.

"If I wasn't retrenched, I will not be where I am today," he says. When no doors opened to him after he lost his job, Ng decided to try running his own business again. He evaluated his past failures to have a clear idea on what he should do to move forward. Luckily for him, this time, he

knew several potential clients as well as suppliers who would be able to support him. He managed to get suppliers who could give him credit and he started distributing audio visual products in 1998. Although risky, Ng says it was a way of making things work. He took about RM20,000 from cash advance facilities and it took him about three years to settle the debt.

While he managed to secure some projects, frequent changes in distributorship posed a big challenge for him. Big players in the industry would compete to get the distributorship of some of the important products. "So I decided to build my own product, where no one can take away from me," he says. In 1999, Ng started developing his own panel of speaker zone selector and his product was ready for the market in six months. Clients started requesting for tools with more features, such as having more control zones and more panels like voice message player and matrix controller.

By 2012, he had stopped his distribution business to focus on manufacturing. Instead, he appointed other distributors to market his products. To date, Amperes has over 120 products, ranging from amplifiers to speakers. They have even exported their products to over 20 countries in the Middle East and the South-East Asia regions including Singapore, Vietnam and UAE. In 2016, the company achieved a revenue of RM15mil with 30% of the revenue derived from the export markets.

Moving forward, he hopes to build Amperes into a global brand that the company can be proud of. His strategy to win over the market is to offer a better price while maintaining the quality of his products. Ng says they are developing products that are in line with the Internet of Things era where users will be able to control the equipment with their smartphones.

(Source: The Star, 7 August 2017)