

SME WEEKLY NEWS

(1 May 2017 – 5 May 2017)

Countries	Highlights
<p>MALAYSIA</p> <p>Malaysia, Bahrain reaffirm commitment on SMEs and industrial cooperation</p>	<p>Malaysia and Bahrain have reaffirmed their commitment to strengthening SMEs and industrial cooperation. Minister of International Trade and Industry (MITI), Datuk Seri Mustapa Mohamed and Bahrain Minister of Industry, Commerce and Tourism, Zayed R. Alzayani acknowledged the huge potential in strengthening bilateral trade and investment ties, with further collaboration in the sectors of Information Communications Technology, banking and financial services, tourism, logistics, and manufacturing. To date, there are five Bahraini companies with operations in the services sector in Malaysia. At the same time, Malaysian companies have completed 14 construction projects in Bahrain worth RM4.02 billion and one ongoing project for RM1.213 billion.</p> <p style="text-align: right;"><i>(Source: New Straits Times, 2 May 2017)</i></p>
<p>MALAYSIA</p> <p>SME Corp. aims to empower SME retailers through innovative supply chain</p>	<p>SME Corp. Malaysia has collaborated with Malaysia Institute for Supply Chain Innovation (MISI) to provide deeper understanding on supply chain management and logistic solutions for SME retailers in the country. CEO of SME Corp. Malaysia, Datuk (Dr.) Hafsah Hashim, said the understanding of the concept was important for SMEs, in line with the fourth Industrial revolution. The research collaboration between both parties through the MoU is aimed at gaining better insights on the challenges faced by Malaysian SME retailers to develop innovative supply chain and logistic solutions. Hafsah said notable retailers like Zara had implemented supply chain and management in their operations through collaboration with Massachusetts Institute of Technology (MIT) Global SCALE (Supply Chain and Logistics Excellence) Network. "We want to work with Malaysia Retail Chain Association to implement supply chain management to our local retail outlets in Malaysia, similar to what MIT did with Zara," she added. Meanwhile, Gonsalvez said it was very important for Malaysia to ensure the supply chain supplying e-commerce requirement was efficient if it wants to become a hub for e-commerce.</p> <p style="text-align: right;"><i>(Source: Bernama, 3 May 2017)</i></p>
<p>MALAYSIA</p> <p>SME Corp targets sales of RM12mil for SME Week 2017</p>	<p>SME Corporation Malaysia (SME Corp.) aims to increase the sales value from the SME Week 2017 to RM12 million in contrast to the RM8.26 million recorded last year. The CEO of SME Corp., Datuk (Dr.) Hafsah Hashim said the improvement would be driven by the participation of online shopping players such as Lazada, 11street and Google, apart from existing hypermarket players, including Giant, Tesco, Lulu, Mydin and Aeon. Throughout the SME Week, there will be business matching sessions among SMEs, online players and hypermarkets to source for new suppliers. "We will also organise training events on how to position and market SME products efficiently via online platforms, which includes photography, packaging, warehousing and logistics. SMEs will find it beneficial as their products will not only be available in the domestic market, but also globally immediately," she said.</p> <p style="text-align: right;"><i>(Source: The Sun Daily, 4 May 2017)</i></p>

<p style="text-align: center;">SINGAPORE</p> <p>IE Singapore to help SMEs tap the Indian market</p>	<p>The International Enterprise Singapore inked two MOUs with India's top co-working space, 91springboard and SKP Business Consulting (SKP) to help SME's break in the Indian market. The partnerships were in recognition of India's growing importance to Singapore companies. IE Singapore's Internationalisation Survey 2016 reflected the same sentiments, revealing that Singapore's cumulative investments into India grew by 30% to reach \$29.6 bil as at end 2015. Assistant Chief Executive of IE Singapore, Satvinder Singh said the city-state has been deepening relations with Indian states and cities to boost partnerships for Singapore companies, including SMEs. "We recognise SMEs face challenges in making their first in-market forays, including in-depth market understanding such as customer needs, regulations and tax policies. SMEs are also hoping to connect to potential partners and market advisors. Our partnerships with 91springboard and SKP aim to reduce the barriers to entry and help them set up initial in-market presence," he said.</p> <p style="text-align: right;"><i>(Source: Singapore Business Review, 3 May 2017)</i></p>
<p style="text-align: center;">THAILAND</p> <p>Mushroom takes SMEs to CLMV</p>	<p>Mushroom Television has branched out its seminar, roadshow and business matching activities into CLMV countries in a bid to strengthen the network for Thai SMEs. The company expects to generate 16 million baht from the CLMV expansion, representing 10% of this year's revenue target, said its Chief Executive, Mr. Akarat Nitibhon. "It's the right time to educate Thai SMEs to discover opportunities in neighbouring countries, thanks to the high potential of many fields such as property, tourism and travel, restaurant, retail and technology," he said. There will be roadshows and seminars to be held in CLMV, using the successful talk show model of the popular TV programme Ayu Noi Roi Lan, or "100 million and Young." Mr Akarat said the CLMV trips will also include business matching to share business knowledge and experience with business people in CLMV. Mushroom plans to hold at least three seminars in CLMV this year.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 2 May 2017)</i></p>
<p style="text-align: center;">THAILAND</p> <p>Policy to extend helping hand to 'micro-SMEs' mulled</p>	<p>The government is considering a new policy to lend support to micro-SMEs, in order to help strengthen the Thai economy, says Industry Minister, Uttama Savanayana. Micro-SMEs were initially defined as small businesses, or family businesses, that have fewer than five employees and do not register as companies. Since micro-SMEs are very small, it is hard for them to secure financial support from local banks or other FIs, which normally require assets to be put down as collateral before lending loans. The government would start lending support to micro-SMEs in eight provinces, with initial plan to draw money from existing SME-supporting funds, expecting to get 3.8 billion baht that would be made available to help micro-SMEs. Apart from financial aid, Mr Uttama said the government also plans to lend marketing strategy support to help micro-SMEs penetrate new markets and cut costs. The state aims to lend support to 3,000 companies this year after helping 10,000 last year.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 4 May 2017)</i></p>

RESTAURATEUR TO MANUFACTURER

The general manager of Ahimsa Group Sdn. Bhd., Andy Low Kia Heng, knows the importance of listening to customers. Being attentive to the needs of its customers has enabled the group to grow from a mere restaurant into a vegetarian food manufacturer and restaurant chain operator.



The company began as a restaurant in 1981. Spent six years as a chef in Singapore, Yeong returned to Malaysia and opened his own seafood restaurant in Kuala Lumpur. They started with 10 workers and business was good, so they opened two more restaurants in Petaling Jaya, Selangor. But he changed the whole business to a vegetarian-based in 1986 when Yeong and his wife embraced Buddhism and became vegetarians. They began learning from experienced chefs and carried out research on various vegetarian recipes until they were ready to prepare their own vegetarian dishes and gradually stop serving seafood at their restaurants. “From the usual live ingredients, we managed to use wheat, soya and mushrooms to serve tasty dishes. We pay extra attention to create textures and tastes which are as similar as possible to the meat that customers are familiar with, be it fish, beef or chicken,” Low says.

As they had no prior experience in handling a vegetarian restaurant, Low notes that the team had to learn through trial and error. From the sourcing of ingredients to training the chefs on how to cook differently to informing their waiters and waitresses on the changes in the menu, it was a rough ride over two years before it became a full-fledged vegetarian eatery. Unsurprisingly, the market did not take to their new offerings kindly. Sales dropped about 90% and the group’s bottomline took a real beating. “The philosophy then was simple. We did not expect to make a profit. We focused on covering costs such as rentals and salaries,” Low says.

This went on for about three years. But things did improve as more people got to know about their vegetarian offerings. By 1997, they grew to nine restaurants and a central kitchen, which prepared semi-cooked ingredients for easy use at all the outlets. But the Asian Financial Crisis brought a dark cloud over many businesses. So, they promoted their products aggressively and gave out discounts to keep business going. When Ahimsa moved into manufacturing in 2003, the dark clouds of the financial crisis had more than rolled back. The group manufactures meat-free pre-cooked products as well as sauces and seasonings. The manufacturing operation has been contributing a steady flow of income to the group and it became less reliant on the restaurants. The manufacturing facility also complements its restaurant operations as its products make the cooking process simpler.

The number of distributors for their products grew and in 2009, they decided to invest RM5 million in their own factory in Beranang, Selangor to increase production. They also received enquiries from other restaurants and hotel chains, which prompted the team to look into necessary measures to improve their operations to capture this new opportunity to supply directly to other food and beverage outlets. They acquired the necessary food manufacturing certifications such as the Halal certification. They currently have about 100 products ranging from sauces to soup powders and ready-to-eat-meals. The group also export their products to over 10 countries, including Australia, Taiwan and Sweden. Today, 60% of their revenue comes from the food manufacturing business. The remaining 40% comes from its restaurant operations.

In 2016, they achieved a revenue of RM10 million. It employs a staff of 100. “We continue to do R&D and invest about RM200,000 every year on new equipment. We don’t plan too far ahead. When there is demand, we will look at the requirements and invest accordingly,” Low says.

(Source: The Star, 1 May 2017)