

SME WEEKLY NEWS

(23 October 2017 – 27 October 2017)

Countries	Highlights
<p>MALAYSIA</p> <p>MIDA and SMiTA help SMEs go global</p>	<p>MIDA together with SME International Trade Association of Malaysia (SMiTA) organised the SMiTA Biz Connect Day, aims to encourage local SMEs to explore new market opportunities in Latin America namely Peru and Chile. The Deputy Chief Executive of MIDA, Datuk N. Rajendran said that in going abroad, all business community and the government stand to benefit. It not only deepens the global presence of SMEs, but strengthens the Malaysia brand as well. "Investments from the two Latin America companies have not been significant in Malaysia. However, with more Malaysian companies expanding their reach there, we trust that this will translate into a better understanding on the investment opportunities available in Malaysia by the business communities there," he added.</p> <p style="text-align: right;"><i>(Source: New Straits Times, 26 October 2017)</i></p>
<p>MALAYSIA</p> <p>MITI undertaking onboarding of 1,500 SMEs into the first phase of DFTZ</p>	<p>MITI is currently in the process of onboarding more than 1,500 SMEs into the first phase of the Digital Free Trade Zone (DFTZ). It will be launched by the Prime Minister, Datuk Seri Najib Abdul Razak and Alibaba Group founder, Jack Ma in early November 2017. MITI Minister, Datuk Seri Mustapa Mohamed said the process would be a boost for local SMEs in terms of their export growth and employment creation. In his response to the 2018 Budget announcement, SMEs had received a big allocation of RM22.2 billion in terms of government allocation, grants, soft loans and guarantees. With the support and allocations, MITI is confident that SMEs would be able to contribute 41% to Malaysia's GDP by 2020. The government is also committed to positioning the SMEs in new growth areas, including the digital economy.</p> <p style="text-align: right;"><i>(Source: The Sun Daily, 28 October 2017)</i></p>
<p>MALAYSIA</p> <p>SMEs urged to leverage on BNM SME fund</p>	<p>Local SMEs are urged to leverage on Bank Negara Malaysia (BNM)'s SME Fund, which currently stands at RM3 billion, to finance and lower their cost of doing business. Assistant Governor, Jessica Chew said the fund, which served all economic sectors including startups and businesses with no collateral, can be utilised for working capital and for the purchase of machineries. The BNM SME Fund, a revolving fund that is convenient and affordable for SMEs, was introduced with a total allocation of RM10.4 billion. Of the total, RM7.4 billion has been utilised, with the lending approval revolved three times to the equivalent of RM30.2 billion, benefiting more than 74,000 SMEs. The fund is available at all commercial and Islamic banks, DFIs and Credit Guarantee Corporation Malaysia Bhd (CGC), with financial assistance of up to RM5 million and SMEs were required to repay within five years.</p> <p style="text-align: right;"><i>(Source: The Malay Mail Online, 29 October 2017)</i></p>
<p>SINGAPORE</p> <p>Record number of firms in Singapore's third annual 99%SME Shopping Week</p>	<p>SINGTEL and DBS gave SMEs a boost by kicking off Singapore's annual shopping event to rally support for SME businesses. The ten-day event called 99%SME Shopping Week allows consumers in Singapore to enjoy in-store and online offers and discounts. The growing interest of SMEs to embrace digitalisation reflects the importance of transforming brick and mortar enterprises as traditional businesses face the risk of getting disrupted by innovative technologies. With the advent of digital economy and online shopping, SMEs can harness the resources of the 99%SME movement to transform and digitalise their operations for greater productivity and market reach. SMEs can also leverage on the marketing resources of the 99%SME movement partners and experience the benefit of going online to complement brick-and-mortar stores.</p> <p style="text-align: right;"><i>(Source: Digital News Asia, 25 October 2017)</i></p>

VIETNAM

**Fouth industrial
revolution
challenges SMEs**

There are three main challenges that Vietnam SMEs face with the advent of the fourth industrial revolution i.e. challenges with respect to management, human resource training, commercialisation and adoption of new technologies. US Ambassador to Vietnam, Ted Osius, said: "In order to solve that, there are three things must be achieved. The first is for the Government to create an enabling environment. Bureaucracy must help enhance transparency, reduce the amount of red tape, the number of approval steps, the number of formal and informal fees and the amount of time it takes to register a business. Second is reforming the education system to provide companies with innovative graduates and creative thinkers. The last thing is to think creatively and think big. SMEs must understand their market includes not just Việt Nam, but the broader world.

(Source: VietNam News, 24 October 2017)

CATERING TO SMALLER PLAYERS

MORE and more people are becoming small-time business owners by selling things online. While Nadhra Fauzi and Safiyya Azman wanted to also start their own business, they didn't want to go down the path of making things or selling things. So they started a business that would cater to this growing number of small-time business owners. And with the strong growth seen in the e-commerce sector, Nadhra and Safiyya are optimistic that the positive trajectory will also be reflected in their little e-fulfillment setup, Tresgo Sdn Bhd.

"We saw the trend of e-commerce and wanted to service these e-commerce companies. We didn't want to go into manufacturing because that's not where our expertise lie. We are better at planning and structuring. So we decided to go into the servicing industry," says Safiyya. The duo founded Tresgo in August 2016 to help individual entrepreneurs with their logistics requirement from warehousing to packing and making delivery arrangements. Coming from different industries – Nadhra was in finance while Safiyyah is from the legal fraternity – it took them a while to figure out how to set up a logistics system that would work for them and their clients.

"Initially, we did everything manually. But over time, we got someone to develop a system that can be integrated with other marketplaces. The system will then ping us everytime our clients make a sale on those marketplaces and we will prepare the products for delivery from our warehouse. This can also be done when the sale is done offline. For example, if you make a sale over Whatsapp, you can just go into your account and select the product and the system will still ping us. So we are online all the time and you don't need to call or email. We cater to omni-channels," explains Nadhra. The system is also able to do real-time tracking of the inventories for their clients.



Safiyya notes that most small business owners are not keen to handle the back-end operations of the business but convincing them to outsource their logistics needs is not easy because entrepreneurs see it as an additional cost. She adds that Tresgo's services would help take that burden off their hands so that the entrepreneurs can focus on growing their businesses.

Nadhra and Safiyya tapped onto their network of family and friends to get their business going before they could build a steady database of clients. And business seems to be going well for them. The duo is looking to close the year with sales of RM70,000. Next year's revenue is expected to hit RM500,000. While that may seem like a big leap, Nadhra says the growth is very much in-line with expectations for the e-commerce industry. Additionally, Tresgo is also in the midst of exploring a new segment of business that would add to their sales significantly. The company is looking to service the bulk market next year, where they handle the logistics requirement for agents / stockists.

Both Nadhra and Safiyya have been out and about the whole year to get the Tresgo brand out in the market and to grow their network. Also, they note that they are breaking the mentality that the logistics industry is a man's world. "We are some of the few females in the industry. We are proud to be girls. It breaks the stereotype in the industry. It's been a steep learning curve for us. One month felt like a year! But it has been an exciting journey. Now, we really believe in this business and we want to help other people in their businesses," says Safiyya.

(Source: The Star, 23 October 2017)

Economics and Policy Division
SME Corp. Malaysia
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