

SME WEEKLY NEWS

(27 February 2017 – 3 March 2017)

Countries	Highlights
<p>MALAYSIA</p> <p>Consulting programme for SMEs</p>	<p>Steinbeis Malaysia Foundation and University of Malaya (UM) jointly organised a One-on-One Consultancy Programme to help SMEs tackle questions and issues they face on industrial certifications. The programme garnered the participation of 44 companies from various sectors seeking advice from experts to grow their venture further. The programme was held following the foundation's ongoing engagement with SMEs over the past two years, which has found that the majority of the companies face both operational and technical challenges in growing their businesses. "Even though SMEs have big plans to expand their operations, most of them still have difficulties acquiring specific industrial certifications such as Halal, GMP, HACCP and ISO 9001," says Agensi Inovasi Malaysia (AIM) chief executive office Datuk Mark Rozario. Under the on-going One-on-One Consultancy Programme initiative this year, Steinbeis has lined up several programmes related to medical devices, export readiness, capability development (industrial certification) and IPO readiness.</p> <p style="text-align: right;"><i>(Source: The Star, 27 February 2017)</i></p>
<p>MALAYSIA</p> <p>Business programme to boost SME</p>	<p>The export value of SMEs run by Bumiputera entrepreneurs is expected to increase to 25% in the next three years. Deputy Minister of International Trade and Industry, YBhg. Datuk Ahmad Maslan said an additional programme to help boost the exports was already in place for the entrepreneurs. He said the newly launched Galakan Eksport Bumiputera (GEB) programme would help strengthen and enhance the export competency of the SMEs. "Currently, the export rate of the SMEs is at 18%, and with GEB in place, we are expecting the figure to reach to at least 25% in 2020. Under the GEB, the eligible company can receive a grant totalling of RM500,000, and under the loan scheme, they are entitled to borrow a maximum of RM5 million," said Datuk Ahmad Maslan. Eligible companies could make applications for grants under the programme to set up operation office overseas, marketing and promotional activities for abroad, market research, and for brand development.</p> <p style="text-align: right;"><i>(Source: The Star, 27 February 2017)</i></p>
<p>SINGAPORE</p> <p>Singtel partners Lazada Singapore to launch 99% SME e-marketplace</p>	<p>Singtel has partnered with Lazada Singapore to launch the 99% SME e-marketplace, which is a dedicated portal hosted on Lazada.sg for local SMEs to advertise their offerings and tap on a wider online customer base. Bill Chang, CEO of Group Enterprise at Singtel, said, "The 99% SME e-marketplace provides SMEs with an online marketing platform with no additional on-boarding costs to better scale their businesses in e-commerce space. This is also in line with the Committee on the Future Economy's call to help SMEs adopt digital technologies." To this end, Singtel has been training SMEs to establish an online presence and adopt digital marketing solutions. Alexis Lanternier, CEO of Lazada Singapore, said, "As a marketplace, we want to equip our sellers, many of whom are SMEs, with the best tools available in Singapore to help them succeed. We are excited about this partnership and the increased reach which sellers can now access across Singapore. Sellers who advertise will be able to reach over 3.5 million visitors monthly."</p> <p style="text-align: right;"><i>(Source: The Edge Markets, 28 February 2017)</i></p>

<p>MYANMAR</p> <p>Agricultural sector and SMEs to receive private bank loans</p>	<p>The Central Bank of Myanmar will make it compulsory for local private banks to grant a minimum percentage of their loans to the agricultural sector and the SMEs sector, said the Central Bank director general, U Win Thaw. "Private banks must grant a specified minimum percentage of their loans to farmers and SMEs. At the same time, the loan interest rate will be allowed to be more than 13%, depending on individual applications. This is because private banks will be badly hit by loan failures. It is not realistic to have those banks lending without collateral and with a low interest rate," U Win Thaw explained. In the past, private banks only granted loans on the basis of collateral requirement and they never offered loans to SMEs or agricultural sector. "There are difficulties for private banks – no collateral requirement and lower interest. Because of these difficulties, private banks never offered loans for the two sectors," said U Kyaw Win, the Union Minister for Planning and Finance</p> <p style="text-align: right;"><i>(Source: Myanmar Times, 1 March 2017)</i></p>
<p>CAMBODIA</p> <p>ANZ: Business confidence falls</p>	<p>According to ANZ Royal Business Confidence Index Survey, Cambodia's business confidence index fell by seven percentage points from last year due to global competition, perceived political instability and bearish climate due to the upcoming commune elections. The survey report indicated that SMEs showed a significant decline in confidence compared to large businesses, which remained stable. Commenting on the fall in business confidence among SMEs, In Channy, president and group CEO of Aceda Bank, said that his bank however did not experience any fall in the demand for financial services from small businesses. Meanwhile, the survey also brought up the issue of corruption and stated that it remained the biggest barrier for business people. "Similar to previous surveys, corruption is the most-frequently mentioned as the key barrier when doing business in Cambodia," stated David Marshall, a managing partner of Mekong Strategic Partners.</p> <p style="text-align: right;"><i>(Source: Khmer Times, 2 March 2017)</i></p>
<p>THAILAND</p> <p>DHL broadens logistics reach in Thailand</p>	<p>DHL E-commerce, a unit of Deutsche Post DHL Group, has expanded its logistics service in the Thai market with nationwide coverage and price-competitive business-to-consumer (B2C) international shipping. There is also pick-up service for small e-commerce merchants and the 2.7 million SMEs in Thailand where online sales are growing rapidly. Charles Brewer, CEO of DHL E-commerce, said that Thailand has a huge growth potential for e-commerce because online sales currently account for only 2% of total retail sales, compared with the global average of 9%. For Thai SMEs, the expanded service will allow them to deliver products to customers with greater convenience and a faster process so that they spend less time travelling and waiting to drop off their goods. With as many as 2.7 million SMEs, Thailand is seen as a high growth market where these firms will extend their business models into online marketplaces where DHL aims to enable their businesses to leverage the e-commerce potential both domestically and internationally.</p> <p style="text-align: right;"><i>(Source: The Nation, 3 March 2017)</i></p>

THE RIGHT INGREDIENTS FOR HIS VENTURE

Managing Director of LCP Supplies Sdn. Bhd., Lee Ting Ung, founded the company during the Asian Financial Crisis in 1997 with his wife Alice Sim Chai Hay, who is the company's general manager. Lee wanted a career change after spending seven years as a department head in a Singapore-based public listed company which does food ingredient supplies. In 1997, all the wrong factors were at play. The business involves sourcing materials from overseas food ingredient manufacturers and suppliers from the US, UK, Germany and other countries and Lee is grateful that the company survived that period when the ringgit was affected by currency speculation.



They started off with renting a light industrial factory in Puchong with just Lee and his wife running the company. Lee managed to convince clients from his earlier years in his previous company to come to him. Having a good mix of new clients also helped LCP grow. "In less than two years, we purchased our warehouse in Puchong as it was cheap due to the economic uncertainty," he says. Lee also occasionally exported some products to Indonesia and Thailand. LCP currently has a staff of 31 serving over 400 clients. In 2016, they achieved a revenue of RM20 million. Lee has plans to grow the trading aspect of the business further with new products.

He started his own consumer brand, Fine Foods, in 2010 to make the healthy ingredients available in consumer pack. Products under Fine Foods include low sodium salt, healthier sugar and colostrum. They are sold in pharmacies and selected hypermarkets. But Lee's consumer business is still finding its footing. Having invested over RM4 million to-date and hiring biologists, dieticians and food technologists to develop products for Fine Foods, Lee says the consumer segment is nowhere near to breaking even. On top of that, they also need to pay contract manufacturers to do the blending and packaging of the products. They also participate in local exhibitions to grow market awareness of their products and to educate the market on a healthier alternative to the regular food additives. "This is a very difficult and tedious journey that requires tremendous stamina. We have channelled a lot of funds into this work with little returns," Lee says. But he hopes their effort will bear fruits someday and when that day comes, he hopes he'll also be able to export these products.

(Source: The Star, 27 February 2017)

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