

# SME WEEKLY NEWS

(16 January 2017 – 20 January 2017)

Countries	Highlights
<p><b>MALAYSIA</b></p> <p><b>MATRADE to take more Malaysian firms to China</b></p>	<p>Malaysia External Trade Development Corporation (MATRADE), in collaboration with private exhibitors, aims to lead more than 700 companies on a mission to expand Malaysian brands into China's second and third tier cities in 2017. CEO YBhg. Datuk Dzulkifli Mahmud said, with the agency coordinating the participation of Malaysian companies' in trade fairs under the public private partnership (PPP), he is optimistic of achieving the target of an additional 100 companies from 2016. "As the national trade promotion agency, MATRADE will continue to support this PPP arrangement to increase exports, particularly to China. "I believe we must all work together for the benefit of the nation, especially during challenging times like this," he said during a briefing for the upcoming 2017 Spring China Food and Drink Fair co-organised by MATRADE and SME Association of Malaysia.</p> <p style="text-align: right;"><i>(Source: Bernama , 17 January 2017)</i></p>
<p><b>MALAYSIA</b></p> <p><b>Chinese investments would bring opportunities to Malaysian SMEs</b></p>	<p>China is attracted to Malaysia because of its quality products and services, language proficiency and knowledge in international trade, said Datuk Seri Dr Wee Ka Siong referring to SMEs. Dr Wee said Chinese investments would bring opportunities to Malaysian SMEs which made up 97% of local businesses and employed 65% of the nation's workforce. The China's rise has intensified development in Asean and Malaysian SMEs can help China enter this market of 600 million consumers for mutual benefit. Dr Huang China's ambassador to Malaysia in his speech said China has always placed importance on also helping the other communities benefit when it makes foreign investments. He said the bilateral trade between Malaysia and China totalled US\$9.88billion (RM44.1billion) in December 2016, a historical high, and that 2.2 million Chinese tourists visited Malaysia in 2016. His advice to Malaysian SMEs was to strengthen links with their counterparts in China, heighten pragmatic cooperation under the Belt and Road initiative, and focus on sea port, aviation and railway infrastructure connectivity.</p> <p style="text-align: right;"><i>(Source: The Star , 18 January 2017)</i></p>
<p><b>MALAYSIA</b></p> <p><b>SMEs need to transcend market challenges in facing disruptive technologies era</b></p>	<p>SMEs need to transcend market challenges and empower a strong enterprise as well as technology driven economy in this era of disruptive technologies, said Human Resource Minister Datuk Seri Richard Riot. He said it was imperative for SMEs to continuously work at delivering significance within the business ecosystem. "I wish all of you to be receptive to challenges, be proactive in learning and be willing to embraces changes. "It is an innovative approach for you to adopt in order to remain competitive especially with tough economic challenges," he said at the SME and Entrepreneurship Business Awards 2017. Commenting on the awards, Riot said the award recognition would bring the spirit of entrepreneurship, resilience and innovation to industry players. Among the recipients were Rizalman Ibrahim Couture Sdn Bhd, Pointray Malaysia Sdn Bhd, Velvet Sheen Sdn Bhd and Hot Media Sdn Bhd.</p> <p style="text-align: right;"><i>(Source: Bernama , 19 January 2017)</i></p>

<p><b>SINGAPORE</b></p> <p><b>Revenue earned by SME exporters in Singapore higher than global average: FedEx survey</b></p>	<p>SMEs here which sell to overseas markets generate more revenue compared with the global average, according to new research. A global study commissioned by FedEx Express on SME exporting trends found that Singapore SMEs which export to overseas markets make an average annual revenue of US\$2.56 million (S\$3.63 million), higher than the global average of US\$2.4 million. The findings were based on 9,000 interviews conducted across 17 markets. It surveyed 512 companies in Singapore. The study also found that an average of US\$2.21 million of Singapore SMEs' sales come from exports, accounting for as much as 87% of their overall revenue. This is also ahead of the global average of US\$1.5 million. Malaysia, China and Indonesia are the top regional markets for Singapore SMEs, the survey found. SMEs expect intra-regional exports to grow 28% in the 2017, and expect 25% growth in inter-regional exports. The poll found that 75% of SMEs surveyed here generated revenue via e-commerce transactions.</p> <p style="text-align: right;"><i>(Source: The Straits Times ,18 January 2017)</i></p>
<p><b>THAILAND</b></p> <p><b>Central market spur ordered</b></p>	<p>Deputy Prime Minister Somkid Jatusripitak has ordered the Commerce Ministry to speed up the establishment of central markets nationwide, both for general products and those unique to each province, to serve as distribution channels for local vendors and traders. The Prime Minister's and my policy that all ministries work closely with provincial Governors to develop and stimulate provincial economies and raise local people's income. Some 115 billion will be slated for domestic economic development, of which 80 billion is for provincial development, 20 billion for the SME Development Fund, and 15 billion as a central budget to be used for expenses in promoting and strengthening the domestic economy. Of the remaining budget, 10 billion baht will be set aside as a fund to strengthen the competitiveness of targeted industries, 15 billion for the Village Fund and 22.9 billion for emergency expenses. The government this year will focus on four areas: the digital economy, infrastructure development, agricultural reform and local economic development via 18 provincial clusters aimed to upgrade Thailand's competitiveness and strengthen the economy.</p> <p style="text-align: right;"><i>(Source: Bangkok Post ,19 January 2017)</i></p>

<p><b>PHILIPPINES</b></p> <p><b>PH SMEs have positive outlook of future: poll</b></p>	<p>SMEs in the Philippines engaged in international trade have more optimistic outlook towards the future of their businesses compared to non-traders, the Future of Business survey revealed. The Future of Business survey is a monthly poll which aims to give SMEs an insight on how businesses are more confident if they trade internationally. Through surveying SME page owners on Facebook, the poll found that traders (71%) are also more likely to increase jobs in the next 6 months than non-traders (64%). Attracting customers (69%), maintaining profitability (60%), and increasing revenue (53%) were listed by the survey as among the most commonly reported challenges of small businesses engaged in international trade. The poll conducted by the Organisation for Economic Co-operation and Development (OECD), World Bank, and Facebook also looked at how small businesses are using digital tools at a higher rate. According to the data gathered, SMEs in the country mostly utilize online tools for the following purposes: show products or services (79%); advertise to potential new customers (75%); communicate with customers or suppliers (75%); and sell products or services (74%).It added that women-run businesses are more likely to use digital tolls for operations compared to male-run businesses.</p> <p><i>(Source: Manila Bulletin ,18 January 2017)</i></p>
<p><b>PHILIPPINES</b></p> <p><b>First Commercial Bank opens Manila branch</b></p>	<p>First Commercial Bank Co. Ltd. (First Commercial Bank) launched its first Manila branch to provide service to Taiwanese businessmen in the country and to help local micro, small and medium enterprises (MSMEs).The establishment of our Manila branch is truly a significant milestone for our overseas extension. Governor Amando M. Tetangco Jr., said First Commercial Bank is interested in assisting foreign investors to start operations in the Philippines and help in financing infrastructure development projects. He said the bank is Taiwan’s largest SMEs lender and is interested to provide SME financing in the Philippines. “We welcome this initiative as gaining access to credit by our SMEs remains a challenge. There are untapped opportunities for consumer finance and financial inclusion to the Philippine market, which is vibrant and upwardly mobile. The opening of this Manila branch should further boost the economic relationship between the Philippines and Taiwan,” he added.</p> <p><i>(Source: Business Mirror ,17 January 2017)</i></p>

## FROM CONSTRUCTION TO EYE-CARE

Datuk Tan Boon Hock, 61 years old, is an outsider to the healthcare industry but seized the opportunity to carve a niche as an eye-care specialist provider and build up Optimax Eye Specialist Centre Sdn Bhd. Now he has six centres today and he has also added an eye hospital. In 1984, he founded his first firm, Sena Letrik Sdn Bhd. Some of his projects were valued up to RM30 million. Tan's company also expanded from 3 to about 30 staff. While he focusing on his business, he met doctors who shared with him about the emergence of excimer laser technology, which is used for eye correction.

Tan began his new venture into healthcare by signing a franchise agreement with a UK-based eye clinic that has expertise in this field. With an investment of over RM2 million, Tan set up Optimax. The company's agreement with the UK eye clinic helped build Optimax's human resource. Local ophthalmologists were trained by the UK franchisor. By 2010, Optimax had expanded to eight centres with about 100 staff. However, two centres have since been closed down due to the lack of suitable expertise. But Tan is looking at expanding Optimax's network again. Plans are afoot for five more eye care centres by end 2017.

His next move was to build hospitals. Banking on his expertise in M&E, Tan again capitalised on an opportunity and started his own hospital arm, Optimax Healthcare Services Sdn Bhd. He started construction on a hospital in Rawang in 2010. The project costs about RM80 million. After construction was completed in 2013, he sold the hospital to another local healthcare services provider. He also bought over a bungalow in Penang and refurbished it into an eye hospital which Optimax has been operating since 2014. Early this year, Optimax Healthcare commenced construction of a hospital in Kluang, Johor. Upon completion in 2019, Tan plans to lease the building out to a healthcare services provider. Tan's ambition does not stop there. He is also eyeing an opportunity to build another hospital in Mount Kiara, KL and plans for the project are underway, pending approval from the relevant authorities.



*(Source: The Star, 16 January 2017)*

Economics and Policy Division  
SME Corp. Malaysia  
24 January 2017