SME WEEKLY NEWS

(18 September 2017 – 22 September 2017)

Countries	Highlights
MALAYSIA **MARA programme aims for winning products for global market**	The market potentials of the Bumiputera entrepreneurs were not fully explored due to lack of knowledge on global market access and capital and production capacity and product branding that did not meet international standards. Thus, Majlis Amanah Rakyat's (MARA) Gate To Global (GTG) programme aims to produce global Bumiputera entrepreneurs who can come out with winning products to penetrate the global market. The programme would also provide exposure to Bumiputera entrepreneurs to various techniques like product development, branding and strategies to penetrate the global halal market and capital financing assistance. Through this initiative, Bumiputera entrepreneurs will be transformed into global entrepreneurs offering unique products at competitive prices for export. The programme, in collaboration with MATRADE, SME Corp. Malaysia and Idea Institute, would focus on entrepreneurs in the F&B and fast-moving goods clusters. *(Source: The Star, 20 September 2017)*
MALAYSIA **SMEs growth outpaces country's GDP growth**	SMEs which account for more than a third of the country's economy, recorded stronger growth compared with the national GDP in 2016. SMEs recorded GDP growth of 5.2% compared with the national GDP of 4.2%, reflecting the importance of SMEs in boosting national economic growth. Notably, the contribution of SMEs GDP to the Malaysia GDP increased steadily to 36.6% from 36.3% in 2015. In 2016, value added of SMEs at constant 2010 prices was RM405.5 billion (2015: RM385.6 billion). In nominal terms, SMEs GDP registered a value of RM463.2 billion, an increment of RM34.2 billion compared to 2015. In 2016, all sectors registered a higher contribution of SMEs value added with the exception of construction sector. *(Source: The Star, 21 September 2017)*
THAILAND **TCG looking to broaden funding net for small firms**	Thai Credit Guarantee Corporation (TCG) plans to begin providing credit guarantee service for leasing and factoring offered by non-bank companies to widen small firms' access to financial sources. The new service will allow SMEs better access to leasing and factoring, especially for machinery purchases. Also, TCG in collaboration with Kasikornbank (KBank) is offering a loan guarantee service under the portfolio guarantee scheme (PGS) 6 to the bank's SME customers engaging in imports, exports and tourism business. Under PGS 6, SME importers and exporters can seek loans up to 60 million baht without collateral from KBank, of which 40 million is guaranteed by TCG. For the tourism sector, SMEs operating hotels, restaurants, souvenir shops, tour guides, spas and other related businesses can get loans worth up to 3.3 times of collateral value, with TCG providing additional loan guarantees of up to 40 million baht. SME operators from both sectors are entitled to the 1.75% annual credit guarantee fee waiver for the first four years. *(Source: Bangkok Post, 20 September 2017)*
PHILIPPINES **Franchisers expecting up to 20% increase in gross sales**	The Association of Filipino Franchisers Inc (AFFI) is expecting member companies to enjoy a collective increase in gross sales up to 20 %, reaching close to 130 billion pesos worth of gross sales. The growth in terms of gross sales would be supported by the expansions of member companies as well as by the Government's push and active participation to support SMEs. However, in spite of the prospects, access to loans remains the 'number one problem' for franchisers in Philippines. The government's P3 program has however helped to ease the process. The P3 program, which refers to Pondo sa Pagbabago at Pag-asenso (P3), is a financing program expected to put loan sharks out of business, giving MSMEs access to more affordable credit. *(Source: Inquirer Net, 19 September 2017)*

INNOVATING AN AUTHENTICATION SYSTEM

Being innovative has enabled SecureMetric Technology Sdn Bhd chief executive officer Edward Law Seeh Key to advance from being a mere trader to having his own proprietary security technology. Having the ability to add value and being attentive to clients' needs are also a great help in growing a business, adds the 45-year-old co-founder of the digital security service provider. The company's efforts to improve its technology and grow its market were acknowledged at last year's Star Outstanding Business Awards. SecureMetric won Platinum for Best in Marketing, Gold for Best Innovation and Silver for Best Global Market.

Law's journey with the company started in 2001 with a digital security business called Softkey e-Solutions Sdn Bhd. Softkey's business was simple: distribute third-party security products such as digital fingerprint and smart card readers. But with the growing use of the Internet and digital technology, Law saw another opportunity emerging for the company. He notes that there would be an increase in security incidences such as security, phishing and pharming attacks. Realising this, SecureMetric started to conduct research and development works in the related security software development. By 2007, with a staff of seven, the company started producing its own IT security hardware such as dongles, tokens, smart cards and smart card readers with the help of outsourced manufacturers.

By 2013, after rigorous research and development, they rolled out the first version of their authentication system called the Centagate. They managed to secure three clients from the telecommunication industries as well as system integrators for this product. But Law felt more needed to be done to ensure the product was competent for a fast evolving security industry.

In 2015, they received a grant of about RM2.2mil from the Ministry of Science, Technology and Innovation (MOSTI) to further strenghten their software's capability. They managed to improvise the software and achieved the Common Criteria Evaluation Assurance Level (EAL) 4+, a rather remarkable feat for a security software product. The software was then programmed into a hardware called the secure execution environment which, Law says, was puchased from a German manufacturer.

The solution, which was ready on June 2017 is packaged from RM800,000 to RM1.5mil and Law says they are already working with potential clients. "We project about 30 sales next year from financial institutions and large companies with large number of users," he concludes.

(Source: The Star, 18 September 2017)

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