SME WEEKLY NEWS

(14 November 2016 – 18 November 2016)

Countries	Highlights
MALAYSIA **SME contributions to GDP to grow by 5-5.5% this year**	The contributions of SME to the GDP is expected to grow between 5.0-5.5% this year. Second Minister of International Trade and Industry (MITI), Datuk Seri Ong Ka Chuan, said this would be influenced by the country's GDP, which was projected to expand between 4.0-4.5% in 2016. The downward pressure on SME growth was expected to be alleviated by steady domestic demand and stable employment market. The government will continue to promote consumption and tourism activities which are closely related to SME performance. For next year, Ong said, SMEs could expect a better ecosystem for doing business following the formalisation of the SME Act and the emergence of alternative financing platform such as equity crowdfunding. Other feel good factors were the recently-announced peer-to-peer lending platforms, corporate tax reduction and revision of the Bankruptcy Act. *(Source: Bernama, 16 November 2016)*
MALAYSIA **SMEs urged to expand their exports**	In view of the current weakening of the ringgit against the US dollar, it is the best time for local SMEs to expand their export activities, said the Southern Region Director of MATRADE, Mr. Raphy Md Radzi. The weakening of ringgit had made the country's manufacturing sector more competitive, especially for export-oriented companies. Local SMEs should reduce their dependency on the domestic market which had already stagnated and start eyeing to expand beyond Malaysia. The Asean Economic Community (AEC) with over 600 million people is a huge market for our SMEs and also due to the shortest export route for them. MATRADE's manager, Mohd Amin Bakar who is in charge of export training said that most of local SMEs taking part in the trade expositions in Malaysia and overseas failed to understand the business culture of foreign companies and businessmen. Thus, SMEs should change their mindset and focus on securing business deals overseas instead of treating their participation as a holiday or for leisure. *(Source: The Star, 16 November 2016)*
THAILAND **Financial support for SME rehab approved**	The government approved a budget of 3.26 billion baht to finance projects aimed at strengthening SMEs in 2017. Of the total approved budget, about 2 billion baht is allocated mainly to help rehabilitate approximately 3,000 troubled SMEs, including those with non-performing loans, those whose loans are turning sour and those that are refinancing or failing to repay debts on time. According to the director of the Office of Small and Medium Enterprises Promotion (OSMEP), OSMEP may need to provide these SMEs with matching funds to help them to stay afloat, channeled largely through Krungthai Bank. Also, the remaining budget will be earmarked to finance other projects such as e-commerce development, incubation schemes and technology upgrades. The government will also financially sponsor knowledge centres. *(Source: Bangkok Post, 17 November 2016)*

PHILIPPINE **PayMaya launches payment gateway for online merchants**	Financial services provider, PayMaya has launched Checkout which is a payment gateway facility for online merchants. This allows SMEs and startups to accept card payments, a breakthrough in a country with low credit and debit card penetration as well as card acceptance in stores. PayMaya Checkout is easy to integrate in websites or apps, and merchants are also not required to settle monthly fees or present bank statements. The package comes with access to a dashboard of transaction reports for sales performance tracking. Aside from Checkout, PayMaya also offer PayMaya Swipe, a mobile point-of-sale (mPOS) device that can simply be attached to any mobile device so merchants can accept card payments, and PayMaya Touch, a payment solution which allows businesses to accept swipe, dip and contactless card payments. *(Source: Enterprise Innovation, 16 November 2016)*

ALWAYS ON THE FRONT FOOD

Serving good food alone does not guarantee a restaurateur success. You need to know the changing trends and tastes, and evolve with the times, says Sia Boon Kong, managing director of the Loon Sing Group. His father started to groom him to be a chef when he was 14, but it was not an easy journey as he had to learn the trade from the ground up. “I grew in a cooking environment and wasn’t much interested in academic subjects,” shrugs Sia, who spent three years between 1989-1991 in Hong Kong and Singapore learning from chefs there, before he began to work as a chef in the family’s restaurant. With business picking up in 1992, Sia was given more responsibilities in the kitchen while his father concentrated on the business. When his father passed away in 2004, revenue fell by over 70%. He could not accept what had happened, wondering what had gone wrong.

To get the restaurant back on track, he spent over RM200,000 on advertising and sponsorship of TV food programmes to put out the message that Loon Sing was still a place for great eats. “I also participated in various cooking competitions, winning several to show the public that we were as capable as before. Business improved and has now stabilised about as good as before my father’s demise,” he says.

In 2005, Sia invested about RM15 million to purchase and develop a 5.7 acre land in Kawasan Perindustrian Nilai 2, N.Sembilan. He managed to convince a bank to lend him the money by saying he wanted the business to cater to a multiracial society. With the money, he built a restaurant as well as a convention hall that comes with a halal and non-halal kitchen that can cater to about 200 tables and 2,000 guests. “We have a convention centre that comes with a cooking area. Halal food caterers can bring in their cooking tools and utensils. We only provide the venue, the furniture, ambience and air-conditioning,” he says. With Sia helming the business, the group has grown robustly with outlets in N.Sembilan, Johor and Kuala Lumpur. Revenue in 2015 was an impressive RM70mil, and Sia is not done yet. “We are building five more restaurants, with two scheduled to open next year in Johor,” the third-generation entrepreneur announces.

(Source: The Star, 14 November 2016)

Economics and Policy Division
SME Corp. Malaysia
21 November 2016