

SME WEEKLY NEWS

(26 September 2016 – 30 September 2016)

Countries	Highlights
<p>MALAYSIA</p> <p>ECF adds vibrancy to funding scene</p>	<p>Equity crowdfunding is enabling retail investors to participate in the growth of startups and SMEs, where previously there were only venture capitals and angel investors. And the fact that Malaysia is the first in the region to regulate ECF also augurs well for the development of a healthy funding eco-system. The growing acceptance of equity crowdfunding among companies and investors will help to pave the way to a better funding eco-system for startups and SMEs in Malaysia. Additionally, these platforms have seen substantial interest from foreign investors, which means more foreign investments could be drawn into the funding pool. Malaysia is the first country in the region to regulate equity crowdfunding. Last year, the Securities Commission had introduced the regulatory framework for equity crowdfunding as part of its on-going efforts to foster greater innovation in finance through the use of technology. These new digital financing mechanisms allow for greater democratisation of finance and a more efficient, capital-raising process for Malaysian businesses and ventures that are currently not served or underserved by traditional sources of financing.</p> <p><i>(Source: The Star, 26 September 2016)</i></p>
<p>MALAYSIA</p> <p>SME association signs MoU with crowdfunding company</p>	<p>SME International Trade Association of Malaysia (SMITA) and Crowdo have signed a memorandum of understanding (MoU) to reaffirm their commitment to assist Malaysian SMEs through crowdfunding to expand their business globally. SMITA has been working closely with MATRADE, Standards Malaysia and various government agencies locally and agencies from different countries to assist Malaysian SMEs with their global expansion plans. To expand their businesses, sometimes they have to increase capacity and embrace new technologies. Therefore, the basic requirement is funding. SMITA has been aggressively organising many trade missions, and also hosting incoming missions from various countries to assist SMEs in market access. SMITA has been aggressively organising many trade missions, and also hosting incoming missions from various countries to assist SMEs in market access.</p> <p><i>(Source: The Star Online, 30 September 2016)</i></p>
<p>THAILAND</p> <p>SME Bank seeks to cut bad loans to B18billion</p>	<p>The SME Development Bank of Thailand expects to reduce its non-performing loans (NPLs) to 18 billion baht by the end of this year from 20 billion. The drop in NPLs is expected because of government policies raising the efficiency of Thailand SMEs as well as improved cost and marketing management to increase their revenues. Lower NPLs should allow the bank to lend more money to other SMEs this year. SME Bank expects its loans to reach 35-36 billion baht this year. The department has project promotions that allow SMEs to ask for loans from the bank directly, facilitating small enterprises in accessing financial help. The ministry plans to promote SMEs that have strong potential and produce value-added products by expanding their export channels, especially to ASEAN countries.</p> <p><i>(Source: Bangkok Post, 26 September 2016)</i></p>

<p style="text-align: center;">SINGAPORE</p> <p style="text-align: center;">Singapore's SMEs downbeat about profitability in next 6 months</p>	<p>Singapore SMEs are downbeat about their prospects for the next six months, especially around profitability, according to the latest SBF-DP SME Index. The Index measures the business sentiment of SMEs for the next six months (Q4 2016 and Q1 2017) and is a joint initiative of the Singapore Business Federation (SBF) and DP Information Group (DP Info). More than 3,600 SMEs were surveyed between July and August 2016 on their outlook and sentiment. The Overall Index fell by 3.3% the last quarter to a score of 50.2, the second lowest score in the Index's seven-year history. The lowest score of 50.0 was recorded just two quarters ago. All six industries recorded a decline in their Overall Index Score, a trend observed six months ago. Transport/Storage registered the largest decline at 4.2%, followed by Business Services at 4.0%. The pessimistic outlook is driven by a worse outlook for profits, with five of the six sectors indicating they expect their profits to decline or incur losses in the coming two quarters. Three other sectors – Commerce/Trading (49.9), Manufacturing (49.2) and Transport/Storage (49.7) – had scores below 50 this quarter, indicating they expect worse trading conditions during the coming six months than they are experiencing now.</p> <p style="text-align: right;"><i>(Source: SMB World, 30 September 2016)</i></p>
<p style="text-align: center;">BRUNEI</p> <p style="text-align: center;">Creating a culture where SMEs can grow and thrive</p>	<p>Brunei will continue to create a culture where SMEs can grow and thrive with true entrepreneurial spirit and leadership. The long term policy goals of the government, by way of the Brunei Vision 2035, set measurable targets for both society and economy to drive economic diversification and sustainability. The recent circumstances facing the global economy, including but not least the volatility in the prices of oil and gas underscore the priority our government assigns to the accelerated attainment of the Brunei Vision 2035 targets; in other words, to diversify and meaningfully increase the contribution of sustainable commercial enterprises to drive our economy, and as a means to increase gainful, knowledge-based employment for all Bruneian citizens. The national SME body DARE (Darussalam Enterprise) was established earlier this year to lead and develop a holistic and well-coordinated strategy to facilitate and drive the tangible growth of SMEs so that they can play a vital part in economic diversification initiatives. Brunei aims to bring its SMEs to the next level of growth where focus has been given to create the right environment for innovation to spur and for the market network to expand beyond its shores.</p> <p style="text-align: right;"><i>(Source: Borneo Bulletin, 29 September 2016)</i></p>

A MADE IN MALAYSIA E-STORE



Danny Ng's e-commerce platform, homedeal.my, focuses exclusively on Malaysian-made products. On his aspirations for it. MADE in Malaysia — that's what e-commerce platform, homedeal.my, is about. The website sells only Malaysian-made products. Danny Ng Theng Wei the man behind it, has his way, the portal — which currently caters mainly to Malaysians — is going to be his stepping stone to bigger success in China. "I got this idea during a business conference I attended as a panelist in Beijing," says Ng, co-founder of the APR Group of Companies, whose businesses include refurbishing computers and selling smartphone accessories online.

According to Ng, the first thing that came to mind was electronic products, such as those he was already selling. But then it occurred to him that most of these were, in fact, made in China. Being level-headed, Ng is targeting primarily local users first. Leveraging on their existing warehouse in Sunway Damansara, Petaling Jaya and Penang, he says their modus operandi is to get goods from local manufacturers, and take it from there. The portal handles all other aspects of the business, from marketing to taking orders, to delivery. All we ask is that they give us their dealer price, and we will sell according to the recommended retail price. The advantage to our retail customers is not so much the price point, but rather the convenience. We provide delivery and offer freebies," says Ng.

Now, he has enlisted five local manufacturers who offer over 130 products ranging from food to personal care items. Ng says he believes in working with other e-commerce players in the market by listing his products on their sites. So far, he is in collaboration with about 22 other e-commerce platforms. "We have to do online campaigns to promote our items. One of the more popular ways is to purchase banner advertisements on these e-commerce platforms," Ng says.

Although the number of customers is not sizeable at the moment, Ng notes that there are investors who see the growth potential of his business model and is looking to invest. But first things first, and Ng's priority right now is to grow the company. Ng says he wants to enrol more manufacturers and to list over 300 locally-made products.

(Source: The Star, 26 September 2016)

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