

SME WEEKLY NEWS

(5 June 2017 – 9 June 2017)

Countries	Highlights
<p>MALAYSIA</p> <p>New Companies Act to reduce cost of doing business</p>	<p>The new Companies Act 2016 and Companies Regulations 2017, which came into effect in January 2017, aim to reduce the cost of doing business, especially for SMEs. One of the major changes is a 'single member and single director company' as compared to previous requirements of two directors and members. "It is actually to accord them with better protection if they are operating as a sole proprietor, or in a partnership because the liability will now be on the company and not on the individual. Other than that, the new Companies Act that replaced the Companies Act 1965 also provides a regulatory framework to facilitate the starting of a business; accord protection to corporate directors and other stakeholders of a company; enhance internal control, corporate governance and corporate responsibility; provide flexibility in managing affairs of companies and includes the simplification of compliance provisions.</p> <p><i>(Source: The Star Online, 8 June 2017)</i></p>
<p>SINGAPORE</p> <p>Help for local SMEs to go into e-commerce</p>	<p>SMEs in Singapore can now market themselves online at no cost by listing on the 99%SME website. On the 99SME.sg website, consumers can find in-store promotions for 2,600 brick-and-mortar SMEs as well as e-marketplace with 400 digitally ready SMEs. The annual 99%SME campaign aims at helping SMEs venture into e-commerce this year, and Lazada Singapore was roped in to host the e-marketplace. In 2016, more than 2,600 SMEs signed up for the 99%SME website and were provided with free training on e-commerce and cashless payment tools. The target is to bring the number of sign-ups to 5,000 in 2017, and 3,000 SMEs have come onboard so far. Finance Minister, Heng Swee Keat, praised the campaign for uniting more than 20 partners from the public and private sectors, including polytechnics and trade associations and chambers, which keep adding to the growing toolkit that SMEs can use.</p> <p><i>(Source: The Straits Times, 6 June 2017)</i></p>
<p>SINGAPORE</p> <p>IE Singapore to offer more overseas workshops to SMEs</p>	<p>International Enterprise (IE) Singapore has tied up with two new partners to organise more in-market workshops for SMEs, focusing on Southeast Asia, especially Myanmar, Cambodia and Indonesia. The new partners are Ngee Ann Polytechnic and Human Capital Singapore, joining current partners Singapore Business Federation and Singapore Chinese Chamber of Commerce & Industry. With more new partners on board, IE plans to expand the workshop offerings and reach out to more SMEs, aiming to triple the number of participants to 350 in 2017, from 122 in 2016. In line with Southeast Asia's urban development, growth in consumer demand and the rise of e-commerce, workshops will focus on infrastructure in Myanmar, manufacturing in Vietnam and retail in Indonesia. Others include the Internet of Things (IoT) and e-commerce in China.</p> <p><i>(Source: The Straits Times, 6 June 2017)</i></p>
<p>THAILAND</p> <p>Thai restaurants' labour woes may be a swipe of the tablet away</p>	<p>Advanced Info Service (AIS) and Kasikornbank unveil an IT system that puts a premium on efficiency. They are offering the country's first service that allows eatery owners to manage everything from customer orders and payments to their own orders of ingredients in an integrated, tablet-accessible system called Food Solution. With Food Solution, a restaurant employee can use a tablet to take orders. The system also lets others in the restaurant to re-order stock and do the bookkeeping on tablets. Patchara Samalapa, Senior Executive Vice President of Kasikornbank said that most Thailand's SMEs restaurants rely upon their employees for data recording, so there is a chance of human error. Thus, the new system could help restaurateurs be more efficient.</p> <p><i>(Source: Nikkei Asian Review, 8 Jun 2017)</i></p>

<p style="text-align: center;">INDONESIA</p> <p>Indonesia bows to outcry, revises tax examination plan</p>	<p>The Indonesian government has decided to revise its plan to examine financial data on the back of major outcry from MSMEs. The government, through the Tax Office, only requires those with bank accounts with a minimum balance of Rp 1 billion (US\$75,148.50) to be subjected to the scheme, higher than the initial plan of Rp 200 million. With the new ruling, the number of bank accounts subject to tax examination will stand at around 496,000, or 0.25% of total accounts, far lower than the initial target of around 2.3 million bank accounts with a minimum balance of Rp 200 million. The ministry also asserted that the tax examination is aimed at collecting more comprehensive information in accordance with international standards so that Indonesia could take part in financial information exchanges with other countries.</p> <p style="text-align: right;"><i>(Source: The Jakarta Post, 8 June 2017)</i></p>
<p style="text-align: center;">MYANMAR</p> <p>JICA offers K1.3b loan to SMEs</p>	<p>Japan International Corporation Agency (JICA) is going to lend 1.3 billion kyats via local banks to SMEs in Myanmar. Last year, JICA has extended a total of 41.5 billion kyats of loan to private SMEs in Myanmar. During this fiscal year, JICA's loan for SMEs will work in two steps. They will first lend to local banks via the state-owned Myanma Economic Bank. Local banks will have to define terms and conditions for the loans. But the organisation cannot provide loans for various sectors, namely agriculture, real estate, insurance, gemstone, liquor shops and restaurants, entertainment, ammunitions and more. In addition to the JICA loan, more loans can be obtained through the World Bank and United Nations Development Programme's (UNDP) loan services for SMEs.</p> <p style="text-align: right;"><i>(Source: The Myanmar Times, 9 Jun 2017)</i></p>

TAKING ON A SOUND OPPORTUNITY

Never say no when an opportunity comes knocking. You never know where it will lead you. That is what Director of Sekata Teknik Sdn Bhd, Hugo Hiew Yat Mon has learned from his father who first founded the noise control equipment manufacturing business. His father was given the opportunity to repair a noise control equipment while working for a contractor in the early 1980s. Although he had no technical knowledge about the noise control equipment, he was not afraid to work on it.

“The equipment was imported and the cost to ship it to the manufacturer in the UK was expensive, so the contractor asked if my father could repair it. Without hesitating, my father took up the challenge,” reveals Hiew. He opened up the noise control equipment and looked for the faulty parts. Within a week, he had managed to get the equipment back up and running and the contractor was impressed. His workmanship turned out so good that the contractor enquired if Hiew’s father would



consider manufacturing these noise control equipment, which are usually used to reduce noise levels in backup power generator engines. Despite not knowing much about a manufacturing operation, once again, he did not turn down the opportunity.

Hiew’s father rented a factory in Kuala Lumpur to start fabricating works for noise control equipment. Hiew recalls that the factory had flooding problems. “These soundproofing equipment include usage of rockwool. When it floods, it will damage the equipment. My father tried to elevate the equipment but when the flood is too bad, he would simply open up the equipment and replace the rockwool,” he says. Hiew adds that his father was not one to give up easily. With such attitude, his father’s business grew and in 1995, he moved the operations to a rented factory in Kajang.

“My interest in the equipment and business grew when I spend my free time with my father, and thus when the time came to pick a course to further my studies, I selected mechanical engineering,” Hiew shares. Upon returning home after completing his studies in 2001, Hiew joined his father’s company. Hiew was required to work from the ground up. Two years on the manufacturing floor taught Hiew all the grinding and welding he could learn before moving on to doing material purchasing and equipment sourcing.

In his third year, he was sent on-site to deal with clients directly. Hiew felt he was given a fast track to learn all he could to enable him to take over the company in year 2008. Hiew was made director of Sekata and his father, satisfied that he had learned the fundamentals from scratch, left the active management of the company to Hiew. Today, with a staff of 30 operating from their factory in Kajang, the company works on contracts valued from RM10,000 to RM200,000. The company serves customers from various sectors including shopping malls and sewage treatment plant. Hiew also obtained his professional engineer qualifications in 2016. He hopes to further improve on its product designs to grow the company.

(Source: The Star, 5 June 2017)

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