

SME WEEKLY NEWS

(30 October 2017 – 3 November 2017)

| Countries | Highlights |
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| <p>MALAYSIA</p> <p>AmBank bullish on disbursing RM7b SME loans by FY18</p> | <p>AmBank Group expects to approve RM7 billion worth of loans for more than 1,000 SMEs and related businesses in the financial year ending 31 March 2018 (FY18). Its CEO, Datuk Sulaiman Mohd Tahir said the financial banking group is committed to assisting the businesses to grow, particularly companies with a minimum turnover of RM150 million. He said the bank has a focused team that serves SMEs, with the formation of its new business division early this year. "As of now, we have marked an accumulated loans approvals amounted to RM3 billion for the first half of this year. We would probably target another RM4 billion before (FY18)," he added. AmBank aspires to become among the top 4 SME banks in Malaysia by 2020. The bank's retail SME segment currently contributes about 10% to the group's overall revenue. "We want to double it to 25 per cent by 2020 or earlier. In the long-run, we foresee our SME segment would reach about one third of the overall bank's business," he said.</p> <p style="text-align: right;"><i>(Source: New Straits Times, 1 November 2017)</i></p> |
| <p>MALAYSIA</p> <p>Najib, Jack Ma flag off 1,972 export-ready SMEs onboard DFTZ</p> | <p>Prime Minister, Datuk Seri Najib Razak and Founder of Alibaba Group, Jack Ma brought-to-life Malaysia's DFTZ by flagging off more than 1,972 export-ready SMEs onboard. The world's first DFTZ is a key component in driving Malaysia's digital economy, facilitating SMEs to capitalise on the convergence of exponential growth of the Internet economy and cross-border trade. KLIA Aeropolis DFTZ Park will optimise border clearance and handling to 3 hours from 6 hours, at present, with improved cargo terminal operations from 4 hours to only 90 minutes. The launch of the KLIA Aeropolis DFTZ Park is Alibaba's first regional eFulfillment hub outside China. It is expected to double the growth of Malaysia's air cargo volume from the current level of about 700,000 tonnes a year to 1.3 million tonnes a year within 10 years. The eFulfillment hub is equipped with latest technology, including sorting, shelving & pick-pack facilities, lighting industrial units that allow minor repairs and assembly prior to shipping goods, customs inspection and quarantine area and category specific facilities such as secure ware, temperature controlled storage and other facilities</p> <p style="text-align: right;"><i>(Source: The Malay Mail Online, 3 November 2017)</i></p> |
| <p>SINGAPORE</p> <p>Industry digital plan lends Singapore logistics SMEs a hand</p> | <p>SMEs in logistics businesses will find opportunities to take part in projects that could benefit the entire industry through a newly revealed Industry Digital Plan (IDP). The online plan will guide logistics SMEs towards participating in projects and national initiatives that aim to uplift the whole sector, including in-mall distribution, federated lockers and the National Trade Platform. Logistics SMEs will receive step-by-step advice on the digital solutions required at each stage of their business growth in the digital economy. A new self-assessment checklist will also be made available on SME Portal to help SMEs identify their digital readiness and the digitalisation opportunities based on their needs. Infocomm Media Development Authority (IMDA) will continue to put up digital solutions it has pre-approved, such as in customer management or data analytics on Tech Depot, a one-stop platform for tech solutions on the SME Portal website. The TechSkills Accelerator (TeSA) programme which is a Skills Future initiative launched to train ICT professionals will support the IDP.</p> <p style="text-align: right;"><i>(Source: The Straits Times, 1 November 2017)</i></p> |

THAILAND

Thailand rises to top 15% in ease of doing business

The World Bank Group's '2018 Doing Business' report ranks Thailand in 26th place this year, up from 48th place last year, among 190 economies on the ease of doing business for SMEs around the world. Thailand has made impressive strides, having adopted eight reforms in the past year, a record for the country in a single year. Several recent major improvements in the ease of doing business stand out such as abolishing requirement to obtain a company's seal and eliminated the need for approval of company work regulations from the Labour Department. Thailand also introduced an automatic risk-based system for selecting companies for a tax audit; reduced the property transfer tax rate; adopted legislation to broaden the scope of assets that can be used as collateral; and is now using geographic information systems for access to electricity. Thailand is continuing systematic reforms to strengthen the business environment further, focusing on areas with room for further improvements, such as enforcing contracts, registering property, and paying taxes.

(Source: The Nation, 2 November 2017)

AN ACQUISITION DONE RIGHT

NOT all acquisitions in the corporate world would yield beneficial results as projected in the earlier stage. Many have registered losses and eventually parted ways, being worse off than before. But in the case of Ricwil Sdn Bhd, Nomis Sim Siang Leng made sure that due diligence was done properly and that plans were adhered to so that they are able to maximise their acquisition exercise. Ricwil is a pre-insulated pipes manufacturer and trading company. When they heard of the news that Ricwil was up for sale, Sim was excited. For years, Sim had wanted to produce their own products and the chance to make that wish come true was right in front of him.

So in 2007, when Ricwil's owner decided to call it a day with no succession plans in place, Sim saw the potential in acquiring the manufacturer. "Ricwil was one of the accounts that we were handling at that time. They have deep knowledge about and expertise in pre-insulated pipes and also have a strong client base," Sim says. He notes that the heating, ventilation and air conditioning (HVAC) segment is a close-knit industry where contractors order their goods directly from the manufacturers rather than go through a wholesaler. The HVAC segment then had a market size of about RM50mil per annum while Ricwil was doing annual sales of RM12mil. Sim saw a huge opportunity for Ricwil to grow further.



Three months into the acquisition, Sim realised that it was important to assure the staff at Ricwil of their future in the company to avoid any potential conflict or miscommunication, which could affect morale and productivity. Once he took full control of the company, the first message that was relayed to the existing staff was that all the benefits that they were enjoying then will be maintained and, in fact, will be improved. Additionally, there would be no retrenchment. Such assurances played an important role in ensuring that the workers remained focused on their work. With things in place, Ricwil grew under Sim's guidance. Three years down the road, in 2010, Ricwil had moved to a larger site with its staff of 40.

Sim also relooked into Ricwil's product ranges and operations to see what can be done better. The company went on to distribute other green products, which Sim describes as "products that help to reduce energy consumption, be it reducing heat loss or heat gain". They have been distributing these products since 2010, starting with insulation ducting products to building insulation materials like roofing and wall panels. In 2016, Ricwil's revenue had grown to RM45mil.

Moving forward, they are strengthening their position by making things more convenient for their clients. They are investing about RM10mil in a pipe service centre next to their current manufacturing facility to offer piping installation related services such as threading and cutting, which will help their contractors further. It is scheduled to be operational by 2019. This is also in line with their plans to become a regional player. By having this centre, it will add value to their overseas clients as well, which currently contributes 20% to their revenue.

(Source: The Star, 30 October 2017)

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