

SME WEEKLY NEWS

(30 July 2018 – 3 August 2018)

Countries	Highlights
<p>MALAYSIA</p> <p>SME contribution to Malaysia's economy rose to 37% in 2017</p>	<p>SMEs contributed RM435.1 billion last year (2017) to Malaysia's economy with a real gross domestic product growth of 7.2% (2016: 5.2%). As a result, SME contribution to Malaysia's GDP rose to 37.1% last year from 36.6% in 2016. The higher SME GDP growth was reflected across all major economic sectors, particularly in the services, manufacturing and agriculture sectors. Over the past 14 years (2004-2017), SME GDP growth has consistently outperformed the overall economy, averaging at 6.6% per annum compared with the overall GDP growth of 5.1%. In terms of exports, SME exports recorded a higher growth of 7.9% in 2017 (2016: 7%) due to higher exports in commodities, such as palm oil and rubber as well as manufactured products, particularly E&E. Employment by SMEs have also continued to strengthen, with the share of SME employment to total employment expanding to 66% in 2017 from 65.3% in 2016. The encouraging performance of SMEs was due to a more streamlined and coordinated approach in SME development and the successful implementation of initiatives under the SME Masterplan.</p> <p style="text-align: right;"><i>(Source: The Edge Markets, 3 August 2018)</i></p>
<p>THAILAND</p> <p>New SME measures under review</p>	<p>The Industry Ministry is developing new financial measures for SMEs, hoping to encourage them to seek out funding resources. The new measures will be finalised by the ministry next month. According to Industry Minister, Uttama Savanayana, the government expects the new measures to provide local SMEs with financial loans and additional packages such as training coupons for education with new technology and innovation things. The minister will focus on increasing SME competitiveness as well so they can operate in both domestic and global markets. For the financial programme, the minister will assign the Office of Small and Medium Enterprises Promotion to distribute 1-5 million baht to each qualifying firm. The new measure is expected to cover roughly 20,000-30,000 companies. Moreover, the government plans to upgrade and expand the industry design centre (IDC) to cover all regions in the near future. The IDC is the ministry's centre to educate local SMEs about packaging and design.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 3 August 2018)</i></p>
<p>SINGAPORE</p> <p>Singapore SMEs top exporters in Asia-Pacific: FedEx survey</p>	<p>SMEs in Singapore were the top exporters by revenue in the Asia-Pacific last year, according to a study by FedEx Express. Singapore SMEs generated an average annual exporting revenue of US\$1.75 million, ahead of the US\$1.21 million average recorded across countries in the Asia-Pacific. With regard to intra-regional exports, Singapore also led the pack with 78% exporting to other markets within the Asia-Pacific. The study found that the digital economy continued to drive business growth of SMEs in Singapore. Some 78% of SMEs used e-commerce to boost export revenue, 65% used social commerce and 57% used mobile commerce. This trend is expected to continue, with growing optimism among SMEs to leverage on the digital economy through these three channels within the next 12 months. But even as more SMEs look towards international trade, many also felt that the outlook is becoming increasingly challenging. The top three obstacles that they face in exports come from customs procedures, logistics and foreign currency exchange issues.</p> <p style="text-align: right;"><i>(Source: The Business Times, 1 August 2018)</i></p>

BRUNEI

**Brunei retooling
entrepreneurship
ecosystem**

The Brunei government is in the midst of restructuring its entrepreneurship ecosystem to create an environment where more young people can thrive in business, His Majesty the Sultan said. The changes will focus on providing training, physical and digital infrastructure, financing facilities and market access to business owners. The government will provide a diverse range of opportunities for aspiring entrepreneurs to help grow their business and penetrate international markets. His Majesty launched i-Usahawan, a youth entrepreneurship programme by the Ministry of Energy, Manpower & Industry in collaboration with the Brunei Shell Joint Venture (BSJV) companies. The scheme is open to business owners aged 21 and 40, who have yet to win tenders with GLCs in the O&G industry, including Brunei Shell Petroleum, Brunei LNG and Brunei Shell Marketing. Entrepreneurs can bid for 30 contracts available for tender ranging from landscape maintenance to event management. i-Usahawan programme could potentially be extended to government agencies and GLCs in non-O&G sector, enabling youth-owned businesses a chance to bid for the contracts.

(Source: The Scoop, 1 August 2018)

MAKING A MARK INTERNATIONALLY

DATUK Dr Rajen Manicka, CEO of Holista CollTech Ltd is a man on a mission. He wants to try to save the world from refined carbohydrates. Holista was set up in 1996 as Rajen began his long journey to formulate healthier food products – particularly clean-label, low glycemic index (GI), flour-based products. These included the likes of breads, muffins and cookies.

Rajen notes that noodles account for half the world's supply of wheat compared to 25% for bread. Much of Asia consume noodles as a staple food, while Europe and the US consume spaghetti, which is also a form of noodles. About three years ago, Holista started development works on its low-GI noodle mix through its US-based subsidiary, Holista Food's Inc. The ingredients were natural, clean label, non-GMO and produced based on organic fundamentals. They conducted many tests, and Rajen says its noodles either performed better or the same as other noodles.

Holista secured its first order for its low-GI noodle mix early this year from Canada-based Wing's Food Products. The order is expected to contribute US\$6mil to the company this year, and US\$12mil and US\$25mil to its sales in 2019 and 2020 respectively. Early this month, the company also signed an agreement with Express Trading Canada to export its low-GI noodles to China, the world's largest noodle consumer.



Rajen is excited about its entry into China. He notes that the rising affluence within the Chinese population meant that they are now looking for a better lifestyle in order to enjoy their wealth. The affluent Chinese consumers are looking for more North American products and the idea of healthy noodles is catching on like bonfire.

Holista has also recently attracted interest from other large food companies to use its mix to produce healthier food products. It is in the midst of signing a major collaboration with an India-based company to work on baked goods like biscuits. Rajen also expects to work with a few other players in the US for other flour-based products. He hopes to affect the production of goods such as pizzas, muffins, breads, biscuits, and even locally, the roti canai, in a big way.

"We would love to partner a Malaysian company or an Asian company for this. If we could set up the roti canai ingredients, then they can mix it at the shops and you can have a low-GI roti canai," he said. He adds that the company's future growth will be driven by its food segment. At the moment, its dietary supplements business contributes about 80% to revenue.

He is confident that its low-GI noodle mix will take off in a big way and open the doors to many other products. He opines that the food business will overtake its dietary supplement segment in the future. "Asians are, generally, not as innovative as Westerners when it comes to food. And I think today, Malaysians can be proud that they started this," he says.

(Source: The Star, 30 July 2018)

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