

SME WEEKLY NEWS

(12 March 2018 – 16 March 2018)

Countries	Highlights
<p>MALAYSIA</p> <p>Malaysian small businesses investing in technology, creating jobs</p>	<p>Malaysia's small businesses are experiencing positive business conditions, with many adding jobs and investing in technology, according to CPA Australia's 8th Annual Asia-Pacific Small Business Survey. More than a quarter (27.5%) of Malaysia's small businesses added staff in 2017, while 40.1% are expecting to add additional staff members in 2018. Small businesses from Malaysia continue to be strong users of digital technologies in their business. Over half of Malaysian businesses surveyed (53.4%) earned over 10% of their income from online sales, and over 80% use social media for business purposes. However, Malaysia's small businesses would benefit from a stronger focus on new digital payment options, such as AliPay, ApplePay and WeChat Pay, with only 29.1% allow customers to pay through this new technology. Malaysian businesses were the most likely to nominate customer loyalty as having the most positive impact on their business in 2017. The relatively strong focus on technology by small businesses in Malaysia is flowing through to concerns over the security of systems, with more than half (52.4%) of respondents stating that they believe it is likely their business will be cyberattacked in 2018 – the third highest result of the markets surveyed. This concern is leading to action, with businesses being highly likely to be taking steps to improve their cybersecurity.</p> <p style="text-align: right;"><i>(Source: News Straits Times, 14 March 2018)</i></p>
<p>MALAYSIA</p> <p>SME Corp to organise HUB 2018 to boost cashless transactions</p>	<p>SME Corporation Malaysia (SME Corp.) will be organising the first Bumiputera Entrepreneurs Gathering 2018 (HUB 2018) carnival on March 30-31, 2018. The event aims to encourage Bumiputera entrepreneurs to adopt ICT in their businesses, especially following the emergence of financial technology. Visitors and exhibitors would have to use the e-wallet application to conduct any transactions during the carnival. According to SME Corp's data, 89% of SMEs have adopted ICT in their business. However, during the 3Q of 2017 survey, it was found that only 28% of SMEs had adopted e-commerce, a small rise compared to the 27.2% recorded during 1Q of 17. CEO of SME Corp., Datuk Hafsa Hashim, said following the slow rise in ICT adoption among SMEs, SME Corp. had implemented various initiatives to boost online activities among the SMEs. The agency had also submitted a proposal on the special grant establishment to encourage SMEs to adopt cashless transactions, but the government was still deliberating on the matter.</p> <p style="text-align: right;"><i>(Source: Bernama, 18 March 2018)</i></p>
<p>SINGAPORE</p> <p>Singapore small businesses more upbeat about prospects this year: CPA Australia</p>	<p>Small businesses in Singapore expect 2018 to be a prosperous year, with most respondents expecting both business and Singapore's economy to grow. CPA Australia's 8th Annual Asia-Pacific Small Business Survey revealed that 57% of local businesses were increasingly confident about their growth opportunities despite a weak 2017. More small businesses also expect to introduce new products, services or process in 2018. The strong support Singapore's government gives to encourage innovation, and the strong management capabilities of Singapore's small businesses, have also contributed to more Singaporean small businesses focusing on innovation. Meanwhile, majority 55.1% of small businesses expect the local economy to grow. Survey results showed investments into new technologies are likely to have a fairly quick and positive impact on many small businesses' bottom line. Singapore's small business sector is also more digitally capable, with a significant majority use social media for business, with nearly four in 10 businesses earning more than 10% of their income from online sales.</p> <p style="text-align: right;"><i>(Source: Business Times, 15 March 2018)</i></p>

THAILAND

3.8bn baht allotted to bolster SME revenue

The government has budgeted 3.8 billion baht for a pilot programme called "SME to a Rising Star" to build up SMEs in 10 provinces, aiming to double the portion of GDP generated by SMEs to 10% by 2023. Kobsak Pootrakool, the Prime Minister's Office minister, said the government has a policy of supporting and promoting local SMEs, in line with its flagship Thailand 4.0 policy. The government aims to help the SMEs access digital technology to enhance their marketing efforts, including e-commerce platforms. The government will connect to other 25 state agencies and the Office of Small and Medium Enterprises Promotion (OSMEP) to brainstorm further SME support measures. The government also wants to support local SMEs in the tourism sector because of their strong annual growth and position as one of the country's key economic drivers. Last year, the cabinet approved 10 stimulus measures, including a new lending scheme worth 200 billion baht to strengthen SMEs. Moreover, the government aims to help SMEs expand into Laos, Cambodia, Myanmar and Vietnam.

(Source: Bangkok Post, 16 March 2018)

EASY SOLUTION TURNED BIG DREAM

SOME say laziness is the father of innovation. It seems, that was how Keong Chun Chieh, found his product niche. "I wanted something to protect my car in the rain but the only product in the market at that time was Rain-X, which you have to apply quite regularly. I was lazy so I wanted to create a product for myself that could last longer," he says. Keong then did research formulations that is longer-lasting for his windshield. He managed to create his own coating formula and then started selling his product online.

Over time, car workshops also started buying Keong's coating formula and asked if he had other products. This encouraged Keong to consider selling his products as a full-time venture. He quit his job at the end of 2013 to set up Ominent Sdn Bhd, which carries a range of vehicle detailing chemicals under its IGL Coatings brand. "Customers like the products but they are Malaysian-made products. So it was hard to get new customers," he says. His struggle to get new business locally went on for almost a year until Keong decided to participate in an auto show in the US at end-2014.



They made use of grants from MATRADE to fund their participation in the exhibition. Trying to penetrate into a matured market with already established players was no piece of cake. Keong made an effort to connect with distributors there prior to the auto show. He tried to provide the installers with as much technical knowledge as possible about his formulations so that "they would gain more confidence in the brand". Ominent got a boost when Keong participated in Cradle Fund's Coach and Grow Programme in 2015. "We learned how to scale up,

pitch to investors, look for grants, integrate technology into our operations and leverage on peer feedback," he shares. IGL eventually found acceptance in the US market.

Today, it has some 1,200 installers in the US under its network. Keong regards this as an achievement considering the company has only been around for three years. "One of the advantages that our products have is that they are green products and easy to use," he says, adding that IGL has become quite a formidable brand in the US. Its presence in the US market enabled IGL to expand into other markets, including Europe and Middle East. It currently has a presence in 40 countries.

Business has been going well for Ominent. The company currently employs 12 people and sales have been doubling every year. For 2017, the company turned in revenue of RM3.5mil. With things getting busy, Keong's wife, Fiona Chin came on board to help the company cope with growing demand and its expansion plans. They hope to grow the business 10-fold in about three years' time and to be IPO-ready by 2020. Up till now, Keong has yet to apply for any patent for his products. Ominent is in the midst of redeveloping its formulas with a new material. Should the new formulations be successful, he will look into getting them patented.

At the moment, the bulk of its business comes from the consumer segment, but Chin is looking at efforts to shore up its corporate business to help the company grow faster. He notes that the company is also trying to automate to maintain a lean team. "We want to compete with the big coating players like Kansai Paints and DuPonts. We want to be the first South-East Asian coating company to be in the top 100 list. Of course, we will need to gather funds for R&D. So we are trying to run as fast as we can," he says.

(Source: The Star, 12 March 2018)