

SME WEEKLY NEWS

(28 Jan 2019 – 1 Feb 2019)

Countries	Highlights
<p>MALAYSIA</p> <p>Entrepreneur Development Ministry to focus on eight key industries to drive economy</p>	<p>Entrepreneur Development Ministry to focus on eight key industries to drive economy</p> <p>The Entrepreneur Development Ministry will focus on eight key industries with the biggest potential to drive the economy as these industries have the highest value-added multiplier and high backward linkages. The industries include rubber plantation, livestock, grain mills manufacturing, oil and fats manufacturing, private education and private health, said Deputy Minister Datuk Wira Dr Mohd Hatta Ramli. "These industries have a high spillover effect and are capable of positively affecting other related small and medium enterprises (SMEs) across the supply chain," he told reporters after launching the 'SME Input-Output (SME IO) Table' here today. Mohd Hatta said the focus sectors are part of the findings from SME Corporation's study SME IO, which was conducted with researchers from Universiti Putra Malaysia.</p> <p style="text-align: right;"><i>(The Edge, 29 Jan 2019)</i></p>
<p>THAILAND</p> <p>Thai banks ramp up lending to risky SMEs</p>	<p>Thai banks ramp up lending to risky SMEs</p> <p>SME loans accelerated to 7.2% in September 2018 from 2.4% in 2017. Thai banks continued to open up their loan books to the risky SME sector in 2018 as loans picked up pace to 7.2% in September 2018 from 2.4% in September 2017, according to Fitch Solutions. SMEs, which account for a little over a third (33.6%) of Thailand banks' overall loans, failed to benefit from the upswing in exports as they still grapple with deteriorating asset quality. "Loans to consumer and small and medium-sized enterprises (SMEs) have both been the fastest expanding categories since at least the end of 2017, and we therefore believe that they pose the largest risks to the Thai banking sector," the research firm said in a report. As of Q3 2018, the sector's non-performing loan (NPL) ratio rose to 4.7% from 4.6% the previous quarter in 2017. With the inclusion of special mention loans, the NPL ratio jumps to 7.3% in Q3 2018. "The difficulties faced by SMEs were in stark contrast to that of large corporates, with their NPL ratio coming in at a low and healthy level of 1.5% in Q318, marking an improvement from 1.7% in the same period a year ago," added Fitch Solutions.</p> <p style="text-align: right;"><i>(Source: Asian Banking & Finance, 30 Jan 2019)</i></p>
<p>SINGAPORE</p> <p>Singapore SMEs positive on expansion this year, but less keen to digitise: QBE survey</p>	<p>Singapore SMEs positive on expansion this year, but less keen to digitise: QBE survey</p> <p>Small-medium enterprises (SMEs) in Singapore are more optimistic than ever about their businesses and overall economy coming into 2019, finds a recent study conducted by Australian insurance provider QBE Insurance. According to the fourth edition of the annual survey of Singapore SMEs, 44% of respondents polled in Nov 2018 were expecting their businesses to pick up over the next 12 months with almost half (47%) saying they intended to internationalise. 39% were also of the opinion that Singapore's economy will pick up over the same period. In contrast, only 25% of medium-sized enterprises (51-200 staff with annual revenue of less than \$1 million) who intend to internationalise will be</p>

	<p>doing so for the first time. The insurance firm however highlights that Singapore’s SMEs still appear to be lagging in digital adoption, with most surveyed businesses being slow to take up cyber protection measures, digital payment offerings and government support for digitalisation. This comes as about 25% of overall SME respondents said they lack internal processes or policies to protect themselves from risks of security, fraud and cyber hacks – despite indicating concern over these issues. The figure rises to a third when looking only at smaller-sized SMEs. 40% of SMEs cited the high cost of investment as the main reason for not digitalising, or not making use of digital technologies and processes.</p> <p style="text-align: right;"><i>(Source: The Edge Singapore, 29 January 2019)</i></p>
<p>PHILLIPINES</p> <p>Promoting e-commerce and assisting SMEs</p>	<p>Promoting e-commerce and assisting SMEs</p> <p>In the Philippines, backyard businesses have started becoming more formal and professional. Add to that, a growing number of young entrepreneurs are also introducing new ideas to the market, and are matching this enthusiasm with an openness to new ways of doing things. These are some of the observations of LBC, a leading logistics services provider in the country.</p> <p>LBC Payment Solutions provides answers to concerns that are necessary to keep businesses functioning: the need for a widely accessible payments and collections system, how to tackle after-sales service, and easy solutions for administrative chores like payroll and cash disbursements. Sellers, for example, can use LBC’s network of 1,400 branches as payment centers using its Paycollect service. Businesses only need to register their complete automated accounting details with LBC. LBC then consolidates all payments for settlement to their respective accounts, giving businesses a full and detailed report of the collected payments.</p> <p style="text-align: right;"><i>(Source: Business Mirror, 30 January 2019)</i></p>

Use of social media enables a dynamic and cooperative approach to innovation



One company has successfully become an exemplary model particularly in the knowledge creating service which is recognized by Japanese academician. The company is none other than PKT Logistics Group Sdn Bhd which is looking to learn, contribute, adapt and adopt new knowledge and feedback in order to keep the companies moving. The company uses Facebook to be part of the larger communication group that could enable a company to be ahead of any issues.

Under the organisational knowledge creation theory by Nonaka, Toyama and Konno, in order for organizations to create new knowledge, there needs to be a ba – a communicative platform in which knowledge is created, shared and utilised. That is exactly what PKT Logistics Group Sdn Bhd had achieved. They have leveraged on open communication within the company regardless whether in the pantry or in the social media.

Ideas could be generated, knowledge and experience could be shared which in turn could produce remarkable products and services. Even the top management are part of this open platform who did not hesitate to share their knowledge and experience for the betterment of junior staffs.

According to academics, PKT's Facebook is not just a place for everyone to have a say. It is also a platform that enables the conversion of tacit to explicit knowledge. The sharing of practical thinking, ideas and experiences helps create a constructive concept. This, combined with the organisational technologies or systems form a systemic knowledge which produces a new product or service.

(The Star, 28 Jan 2019)