

SME WEEKLY NEWS

(22 August 2016 – 26 August 2016)

Countries	Highlights
<p>MALAYSIA</p> <p>Delays or non-payments posing huge risk to SMEs</p>	<p>Minister in the Prime Minister's Department, Datuk Seri Dr. Wee Ka Siong said that the bad habit of delaying or not making payments pose a huge risk to SMEs, as they could no longer afford this bad business culture of making late payments. With the implementation of the Goods and Services Tax (GST), late payments would add another blow to the cash flow of SMEs. He adds that if enterprises are unable to meet its financial obligations, it goes into insolvency and this may spill over to other companies which are their suppliers. Dr. Wee also urged businesses to change and emulate Japan's business culture which strictly followed credit term which is 30 days or even two weeks.</p> <p style="text-align: right;"><i>(Source: The Star, 26 August 2016)</i></p>
<p>MALAYSIA</p> <p>Bank Negara to set up funding ecosystem to help SMEs</p>	<p>Bank Negara Malaysia (BNM) aims to set up a comprehensive funding ecosystem to meet various financing needs of the SME sector. As at end-2015, financial institutions gave out RM274.5bil in loans to 730,000 SMEs. The central bank had undertaken various initiatives to help potential entrepreneurs to get access to funding, such as:</p> <ul style="list-style-type: none"> • SME Special Fund - entrepreneurs receive funding at a competitive rate of between 3.75% to 6%, for working capital or to increase production capacity; • Micro Financing Scheme provides easy business financing of up to RM50,000 and without collateral; and • scheme by the CGC Malaysia Bhd to help SMEs which do not have collaterals and credit record to get financing from financial institutions. <p style="text-align: right;"><i>(Source: The Star, 25 August 2016)</i></p>
<p>MALAYSIA</p> <p>Halal awareness in Malaysia</p>	<p>The awareness of halal and halal certified products has increased over the past few years, but awareness of halal certification has not increased much. Thus, JAKIM, HDC and government entities such as PlaTCOM are taking the initiative to help boost this and bring the awareness to a higher level. PlaTCOM in collaboration with JAKIM recently launched a series of awareness course - Halal Malaysia Awareness Course that targets to increase the halal awareness especially among SMEs. Most SMEs are either start-ups or they are recently venturing into halal related businesses and thus will need to understand more about halal and halal certification in Malaysia.</p> <p style="text-align: right;"><i>(Source: The Malay Mail, 24 August 2016)</i></p>
<p>SINGAPORE</p> <p>DBS unveils low-cost digital account for SMEs</p>	<p>Young companies in Singapore can now opt for a low-cost banking experience as DBS launched a digital account for SMEs with no minimum balance required. The financial services giant said that SMEs which sign up for the DBS digital account can save more by banking online or through the mobile app than by transacting at the bank branches. DBS developed the account as SMEs are increasingly going online for their banking needs. Aside from basic banking services, SMEs can also apply for loan products and bankers' guarantee online. They will also enjoy an annual fee waiver for the DBS Visa Business Advance Debit Card and have free access to DBS IDEAL corporate online banking and mobile app.</p> <p style="text-align: right;"><i>(Source: Singapore Business Review, 22 August 2016)</i></p>

<p style="text-align: center;">INDONESIA</p> <p>Government to assist SMEs with SVLK certificates</p>	<p>The governments and regional administrations are joining hands to support SMEs in registering for timber legality verification system (SVLK) certificates, in a bid to win over the large furniture market in EU countries. As the EU acknowledges the certificate, SVLK holders in Indonesia are able to export their products to the region. As the cost is very expensive for SMEs, Trade Ministry foreign trade director general, Dody Edward said that the EU is ready to give subsidies especially for SMEs. Aside from the subsidies, he recommended that regional administrations unite a number of SMEs into one cooperative or business group, to allow them to share SVLK costs with other members. Product packaging will be enhanced with interesting background story for each product. Details about product creation would provide added value in the eyes of European customers.</p> <p style="text-align: right;"><i>(Source: The Jakarta Post, 26 August 2016)</i></p>
<p style="text-align: center;">THAILAND</p> <p>SMEs still in pain</p>	<p>Most SMEs have yet to benefit from the recovering economy, reports the University of the Thai Chamber of Commerce (UTCC) in its latest survey of 1,320 respondents. SME Competitiveness Index was recorded at 48.2 in the second quarter of 2016, down 0.2 points from the first quarter of 2016, thus reflecting small businesses have not benefited from the economic recovery. Most SMEs believe that the Thai economy will remain fragile in 2016, with a recovery likely in the second half of 2017. For the second half of 2016, SMEs would pay more attention to cutting production costs, expanding markets and distribution channels and adding financial liquidity in preparation for the country's economic recovery.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 26 August 2016)</i></p>

THE CENDOL GOES BIG

The Penang Road Famous TeoChew Chendul business started in 1936 by Tan Teik Fuang, who was a locksmith by profession. He started the business by the roadside on Keng Kwee Road. The business operated during World War II, although on irregular hours due to the curfews. It thrived in the 1970s, and when Tan Chong Kim, took over in 1977, the brand had been officially recognised by Penang Tourism Ministry.



AFTER 80 years, the Tan family operating the Penang Road Famous TeoChew Chendul at Keng Kwee Street is franchising the business to entrepreneurs interested in generating a passive income. Chief Executive Officer of Dessert Captain, Chuang Von Fah says he conceived the idea four years ago. "There are 20 Penang Road Famous TeoChew Chendul franchisees in the country, located in Johor Bahru, Ipoh, and Kuala Lumpur. We are now talking to master franchisers in East Malaysia, Singapore, China and Australia," he reveals.

"The target is to rope in six to seven franchisees per annum. We are looking at having a total of 50 franchisees in the country. In Singapore, we recently had an agreement with a master franchiser, who will be ready to start the business in a shopping mall in mid-2017," Chuang adds.

Penang Road Famous TeoChew Chendul outlets also serve other delicacies like laksa, curry mee, rojak, nasi lemak and hokkien mee. According to Chuang, Dessert Captain has invested in a RM10mil manufacturing facility in Shah Alam to produce the ingredients for the local outlets. "The facility should start operations at the end of the year," he says.

(Source: The Star, 22 August 2016)

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