

# SME WEEKLY NEWS

(29 February 2016 – 4 March 2016)

Countries	Highlights
<p><b>MALAYSIA</b></p> <p><b>RHB Capital wants to boost SME loans</b></p>	<p>RHB Capital Bhd (RHB Cap), which is targeting 8% loan growth this year, plans to expand its SMEs loan business in an effort to rebalance its lending portfolio. Currently SME loans make up 15% of its total loan portfolio, where it can provide long-term stability compared with corporate loans, which make up 27% of its total loan portfolio.</p> <p><i>(Source: The Sun Daily, 29 February 2016)</i></p>
<p><b>MALAYSIA</b></p> <p><b>Many taking loan applications lightly, says SME guild</b></p>	<p>Entrepreneurs in SMEs should be more serious when applying for loans. The Koperasi Jayadiri Malaysia (Kojadi) approval committee had to turn down about 40% of applicants in the first round of interviews because the entrepreneurs had shown a lack of knowledge or commitment. Another problem was SMEs hire agents to send in applications, with some of them even posing as the business owners. Other problems which led to a rejection was the applicant's inability to produce a guarantor or combined guarantors with a monthly salary of RM7,000 and above, and applicants submitting incomplete documents.</p> <p><i>(Source: The Star, 3 March 2016)</i></p>
<p><b>MALAYSIA</b></p> <p><b>New rules for SMEs</b></p>	<p>SMEs need to start understanding the rules, regulations, and requirements incorporated into the Trans-Pacific Partnership Agreement (TPPA). SMEs need to do a cost and benefit analysis to see whether the costs of making changes to their internal strategies and operations to fulfil these new requirements would be offset by the benefits of expanding into new markets. Amid all this, Malaysian SMEs may have to compete with their counterparts from other TPPA member states which may decide to enter into the Malaysian market. These SMEs may be more efficient in their production capacity and capability.</p> <p><i>(Source: The Star, 4 March 2016)</i></p>
<p><b>MALAYSIA</b></p> <p><b>Conference for retailers focuses on borderless business</b></p>	<p>Focusing on the theme "Unleashing Borderless Business Opportunities", the conference addressed the new challenges of globalisation and technology. SME Corp. Malaysia CEO YBhg. Dato' (Dr.) Hafsah Hashim, who was the first keynote speaker speaks on facilitating SME growth via e-commerce. Citing the 2015 third quarter survey findings done by SME Corp. Malaysia, she highlighted that only 19.6% of SMEs are involved in online business, and hopefully by 2020, the involvement would hit 25%. There are a lot of improvements to be done and the way forward is by stepping up on capacity building, education and relaying the right information, trust and support between sellers and buyers, creating a conducive ecosystem and infrastructure as well as collaboration with Ministries, Agencies and ICT solution providers.</p> <p><i>(Source: The Star, 4 March 2016)</i></p>

Countries	Highlights
<p><b>SINGAPORE</b></p> <p><b>Educate SMEs on PIC scheme to prevent fraud</b></p>	<p>Preponderance of Productivity and Innovation Credit (PIC) fraud suggests that smaller local businesses are experiencing some degree of difficulty boosting productivity, to the extent that they accept the offers of consultants, even if they sound "too good to be true". The Inland Revenue Authority of Singapore said earlier these so-called consultants have misled or influenced hawkers, property agents, hair salon owners and taxi drivers, among other self-employed individuals, to make false claims to get cash payouts under the PIC scheme. While the PIC scheme was designed to help SMEs achieve productivity gains and implement innovative ideas, it was not made more accessible to its intended beneficiaries. Under the PIC Scheme, businesses can enjoy 400% tax deductions/allowances and/or 60% cash payout for investments made in any of the Six Qualifying Activities from the Years of Assessment (YAs) 2013 to 2018.</p> <p><i>(Source: The Straits Times, 29 February 2016)</i></p>
<p><b>LAOS</b></p> <p><b>CIMB Thai joins SME financing in Laos</b></p>	<p>CIMB Thai Bank is providing loans in Lao kip worth US\$8 million to ACLEDA Bank Lao, to help boost financing for the country's SMEs, including those in the agricultural sector. The local currency loan is fully guaranteed by International Finance Corporation, a member of the World Bank Group. The guarantee enables CIMB Group to make an on-shore funding in local currency to a financial institution in Laos.</p> <p><i>(Source: The Nation, 29 February 2016)</i></p>
<p><b>PHILIPPINES</b></p> <p><b>SMEs need online shipping partner to succeed</b></p>	<p>Online shopping is getting to be popular in the Philippines - estimated to be the third in Southeast Asia and the 16<sup>th</sup> in the world when it comes to Internet usage. With the country's high penetration rate and rising social media usage, there is no doubt that these up-and-coming businesses will be able to boom in the industries they choose to penetrate. Thus, more SMEs are utilising the power of technology to become more aggressive in competing in the e-commerce industry. Having a good delivery service provider as a partner is crucial to the success of these SMEs, especially those who run online stores.</p> <p><i>(Source: The Standard, 1 March 2016)</i></p>
<p><b>KOREA</b></p> <p><b>Focus shifts to boosting SME exports</b></p>	<p>Bank of Korea will make available a total of 9 trillion won (\$7.28 billion) in low-interest loans for SMEs in a bid to reinvigorate the economy. Three trillion won will be used to support their trade finances and 2.9 trillion won will be spent on boosting their capital investment. The remainder is earmarked to help start-ups. The measure to augment the bank's intermediate lending support is in line with a stimulus package announced by the government last month to spur the country's slowing growth.</p> <p><i>(Source: The Korea Herald, 2 March 2016)</i></p>

### “Lekor King: Known for its Authenticity”



For Lekor King founder, Mohd Hakim Abu Bakar, the idea to open a fish crackers based business is fueled by the desire to become entrepreneurs. Lekor King also made its own success when gaining the franchise.

His business began at a roadside stall located at Kandang, Malacca, in 2013. The starting capital was only RM400 with daily sale of RM20 a day. He always believes that any business was not able to achieve high profitability in a short time. After two weeks, he changed his location to Pantai Klebang, Malacca.

"Who would have thought, the sales and profit for Lekor King increase every day to reach four figures". He also noted that the success of Lekor King is due to the strategic location of particular interest. He emphasises the quality of its food products by choosing fish crackers and sauces from Terengganu which is known for its authenticity.

Within three months of operation, Lekor King emerged as an increasingly recognizable brand in Malacca. Besides having some of the franchise, which is located in Muar, Puchong and Shah Alam, Lekor King also planned to produce their own frozen products.

Source: [www.sinarharian.com.my](http://www.sinarharian.com.my)

Economics and Policy Planning Division  
SME Corp. Malaysia  
7 March 2016