

SME WEEKLY NEWS

(5 September 2016 – 9 September 2016)

Countries	Highlights
<p>MALAYSIA</p> <p>Eyeing Malaysia's global eCommerce vision, UTAR forms industry alliance</p>	<p>Universiti Tunku Abdul Rahman (UTAR) has formed a collaboration with marketplace provider, Alibaba to better equip its students and staff as well as Malaysian SMEs with eCommerce knowledge. The collaboration included rolling out Alibaba's Global eCommerce Talent (GET) programme to the wider community. Currently, many Malaysian entrepreneurs and businesses have yet to fully understand and embrace the potential opportunities that B2B e-commerce has to offer on a global scale. Thus, UTAR and Alibaba will engage education centres, as well as academic and industry experts, to further develop GET's course content, training of certified trainers, facilitation of trainee enrolment and certification, offline teaching, practical training, and connection of certified trainees to potential employers at job fairs in Malaysia. UTAR's alliance with Alibaba to provide training and certification programmes to SMEs will support the growth of eCommerce talents in the local business community.</p> <p style="text-align: right;"><i>(Source: The Sun Daily, 9 September 2016)</i></p>
<p>MALAYSIA</p> <p>E-commerce roadmap to be tabled in Cabinet this month</p>	<p>The National E-Commerce Strategic Roadmap will probably be tabled in the Cabinet this month, says the Director of MDEC, Ms. Wee Huay Neo. The roadmap is aimed at doubling e-commerce growth in the country from the current 10.8% to 20.8% by 2020. Under the roadmap, six strategic thrusts will be realised including lifting non-tariff barriers, realigning existing economic incentives, as well as promote national brands to boost cross-border e-commerce. She added that MDEC and the MATRADE have launched the eTrade Programme in 2014, aimed at assisting SMEs to expand their market share globally. To-date, the programme has successfully engaged up to 14 international e-marketplaces, both from B2B and B2C segments to provide multiple opportunities to Malaysian SMEs.</p> <p>The Chairman of MATRADE, Datuk Noraini Ahmad said eTrade Accelerator was introduced to provide extra rewards for Malaysian SMEs, in addition to the existing one-off RM2,500 incentive. Under eTrade Accelerator, a reimbursable RM5,000 incentive would be given to the first 50 SMEs which achieved exports sales of RM20,000. Another RM15,000, RM10,000 and RM5,000 will be given to the top three companies which achieve highest sales exceeding RM20,000.</p> <p style="text-align: right;"><i>(Source: The Sun Daily, 9 September 2016)</i></p>
<p>INDONESIA</p> <p>Indonesia to launch travel marketplace</p>	<p>Ministry of Tourism Indonesia is launching an online marketplace for travel and tourism services in October this year. The platform called Travel Exchange Indonesia (TXI) will connect customers with conventional and online travel agencies to purchase services and products such as airline tickets, hotel bookings and tour packages. With this move, the government aims to digitalise conventional travel agencies, which are mostly run by SMEs, in order to empower them to compete in the digital era. In order to achieve this goal, the ministry has secured partnerships with travel tech startups such as Traveloka, Alitrip, and C-Trip; search engine companies such as Google and Baidu; and travel review platform, Tripadvisor. The initiative is aimed at promoting Indonesia's travel and tourism industry to its core target markets, consisting Singapore, China, Malaysia, Australia, Japan and Korea. TXI will be the first online marketplace that focusses on travel and tourism industry.</p> <p style="text-align: right;"><i>(Source: e27, 8 September 2016)</i></p>

<p style="text-align: center;">THAILAND</p> <p style="text-align: center;">Push for more investment in CLMV</p>	<p>Despite the strong economic growth of Cambodia, Laos, Myanmar and Vietnam (CLMV), only few Thai companies have expanded their business in the countries. Many Thai companies, especially SMEs are reluctant to invest in the region as they feel there are risks such as differing laws and regulations about investment, labour, tax and investment infrastructure in the CLMV countries. The officer of Department of Industry Promotion (DIP) said that the GDP of the CLMV countries averages 7-10% a year which is above Thai GDP growth of only around 2-3%, signalling that this cluster has rising purchasing power. Thus, the Thai government is encouraging Thai SMEs to invest more in the four countries to capitalise on their growing economies as the group has a combined population of 166 million. Also, DIP held a SME fair to help create business network and business matching for small businesses that already have business in CLMV to help others get acclimated in the countries.</p> <p style="text-align: right;"><i>(Source: The Bangkok Post , 9 September 2016)</i></p>
<p style="text-align: center;">VIETNAM</p> <p style="text-align: center;">IFC provides \$50m loan to VPBank to help SMEs, women-led companies</p>	<p>VPBank secured a \$50 million loan from the International Finance Corporation (IFC), to expand its support for SMEs, especially women-led companies. The loan which was the first phase of a \$125 million financing package from IFC, will help the Vietnamese bank to extend lending to the local enterprises and to help boost international trade opportunities. A proportion of 25% of the funding will be exclusively earmarked to women-owned SMEs. This comes on top of the Women Entrepreneurs Opportunity Facility project launched by IFC and Goldman Sachs in 2014, to help close the credit gap for women-led businesses around the world. Following the investment, VPBank is mandated to increase its loan portfolio for SMEs to more than \$1 billion, with more than \$160 million for small firms run by female entrepreneurs in Vietnam by 2020.</p> <p style="text-align: right;"><i>(Source: Deal Street Asia, 9 September 2016)</i></p>

IT PAYS TO BE NICE

Jeffrey Tan Wee Meng, founder of Ixora Prestij which is a manufacturer of chafing dish fuels, said that experience has taught him the importance of being sincere at all times in one's business dealings. He was able to start Ixora in 2011 and get back into what had been a family business due to help from former clients and competitors. Their products are used in restaurants, catering businesses and hotels to keep food piping hot in a convenient way.

"My father and his partners began the chafing dish fuel manufacturing business as far back as 1985 in Sg Rasah, Klang. Then, I joined my father's company in 2000," Tan explains. When a managerial dispute broke out over how to take the company forward, Tan's father threw in the towel while he decided to strike out on his own with Ixora Prestij in 2011.

Not having much in the way of capital, Tan started by trading chafing dish fuels. To his surprise, former clients and competitors offered support. He had clients who offered to pay cash for his products instead of taking them on credit, and there were also former competitors who helped him to get into manufacturing again. Six months into business, Tan managed to raise enough capital to return to manufacturing.



Ixora had just five workers when it started operations. In the first month, they produced 50,000 cans of chafing fuels with three different types of fuels. They focused on local and Singapore distributors who serviced hotels and restaurants. From there, Ixora slowly built up its global portfolio to over 10 countries, mostly by becoming original equipment manufacturer (OEM) for distributors in countries like New Zealand, Australia, the UK and others. Today, Ixora has a workforce of 10 and makes about 400,000 cans a month, with 90% of it for exports.

"When I negotiate contracts with new markets, I'm willing to manufacture at a loss in order for the distributors to gain market share in the early stages. And it's only when they become prominent that we would raise prices," he says. Optimistic about the business, Tan will be setting up a factory via another joint venture arrangement in Dubai by the end of the year to expand into the Middle East and African markets.

(Source: The Star, 5 September 2016)

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