

SME WEEKLY NEWS

(2 October 2017 – 6 October 2017)

Countries	Highlights
<p>MALAYSIA</p> <p>Malaysian firms optimistic on business prospects for 2H17</p>	<p>Malaysian firms are optimistic about their business prospects for the next six months, according to the fourth RAM Business Confidence Index. The indices for Corporates and SMEs continued to show positive sentiment for the period from 4Q 2017 till 1Q 2018. RAM noted that SME sentiment is more volatile, in tandem with the greater uncertainties faced by their businesses. Despite the poorer performance outlook, SME respondents in the survey still expressed optimism on business expansion and hiring sentiment in the next two quarters. This performance uncertainty is also more prominent among construction, manufacturing, transport/storage and retail players, whose operations may be contract-based and/or dependent on narrower or niche clientele, thereby rendering their performance more volatile.</p> <p>Based on its survey, the rating agency said export-oriented firms were more bullish than their domestic-centric counterparts, due to the momentum of global trade recovery, which has led to seven months of double-digit export growth for the country since December 2016. In summary, despite some downside prospects in business outlook among SMEs, both corporates and SMEs at large have maintained overall positive sentiment going into 2018. This is perhaps a welcome indication that the momentum of economic recovery in Malaysia has an element of sustainability.</p> <p><i>(Source: The Malay Mail Online, 2 October 2017)</i></p>
<p>SINGAPORE</p> <p>81% of Singapore's SMEs do not qualify for business financing</p>	<p>According to a research conducted by Linkflow Capital, a business loan consultancy firm, up to 81% of SMEs in Singapore do not qualify for business financing. Aggregated data released by Linkflow Capital indicates that 81%, or 863 out of the 1065 users that utilized the online business loan assessment platform are not eligible for financing. The most common reason for potential rejection of loan applications is due to losses reported in their financials with 55% of users indicating that they are loss making. Another common reason leading to potential rejection of financing applications is the age of the company. 21% of users are new startups incorporated for less than a year. Most banks require minimum two to three years of operational history to be eligible for financing. Also, 52% of SME users indicated annual revenue of below S\$300,000 and low operating cash flow which are also adverse factors leading to rejection when it comes to financing eligibility.</p> <p><i>(Source: Asia One, 6 October 2017)</i></p>
<p>SINGAPORE</p> <p>OCBC SME customers can get Siri to activate fund transfers, check balances</p>	<p>OCBC's 120,000 SMEs' e-banking customers will soon be able to speak to their Apple iPhone to activate a fund transfer as the new feature on OCBC business mobile banking app takes advantage of Apple's Siri virtual assistant. They will also be able to speak to their phones that run on Apple's iOS 11 operating system to make account balance enquiries. For business customers, the user needs to tell Siri to "transfer \$200 from my business account" or "check my account balance". He will be prompted to verify the request with his fingerprint on the phone. For fund transfers, the user will then be guided to confirm the paying account and select the payee from a list. An SMS one-time password must also be entered to complete the transfer. The volume of e-payments among OCBC business accounts grew 33% from July 2015 to July this year. Also, enquiries to check business account balances via the OCBC business mobile banking app has also more than doubled since June last year.</p> <p><i>(Source: Straits Times, 6 October 2017)</i></p>

<p style="text-align: center;">VIETNAM</p> <p>UOB launches Business Banking service for SMEs</p>	<p>Singapore's United Overseas Bank (UOB) has launched a Business Banking service dedicated to help small businesses in Vietnam grow their business. Account for 97% of Vietnamese companies, SMEs have a major role to play in the country's continued economic development. Thus, UOB has put together a range of financial solutions to meet their unique needs. The solutions includes transaction accounts to manage day-to-day expenses and operations, small business loans to finance the growth of the business and extend cash flows, and trade financing solutions to manage import and export supply chain payments. Harry Loh, Vietnam country manager of UOB Ho Chi Minh City Branch, said that UOB would organise knowledge-sharing seminars in the city, through which small business owners can learn from their peers and adapt the experience to finance the growth of their business more effectively. The seminars will also offer insight into the ways in which they can use digital solutions to take advantage of export opportunities, he said.</p> <p style="text-align: right;"><i>(Source: Viet Nam News, 5 October 2017)</i></p>
<p style="text-align: center;">INDONESIA</p> <p>Commonwealth focuses on supporting women entrepreneurs</p>	<p>In the National Working Meeting of the Indonesian Women Entrepreneurs Association (IWAPI) in Makassar, Commonwealth Bank invited IWAPI to collaborate in increasing literacy and access to financial services. The collaboration is important because women-owned SMES can contribute significantly to Indonesia's economic growth. The study shows that almost half of all SMEs in Indonesia are owned by women but as many as 40% of women entrepreneurs chose to take loans from other institutions instead of banks. Director of SME Banking at Commonwealth Bank, Ida A Simatupang said that this year, expansion of access to financial services for women entrepreneurs is one of their focus. One of which is through Bizloan, an application program based on Commonwealth Bank that helps SME entrepreneurs in applying for unsecured business loans and the process is done online through smartphones. The provision of digital access is in line with Commonwealth Bank's mission, which is to be the market leader in providing Digital Financial Solutions for their Retail & SME target customers.</p> <p style="text-align: right;"><i>(Source: Netral English, 7 October 2017)</i></p>

COUNTING COST IS ITS FORTE

Quantity surveying firm Perunding Kos T&K takes cost control and budgeting seriously. For any project, be it small or one that runs into billions, costing is the key. Deriving the estimates for the project is both an art and a science. Consultants run through projects with the help of software to derive estimates. But the final analysis requires a special art. Datuk Peter Tan Choon Hoo, founder of Perunding Kos T&K Sdn Bhd keeps stressing on the importance of planning in deriving the costing of a project.

Datuk Tan graduated from a university in Australia, majoring in quantity surveying. After spending a few years working with the local government in Australia and being a partner with a Melbourne-based quantity surveying firm, Tan says he wanted to come home to Malaysia. And Tan did just that, contributing his knowledge to Malaysia's construction industry since 1991. He started with an office in Klang with two other partners. It was an uphill climb for him as he had to start from scratch, building his network and understanding the rules and regulations in Malaysia. In 1992 it had its first client who was developing residential houses.



With a wealth of experience, Tan's team is able to suggest materials and structural designs that could be substituted to meet a client's budget. It can also advise on the products that a developer can develop with the budget involved and the expected profit margins. Apart from that, it was also quick to adapt to changing market needs. In 2005, developers became environmentally conscious as going green is the in thing, particularly if they were targeting multinational companies who preferred being in buildings with green building certifications.

"We have to study materials that are not commonly used previously, from special glasses that offer better thermal and sound insulation, low volatile organic compounds paint to timber from sustainable sources as well as other materials and methods of construction that uses a lower carbon foot print," he says. This learning process includes visiting and learning from the best practices of green building construction from other countries.



In 2012, the company started implementing building information modelling (BIM) software which gives it a 3D view of a project. This gives it an even higher accuracy from its previously 2D softwares that was implemented since 2006. BIM is an intelligent 3D model-based process that gives architecture, engineering, and construction professionals the insight and tools to more efficiently plan, design, construct, and manage buildings and infrastructure. Last year it invested about RM400,000 in the hardware and software infrastructure to further improve its service to clients and next year it is looking to invest a further RM250,000.

Today the company has over 50 clients and had completed over 600 projects varying from mixed development, hospitals, schools, hotels, logistic hubs, factories, data centres to satellite centre facility. Some of these projects have gross development values of RM10mil to RM5.5bil. "We are able to achieve a lot with the talents we have," Tan says.

(Source: The Star, 25 October 2017)

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