

# SME WEEKLY NEWS

(6 March 2017 – 10 March 2017)

Countries	Highlights
<p><b>MALAYSIA</b></p> <p><b>Aiming for more competitive SMEs</b></p>	<p>The new Companies Act 2016, which is being implemented in stages starting January 31, will help SMEs improve on governance and be more competitive even as it increases the ease of doing business in Malaysia. The Director of Incorp, Kong Ming Enn says local businesses must be reformed to compete with other companies when they move out to other countries as well as be able to compete with foreign companies coming into Malaysia. Kong notes that the Companies Act 2016 is among the economic reforms carried out by the Government as part of the country's vision to become a high-income nation. Kong is optimistic that the changes under the new Act will put SMEs on a better footing to compete with businesses from other countries. Among major changes introduced under the new law include the introduction of a single director company, which enables a company to be incorporated with only one member who can also double up as the sole director of the company. This would mean easier incorporation and lower cost of running a business with higher flexibility.</p> <p><i>(Source: The Star, 6 March 2017)</i></p>
<p><b>MALAYSIA</b></p> <p><b>SME Corp proposes 'automatic discharge' order under Bankruptcy Act</b></p>	<p>The 'automatic discharge' order, which will allow a bankrupt company to have a second chance at conducting business, is being proposed under an amendment to the Bankruptcy Act 1967 (Act 360). CEO of SME Corp. Malaysia, YBhg. Datuk (Dr.) Hafsah Hashim said that the proposal would not only help propel the Malaysian economy but also give certain individuals an 'opportunity to start a new lease of life'. "In Malaysia, once you are declared bankrupt, you are doomed for life. These people, who are down and out, do not want to go on the same path again. Therefore, they will aim higher when they come back. They'll be more careful, cautious, innovative and creative," she told reporters on the sidelines of the Malaysia Competition Conference 2017. Hafsah also said the amendment was in the final stage and would be discussed in Parliament. She said the 'automatic discharge' order for the period of between one and three years was already implemented in countries such as Japan, the UK and Germany.</p> <p><i>(Source: Astro Awani, 6 March 2017)</i></p>
<p><b>MALAYSIA</b></p> <p><b>MTDC to help SMEs boost halal capabilities</b></p>	<p>Malaysian Technology Development Corporation (MTDC) is looking to help 30 SMEs practicing halal principles to improve its technological capabilities via Halal Technology Development Fund. The fund worth RM100 million set up under the 11th Malaysian Plan in 2016 was launched in 6 March 2017. So far, four companies in halal food industry and one from the cosmetics industry have secured RM25 million funds, with aim to foster long-term export based growth for the SMEs' market. MTDC is targeting export sales of RM50 million for these five companies under the fund, this year. The potential of halal market is vast but not free of its challenges, especially with foreign countries tapping in to the same market. Hence it is crucial to ensure that the local products meet current standards with state of the art technology, especially in the food industry. According to CEO of MTDC, Datuk Norhalim Yunus, SMEs will be able to obtain a funding of up to RM2 million for domestic businesses and RM4 million for exports based.</p> <p><i>(Source: The Sun Daily, 7 March 2017)</i></p>

<p><b>MALAYSIA</b></p> <p><b>Standard Chartered and MaGIC announce financial education partnership</b></p>	<p>Standard Chartered Bank Malaysia and the Malaysian Global Innovation &amp; Creativity Centre (MaGIC) announced a strategic partnership for the offering of financial education programmes to SMEs in Malaysia. The announcement was made during an International Women's Day forum themed, 'Be Bold for Change', that saw participation by 200 women from diverse backgrounds. Titled Education for Entrepreneurs (E4E), the programme will be delivered by the Bank's certified E4E trainers and is designed to build the financial capability of SMEs in order to grow their businesses. The partnership combines Standard Chartered's financial services expertise with MaGIC's vast network of Malaysian start-ups and entrepreneurs. The E4E programme is one of the ways that Standard Chartered Bank is supporting its Clinton Global Initiative commitment to educate at least 5,000 SMEs by the end of 2018. Of those 5,000 SMEs, at least 20% needs to be owned or led by women.</p> <p><i>(Source: Standard Chartered Bank Malaysia Berhad, 8 March 2017)</i></p>
<p><b>THAILAND</b></p> <p><b>TCC Land Asset World announces to invest approximately 6 billion baht</b></p>	<p>TCC Land Asset World will this year open AEC Trade Center to locate 150 rais land plot in Bang Pa In district, Ayutthaya, to become a trading centre on ASEAN products and services. AEC Trade Center aims to be the centre of ASEAN trading that puts together variety of products and services focusing on quality and management at international standard. There also support services as tools to help operators to achieve their business goals especially SMEs in Thailand which will be provided distribution channels and trading opportunities. This project has been supported by both government and private sector and numbers of SMEs and private banks to help elevating the potential of Thai SMEs and to attract investment to enhance Thai economy. This project is in line with the five-year business plan and will be expanded into 3 locations in Thailand. It is expected that in 2025, the project will cover all regions in Thailand under the concept of 'Growing Together Growing Farther' with the business model of the future.</p> <p><i>(Source: The Nation, 9 March 2017)</i></p>
<p><b>PHILIPPINES</b></p> <p><b>ASEAN Online SME Academy in Region 2</b></p>	<p>In line with promoting access to and usage of the ASEAN Online SME Academy, the Department of Trade and Industry (DTI) Region 2 conducted training for trainers for the Negosyo Center Coordinators and Municipal Trade and Industry Officers. DTI-02 information officer, Manilyn Ponce, said the two-day activity involved sharing of experiences of the participants on challenges encountered in extending the DTI Services to MSMEs, platform review of the ASEAN Academy features and experiencing the online learning in the academy, and shaping presentation skills by role playing the learned techniques from the course in the academy. The participants are expected to provide further training to MSMEs within their own networks. The Academy will be of great help in the creation of a more conducive environment for MSME entrepreneurship. Courses cover subjects on finance, accounting, management, marketing, operation, technology, trade and logistics. The course materials were contributed by Baker &amp; McKenzie, Facebook, Google, MasterCard, Microsoft PayPal, International Labour Organization, HP and Procter and Gamble.</p> <p><i>(Source: Department of Trade and Industry, 8 March 2017)</i></p>

**BRUNEI**

**LegCo members,  
public praise His  
Majesty's new nation-  
building initiatives**

LEGISLATIVE Council (LegCo) members and the public hailed the introduction of several new government-led initiatives aimed at boosting Brunei's efforts in economic diversification, job creation and its human capacity. His Majesty Sultan Haji Hassanal Bolkiah Sultan in his titah to mark the opening of the 13th LegCo session, outlined three new initiatives:

- introduction of Free Trade Zone to facilitate open trade and attract more foreign direct investment to Brunei especially in manufacturing
- establishment of SME bank to give accessible financing to businesses
- apprenticeship programme for fresh graduates seeking jobs called I-RDY (i-ready)

"We hope this will be positively embraced by government agencies and also the private sector and we hope the youth will take advantage of these programmes to improve themselves," said YB Khairunnisa, LegCo member. With the establishment of SME bank and I-RDY programme, YB Khairunissa expressed her confidence that the new initiatives, especially the apprenticeship programme, will help the youth and the public in enhancing their socio-economic capacities.

*(Source: Borneo Bulletin, 7 March 2017)*

## TAKING ON A DIFFERENT APPROACH

Innovation is about looking at the same thing with a new perspective. Director of TSL Bestmas Manufacturing Sdn Bhd, Alex Tiong Swee Lee, believed he could do that with two popular Chinese cuisine, the *dimsum* and *pau*. In early 2003, the brothers started working out details for their new venture. They consulted with a Hong Kong-based chef who was trained in *dim sum* and *pau* preparation and took three months to learn up the recipes. They then applied for halal certification for their products. They also had a quality control and research and development team in place to ensure their products and ingredients met the halal standards.

In 2004, RM1 million was pooled from family members to set up the manufacturing facility in a rented factory in Taman Perindustrian Ehsan Jaya, Kepong. They had a staff of 20 then. Early period was a very stressful time for the team when market took no heed to their halal products. They diligently met with prospective clients such as restaurants and cafeterias, offering them free samples. TSL priced their products modestly, from RM1.80 to RM4.50, in the early years to help sales. They also participated in halal related exhibitions and consumer confidence in their halal products grew. Eventually, business grew and they supplied to over 60 food and beverage businesses in the Klang Valley.

Last year, the business registered a revenue of RM15 millions. TSL has continually upgraded its manufacturing equipment and staff count has increased to 135. They will also be moving into their new factory in Klang by 2019. But they are not resting on their laurels. In fact, Alex notes that having a halal certification means they must be on their toes at all times. "We have to renew the halal certification and also ensure that our ingredients suppliers carry certified halal products," he says. They are also looking to grow their range of *pau* and *dim sum* beyond the 100 over varieties they have today and Alex hopes to also grow their market.



(Source: The Star, 6 March 2017)

Economics and Policy Division  
SME Corp. Malaysia  
13 February 2017