

SME WEEKLY NEWS

(9 July 2018 – 13 July 2018)

Countries	Highlights
<p>MALAYSIA</p> <p>Sabah promotes local-made goods to empower SMEs</p>	<p>Sabah Trade & Industry Ministry, Datuk Seri Wilfred Madius Tangau will continue to empower the SMEs by promoting “Buy Sabah-made Goods” campaign in the local market as well as export promotions abroad. It is important as SMEs were a crucial sector in driving the economy and businesses, as well as contributing to increased income of the population, job creation, increasing the number of entrepreneurs and generating business activities. SMEs in Sabah contribute to the state’s economic development whereby 99% of business growth is from the small medium industry, contributing to 41% of jobs and 39% to the GDP. Current export destinations of Sabah SME products include China, Taiwan, Brunei, Singapore, Kuwait, Myanmar, Indonesia, Australia, The Philippines, South Korea, Nepal, Japan, Thailand, Italy and Hong Kong. The ministry would also develop and promote products and services in Sabah using technology in line with Industry 4.0. The e-commerce business to be developed by the ministry is not just about marketing SME products online but it will also become a platform for graduates of vocational and technical institutions to start their business as soon as they complete the training.</p> <p style="text-align: right;"><i>(Source: The Star, 11 July 2018)</i></p>
<p>SINGAPORE</p> <p>Singapore SMEs could do with more to help them go global</p>	<p>SMEs in Singapore would like more information and support on global trade opportunities to help them internationalise, said new research from the Association of Chartered Certified Accountants (ACCA). Suggesting there is room for further growth, the accounting body’s research revealed that nearly half of respondents in its latest survey would still like to receive information and support on international trade opportunities, despite a majority already participating in some international business. Among small Singapore businesses, competition was cited as the biggest barrier to international trade. About 43% of respondents said that the most helpful measures for enabling more SMEs to participate in global trade were providing more information and support on trade opportunities, while the same number said securing new or improved trade agreements was crucial. Small and medium-sized accounting practices (SMPs) are also facing challenges to their core revenue streams. The accounting body recommended SMPs to specialise and adopt a “strategic mindset” in their business model to develop their international standing.</p> <p style="text-align: right;"><i>(Source: The Business Times, 12 July 2018)</i></p>
<p>MYANMAR</p> <p>Myanma Insurance to cover 60% of CGI-backed loans</p>	<p>The Central Bank of Myanmar announced that state-owned Myanma Insurance, under a new Credit Guarantee Insurance (CGI) scheme for banks, will bear 60% of a loan in the event of a default. The move is expected to encourage more domestic banks to adopt the insurance scheme and lend more to local businesses. Banks with loans covered by the insurance scheme will also enjoy higher Capital Adequacy Ratio (CAR), which in turn, raises their value. When calculating the Capital Adequacy Ratio (CAR) for loans for SMEs, the ratio only needs to take into account 40% of the actual loan. If the debtor fails to repay, Myanma Insurance will be responsible for reimbursing 60% of the loan, while the bank only has to shoulder the remaining 40%. Nishant Choudhary, co-chair of the European chamber’s legal advocacy group, welcomed the move but stressed the need to empower local SMEs. This is an enabler for banks to fund more loans for the SMEs, and is a good step in that direction. Myanmar need to strengthen its domestic industries, and SMEs are where it needs to start from.</p> <p style="text-align: right;"><i>(Source: The Myanmar Times, 13 July 2018)</i></p>

FINDING PROFIT IN SOLVING PROBLEMS

One of Dr. Ho Wai Loon and Ooh Wei Chee's favourite idioms is "Rome wasn't built in a day". They use it liberally to support all their efforts in building Abbe Group. Being in the business of providing solutions for other companies, they understand the importance of taking the time to craft sustainable solutions for their customers.



They took the same approach in building Abbe Group, the company they founded together in late 2015. Ho and Ooh are all for building a strong foundation and establishing each pillar of the business before expanding into the next pillar. They even poured over countless case studies of long-standing companies to understand what it is that really sets them apart.

Both of them took time to lay out their business targets for the next five and 10 years. The aim is to grow Abbe Group into an established group that will be ready for an IPO in its tenth year. What started Ho off on the entrepreneurial path was an academic observation. While participating in research projects in other countries, he noted that most developed countries had their own private research institutes but in Malaysia, research institutes were mostly government-funded.

So they turned to business in hopes of generating enough profits someday to start a private research institute. Abbe Group specialises in providing R&D and consulting services to a wide range of industries including automotive, pharmaceutical, oil and gas, manufacturing and automation, education and research. They help address their customers' needs to build a great product, speed up processes, enhance automation, improve efficiency and reduce cost.

Abbe Group currently carries more than 100 brands including Japan's AS One. Ooh believes that Abbe Group is now ready to move on to its next pillar of growth: information technology (IT). They started a new subsidiary, Abbe IT, a few months ago to focus on its IT development works.

In keeping with the times, Abbe Group will also look into the development of its own e-commerce portal which will allow purchasers to browse products, request for quotations and place orders. However, it will take a while for their e-commerce portal to be ready as it needs some time before their vast collection of products can be fully catalogued online.

Abbe Group currently employs less than 20 people but Ooh hopes to grow its staff strength quickly to boost its sales and engineering teams. The company is also looking to open more offices in other parts of Malaysia to provide better support to customers outside of the Central region.



Within the next few years, the group wants to continue growing its customer base and catalogue of brands. "We have achieved more than 80 vendor accounts this year. We are looking at 100 by our fifth year," says Ooh. The duo is projecting exponential growth in the coming years for the group to achieve its target revenue of RM50 mil by 2021. Abbe Group turned in sales of close to RM2mil last year. Ooh expects another jump around year 2023, when it aims to list the company.

(Source: The Star, 9 July 2018)