

# SME WEEKLY NEWS

(19 March 2018 – 23 March 2018)

Countries	Highlights
<p><b>MALAYSIA</b></p> <p><b>Malaysia to lure tech start-ups with tax, visa incentives</b></p>	<p>Malaysia is hoping to draw the interest of foreign technology entrepreneurs away from its neighbours with a slew of tax and visa incentives. CEO of MDEC, Dato' Yasmin Mahmood said policymakers were serious about encouraging tech startups to set up shop to build up a sector that has created more than 170,000 new jobs and contributed 18.2% of gross domestic product in 2017. Malaysia grants a one-year visit pass for tech entrepreneurs based overseas and up to a decade of tax exemption for start-ups, including those that are fully foreign-owned. Such measures have helped technology companies generate total revenue of US\$13 billion (RM50.8 billion) in 2017, up 8% from 2016. The private sector is going to lead the digital economy and the government is going to be the wind beneath their wings.</p> <p style="text-align: right;"><i>(Source: The Malaysian Insight, 22 March 2018)</i></p>
<p><b>BRUNEI</b></p> <p><b>BIBD launches its first community hub</b></p>	<p>Bank Islam Brunei Darussalam (BIBD) launched its first community hub called BIBD Connects as part of the bank's efforts to enliven community and create more engagement opportunities for residents. BIBD Connects provides a convenient and unique one-stop shop for the public to enjoy amenities such as banking, food and beverage, and a dedicated leisure area. It is also a strategy to promote the ease of doing business and enhance opportunities for local SMEs. The concept of BIBD Connects is 'not-for-profit' and provides encouragement to SMEs by offering them retail space at less than half the cost compared with the market. BIBD Connects is perhaps the best manifestation of sustainable public-private partnership (PPP) and exemplifies the superb coordination between the Brunei government and private sector.</p> <p style="text-align: right;"><i>(Source: Borneo Bulletin, 24 March 2018)</i></p>
<p><b>THAILAND</b></p> <p><b>Agencies sign cooperation MoU to boost potential of tourism SMEs</b></p>	<p>The Tourism Department, the Industry Ministry's Office of the Permanent Secretary, and the SME Development Bank of Thailand signed a MoU to launch the "Cooperation Programme to Boost the Potential of Tourism SMEs". Under the agreement, the three agencies will launch joint activities to strengthen tourism SMEs and related businesses, so that they can access the Pracha Rath SMEs Fund and other services from SME Development Bank. The Tourism Department would assist SMEs by giving them support on tourism information and public relations, and by providing links for tourists to gain access to community-based tourist attractions and the Creative Industry Village, which are supported by the Industry Ministry and SME Development Bank. The Tourism Department will support tourism SMEs in order to help them develop community-based tourism and improve services to meet the Thailand Tourism Standard.</p> <p style="text-align: right;"><i>(Source: The Nation, 23 March 2018)</i></p>
<p><b>THAILAND</b></p> <p><b>Line Scaleup looks to find SME unicorn</b></p>	<p>Line Thailand has introduced Line Scaleup, a programme aimed at helping local startups capitalise on innovative business by providing their services to millions of Line users. Under the Line Scaleup programme, the company will accept applications year-round from startups that have the potential to develop a new product or service integrated on the Line platform. The company will provide a Line@Pro+ account, with Line-messaging API serving as the main tool to develop a product or service, along with technical support from Line's engineering team. With Line's 42 million users who on average use it 63 minutes per day, that will help develop a service ecosystem for Thai users on the Line platform.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 22 March 2018)</i></p>

**THAILAND**

**SEPO preparing SME intelligence system**

The State Enterprise Policy Office (SEPO) is set to install an SME intelligence system to pool SME data from all specialised FIs with the aim of gathering info to assign the best assistance measures for SMEs. The info will be kept as a database, and the government will adopt big data technology to analyse info such as nature of the business, the problems the government needs to address, and which businesses contribute to NPLs. Charnwit Nakburi, Deputy Director-General of SEPO said that such information can be used to push SMEs towards online business operators. Helping SME operators is high on the government's to-do list to broaden the economic recovery and sustain growth in the long run. The SME database will pave the way for SMEs to easily access borrowing sources from state-owned banks, while data of those whose loan applications are rejected will be analysed to provide them assistance solutions. Regarding concerns that data in the SME Intelligence system could be vulnerable to privacy breaches, Mr Charnwit said that details such as names will not be linked into the system. If SME database is created, SEPO will set up digital knowledge management, e-marketplace and financial services for all systems to improve customer access.

*(Source: Bangkok Post, 19 March 2018)*

## BRINGING DIGITAL TO THE MARKETS

Wet markets are probably the last places that one would expect to see the use of digital technology like apps and online delivery. But Tunku Danny Nasaifuddin Mudzaffar and Tunku Nasruan Adil Mudzaffar, also known as Eddy, of Pasar App thought there was a gap there that they could pursue.

“Everyone is doing digital these days. And while there are third-party delivery apps that service the supermarkets, there wasn’t one that service your ‘uncles’ and ‘aunties’ in the pasar. We don’t want our market merchants to be left behind in this digital revolution so we thought we could help them with their first e-distribution channel and be an added source of revenue for them,” says Danny.

The brothers, along with co-founder Jeysie Wong, launched Pasar App last August, which enables merchants in wet markets to sell their wares through the platform. Customers can then make an order and have their items delivered to their doorstep.



Notably, Danny says that Pasar Tap has been doing well so far, which paves the way for Pasar App to grow. Currently, groceries on Pasar App can be ordered from five markets – the markets in Taman Tun Dr Ismail, Jinjang, Taman Muda, Kampung Datuk Keramat, as well as Jalan Othman. “Our main target segments are housewives who are too busy to go to the market, young workers who want fresh groceries as well as students.”

According to Danny, Pasar App has seen more than 10,000 downloads with 5,000 registered users. It takes time to educate the market, adds Eddy, just as it takes

time to educate wet market merchants that the way forward is to go online. “How do we get them online without disrupting their way of life? That was a gap we had to overcome. When users order through the app, we have to pass on the orders to the merchants through SMS. So even if we are digital, we have to change it back to a more traditional communication form for them. But we’re still giving them that e-distribution channel to add to their business. And some are seeing how the app has helped other merchants and now, they too want to come onboard,” says Eddy.

The Pasar App team is currently focused on opening access for users in Penang, Perak, Kedah and Kelantan before expanding to Southern states in the second half of the year. Next year, it is eyeing markets in Sabah and Sarawak. Pasar App’s expansion plan is also looking at adding on more features such as e-wallets and credit cards usage to the app to give its users a better experience.

“In the future, we want to look into the B2B (business-to-business) segment as well like the caterers and restaurants. That will be a more sustainable market segment. But it also requires more investments into logistics because the orders are larger. Now, we are just dealing with motorbikes. But we’ll need trucks for B2B,” says Danny.

Danny hopes Pasar App will get it right in the local market as this will pave the way for the company to expand overseas. “Online grocery is a growing market. To be successful, you need to differentiate yourself. It’s about how well you position yourself through branding and marketing. It requires a lot of groundwork. But it’s a great space to be in,” he says. Pasar App is aiming for 100,000 downloads by the end of the year.

*(Source: The Star, 19 March 2018)*

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