

SME WEEKLY NEWS

(26 February 2018 – 2 March 2018)

Countries	Highlights
<p>MALAYSIA</p> <p>Bank Negara says RM3.3b funds still available for SMEs</p>	<p>A total of RM3.3 billion in funding is still available under the Bank Negara Malaysia's (BNM) Funds for SMEs for working capital and the purchase of machinery. Local SMEs, including start-ups, should leverage the fund to finance and lower their cost of doing business. A lack of awareness about such funds and grants provided by government agencies and FIs is one of the main reasons why they are not fully utilised. The service sector topped the list of funding recipients at 63%, followed by manufacturing (15%), construction (12%), agriculture (6%) and other sectors (4%). The BNM SME Fund, which is a revolving fund was introduced in late 1990s with a total allocation of RM10.4 billion. Of the total, about RM7.1 billion has been utilised, benefiting more than 76,000 SMEs. FIs had simplified the application process for approval of the SME Fund within two weeks from 70 days previously. BNM also disclosed that between 2008 and 2017, 97% of distressed SMEs were assisted directly by FIs through restructuring and rescheduling, while 3% were assisted under BNM's Small Debt Resolution Scheme.</p> <p style="text-align: right;"><i>(Source: The Star Online, 27 February 2018)</i></p>
<p>SINGAPORE</p> <p>Proposed GST hikes do not worry SMEs: survey</p>	<p>During Budget announcement, Finance Minister, Heng Swee Keat said that GST will go up from 7% to 9% between 2021 and 2025. Following this, DBS survey revealed that three of four Singapore SMEs are unfazed of the proposed GST hikes, saying it would only have 'moderate' to 'no impact' on their business. SMEs think the new grants such as the Productivity Solutions Grant (PSG) and Enterprise Development Grant (EDG) would be able to provide some relief to help them weather the impending GST hikes. The PSG aims to make it easier for businesses to adopt technologies and productivity solutions by shouldering up to 70% of qualifying costs. Meanwhile, the EDG aims to help businesses scale up and expand abroad by providing funding support for up to 70% of qualifying costs from FY 2018 to FY 2019. Moreover, 82% of SMEs are in favour of extending the Wage Credit Scheme as 6 in 10 SMEs said labour costs are plaguing their business.</p> <p style="text-align: right;"><i>(Source: Singapore Business Review, 1 March 2018)</i></p>
<p>MYANMAR</p> <p>Anthem Asia to raise \$40-50m for SME fund, IFC mulling up to \$15m funding</p>	<p>Private equity firm, Anthem Asia is raising \$40-50 million for its Myanmar SME Venture Fund, according to the International Finance Corporation (IFC). The World Bank arm disclosed that they are considering investing up to \$15 million in the fund. Investments by the Anthem Asia Myanmar SME Venture Fund will support the national and regional expansion of local businesses, job creation and economic growth by providing SMEs access to risk capital. The 10-year closed-end PE fund will also aid the operational, financial, environment and social improvement of local businesses through knowledge transfer. Anthem Asia is one of the few active PE investors in Myanmar. It primarily invests in SMEs and domestic brands in the sectors of consumer goods and services, business services, tourism and leisure, food and beverage, and agri-business.</p> <p style="text-align: right;"><i>(Source: Deal Street Asia, 26 February 2018)</i></p>

A NEW JEWEL IN THE CROWN

FOR someone who grew up in a family of jewellers, Choong Jiayueh, caught the jewellery bug only much later in life. “I wasn’t really interested in gemstones, but a one-year stint at a custom jewellery boutique after graduation changed my mind,” shares the founder of jewellery retailer, Jeoel. Subsequently, Choong got herself certified by the Gemological Institute of America (GIA) and started working with gemstone traders in the region to learn more about precious stones.

Choong says the local jewellery market generally catered to two consumer segments: the high-end and the low-end. There was a gap for the mid-market, which mainly consists of young adults looking for fairly affordable, good quality jewellery. This, says Choong, was a business opportunity that she could tap into. She could also leverage on resources of her family’s jewellery business, DeGem Group.

Then, she founded Jeoel in mid-2014 as an online store selling silver-based jewellery with gemstones. But Choong came to realise that potential customers preferred to see the physical products before they bought them. So she opened the first Jeoel store in 1 Utama Shopping Centre in 2015, which gave them better retail presence and boosted sales. It has a total of four outlets in Klang Valley today.



Although Choong’s family has been in the jewellery business for a while now, she says she had to do things differently to reach out to her target market. For one, she had to make her store more accessible for walk-in customers; none of that old-fashioned grandeur typical of high-end jewellery stores. “We have a more ‘open’ look so that people are not too intimidated to come in and have a look,” she says.

The company also utilises social media to educate the market about gemstones and silver jewellery. According to Choong, the Asian market traditionally does not favour silver. Gold and diamonds are more our thing. She hopes to change that perception among the younger market. “Our products are made from 925 sterling silver, and plated in rhodium to protect from tarnishing and for a more lustrous finish,” she adds.

“Malaysian customers are quite practical. They want something that they can wear every day. Something simple but unique and modern. “We are also adding more versatile pieces with changeability to our collections. These are pieces that can be used for different functions, like earrings that can be detached and used as pendants, for example,” she says.

With its fundamentals in place, Choong is looking at expanding its reach in the coming months, particularly on the e-commerce front. She notes that while their physical outlets enable them to get instant feedback from their customers, it is important to maintain a strong online presence in today’s digital era. “We relaunched our online store late last year and are giving it more focus. We are also trying to incorporate a more personal touch to our website to encourage our online customers to stay on and browse our products. It can be a bit difficult to retain their attention online,” she says.

Jeoel will also be looking at increasing its coverage through more roadshows this year. Consequently, sales doubled in 2017 from the year before that. However, Choong notes that margins are not that great as cost is high given that they use real gemstones. Additionally, Jeoel needs to ensure that its products are priced affordably for its target market. “We expect this year to be better. We are still a young company and we can still change things as we go along. We are paying attention to what our customers want,” she says.

(Source: The Star, 26 February 2018)

Economics and Policy Division
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6 March 2018