

# SME WEEKLY NEWS

(26 March 2018 – 30 March 2018)

Countries	Highlights
<p><b>MALAYSIA</b></p> <p><b>PM announces 11 incentives worth RM2.9 bil for SMEs</b></p>	<p>Datuk Seri Najib Tun Razak has announced 11 new and additional incentives worth RM2.9 billion for Bumiputera SMEs, namely:</p> <ul style="list-style-type: none"> <li>• RM500 million to accelerate the development of Bumi entrepreneurs in the retail &amp; distribution industry.</li> <li>• RM50 million to assist the listing of SMEs on Bursa Malaysia's LEAP.</li> <li>• RM40 million for Local-to-Global Corporation Ascend 800 (LGC800) programme to benefit 80 high-performance Bumi SME companies in the form of easy loans of up to RM500,000 per company.</li> <li>• RM60 million for TUBE programme to train 3,000 Bumi youths in 2019.</li> <li>• RM50 million for the implementation of WIRA eDagang Digital Free-Trade Zone for 10,000 Bumi SMEs within three years.</li> <li>• Allowance for increased exports for SMEs would be extended until 2020.</li> <li>• RM50 million in incentives for SpeedMeUp programme to help Bumi startup companies with matching grants of up to RM250,000.</li> <li>• MARA to extend the Express Contract Financing Scheme (SPIKE) amounting to RM50 million for 3,000 Bumi entrepreneurs.</li> <li>• RM50 million under the Investment Incentive Fund to boost Bumi equity ownership in selected strategic sectors.</li> <li>• Empowerment of TERAJU by mandating it to become the sole coordinator of all Bumi-related policies &amp; programmes at all levels of M&amp;As and GLCs.</li> <li>• The establishment of Malaysian Bumi SME Association (BumiSME) as a platform to unite all SMEs from various backgrounds and industries.</li> </ul> <p style="text-align: right;"><i>(Source: Bernama, 30 March 2018)</i></p>
<p><b>SINGAPORE</b></p> <p><b>SMEs upbeat over outlook: Survey</b></p>	<p>Based on survey conducted by the Singapore Business Federation (SBF) and DP Information Group (DP Info), optimism seems to be on the rise for SMEs, with expectations of strong sales and profit performance in the next two quarters. Business sentiment index ticked up from 51.2 to 51.8, signaling an improved outlook for the second and third quarters 2018 across all industries. SMEs also expect the next two quarters to deliver their strongest sales and profit results in three years. All six industries expect their turnover to rise during the next six months. As many SMEs are focused on the domestic market, an expected increase in sales strongly suggests a growing confidence in the Singapore economy. Meanwhile, SMEs' access to financing also seems to have picked up. Despite the good outlook, CEO of SBF warned about possible risks. Escalating global trade tensions between China and the US could affect Singapore as they are a small trade-dependent country.</p> <p style="text-align: right;"><i>(Source: The Straits Times, 29 March 2018)</i></p>
<p><b>MYANMAR</b></p> <p><b>MRF suggests new agricultural loan scheme</b></p>	<p>Myanmar Rice Federation has submitted a loan scheme for farmers who own more than 10 acres of land to the government as Myanmar Agricultural Development Bank (MADB) grants loans only to farmers who have less than 10 acres of land. Farmers are rural SMEs who are in urgent need of aid as they are creating jobs for landless farm workers in the rural areas. The MRF has suggested that the government should give the priority to them. In the past, the government granted an agricultural loan of Ks 100,000 each to farmers. Since taking office in April and May, the government has increased the agricultural loan to Ks 150,000. The MRF also suggest on the reform of MADB and the disbursement of JICA's two-step loan to farmers as quickly as possible. The government will grant a SME loan of over Ks 65 billion to eight projects in the rice sector including the production of paddy seeds and the construction of paddy husk-fired power plant during the year 2018 to 2020.</p> <p style="text-align: right;"><i>(Source: Eleven Myanmar, 28 March 2018)</i></p>

**THAILAND**

**Alibaba global  
course develops  
online sales skills of  
SMEs**

Alibaba Group together with the Department of International Trade Promotion (DITP) launched the “Smart Online SMEs Plus” or SOS+ initiative for Thai SMEs. The SOS+ initiative was conceived to help participating businesses connect with world-class e-marketplaces around the globe. Under the collaboration, Alibaba Group’s Tmall e-marketplace will help Thai businesses to tap opportunities outside their home market, by joining over 16,400 international brands from 68 countries and regions to offer products and services on Alibaba Group’s China retail marketplaces. Alibaba Group in 2016 signed a letter of intent with the Commerce Ministry to engage in SME training programmes designed to drive e-commerce and logistics capabilities. Ever since, they conducted Alibaba Global Course programme, to equip local SMEs with a deeper understanding of global and local market trends as well as advice in business and HR development.

*(Source: The Nation, 25 March 2018)*

## ACCESS TO COURIER SERVICE PROVIDERS

At a time when parcels were the domain of businesses and consumers mainly went to postal offices for their delivery affairs, the opening of Mail Boxes Etc (MBE) in Malaysia was, in some ways, ahead of its time. But Brian Chow somehow deemed it appropriate to open up retail access for the local courier market then.



MBE's principal business involves mailbox services, packaging, shipping, photocopying, and printing services, typically catering to local entrepreneurs and SMEs. Its outlets are often found in areas that are easily accessible to consumers such as shopping malls, petrol stations and shoptlots. This enables consumers to have easy access to courier services and at the same time, provide courier service providers with retail access to consumers.

"In the early 2000s, the e-commerce boom was already happening in the US. That was why MBE was successful there. I could see it eventually happening in Malaysia," he shares. Chow finally obtained the franchise licence in 2003. He opened his first outlet in Desa Sri Hartamas, Kuala Lumpur. Although MBE was a franchise business, its operations was not as straightforward as following the guide book. It needed a lot more localisation.

MBE's big break came about five years ago when e-commerce started taking off in Malaysia. There were more small businesses and consumers that needed easy access to courier services and this gave MBE a boost. The golden era Chow had been waiting for since the start of his business was finally dawning. "We were initially opening about one to two stores a year. But after 2013, we were doing 10-15 outlets a year. And last year, we opened 18 outlets," he says. To-date, MBE has 92 outlets nationwide, 91 of which belongs to franchisees.

Following the growth of the e-commerce space, Chow is projecting growth of 7.5%-9% for the company over the next 10 years. "There is still a lot of pockets of opportunities for MBE to explore, such as new locations outside of the Klang Valley," he says. He adds that with growing demand for on-demand delivery services, MBE could potentially provide consumers and e-commerce businesses with more centralised pick-up points. MBE is now standing on a good foundation thanks to the development in the market which has made it more relevant to consumers and courier companies.



He says the company will also look at expanding into the Singapore and Indonesian markets once it has build a stronghold here. "I am proud to be able to come this far. Building a network of 92 stores is not easy, especially when you have to build the brand from ground-up and you have to localise a lot of its aspects to suit local demand. It was a huge burden," he notes.

*(Source: The Star, 26 March 2018)*

Economics and Policy Division  
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