

SME WEEKLY NEWS

(3 Dec 2018 – 7 Dec 2018)

Countries	Highlights
<p>MALAYSIA</p>	<p>MED to strengthen GDP contribution of SMEs in manufacturing</p> <p>The Ministry of Entrepreneur Development (MED) aims to increase the contribution of SMEs in the manufacturing sector to 7.0 per cent of the country's gross domestic product (GDP) from the current 5.8 percent by 2020.</p> <p>Its Minister, Datuk Seri Mohd Redzuan Yusof, said the improvement was achievable by creating a conducive environment for SMEs to thrive. "There are a lot of things on the drawing board right now that are ready to take off. We have to stimulate the growth in the manufacturing sector," he said</p> <p style="text-align: right;"><i>(Source: Bernama, 6 December 2018)</i></p>
<p>THAILAND</p>	<p>Thailand has finalized stimulus packages worth 250 million baht for SMEs</p> <p>The Industry Ministry has finalised four New Year's financial packages worth 250 million baht for SMEs which is expected to be approved by the mobile cabinet next week.</p> <p>The 250 million baht consists of financial tools, administered by the Industrial Promotion Department, with loans not over 2 million baht per SME, carrying an interest rate of 4% per month which is lower than the normal rate of 6%.</p> <p>The ministry is expecting 500 companies to join this programme with a coupon of 30,000 baht per enterprise through the SME Development Fund under the Pra cha Rat scheme with the aim to improve Thailand's industrial standards for SMEs.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 8 December 2018)</i></p>
<p>SINGAPORE</p>	<p>More SMEs expect lower turnover in 2018: Poll</p> <p>In 2018 SME Development Survey conducted by DP Info, it was revealed that 15 percent of SMEs projected a negative turnover growth this year, citing that challenging business environment particularly due to US- China Trade tensions.</p> <p>About one in five said it has been affected by the ongoing trade conflict between the United States and China, according to the report. Of the number, 54 per cent said it has affected the competitiveness of exports, while 40 per cent said it reduced overseas sales. Some 28 per cent of SMEs said it has affected or delayed their internationalisation plans.</p> <p>This year, half of SMEs said their top concern on this front was the difficulty in managing cash flow, liquidity and credit risk.</p> <p>The survey, now in its 16th edition, had covered 2,557 SME respondents and was conducted between June-August 2018.</p> <p style="text-align: right;"><i>(Source: The Straits Times, 6 December 2018)</i></p>
<p>MYANMAR</p>	<p>Investors keen to participate in major Yangon redevelopment project</p> <p>The New Yangon City Project has attracted investors from China and Hong Kong. Considerable investments will be required for the construction of the basic infrastructure of the new city.</p> <p>In March, NYDC, wholly owned by Yangon Region Government, announced that it intends to create economic growth, homes and jobs via the development of land to the west of Yangon River under the New Yangon City Project.</p> <p style="text-align: right;"><i>(Source: Myanmar Times, 6 December 2018)</i></p>

LAYING A SOLID BASE

Inovar Resources Sdn Bhd, which pioneered the use of laminated flooring in Malaysian market more than 20 years ago sees the long-term potential of the industry as the catalyst for the company to continue to invest as it explores new growth avenues. This includes diversifying into different wooden flooring segments, says executive director Jason Tan. Laminate flooring has come a long way from the cheap, synthetic product it once was. While the types and quality of some of the laminate flooring out there are still less than eco-friendly, it is clear that they are now part and parcel of the trend in modern living.

The story of Inovar's rise to a market leader in laminated flooring began with Tam Pak Cheong, Inovar's managing director, who started the business back in 1996. In its initial years, Inovar Contract, as the company was known then, was focused on original equipment manufacturing (OEM) and paid little attention to the development of its own brand name. As a OEM manufacturer of laminated flooring products, up to 95% of its business volume relied on exports. China used to be the largest export market for the company where it exported around 20 to 30 containers per month.



The company invested in building its brand presence in the market, and today, Inovar has managed to stamp its flooring mark regionally while remaining the market leader back home. Inovar's regional business currently makes up around 70% of the company's business volume. Vietnam and Indonesia are its best performing markets. The manufacturer and retailer has established an extensive network in the Asean markets, including the Philippines, Indonesia, Thailand and Vietnam. These markets are potential markets for Malaysian timber products as they do not have a vibrant timber-based manufacturing expertise

Economics and Policy Division
SME Corp. Malaysia
14 December 2018

(Source: The Star, 10 December 2018)