

SME WEEKLY NEWS

(1 January 2018 – 5 January 2018)

Countries	Highlights
<p>MALAYSIA</p> <p>Keeping businesses safe online</p>	<p>As Sarawak embarks on its digital economy transformation plan, it is timely for local SMEs to take steps to protect their business from cyber threats. Singapore-based consultancy iTGRC Asia founder, Frank Chin said digital transformation was now a buzzword in the market and across industries, with SMEs facing uncertainties and the fear of security threats that came with it. Citing the 2017 Microsoft Asia digital transformation survey, he said 80% of Malaysian business leaders believed they needed to change to a digital business for future growth. However, the survey also showed that only 34% of business leaders had full digital transformation strategy, 47% were in progress with specific initiatives for selected parts of their business, while 19% still had very limited or no strategy in place. It was imperative for SMEs to develop practices which covered risk and security assurance for their entire supply chain by leveraging on an international cyber hygiene security framework to identify, protect, detect, respond to and recover from security exposure</p> <p style="text-align: right;"><i>(Source: The Star Online, 4 January 2018)</i></p>
<p>VIETNAM</p> <p>Optimistic business trends up in 2018</p>	<p>According to General Statistics Office (GSO) Business Sentiment Survey, 44.8% of firms reported better business performance in Q4 2017 as compared to the Q3 2017. The survey cover manufacturing and processing enterprises in the fourth quarter of this year. In addition, 36.5% of businesses said their business situation was stable, and 18.7% of businesses said it was still difficult. Forecasting business prospects in the first quarter of 2018, 48.2% of businesses were optimistic that the trend would improve, 35.7% believed business would be stable and 16.1% predicted more difficulties. Data from the GSO show that in 2017, the improved business environment along with the business opportunities in the integration trend had boosted the spirit of start-ups, as the number of newly established enterprises nationwide reached 126,859 companies, up 15.2% compared to 2016. In the context of fierce competition, small businesses are still vulnerable, with 60,553 businesses needing to temporarily halt operations this year. The number of enterprises completing dissolution procedures was 12,113, declined 2.9% against the previous year.</p> <p style="text-align: right;"><i>(Source: Viet Nam News, 1 January 2018)</i></p>
<p>MYANMAR</p> <p>Government extends loans to agriculture, construction, SME sectors</p>	<p>State-owned Myanmar Economic Bank (MEB) will extend medium term loans of 3-5 years to companies in the agriculture, SMEs and construction sectors. Interest rate of 9% and 11% will be charged to companies in the agriculture and construction sector respectively. Meanwhile, MEB will lend directly to the SME sector, including those in the manufacturing, export and import substitution, recycling and energy saving and other technology-based businesses, as many of these SMEs require loans with low interest rates. For businesses that are unable to provide property or assets as collateral, they will receive support from Credit Guarantee Insurance (CGI). The government is offering loans to SMEs because local businesses are hugely disadvantaged in the market compared to other regional competitors. With the support of CGI, larger number of SMEs with good business potential will have the opportunity to receive financing.</p> <p style="text-align: right;"><i>(Source: The Myanmar Times, 2 January 2018)</i></p>
<p>INDONESIA</p> <p>IFC extends \$40m loan to Indonesia's Radana to boost MSMEs lending</p>	<p>The International Finance Corporation (IFC), the private investment arm of the World Bank, has invested \$40 million in the form of a senior loan facility in Indonesia's PT Radana Bhaskara Finance. The funding will allow Radana to increase lending to SMEs, women entrepreneurs, students, and home renovation loans. The five-year financing package comprises \$20 million from IFC's own account plus another \$20 million that IFC helped mobilize from three other organizations. In a study commissioned by IFC in 2016, the MSMEs financing gap in Indonesia was mentioned at \$11 billion per year. The report highlighted the challenges facing MSMEs, especially for women SME players when accessing bank loans. Women in Indonesia contribute to job creation as well as 9% of GDP growth, but when it comes to bank loans, they tend to be treated less favorably, compared to the treatment that men of business actors receive, it said in the statement.</p> <p style="text-align: right;"><i>(Source: Deal Street Asia, 5 January 2018)</i></p>

FILLING THE CULINARY GAP

A business should exist to fill a gap in society's needs. For CEO of Zheng Food Sdn Bhd, Wilson Chang Soo Har, this is the sole reason for the survival of his business. He had taken the big leap from architecture to manufacturing food products simply because he saw a need that he could meet. "I learnt that there was a shortage of chefs in Malaysia as many of them move on to take up opportunities overseas. And hotels are always in need of talents to prepare their delicacies," he says.



Zheng Food manufactures halal frozen processed food such as pau, dim sum, curry puffs and others. The food manufacturing business started with his brothers in 1992. "We started out manufacturing four season dishes, also known as cold platters back then," he says. The brothers first marketed these products to hotels, and business grew. But as their customer base grew bigger, they realised that it was more convenient to have a base closer to where most of their clients were, that is in Kuala Lumpur.

In 1994, they moved their operations to Kuala Lumpur. The relocation proved to be a good move for Zheng Food and sales started to grow more significantly. Soon, they found that their customers were demanding more products with better quality control. This was when they realised that they needed to set up a properly designed and managed factory. Next, he invested about RM2.5 mil in a new factory in Semenyih and hired about 20 workers in preparation to go it alone.

"The company was achieving an annual revenue of about RM2 mil just by selling a few products. But I know they are not sustainable as they are mostly seasonal products. We needed to introduce products that are consumed by people all year round," he says. Dim sum and pau are two such delicacies. People can eat them for breakfast all the way to tea time," he adds. Thus, Zheng Food added these items to its list of offerings and slowly increased the number of products they manufacture. Today, they have over 200 products.

in 2016, the company achieved a revenue of RM3.5 mil. To further increase their sales, they are working on marketing their products to consumers rather than just supplying to hotels. Currently, Zheng Food serves over 100 hotels locally. "Food is a large industry, with a market potential the size of the earth's population, which is seven billion and counting," he says. Chang is obviously positive about where the company can go and will go. "Our food is easy to prepare and it can be done by anybody, just heat it up and enjoy," he concludes.

(Source: The Star, 25 December 2017)

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