

SME WEEKLY NEWS

(3 September 2018 – 7 September 2018)

Countries	Highlights
<p>MALAYSIA</p> <p>Malaysia aims for a million SME entrepreneurs in five years</p>	<p>The Ministry of Entrepreneur Development targets to produce a million SME entrepreneurs, including those from the B40 group, in the next five years. Its Deputy Minister, Dr Mohd Hatta Ramli, said the government would prepare various initiatives & incentives, including collaborating with the NGOs and chambers of commerce to achieve this aspiration. The government will work together with the relevant agencies to provide guidance, facilitation and start-up capital funding to turn them into entrepreneurs. Potential entrepreneurs will also be help to network with agencies that can assist them in expanding their production, exports and market. Dr. Mohd Hatta said the government would join forces with various agencies to help SMEs prepare for the fourth industrial revolution (Industry 4.0) wave. They will collaborate with relevant parties such as SME Corp. Malaysia and technical programme providers to train the SME entrepreneurs so that they are not left behind in the movement.</p> <p style="text-align: right;"><i>(Source: The Star, 5 September 2018)</i></p>
<p>INDONESIA</p> <p>Indonesian, Korean SMES explore cooperation in innovation</p>	<p>A number of Indonesian eco-innovation-based SMEs are exploring technological innovation cooperation through business and technology matching with a number of prospective companies from South Korea. Chairman of Innovation Business Association (Innobiz), Myung Ki Sung said that more than 40 Indonesian SMEs with eco-innovation base are exploring potential cooperation in business and technology with dozens of South Korean-based companies at the 1st Indonesia-Korea SMEs Technology Matching Conference 2018. Indonesia, as a country with the largest population and economy in ASEAN region, has large developing potentials. Despite the internal shock in the country, Indonesia's average economic growth is above 5% per year. The association and the Ministry of Cooperatives and SMEs stated that they would like to work on these potentials through cooperation. The cooperation will be advantageous since the association is a combination of well-known South Korean companies that have done a lot of innovations on research and development, with investment value bigger than Samsung and other SME companies in Korea.</p> <p style="text-align: right;"><i>(Source: Antaranews.com, 5 September 2018)</i></p>
<p>MYANMAR</p> <p>JICA to lend US\$100m to local SMEs in 2018-19</p>	<p>Japan International Cooperation Agency (JICA) will lend 11.5 billion Japanese yen (K151.685 billion) to SMEs in the fiscal year of 2018-19 through domestic banks. This decision was officially announced on September 5. The JICA's Official Development Assistance (ODA) two-step loan will be managed by state-owned Myanmar Economic Bank (MEB) under its SME loan programme. To be eligible for the loan, businesses have to meet the criteria laid out under the 2015 Small and Medium Enterprises Development Law. Therefore, manufacturing business, labour-base business, retail and wholesale business, service business, among others are permitted to apply. The maximum amount of a loan for one SME is K500 million with the fixed capital at 80% and working capital at 20%.The interest rate is 8.5% for one year, and its repayment can be done in 1 to 5 years. Starting from this month, the MEB has announced that K36 billion will be given out to SMEs in every state and region, including Nay Pyi Taw, via seven selected PFIs.</p> <p style="text-align: right;"><i>(Source: Myanmar Times , 6 September 2018)</i></p>

VIETNAM

**VIB finances nearly
\$300m for SMEs'
transactions**

Vietnam International Commercial Joint Stock Bank (VIB) has been recognised as the country's leading SME Trade Bank by the Asian Development Bank (ADB), thanks to VIB's trade financing US\$276 million in the year ending 30 June 2018. Based on transactions supported by Trade Finance Program (TFP), VIB was Vietnam's leading bank in SMEs trade finance. VIB is one of 10 banks selected by ADB to join the TFP since 2009, aiming to provide companies with financial support to engage in import and export activities and improve their productivity and competence. With the goal of providing trade finance support, TFP works with more than 240 banks. In 2017, the programme supported \$4.48 billion in transactions and 2,822 small and medium-sized enterprises. Recently, Moody's Investors Service upgraded the long-term local and foreign currency bank deposit and issuer ratings of VIB. The ratings agency also changed the outlook for the local currency deposit and local and foreign currency issuer ratings of VIB to stable from positive.

(Source: VietNam.news, 7 September 2018)

STARTUPS SHOULD TAP NETWORKS TO GO FURTHER

SOME say making the right connection makes all the difference. Arif Tukiman, CEO of local startup called Runcloud, found this to be true. When Arif represented Malaysia at the Startup World Cup in Silicon Valley last May, he notes that startups in developed countries had better access to global networks, which enables them to scale up faster in new markets.

“In terms of ideas and products, I think Malaysian startups are good. But in terms of connections, they (startups in the US) have global networks so they grow faster. For us, we always try to make it big in Malaysia first before we think of growing to other countries. But for them, cross-market is easier. They have a lot of access to venture capitals (VC),” he says.

While the VC network here is not as vibrant as that of the Bay Area, he adds that local startups have the option of participating in programmes by agencies such as Malaysian Global Innovation and Creativity Centre (MaGIC) and Cradle Fund. “That will help with exposure,” he says. Runcloud makes deploying, configuring, managing and monitoring cloud servers a painless process for developers.

Arif started his own venture to create websites and apps while completing his degree in computer science. In 2014, upon graduation, he registered Cool Code Sdn Bhd with two other partners to continue servicing his clients. But Arif thought it'd be good to have their own product rather than merely provide services for its customers. One of his partners came out with the idea for Runcloud.

“We decided to test Runcloud with the developer community and we got good feedback. So we focused on this. When we put up the solution on the international cloud hosting platform, in four months, we got the most top views community project for 2016 and we got a lot of sign-up from the international market,” he says.



They released their product in January 2017 and the team decided to make Runcloud an entity of its own, as a sister company to Cool Code, which now focuses on R&D works. Arif made a lot of effort to promote Runcloud among the international developer community and exposure on some media platform helped build credibility for the company and its product.

At the moment, Runcloud manages about 30,000 domains from a customer base of over 6,500 subscribers. “This year, we want to focus on growing the user base. For now, we are growing organically about 20% to 25% every month in terms of paid subscribers. We’re not desperate for funding yet,” he shares.

Runcloud may look into Series A funding next year. For now, he is keen to raise about RM2mil through a 15% stake sale. On the horizon, Runcloud is looking at a possible listing exercise in five years’ time. But they are open to any other opportunities to exit before that.

(Source: The Star, 3 September 2018)

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