

SME WEEKLY NEWS

(15 October 2018 – 21 October 2018)

Countries	Highlights
<p>MALAYSIA</p> <p>Business leaders optimistic of Malaysia's economic prospects</p>	<p>According to a survey by Monash University Malaysia and CPA Australia, top business leaders in Malaysia are optimistic of their operating environment and the nation's economic prospects. Respondents, who comprised 416 CEOs and senior managers, also viewed the global economic environment as moving forward towards greater stability. However, the trade war rhetoric between US and its major trading partners remains a concern, as a full-scale trade war will dampen global growth and business sentiment in the region and Malaysia. The Business Sentiment 2018 Survey said to mitigate these risks, Malaysian firms are intensifying their market opportunities within the domestic economy and expanding their operations in ASEAN and other Asia Pacific markets. Their optimism is attributed to the various government policies and strategies to increase disposable income of consumers via lower taxes, removal of tolls on road use and increased spending on major infrastructure development. Strong performance of firms is also attributed to greater adoption of digital technology and the transition towards business models underpinned by Industry 4.0.</p> <p>Interestingly, the report says SMEs are embracing technological developments quicker than large firms. Hence, these technologies are enabling the SMEs to be more agile and adaptive to the changes taking place in the global economy. The respondents also proposed several initiatives to nurture and sustain a sound, agile and resilient national innovation ecosystem. These include increasing the supply of creative talent to enable firms to enhance process improvements, product development and expand market reach. They also called for strengthening the engagement between universities, industry and government to ensure educational programmes, training initiatives and R&D activities continuously raise the innovative capacity of firms. Respondents said greater incentives are needed for SMEs to access technology, expertise, R&D and other business support to facilitate their move up the innovation value chain.</p> <p style="text-align: right;"><i>(Source: New Straits Times, 15 October 2018)</i></p>
<p>THAILAND</p> <p>Thai SMEs most tech-savvy in Asean: study</p>	<p>According to ASEAN SME Transformation Study by United Overseas Bank (UOB), EY and Dun & Bradstreet, Thailand SMEs are the most active in Southeast Asia when it comes to investing in technology to drive business performance. The study found that 73% of Thai SMEs prioritised technology as their top investment. When choosing specific areas of technology investment, Thai SMEs' top choice (82%) was software & services such as mobile applications or digital marketing to increase customer loyalty and to meet customer needs better. ICT hardware and network investments ranked second at 66% and structured ICT training programmes for employees ranked third at 53%. To do business more effectively, Thai SMEs need to embrace digital transformation, by using enterprise technology solutions, which now become widely available for SMEs in a cost-effective manner. Such solutions span areas from accounting and customer relationship management tools to data analytics and cybersecurity. With these solutions, SMEs can increase productivity, manage business costs, scale up operations and explore new revenue opportunities.</p> <p style="text-align: right;"><i>(Source: The Nation, 18 October 2018)</i></p>

PHILIPPINES

Amid rising interest rates, PH Fintech Startup cuts lending costs to small businesses

The Bangko Sentral ng Pilipinas (BSP) in September 2018 raised the interest rate of its overnight reverse repurchase facility to 4.5%. With the higher policy rates, banking loans become more expensive, thus discouraging future applicants from borrowing money. However, First Circle who is a local fintech startup who specifically caters to SMEs in need of financing, not only offers competitive interest rates for its loan products, but it has also been able to lower these rates in the last two years. First Circle began offering their loan products with monthly interest rates ranging from 2.5- to 3.99%. Currently, loan interest rates is much lower, ranging from 1.99-3.49% monthly. This is made possible through its internal credit scoring system, which determines the creditworthiness of everyone who borrows from the company. Unlike banks and other traditional lenders, this system accommodates lenders who do not have a credit history, as it looks at alternative data to determine the capacity of an applicant to borrow funds. First Circle expanded the types of loans that it provides since its launch in 2016 as it now offers invoice financing and purchase order financing which enable businesses to secure capital should their own customers not be able to pay on time.

(Source: Philippine Entrepreneurs, 17 October 2018)

POWERING UP WITH THE SUN

For a company established only in 2013, Samaiden Sdn Bhd is no stranger to players in the renewable energy (RE) industry due to its pivotal role. Led by experienced consultants and possessing a strong background in the industry, the company offers RE services and environment sustainability solutions to residential and commercial areas. These range from residential solar photovoltaic (PV) end-to-end services from project feasibility, documentation and approvals to design and build, as well as testing and commissioning.

Samaiden also provides project management consultancy to independent power producers for RE projects – solar PV, biogas, biomass and mini hydro, from project initiation, engineering design, documentation and authority approval, to evaluation, and testing and commissioning.

From a team of two, the company has grown to 20 employees, working on both small- and large-scale projects across the country as well as in Labuan. The winning project was the installation of 425kW solar PV on the carpark rooftop of Plaza Metro Kajang, which was completed in December 2015, to generate electricity for the mall's own consumption. "From paying more than RM100,000 per month, the mall has managed to reduce its electricity bill by about 20% a month, resulting in a some RM300,000 savings a year.



The Plaza Metro Kajang solar PV project has also garnered the Renewable Energy Awards 2017, under the Off-Grid: Power category, in Manila, Philippines. The company's latest project, and one of its biggest, is the large-scale solar PV plant of 24MW in Penang for an integrated construction company. The solar farm, spanning 22.7 hectares will generate direct current to Tenaga Nasional Berhad.

However, it is not as simple as just buying panels and installing them, explained Chow. "A lot of coordination, licensing and approvals are involved. The challenges we faced were in getting approvals from various authorities because developing a solar farm is like developing a residential area. You still need to obtain approval of the Development Order. The weather was another challenge, making it difficult to monitor the progress of the solar panels, especially when there was no sunlight.

Samaiden also delves in environmental works, specialising in waste management and contaminated land management. This is where Chow comes in with her experience and with her past involvement in the national landfill restoration project. Chow, who is also a registered Environmental Impact Assessment subject consultant with the Department of Environment (DOE), said they had done a few projects where the development sits on a contaminated site.

On the importance of green initiatives, she said if no one was involved in any green initiative, then the issue of energy consumption would continue to increase. "We are in RE because of climate change, and it is great to also see support from our Energy, Science, Technology, Environment and Climate Change Minister as everyone is moving towards RE. We have to constantly educate the public that investing in RE projects does not only involve a lot of money, but they also get returns in energy and cost savings in the long run," she concluded.

(Source: The Star, 22 October 2018)

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