

# SME WEEKLY NEWS

(4 Feb 2019 – 8 Feb 2019)

Countries	Highlights
<p><b>MALAYSIA</b></p> <p><b>Silicon Valley Payments Darling Arrives in Malaysia</b></p>	<p><b>Silicon Valley Payments Darling Arrives in Malaysia</b></p> <p>Stripe is one of the Silicon Valley's more prominent payments processing companies which produces API software and currently servicing Fortune 500 companies. According to Fortune, Stripe's roots lie in small businesses that look to dabble in e-commerce, but the platform it has since gained coveted customers such as Google, Microsoft, Uber, Spotify, and Salesforce, among others. With a stated Southeast Asia strategy, it wouldn't surprise us if Stripe stays true to its initial SME strategy during its expansion. It's been a good period to run an SME here in Malaysia as both the government and banks wake up to the power of the small business in driving income, and slowly, solutions are introduced to address their needs.</p> <p style="text-align: right;"><i>(Fintech Malaysia, 8 Feb 2019)</i></p>
<p><b>THAILAND</b></p> <p><b>Google Thailand enlist partners to attract SMEs</b></p>	<p><b>Google Thailand enlist partners to attract SMEs</b></p> <p>Google Thailand is joining two Thai partners to introduce Social Shopping Advertising feature in a bid to empower local SMEs to capitalise on e-commerce opportunities, which are expected to reach US3 billion (407 billion baht) by 2025.</p> <p>This is an attempt by Google Thailand to compete with Facebook growing Ads and Marketplace features. Google co-developed the application programming interface (API) with two local partners -- <b>LnwShop</b>, an e-marketplace provider, and <b>ReadyPlanet</b>, a digital advertiser -- to enable online merchants in Thailand to market their products more effectively.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 6 Feb 2019)</i></p>
<p><b>SINGAPORE</b></p> <p><b>SMEs need help to move up the digital ladder amid disruption</b></p>	<p><b>SMEs need help to move up the digital ladder amid disruption</b></p> <p>Digitalisation can improve sales, investment returns, boost output, supply chain efficiency and response time. There are still a lot of work to be done in just getting SMEs onto the digital platform. There are still some lack of awareness and plenty of inertia in taking the digital route. A survey last December by management consulting firm DP Information Group indicated that seven in 10 of the 2,557 SMEs polled are ready for digital transformation in areas such as business operations, customer service and marketing of products and services. A survey of the extent digital media is used as a marketing tool shows many SMEs are "either confused as to what to do with digital media platforms or are unaware of the enormous benefits attainable from having an effective and powerful online presence". The government unveiled in Budget 2017 the more than S\$80 million SMEs Go Digital Programme that includes offering SMEs advice at each stage of their digital transformation, in-person help or access to ICT vendors and experts, as well as funding support. These would include employing digital solutions to develop new products and engage new clients and markets. The solution would then become part of the business strategy - and new business models tied to digitalisation would have to be created.</p> <p style="text-align: right;"><i>(Source: Business Times Singapore, 5 February 2019)</i></p>
<p><b>PHILLIPINES</b></p> <p><b>Building SME lending competencies</b></p>	<p><b>Building SME lending competencies</b></p> <p>As of June 2018, the Bangko Sentral ng Pilipinas (BSP) reports that 155 banks – out of 581 head offices – have tapped 1,751 branch-lite units to expand physical outreach in 738 local government units (LGUs), of which 151 LGUs were being served by branch-lites alone. Branch-lites have limited banking activities but could provide a wide range of products and services suited for servicing the needs of the market, except for sophisticated clients with aggressive risk</p>

tolerance. These branch-lites were formerly referred to as extension offices, microbanking offices and other banking offices. There is a need to build competencies in the frontline for prospective SME account officers. Training programs must aim to provide: 1) an understanding of what it takes to make SME financing successful; 2) an understanding of the business drivers of the SME business line; 3) an understanding of how SME credit and loans are different from other types of credit; and 4) a practical understanding of the core principles of SME finance including the ability to quickly analyse information about the borrower, the business, the financials and loan request.

While such training will primarily target the frontliners, the middle office must be involved so that credit risk evaluation will appreciate the unique characteristics of the SME loans. SME lending needs support from the top and understanding of the risk managers so that there is consistency and alignment at all levels in the organization.

(Source: *The Manila Times*, 8 February 2019)

## Saudagar Kitchen aims for Japan market



Saudagar Kitchen Sdn Bhd aims to penetrate the export market by aiming Indonesia and Japan for its travel pack products known as Kembara Adventure Meals next year. The founder, Muhammad Faiz Zakariah said he had received calls from seven countries including Singapore, Brunei, Arab Saudi, Indonesia and Japan to market its products under the ready to eat meal (MRE) segment. He saw positive potential in the Indonesia and Japan market particularly after considering the product suitability aspect and the potential to expand to that particular market.

The company is also excited to spread its wings to Indonesia as that country share the same taste bud as Malaysian does especially for food. As Japan will host the Olympics next year, Saudagar Kitchen also aims to tap on the enormous potential market there. Kembara Adventure meal set is produced through sterile technology which could make it last up to two year after being produced.

Saudagar Kitchen could produce up to 200,000 packs of Kembara Adventure meal per month and has plan to increase its capacity in the future. At the moment, the pack food are readily available at 40 outlets of Kedai Mesra Petronas nationwide.

(Kosmo, 8 Feb 2019)