

# SME WEEKLY NEWS

(14 January 2019 – 18 January 2019)

Countries	Highlights
<p><b>MALAYSIA</b></p>	<p><b>BNM tells SMEs to look past misconception into Islamic financing facilities</b></p> <p>More than half of the country's small and medium enterprises (SMEs) are not fully aware of the availability of Islamic business financing facilities, due mainly to misconception surrounding the eligibility for it, said Bank Negara Malaysia (BNM). Speaking at the "Islamic Finance Rendezvous Series" in Penang recently, BNM assistant governor Adnan Zaylani Mohamad Zahid said Islamic finance can act as an enabler of growth to SMEs, in areas such as supply chain finance, coverage in takaful products at competitive prices, sukuk as an alternative form of financing for businesses, and the Investment Account Platform for ventures. He added that at the national level, the government is indeed supportive of the role of Islamic finance as an important tool to assist businesses and SMEs flourish, highlighting the SME-Shariah Compliant Financing Scheme of RM1 billion as an example. As at end-September last year, Islamic banking assets stood at RM874 billion, or 30.4%, of total banking assets. Takaful contributions amounted to RM1.7 billion with market penetration at 15%, according to BNM.</p> <p style="text-align: right;"><i>(Source: The Edge, 15 January 2019)</i></p>
<p><b>SINGAPORE</b></p>	<p><b>SME business optimism dips for 3rd straight quarter</b></p> <p>Business sentiment among Singapore small and medium-sized enterprises (SMEs) eased again for the third quarter in a row. The latest Singapore Business Federation (SBF) - DP Info SME Index score fell slightly from 51 to 50.7, indicating an increase in caution among the 3,600 SMEs polled between October and November last year. The sector that showed the biggest decline in sentiment was construction and engineering, followed by retail and food and beverage, and transport and storage. Turnover expectations by SMEs continued to decline on the back of an uncertain macroeconomic environment, down from 5.22 to 5.13. This directly impacted profitability expectations, which also fell from 5.19 to 5.07. Among the sectors, construction and engineering, commerce and trading, and manufacturing are anticipating negative profit growth. The study also showed softer capital investment expectations for the next six months, which fell from 5.21 to 5.16, as SMEs take a wait-and-see approach in view of the murky outlook ahead. SMEs are still looking for opportunities to grow, even as business expansion expectations dipped from 5.45 to 5.41 for the first half of this year. In particular, SMEs in the business services sector and the transport and storage sector are expecting to expand.</p> <p style="text-align: right;"><i>(Source: The Straits Times, 14 January 2019)</i></p>

<p><b>PHILIPPINES</b></p>	<p><b>Index-Asia, UpSmart team up to aid SMEs</b></p> <p>HONG KONG-based finance advisory company Index-Asia has partnered with local financial consultancy firm UpSmart Strategy Consulting to help Philippine startups, small and medium enterprises (SMEs) and family businesses strengthen their capital-raising strategies. In a statement, the two companies said their partnership aimed to “create a growth strategy and structure their transactions and deals to facilitate a successful capital-raising.” They are also keen on providing accounting services and financial analyses of their clients’ operations, they added. UpSmart Head of Consulting Practice Filbert Richerd Ng Tsai explained that Western firms attracted global investments because they were more established in terms of the financial, operational and legal aspects of the business. Index-Asia’s Kieran Martin agreed, saying that based on his experience, SMEs in Southeast Asia generally do not implement proper structure for capital-raising. The firms hope their partnership would increase more foreign investments in the Philippines. UpSmart offers services in strategic finance, corporate structuring and restructuring, while Index-Asia provides Southeast Asian SMEs access to capital markets.</p> <p><i>(Source: The Manila Times, 15 January 2019)</i></p>
<p><b>BRUNEI</b></p>	<p><b>New initiative to help local SMEs</b></p> <p>STANDARD Chartered Bank launched its enhanced business banking proposition at the Royal Brunei Recreation Club. The proposition aims at assisting small and medium enterprises (SMEs) to drive commerce in Brunei Darussalam. Some 100 guests and members of the media were present. Standard Chartered Bank is also the only bank with a presence in all 10 ASEAN markets and is also a key player in the One Belt, One Road Initiative last year, a Memorandum of Understanding (MoU) was signed with China Development Bank which formalised a strategic partnership to facilitate trade and investment to China’s Belt and Road Initiative to the value of at least USD20 billion by 2020. Meanwhile, the Smart Business Account rewards business with a current account with up to 50 per cent rebate on their outward telegraphic transfers. The Smart Business Account holder will have access to use of the straight2bank business platform which allows business to perform transaction like authorising payments and view balances in real time.</p> <p><i>(Source: Borneo Bulletin, 15 January 2019)</i></p>

## GIVING BACK THROUGH EDUCATIONAL EFFORTS

COMPANIES that have attained a certain level of success often try to give back to the community through various CSR initiatives. This may include a jumble of random efforts like making visits to orphanages and making donations to charitable organisations. For property developer Orando Holdings Sdn Bhd, education makes up the base of its CSR programmes.



Managing director Datuk Eng Wei Chun counts it a meaningful effort to be able to help educate the younger generation to be more productive and lead a better life. After all, it is said: give a man a fish, and you feed him for a day; show him how to catch fish, and you feed him for a lifetime. Some of Orando's earlier efforts included working with a media group to sponsor newspapers to schools to help students have a better understanding of English.

Eng says he received a lot of notes of appreciation for the sponsorship which encouraged him to not only keep it up, but to also do more. The company continued to sponsor more of other programmes for school children.

Among these were contests that required students to craft public service announcements posters and short videos that portrayed patriotism. It's different from contributing resources to the less fortunate, says Eng. Such contests and projects will help students to be far-sighted and to think progressively. Eng hopes these video projects would also foster unity and teach the younger generation to have a greater love for the country.

Orando has been partnering other companies to continue pushing for more projects with schools or for students. In his personal capacity, Eng also hopes to eventually start up tuition centres in rural areas to offer free English classes for secondary school students.

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