

# SME WEEKLY NEWS

(21 Jan 2019 – 27 Jan 2019)

Countries	Highlights
<p><b>MALAYSIA</b></p>	<p><b>Honouring the best of SMEs</b></p> <p>The Star Outstanding Business Awards (SOBA) 2018 featuring the crème de la crème of SMEs was held recently. SOBA recognizes the contributions of up-and coming enterprises towards the growth of Malaysian economy. A total of 93 awards were given out across two broad categories such as Top of the Class Awards and Outstanding Achievement Awards.</p> <p>For the up to RM25mil tier, Prof Muhaya Eye and Lasik Centre Sdn Bhd earned the Malaysian Business of the Year along with two Gold awards under Best Brand and Best in CSR.</p> <p>Its Chief Executive Officer Muhammad Addaem Mikhail Chandran, was awarded for Par Excellence Achievement under the Male Entrepreneur of the Year category.</p> <p>The Rising Star awards for companies set up less than three years were clinched by grand winner LNN Design Sdn Bhd and We Build Easy Sdn Bhd received a special mention.</p> <p style="text-align: right;"><i>(The Star, 26 Jan 2019)</i></p>
<p><b>THAILAND</b></p>	<p><b>Bank predicts loan spike on investment</b></p> <p>Thailand's accelerating private investment is expected to boost demand for project financing this year, according to senior bank executives. Private investment will rev up, prompted by the government's big ticket infrastructure projects, although the country's economy is expected to grow at a slower pace in 2019.</p> <p>Loan demand for SMEs project has continued to improve due to the brighter picture on the domestic front. Bangkok Bank is has set an SME loan growth target of 4-5 % which is similar to last year. Building and construction, food and beverage and textiles are the key sectors that are identified to contribute to the growth.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 26 Jan 2019)</i></p>
<p><b>SINGAPORE</b></p>	<p><b>Singapore's factory output ends on a weak note</b></p> <p>Singapore's factory output ended on a dismal note as it failed to meet the economist expectations in the last month of 2018 – a signal that the manufacturing sector is losing its momentum with the peaking of electronics cycle and slowing global demand. Out of the six manufacturing clusters, only two - biomedical manufacturing and transport engineering - saw expansion in December, while the rest declined.</p> <p style="text-align: right;"><i>(Source: Sgsme.sg, 30 January 2019)</i></p>
<p><b>PHILLIPINES</b></p>	<p><b>Trabaho Bill Passage, B.B.B seen to boost SME growth in the region</b></p> <p>The Tax Reform for Attracting Better and High Quality Opportunities (TRABAHO) Bill and the full implementation of the "Build, Build, Build" Program will boost the growth of SMEs in the region. The Trabaho Bill</p>

could help firms to conduct business outside Manila due to a dedicated tax incentives. Longer term incentives are granted to firms that are either willing to relocate from Metro Manila or will be starting up in various provinces nationwide. The BBB programme will pave the way for growth and incomes to be equally distributed especially to reach the far-flung and less developed areas in Philippines. SMEs that are willing to locate and invest in agribusiness and resource based sector will also stand a chance to receive a longer period of incentives for five years and also additional two years incentives.

(Source: Business Mirror, 22 January 2019)

## Quah's recipe for sauces



Mickey Quah, the Managing Director of CareFood Industries Sdn. Bhd had went through a few setbacks in his attempt to grow and expand his food manufacturing business. However, he believed that these setbacks serves as a lesson to solidify his presence in his business.

Mr. Quah saw an opportunity to go into the food business in the early 1990s while operating an event organising company. Foreign delegates who came for the events, he notes, were always on the lookout for authentic local food. He believed that it is an opportunity to pack authentic sauce. His first venture is CareFood which he launched in 1993 by offering a range of pre-packed sauces under the Mums brand.

With an elaborate promotion campaign for television, and within a short span of time, he captured the attention of the market as well as the eye of a big distribution agency. This would enable the brand to penetrate retail outlets nationwide. With a big opportunity at his back, he invested RM500,000 to build its factory in Kepong, Kuala Lumpur. He was all ready to service the deal and take Mums further but the distribution deal went awry. Saddled with a factory, Quah is determined to find a way to carry on with the business. In 1994, he started a new brand – Asian Meals. This time around, CareFood decided to venture into the Japanese market. Given the strict standards in Japan, he figured he would be able to make it anywhere else if he could cut his teeth in that market.

From that moment on, he had expanded further to Germany, United Kingdom and United States of America. After many years of working the North American market, CareFood landed another large client – Costco – in 2017 to retail its products. Costco is reportedly the second largest retailer in the world after Walmart. But just when things are looking good again, Quah is faced with another dilemma – the ongoing trade war between the US and China.

Quah explains that the US' policy is making it more difficult for companies to export to the country as businesses there are obligated to procure locally-produced goods first. This caused CareFood some losses. "The US and Canadian markets are very big markets. But we are seeing a decline there. So we have to change our direction again," he says. Finally, he had to come back to Malaysia but now with a different focus which is the service industry.

CareFood is poised to grow as it is positioned in the middle of the value chain which provides them an opportunity to explore expansion either in the upstream or downstream. The company also has a wide range of products and a good talent pool to support its growth. CareFood has three food technologists in its employment. For a company of 25 people, having that many food technologists shows its emphasis in product development, he points out. But most of the product ideas still come from Quah himself. He writes the new recipes and the food technologists will look into the stability of the product to maintain the shelf life.

The company is also looking for more opportunities to develop and customise products for its customers. Notably, its move away from the retail segment in Malaysia is giving the company a new lease of life here. The retail segment currently makes up more than half of its sales. But moving forward, Quah expects the Horeca segment to drive growth for the company.

While prospects are looking up in the local market, Quah is still keen on growing the export market. At the moment, 90% of its sales is derived from the export market. He wants to take a bigger look at the market in Canada and hopes to revisit the European and UK markets to expand its Horeca services there. With more supermarkets looking to provide ready-to-go meals, he notes that there is also a different kind of potential to explore in the retail market.

Mr Quah believed that by having conviction, commitment and confidence, he will be able to see his goals through. "With the right partners, the company can go to the next level. We are rightly poised," he says.

*(Source: 21 January 2019, The Star)*

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