

SME WEEKLY NEWS

(29 July 2019 – 2 August 2019)

Countries	Highlights
<p>MALAYSIA</p> <p>Malaysia SME contribution to GDP up at 38.3% in 2018</p>	<p>Malaysian SMEs contribution to overall GDP rose to 38.3% in 2018 (2017: 37.8%), led by expansion in the services and manufacturing sectors. The value-added of SMEs at constant 2015 prices escalated to RM521.7bil in 2018 (2017: RM491.2bil). SMEs activities were dominated by services sector which contributed 62.4% and manufacturing sector with a share of 20.1%. The agriculture sector contributed 10.1% to SME GDP followed by the construction sector which contributed 5.9%. Malaysia's SME GDP for year 2018 grew at 6.2% (2017: 7.1%), exceeded the overall GDP and non-SMEs growth which registered 4.7% and 3.8% respectively. The services sector growth momentum was accelerated by wholesale & retail trade, food & beverages and accommodation sub-sector which grew to 8.6%. Finance, insurance, real estate and business services sub-sector which increased to 7.6% has also supported the growth momentum. In manufacturing sector, value added of SMEs grew to 5.5% led by petroleum, chemical, rubber and plastic products with a growth of 5.8%. In terms of export, SME exports grew by 3.4% to RM171.9bil in 2018, driven mainly by the manufacturing and services sectors' external sales.</p> <p style="text-align: right;"><i>(Source: The Edge Markets, 31 July 2019)</i></p>
<p>SINGAPORE</p> <p>SIA, Amex launch travel credit card for SMEs</p>	<p>Singapore Airlines (SIA) and American Express (Amex) launched a business travel credit card to help SMEs manage cash flow and get more benefits from their business spend. The American Express Singapore Airlines Business Credit Card will let cardholders earn both HighFlyer points for their businesses and KrisFlyer miles for themselves on SIA Group flights. The card offers complimentary travel insurance, airport lounge access and zero per cent instalment plans over 6 months on SIA flights. SIA's HighFlyer programme was launched 2 years ago to support SMEs, including in their endeavours to expand overseas. A survey of 200 SMEs, conducted by Amex and SIA in June 2019, found that SME owners and employees are frequent travellers. SME owners reported that they travel at least once every six weeks for business, and 70% of SMEs have employees travelling two or more times per month. Nine in 10 SMEs said they have dealings overseas, and one in three respondents cited lack of access to capital and cash flow as key inhibitors to international expansion. Thus, Amex and SIA are bringing the first SME business travel card to give them access to credit terms, more savings and a suite of travel benefits to support their ambitions and help them overcome these challenges.</p> <p style="text-align: right;"><i>(Source: Business Times, 1 August 2019)</i></p>
<p>CAMBODIA</p> <p>Helping women-owned enterprises go digital</p>	<p>We Act Project, a USAID-funded initiative implemented by Pact Cambodia allocated a budget of \$15 million to strengthen the skills of female entrepreneurs. The programme helps women-owned SMEs to access the knowledge, tools and resources they need to thrive in the marketplace while also strengthening their commitment to the communities where they operate. About 2,500 SMEs had joined the programme so far, mostly family-owned businesses. Women-owned SMEs in Cambodia are slowly digitalising their processes, but most are still lack of critical knowledge to complete the digital transformation, particularly with regards to marketing on social media platforms. Cambodia Women Entrepreneur Association (CWEA) and Canada Bank recently signed a MoU, allocating \$20 million to a loan fund that boasts competitive interest rates with a goal to enhance access to finance for female entrepreneurs. According to Ministry of Industry and Handicrafts, there are about 530,000 SMEs in Cambodia, 97% of which have fewer than 10 employees and thus classify as micro-enterprises. Meanwhile, President of CWEA said that 65% of Cambodian SMEs are owned by women.</p> <p style="text-align: right;"><i>(Source: Khmer Times, 31 July 2019)</i></p>

BRUNEI

Online marketplace MondeB2B to help Brunei companies to export

An online marketplace looking to connect importers and exporters from APEC is looking to provide solution for Bruneian SMEs to export. Among stumbling block for Bruneian local companies to attract international buyers is the limited information online about Brunei's exporters outside oil and gas. MondeB2B, which is an APEC supported platform built by Monde Group has begun integrating companies from Latin American countries under Pacific Alliance including Chile, Colombia, Mexico and Peru alongside Brunei, Indonesia, Malaysia and the Philippines from the East ASEAN Growth Area (BIMPT-EAGA). The platform would be amongst the first to house exporters that have been validated by its respective national or government bodies. Importers can browse the listings and negotiate with exporters through the platform, and proceed to make payment through the website, bank or wire transfer. Monde's marketing arm will also offer online solutions to companies including website and social media management and search engine optimisation for a separate fee. MondeB2B will launch officially this November, to absorb the existing APEC MSME Marketplace and integrate the 21 economies of APEC including the US and China. The platform is also planning to integrate business partners who provide services to exporters and importers including logistics and consulting.

(Source: BizBrunei, 31 July 2019)

SHAPING UP A FIT BUSINESS

At 49 years of age, Ryan Ooi Ghee Lik is still full of energy and enthusiasm, leading a youthful group of professional trainers in a demonstration of exercise routines. Clearly, fitness is a big part of Ooi's life. Not only has it given him some of the biggest challenges and accomplishments in his life, it has also provided him with an opportunity to build a fitness club business in iConFIT Group. Ooi founded the company with his wife Karine Lee.

iConFIT's early days took shape in the form of free exercise classes for the public in open spaces. But what started out as just something of interest and for personal well-being five years ago has now become a serious business for the pair as the club continues to gain traction amid the current health trend. The main pull factor is the fact that iConFIT focuses on making exercise and fitness a fun, flexible and affordable option for those who are newcomers to an organised fitness regime.

Combining trending workout regimes such as Zumba and Yoga with its in-house designed routines such as speed drumming, he says its energetic and vibrant movements have caught on with a

growing number of followers. iConFIT provides fitness training & exercises designed for promotion of healthy lifestyle for an average urbanite. The company's main customer recruitment strategy is targeted at fitness novices who are new to exercise – people who are genuinely interested in living better lives.



“We aim to have growth through our own network of customers who will themselves become certified trainers, where they can then open a new centre under our iConFIT concept,” he says. One of the key advantages of iConFIT is the fact that the

company's expansion and new outlets are driven by the success of turning its customers into professional fitness trainers. They will have the ability to select the areas to operate in and operations are catered to local customer demographics.

The company currently has 24 centres, mainly concentrated in the Klang Valley while the first outlets in the southern state of Johor and in Kuching, Sarawak are expected to be ready within the 3Q of 2019, says Karine. Each centre has an average turnover of up to RM 5,000 per month. The company is also looking beyond the local market and will explore potential strategic partnerships to tap potential in other ASEAN countries. It recently explored potential expansion plans into Vietnam and Singapore, but has put these plans temporarily on the shelf due to regulatory issues and high operation cost respectively.

Apart from their ability in physical fitness training, Karine notes that it is also important to look for the right talent with the financial know-how to operate a centre. The company is expected to roll out its mobile app as well as online training manuals by this year, in order to reach a wider customer base. This will also provide existing customers with the convenience of training at home.

The duo also notes that online coaching has become one of the trendier business models in town. This also makes educating the community on quality living through positive changes in lifestyle and eating habits more accessible, affordable and customisable. Given the competitive nature of the fitness industry, the couple has found a way to prove that the fitness game is not just confined to the big boys with deep pockets and celebrity endorsements. Its flexible and open concept has opened up a market for people looking for options that have not existed before.

(Source: The Star, 29 July 2019)