

SME WEEKLY NEWS

(1 July 2019 – 5 July 2019)

| Countries | Highlights |
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| <p>MALAYSIA</p> <p>Funding Societies, Lazada in SME financing tie-up</p> | <p>Peer-to-peer (P2P) financing platform, Funding Societies Malaysia (FSM) is cooperating with Lazada Malaysia to offer short-term and e-commerce financing, specifically for traders on Lazada e-commerce platform. P2P platform is an alternative financing option which has managed to decrease the financing gap by providing an attractive source of funding for local SMEs to finance their business expansion as well as in meeting other financial needs. Co-founder and CEO of FSM, Wong Kah Meng said the company understands the difficulties faced by e-commerce traders in securing financing to build their online business, where they are often neglected by traditional financial institutions. FSM partnership with Lazada will allow traders to gain access to financing more easily through Lazada platform, thus reducing barriers for traders to build their brand in Lazada. This is made easier by the use of alternative data from Lazada with consent, as part of risk assessment process. As one of the more prominent economic pillars, P2P funding will enable rapid growth of the industry and contribute to a stronger e-commerce ecosystem.</p> <p><i>(Source: The Star Online, 4 July 2019)</i></p> |
| <p>SINGAPORE</p> <p>New cybersecurity solution available for Singapore SMEs</p> | <p>A comprehensive cybersecurity solution for SMEs in Singapore, called the SME Cybersecurity Essential Bundle has been launched. The cybersecurity solution includes an anti-data leakage solution which uses encryption compliant with Singapore's Personal Data Protection Act (PDPA), which prevents data from being accidentally or maliciously leaked outside of the organisation. An anti-email spoofing program is also included to prevent company's email from being spoofed by hackers that seek to gain entry into an organisation or victimise its clients. Meanwhile, SMEs will also enjoy cyber insurance product which covers the cost of business interruption, third party liabilities, network extortion (ransomware) costs, data forensic consultants, breach consultation costs, public relations expenses and many other costs that SMEs may incur in case of a cyberattack or data breach. The SME Cybersecurity Essential Bundle is expected to provide SMEs with the necessary protection against more than 75% of the common attack vectors employed by hackers today.</p> <p><i>(Source: Insurance Business Asia, 5 July 2019)</i></p> |
| <p>PHILIPPINES</p> <p>Employers group says 14th-month pay bill to burden small businesses</p> | <p>Following a statement by Senator Vicente Sotto III who billed a measure seeking to require private companies to grant 14th-month pay to increase the wage benefits of private employees amid continued increase in prices of basic goods, the Employers Confederation of the Philippines (ECOP) warned against the possible effects of the bill which might break the operations of small, micro and medium businesses, cause inflation to spike and the Philippines to lose its competitiveness against its Southeast Asian peers. The employers' group said the bill fails to understand the dynamics of the Philippine labour market as this would only leave small and micro establishments with two options to shoulder higher labor cost: increase their product prices or reduce their work force. In Philippines, nearly 90% of the establishments belong to the micro, 8% belongs to the small establishments while 2% belongs to medium and large enterprises. As such, adding a 14th-month pay requirement to workers is not a good proposal, noting it would push employers to increase the prices of their products and services, which would then result to higher inflation rate in the country.</p> <p><i>(Source: UNTV, 3 July 2019)</i></p> |

RIDING THE MOBILITY TREND

All hype around mobility has been focused on the rise of electric cars. But there is lesser growth in the green transportation industry, which is dominated by versatile and affordable electrified scooters and mini bikes. Until recently, these 'gadgets' were largely confined to children and teenagers taking to the parks for an evening of fun. Notably, with traffic becoming more congested and with the growing awareness on pollution, more adults are considering the use of these e-scooters and bikes for short-range travels.

Founded in 2015, Star Wheels Electronics imports and assembles its own brand of e-scooters, e-bikes and hoverboards. Founder and CEO, Eric Lee says the company has modified the technology and mechanics of the products to form its own e-scooters, e-bikes and hoverboards that are suited for the conditions of local streets.



"I have long been interested in all things mechanical, so it is only natural that I see these form of electronics as something fascinating. I have spent a lot of my own money and time to buy, dismantle and study the mechanics of these electric scooters and have been thinking of ways to make them better," shares Lee. His tinkering has helped the business grow in a short span of a few years.

Today, Star Wheels has around 10 different types of e-scooters and bikes under their brand. Sales average about 1,000 units per month currently but with the market waking up to the possibilities of e-mobility, demand could easily grow. In terms of capacity, the company's current operating structure can accommodate the increase in demand with additional assembly line workers.

Lee is planning to bring in bigger capacity e-bikes which have become one of the company's best sellers in recent times due to its longer-range speed. Star Wheels is looking at several new markets

to export its e-scooters and bikes including Ho Chi Minh City and Manila. These two cities face a similar traffic situation whereby roads are choked to the brim with cars. And with public transport not at its best, there is strong demand for alternative modes of transportation like the e-scooters.



While the demand and interest in e-mobility products and solutions are increasing in Malaysia, Lee admits that regulation has not kept up with this explosive growth. At the moment, there is no standardised law either at the federal or local level to govern the use of e-scooters and bikes. Lee

says it is in the interest of Star Wheels to engage with the government in coming up with proper guidelines for the use of e-scooters and bikes. This is to ensure the industry is safe and regulated.

"Right now, we are focusing on raising awareness on the usage of e-scooters and educating riders to use them the right way. We aim to educate both riders and the public on riding rules and etiquette, and how to responsibly share public paths. Lee is more than happy to take what started out as a hobby to its next phase as a fast growing business. And as a key stakeholder, he hopes to see e-mobility make a long-term impact on the transportation sector.

(Source: The Star, 1 July 2019)

Knowledge Management & Strategy Division
SME Corp. Malaysia
8 July 2019