

SME WEEKLY NEWS

(24 June 2019 – 28 June 2019)

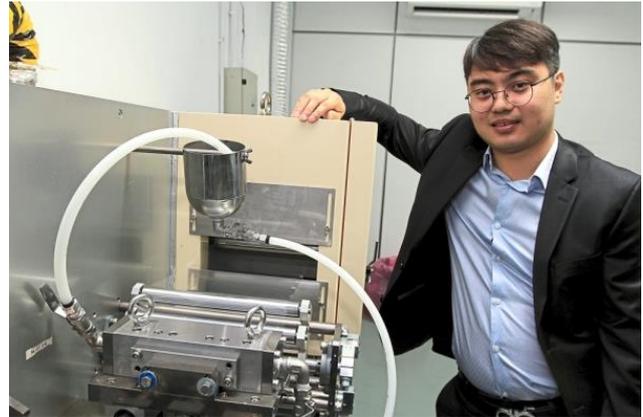
Countries	Highlights
<p>MALAYSIA</p> <p>HLBB offers financing to local SME motorcycle dealers</p>	<p>Hong Leong Bank Bhd (HLBB) is offering clean working capital financing of up to RM5 million to local SME motorcycle and scooter dealers. HLBB had inked a MoU with Malaysia Motorcycle & Scooter Dealers Association (MMSDA) to provide a comprehensive suite of banking solutions for its 6,000 members. Apart from the working capital financing offered, the tailor-made financial programme, Motorcycle Dealers Programme (MDP), includes individual and business banking requirements such as auto loan packages, cash management, payments and merchants services, foreign exchange service as well as digital business solution. According to Malaysian Association of Motorcycle Manufacturers, market dynamics have largely been positive since 2016 and the motorcycle and scooter industry is expected to witness continuous growth over the next five years with a projected 25% increase over the period. The MDP marks the first specialised SME loan programme by HLBB.as they highlighted that one of the challenges faced by the motorcycle and scooter dealers was the hassle of SME loan approval process.</p> <p><i>(Source: The Star Online, 27 June 2019)</i></p>
<p>SINGAPORE</p> <p>SMEs to get extra S\$10,000 subsidy to help train workers</p>	<p>Effective 1 July 2019, companies in Singapore may upgrade their workers' skills with S\$10,000 subsidy under the enhanced Productivity Solutions Grant (PSG) by SkillsFuture Singapore (SSG). Eligible companies will be able to use the PSG SkillsFuture Training Subsidy (SFTS), capped at S\$10,000 per company, to offset up to 70% of out-of-pocket training expenses. Companies can apply for the PSG and SFTS at the same time between 1 July 2019 and 31 March 2023. To help enterprises select the appropriate training courses for their workers, SSG is working with intermediaries such as industry partners, trade associations and chambers, unions and lead agencies to co-create training curricular and work-learn programmes as well as workplace learning and skills solutions to improve SMEs' capabilities and service delivery. In sectors that require specialised skills and knowledge, which are harder to find specific courses for, the government plans to work with anchor companies to conduct training on behalf of other companies. For instance, IBM and SSG are working together to develop IBM-certified programmes in Artificial Intelligence for the sector.</p> <p><i>(Source: Business Times, 28 June 2019)</i></p>
<p>PHILIPPINES</p> <p>DOST provides financing, strategic R&D partnerships for SMEs</p>	<p>Department of Science and Technology (DOST) has helped 18 SMEs to partner up with Universities and R&D Institutes (RDI) through a programme called the Collaborative Research and Development to Leverage Philippine Economy (CRADLE). This program specifically designed to catalyse partnerships in R&D between academic institutions, RDIs and SMEs. CRADLE provides a financial grant from DOST to enable SMEs to partner with higher educational institutions or RDI to find viable solutions to an existing R&D problem in the industry. Through CRADLE, SMEs state its concern and the academic institution or RDI will solve the problem in partnership with the SME. A CRADLE project can have maximum funding of 5 million pesos and implemented for a period of 1 to 3 years. Another financial assistance program is the Business Innovation through S&T (BIST) for Industry. BIST is designed to assist Filipino-owned companies, particularly SMEs to innovate and develop competitiveness and adapt to changing global dynamics. BIST facilitates the acquisition of strategic and relevant technologies by Filipino companies for immediate incorporation in their R&D activities.</p> <p><i>(Source: Manila Bulletin, 26 June 2019)</i></p>

A SHADE OF THINGS TO COME

THE recent announcement allowing car owners to tint their rear windshield and rear passenger windows as dark as they want has brought a lift to car services shops. Naturally, this is also good news for window film manufacturer Totalgard Manufacturing Sdn Bhd. CEO of the company, Ng Jun Jie, expecting a surge in demand – not just for the near-term, but also in-line with increasing car sales in the future.

The business was initially established by Ng's mother in 2006. With Malaysia's hot and humid weather, window film seemed like an essential accessory and a sunny opportunity to tap into. Much like other players in the market at that time, Totalgard became a product distributor. But what set them apart was their attention to quality control. Instead of pushing these products straight into the hands of distributors and car workshops, the company took the time to test them out to ensure that they were reliable and were of good quality.

Ng helped out in the business during his school days and even enrolled in a degree programme that would help him understand the product better. When he returned from the UK six years ago, he dreamed of bigger things for the company. Rather than remain as a distributor like everyone else, he explored the idea of moving into manufacturing.



Totalgard's production finally kicked-off in late 2017. While it was an achievement of sorts, it wasn't all rosy. The shift was hard because you need a lot of knowledge on the technical and chemical aspects of the operations. You need the right people and the right engineer, especially," he shares. Although his background in chemical engineering helped, the company still had to hire foreign expertise to assist with product development.

Ng points out that Malaysia is a rather unique market for window film. Unlike Indonesia and Thailand, which mainly use the black tint, Malaysians have a penchant for a variety of tint colours – including green and pink – and standards. While this makes product development more interesting, it could also be more complex. According to him, the main criteria for product success are durability, heat rejection rate, market trend, safety and availability of a warranty.



Nonetheless, their manufacturing arm enabled them to tap into the local window film distribution market estimated to be worth about RM150 million a year. Surprisingly, breaking into the market wasn't all that difficult. Totalgard currently holds about 40% share of the distribution market.

In terms of business performance, export to some 30 countries makes up about 20% of its sales and Ng is hoping to grow its foreign business. He sees opportunities in South Korea, one of the bigger players in the global market. In 2018, their production grew to 22 million metres of film from 15 million metres in 2017. He is looking at increasing production to 25 million metres for this year and 29 million metres in 2020. Revenue sits at about RM50mil to RM60mil a year.

(Source: The Star, 24 June 2019)

Knowledge Management & Strategy Division
SME Corp. Malaysia
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