

SME WEEKLY NEWS

(2 December 2019 – 6 December 2019)

Countries	Highlights
<p>MALAYSIA</p> <p>CIMB Islamic to provide RM100mil financing for SME businesses</p>	<p>CIMB Islamic has unveiled its proposition to support SMEs in the global halal market. The CIMB HalalBizReady provides financing assistance that help firms become compatible with requirements of halal certification in terms of getting their premises, operations or supply chain. It is part of CIMB's refreshed SME solutions that comprises 3 main pillars: SME Transact, SME Financing and collaborations via industry SME Partners. CIMB HalalBizReady also gives customers access to a wider global and regional market via the CIMB Trade Club platform, which is an exclusive digital e-commerce ecosystem participated by 14 global banks whose network spans over 50 countries, and is aimed at empowering member companies to promote their businesses and expand their markets globally.</p> <p>Meanwhile, CIMB's SME Transact pillar provides cash management services, as well as potential reward opportunities of up to 2% hibah p.a. for current accounts and fee waivers on online business banking. Under the SME Financing pillar, eligible Shariah-compliant SMEs have access to financing of between RM10,000 to RM1 million, 70% of which will be guaranteed by CGC. Through the CIMB HalalBizReady, SMEs can also benefit from CIMB's knowledge partners to get their products and services ready for Halal market across the globe. These partners provide guidance and training in getting businesses halal-ready and halal-certified based on the requirements of different markets.</p> <p style="text-align: right;"><i>(Source: The Borneo Post, 2 December 2019)</i></p>
<p>INDONESIA</p> <p>Shopee gears up SMEs for Indonesia's digital economic growth</p>	<p>For Indonesia to be the 'Digital Energy of Asia' by 2020, it is imperative to digitally gear up SMEs and enhance synergy with private sectors, particularly in e-commerce industry. Indonesian e-commerce recorded a robust growth of 78% which would serve as a golden opportunity for SMEs to thrive. Having an online presence can boost SMEs' sales growth via many programmes. For instance, Shopee is committed to shape SMEs for global digital economy with programs like Kampus Shopee and Shopee Barokah. Kampus Shopee support business of SMEs and its growth through educational program approach and develop insights on how to escalate its existence to be broadly integrated with a digital literacy improvement. Shopee Barokah was launched to tap potentials in Sharia market, serving as a channel for Muslim products and zakat. The online marketplace has also been active in developing digital literacy among Sharia SMEs, supported by Shopee's export program Kreasi Nusantara with theme "From Local to Global" that allows SMEs to reach wider market by exporting to Malaysia and Singapore.</p> <p style="text-align: right;"><i>(Source: Jakarta Globe, 6 December 2019)</i></p>
<p>BRUNEI</p> <p>DARe LINKS to enable MSMEs to secure businesses with large companies</p>	<p>Darussalam Enterprise (DARe) will be collaborating to upskill local MSMEs to secure business opportunities with large companies in Brunei through a new initiative called DARe LINKS. DARe LINKs is an online portal which will consolidate business opportunities including supply contracts offered by large Brunei-based companies and profile the portfolio and competencies of MSMEs to facilitate matching and linkages. The programme was set up to address the market access gap facing MSMEs in securing business opportunities with larger companies. Through DARe LINKs, MSMEs will go through a structured Vendor Development Training (VDT) through DARe's Industry Business Academy (IBA) to equip them with the fundamentals in financial management and business planning along with specialised modules to be able to successfully secure and deliver projects for large companies. Ultimately this will help maximise local purchasing and grow the capabilities of MSMEs and their workforce to meet higher standards through skill and technology transfer from larger corporations.</p> <p style="text-align: right;"><i>(Source: BizBrunei, 4 December 2019)</i></p>

MAKE HAY WHILE THE SUN SHINES

WITH the afternoon sun blazing above, Datuk Guntor Tobeng surveys the solar panels ahead. “It’s good business today,” he says. The solar farm in Bidor is his second pride and joy. The first is Gading Kencana Sdn Bhd’s solar farm in Melaka — dubbed by some as one of the world’s most efficient solar farms as it produces 1MW per 0.6ha against worldwide norm of 1MW per 2ha.

Built on 98 acres, the farm in Bidor took about RM200mil and two years to complete. It houses 110,500 panels, which Guntor estimates can power up about 20,000 homes. Gading Kencana, founded by Guntor in 1993, was among the first batch of companies that took part in the bid to install solar panels when the Feed-in-Tariff (FiT) system was first launched in 2011. Guntor, who was running a solar light trading business at the time, had participated in a capacity building programme organised by the government and became interested in giving solar farms a shot.



However, he faced several setbacks in the beginning. For one, the land area turned out to be slightly smaller than on paper and the landscape was not exactly suitable for a solar farm. Gading Kencana also had difficulties obtaining the funds needed for the project. “That farm was about RM80mil. But at that time, banks didn’t understand the solar business. We spent one year talking to eight banks and they all showed us the door,” he shares.

By then, his acquaintances advised him to sell off his licenses and use the money for other things. But he was adamant. “I believe I could do it. I saw the system in Germany, it was so easy,” he says. He eventually got a facilitation fund of RM11.8mil from Teraju and RM56mil loan from SME Bank. With some creative engineering and redesigning, they managed to maximise the available space, fitting in 8MW on 14 acres of land.

Once its Melaka project was up and running, the company won a bid for 30MW under the first round of large-scale solar (LSS) plants development carried out by the government. Guntor was certain that Gading Kencana was able to build its Bidor plant on its own. And this time, funding was not so much a problem. With its track record in Melaka, banks were knocking on its doors.

The company completed its Bidor plant at the end of 2018 and recently submitted a bid for 100MW under the 3rd round of the LSS. “I am confident of our capability to construct the next farm. We have the access and expertise so there is a big opportunity for us,” he says. Gading Kencana is also looking at projects in the region and has secured some contracting work in Vietnam. But Guntor prefers to own and operate the development projects as he finds it to be more satisfactory.

MESTECC has set a target of 20% of the country’s power to be generated from renewable energy by 2030 and this certainly is a big boost for companies such as Gading Kencana. There are also ample opportunities in the region. For solar, he notes that there is a big demand particularly in Vietnam and Thailand. And should Indonesia sort out its policy on the sector, everyone will jump on that bandwagon, he points out.

He also said that 95% of the components used in Gading Kencana’s projects are locally produced, which proves that there is strong local capability to grow the solar industry here. Additionally, all its workers are Malaysians. “We need to train our people and trust them to handle the projects,” he says. Guntor hopes to build Gading Kencana into a company with assets of RM1bil by 2021. And if revenues can hit RM120mil in three years, he is looking at listing the company.

(Source: The Star, 2 December 2019)