

SME WEEKLY NEWS

(16 September 2019 – 20 September 2019)

Countries	Highlights
<p>MALAYSIA</p> <p>SMEs compliance cost - time is money</p>	<p>Institute for Democracy and Economic Affairs (IDEAS) published a policy paper studying the compliance cost of SMEs in the Klang Valley area. The paper found that the most burdensome regulations to comply with were labour laws, including minimum wage and work permits; land regulations, including billboard regulations; and tax compliance. IDEAS concluded that the most time consuming was corporate tax compliance, which required 44 days of staff time. The impact of tax compliance costs has a more substantial incidence on SMEs as they are unable to benefit from economies of scale. Firms are subjected to numerous forms of taxation, and this becomes tedious as they are required to file annual tax returns, keep documentation and implement the scheduler monthly tax deduction scheme. As a result, business costs become inflated, and this is particularly significant as many citizens' earning incomes of the bottom 40% (B40) are employed by SMEs.</p> <p><i>(Source: The Malaysian Reserve, 19 September 2019)</i></p>
<p>SINGAPORE</p> <p>UOB, SoReal launch app to help SMEs buy commercial properties faster</p>	<p>Singapore SMEs may now be able to invest in and get loans for commercial properties quicker, with a new mobile app by United Overseas Bank (UOB) and property portal SoReal Prop. SMEs can search and get valuations for properties like offices and warehouses on the RealCommercial mobile app, which provides listings from SoReal. UOB said its digital valuation service provides SMEs with a bank-backed valuation for their loan application in less a minute, shortening a process which can take up to seven days currently. Business owners can also view the loan quantum they qualify for on the app, based on their average monthly cash flow or affordability. UOB and SoReal cited that their commercial property solution which features a bank-backed valuation, is the first in Singapore. According to UOB's survey of over 500 decision makers in senior management roles at SMEs, one in two businesses plan to invest in fixed assets including buildings and factory premises.</p> <p><i>(Source: The Straits Times, 18 September 2019)</i></p>
<p>PHILIPPINES</p> <p>DOST launches action plan to assist more MSMEs</p>	<p>The Department of Science and Technology has launched a promotional activity to reach out more MSMEs called 'SPICES to DOST LabS', a promotional activity wherein tours are held (to DOST facilities) and provide one-on-one consultations with DOST researchers and RDIs (R&D institutes). SPICES to DOST LabS stands for Strategic Promotion through Integrating Collaboration and Engagement of SMEs to Support the Technology Transfer and Commercialization of DOST-Developed Technologies including Testing Laboratories and Services. The programme aims to make the industry aware of the different DOST facilities (laboratories and equipment) that they could use for R&D, or help MSMEs expedite testing of products that they would sell to the market. It is the Technology Application and Promotion Institute (TAPI) who chooses who to invite MSMEs for the tour, and these are companies or enterprises that TAPI sees a potential to collaborate with the DOST.</p> <p><i>(Source: Philippine News Agency, 18 September 2019)</i></p>

SWEET SUCCESS

The sweet indulgence has long been known to bring cheer and comfort to people. In recent years, artisanal chocolate brands have appeared in specialty boutiques, online stores and pop-up shops, each trying to tell a meaningful story of their source material and brand that would hopefully win them more customers. Local chocolate maker Bennis Chocolate & Candy Manufacturer Sdn Bhd is riding on this wave, joining the troop of artisanal brands hoping to educate the market on a healthier and more sustainable option of chocolates.



Executive director, Wilfred Ng says the company is moving beyond the conventional mass market for chocolates and candies to build a new high-end local chocolate brand. The company, founded by Ng's father, has been around for a few decades. But about two and a half years ago, Ng embarked on a new project to take Bennis to a new level with high-end cocoa products that aim to promote the unique taste of Asian cocoa.

The manufacturer positioned itself as a single origin bean-to-bar cacao product brand, ensuring that it controls the entire process of

its chocolate products from sourcing of the beans right up to retail. Its branding strategy revolves around promoting the farms and farmers from whom they source their materials, as well as the history of the places where the estates are located. Bennis's model enables them to cut out the middleman by working directly with farmers who are often underpaid.

Its beans are sourced within Asia, particularly from cacao growing countries such as Vietnam, the Philippines, India and Malaysia. Cacao beans from Asia are largely underappreciated, says Ng. Bennis's products are currently retailed under the Bennis brand and stocked at upmarket retail and supermarkets in Malaysia and Singapore. They are also available at its online store.

Consumers are increasingly developing an affinity for a more diverse taste in chocolate. As such, profiles such as bitterness, richness and complexity have become hallmark characteristics for certain global chocolate brands. On the other hand, brands that cater more to the Asian palate, including Japanese consumers, tend to gravitate towards chocolates that are milky, caramel-infused and soft-textured. These, says Ng, are few and far between, which gives Bennis room to grow in this segment.

The company has three main product lines, comprising Alessio, which caters to the mass market, Gulliver, its mid-market range, and Bennis. The Alessio range currently contributes more than 70% of the group's total revenue. Bennis is currently looking at foreign strategic partnerships to bring its chocolates out. It is looking at mature markets to sell its high-end chocolates to including Japan, Europe and North America to promote Asian origin cacao-based products.

Apart from its own chocolate products and contract manufacturing for other brands, Ng says Bennis is also looking at expanding its cocoa-based products to cover chocolate powders and cacao butter as the raw materials for soap and beauty products. "Most high end cosmetics use cacao butter as one of the main ingredients, and this is one of the areas we are planning to explore," he says.

(Source: The Star, 16 September 2019)

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