

SME WEEKLY NEWS

(10 February 2020 - 14 February 2020)

Countries	Highlights
<p>MALAYSIA</p> <p>Affin sets record for SME community development mobile app</p>	<p>AFFIN Bank Bhd has set a record with the Malaysia Book of Records for developing the first SME community development mobile app, SMEColony. The SMEColony is the first mobile app designed for the development of SMEs in the country, with the aim to fulfil the needs of developing SMEs. This initiative by the bank is to build relationships with SMEs, as well as create business synergy among SME players as a community within a digital ecosystem. SMEColony aims to empower SMEs, including start-ups, who may need to tap into digital platforms. It serves to mobilise growth of the SME community with access to business resources and solutions through a digital platform. Affin Bank group CEO, Kamarul Ariffin Mohd Jamil said that SMEs can also benefit from the business matching opportunities available to about 50 strategic partners, and increase brand visibility via promotion of products and services on a digital market.</p> <p><i>(Source: The Malaysian Reserve, 14 February 2020)</i></p>
<p>SINGAPORE</p> <p>UOB sets aside S\$3b as relief assistance to SMEs</p>	<p>UNITED Overseas Bank (UOB) said it has set aside S\$3 billion to provide companies in Singapore, especially, with relief assistance to tide over the negative impact of the Covid-19 outbreak on their business. The bank's relief measures would enable those affected companies to have more flexibility in their cash flow management. This comes as SMEs are due to have near-term liquidity needs, UOB said. UOB clarified that the sum of S\$3 billion will not be taken as impairments, as these companies have good track records and who have been servicing their repayments promptly. Such measures would mean allowing affected businesses to rework their principal repayments and to service only their loan interest for up to one year; extending up to one year working capital financing of up to S\$5 million; and offering financing liquidity against mortgage security. For the latter, UOB is offering flexibility for businesses' secured loans, which could come in the form of an increased loan amount or an overdraft facility.</p> <p><i>(Source: The Business Times, 12 February 2020)</i></p>
<p>CAMBODIA</p> <p>GIZ project to support local SMEs</p>	<p>GIZ and the Ministry of Industry & Handicrafts will explore ways of facilitating import and export activities for SMEs as part as the Integration Support Project ASEAN plus Cambodia (Arise plus Cambodia). The project aims to support efforts by the Ministry of Industry & Handicrafts to boost the SME sector. The ministry will work with the General Department of Customs and Excise to create a mechanism to make it easier for SMEs to import and export raw materials. The Arise plus Cambodia project – funded by the EU and BMZ – is being implemented by GIZ. The project started last year and will run until 2023 with a budget of €9.35 million (\$10.1 million). The project will directly benefit SMEs by strengthening their capacity and enhancing the quality of their products so that they can be exported abroad. Arise plus Cambodia project director Christine Bower said that the project will achieve several goals – improve customs procedures, facilitate trade, standardise quality and strengthen regulatory enforcement.</p> <p><i>(Source: The Phnom Penh Post, 13 February 2020)</i></p>

CHANGING TASTEBUDS OFFER SNACK FOOD MAKER OPPORTUNITIES FOR GROWTH

SNACKING is one of Yuyi Low's favourite. But when she and her partner Nicholas Thang decided to start producing their own snacks, little did they know that the business would grow that fast. Hofu joined the ranks of local small snack food producers slightly over 2 years ago. But the brand has already established a sizeable presence in the market with a good portfolio of products. Last year, Hofu generated some RM3mil in sales and revenue is expected to grow another 50% this year.

The brand hit the shelves in late-2017, not too long after Low tried out salted egg fish skin in Singapore, where it was all the rage. In between jobs at the time, Low figured she could start a business instead and capitalise on the trend. So, they got to working on recipes and developed the brand under Niche Flavours Marketing Sdn Bhd. They also fundraise some RM100,000 from family and friends to secure a manufacturing lot in Sungai Buloh to begin production.



Within four weeks, Hofu's salted egg fish skin found its way into Ben's Independent Grocer and they made about RM20,000 in sales during the Chinese New Year festive season of 2018. With things looking up, they increased production and started supplying to other retailers. "Like when all the hotpot restaurants started coming up, hotpot-flavoured snacks also came up. So, we launched our mala-flavoured snacks as well," shares Thang.

Additionally, its wider range of products opens up a bigger market for the company. "There is definitely competition in the market but it is about how we work around that to make sure our products have turnover. Apart from fish skin, we have other products like mushroom and okra crisps. So we can list our products in organic shops or pharmacies as healthy snack options and we can target and cater to more consumers," says Low.

Both of them note that there are still a lot of opportunities to explore in the artisanal products space. "There is a very big gap between homemade producers and mass manufacturers. There are not that many other players in between. "We can't fight the big manufacturers. They have machines that can run 24-hours. So what we can do is come out with good snacks at reasonable prices. "Product development is our forte, so we prefer to offer our customers quality instead of fighting the price war. Our products use real herbs and ingredients rather than powdered flavouring, and that differentiates us from the market," says Low.

This year, the pair is looking to grow their product range further by venturing into the nuts and Korean instant noodles segments. "We've informed our buyers about our Korean instant noodles and they are already quite excited about it. That will be our focus this year. We will first introduce the salted egg, chili crab and mala flavours. She notes that there is a market for high-end Korean instant noodles with unique flavours and they are hoping to get the products into the hands of consumers by the second half of the year.

Currently, Hofu's products are available locally and in Singapore. But there have been enquiries coming from China and Philippines to bring their products there. Hofu produces about 2,000 packets a day on a single shift and it can still cope with any new demand. "We can just add more people to increase production. Our products are still prepared manually. The fish skin is still tossed in woks. Although the duo had some kinks to work out in the beginning, the venture has paid off pretty well.

(Source: The Star, 15 February 2020)