

SME WEEKLY NEWS

(27 January 2020 - 31 January 2020)

Countries	Highlights
<p>MALAYSIA</p> <p>Two new programmes assist SMEs to expand</p>	<p>Two programmes were launched yesterday are intended to develop SMEs through assisting local entrepreneurs in gaining better funding and market access. The SMEs Go Global programme aims to help SMEs expand into global markets and stimulate the country's export value. The programme will facilitate local businesses to penetrate into the international market through advising services provided and market intelligence, as well as facilitate compliance with international standards and quality. It will also help in raising SMEs contribution in total exports to 30% by 2030, as outlined under the DKN 2030. As for SCIP, the scheme targets to increase businesses' early stage investments with a total funding of RM15 million from SME Corp Malaysia. The programme allows private investors to invest in SMEs through identified investment partners. CEO of SME Corp. Malaysia said he aims to have 40 programmes under SME Go Global this year and 10 investments for SCIP.</p> <p><i>(Source: The Malaysian Reserve, 31 January 2020)</i></p>
<p>MALAYSIA</p> <p>Agriculture Ministry allocates RM10m to help poor farmers venture into SME</p>	<p>The Ministry of Agriculture and Agro-based Industry (MoA) has allocated RM10 million to help poor farmers to be SME players. Its minister Datuk Seri Salahuddin Ayub said the farmers taking part in the programme would be given equipment & training including for producing traditional cakes which are still much in demand. The equipment is worth RM10,000 for every qualified participant. The Ministry was prepared to increase the fund if it was not enough to help those farmers really needing the assistance. Officers under the ministry will go down to the field and seek out truly poor farmers and rope them into the programme without having to wait for an application form to arrive at their office to be processed, as done prior to this.</p> <p><i>(Source: Malay Mail, 30 January 2020)</i></p>
<p>LAOS</p> <p>Vientiane plans to boost SME successes</p>	<p>Vientiane authorities have devised a six-point work plan to help SMEs to access finance and aim to increase the number of SMEs by 10% this year. The objectives include creating favourable conditions for SME operations and their establishment; improved access to finance; creation & development of new SME operators; greater market access & expansion; increased use of technology & innovation; and greater use of consulting services for business development. The Vientiane Industry and Commerce Department is also working with Bank of the Lao PDR and commercial banks in Vientiane to make payments for SMEs easier through e-commerce platform. Currently, about 474 SMEs registered as members, of which 385 have used this platform to advertise 1,344 products. The department is continuing to strength the capacity of SMEs in areas, such as business plans, book keeping and making use of financial services so they can obtain financing.</p> <p><i>(Source: The Phnom Penh Post, 28 January 2020)</i></p>
<p>CAMBODIA</p> <p>CMA members now have access to new payment method with Wing partnership</p>	<p>Wing has partnered with the Cambodia Microfinance Association (CMA). The MoU between both parties will allow CMA members to pay their membership fees via more than 7,300 Wing Cash Xpress agents and through the Wing Money mobile app. CMA highlighted that through Wing's robust and secure network as payment option, it is an important step for them because they have been exploring ways of providing convenience to their members using technology. Wing has established a robust mobile banking ecosystem that caters to the needs of Cambodia's population across provinces by offering an array of services such as money transfer, bill payments, phone top ups, as well as online and offline cash payments. Microfinance is a category of financial services targeting individuals and small businesses with a lack of access to conventional banking and related services.</p> <p><i>(Source: Khmer Times, 30 January 2020)</i></p>

A GREEN TAKE ON FURNITURE

MALAYSIA is one of the largest furniture exporters in the world, with strong manufacturers and an abundance of rubberwood to feed a growing global demand for furniture. So it may seem that in an already matured market, newcomer Katta Kayu could be a little late to the game. But Fazli Shah Simpon begs to differ. The self-taught carpenter believes there is still room for the new kid on the block to carve a niche for itself.

Katta Kayu came onto the retail scene about four years ago after Fazli and his wife, Ilimi Shukri Khodori, spent a few years learning up the trade and making nameless pieces for friends and private customers under their company FS Design Furniture Sdn Bhd. “We did a lot of events construction work like building booths and props. We were already making things, so I decided to go into making furniture, where we can play around with the product design and materials,” he says.

Through his learning, he started carving up simple pieces in his backyard and took orders from family and friends. One of the platforms that helped launch them into the furniture making trade is social media. They started drawing the attention of F&B and boutique hotel operators looking for unique designs. The growing orders gave them more confidence to expand their manufacturing operations and they took on projects that came their way to expand their range.

However, their eagerness also came at a price. “We needed to do a lot of R&D work for our furniture pieces within a very tight timeline to meet their deadlines. And because of our inexperience, we underquoted a lot of our projects and made losses,” Fazli shares. The losses hounded them and they were tempted to focus on trading furniture instead. Hence, they pivoted and diversified into the retail market with ready-made furniture where they would be able to better manage the pricing of their products. Going into the retail market would also enable them to build their own brand in Katta Kayu.



Inspired by western concepts of using waste materials, he sourced for waste wood to make Katta Kayu's furniture. About 70% of the materials used in its pieces are reclaimed wood. “Apart from making money, we also want to be able to conserve the environment through our products, which is why we wanted to use waste wood in our furniture. Ours is eco-friendly, Malaysian-made, handcrafted, industrial-design furniture. From our experience, we know what type of materials are durable and what makes a good finish. This helps us make better products for Katta Kayu,” he says.

The group gets its waste materials directly from factories as they require specific types of wood and steel to make furniture. Its environmentally-friendly strategy has helped boost Katta Kayu's branding among consumers. It currently has three outlets in the central region and will be opening another one in Cheras this month. Katta Kayu is also looking to increase its exports. At the moment, its products are shipped to countries like the US, Australia and New Zealand as unfinished goods through third-party retailers.

Fazli and Ilimi are optimistic about their growth prospects this year. The company turned in average revenue of about RM1mil in the last two years. Currently, its projects division still contributes the bulk of its sales, but Fazli expects contribution from its retail arm to grow as the market improves. Fazli hopes that his efforts will also inspire more Malays to go into the woodwork and furniture making industry. “We should revive this, it is a part of our culture. We hope to also encourage more local designers to look at the local furniture market,” he says.

(Source: The Star, 27 January 2020)