

SME WEEKLY NEWS

(31 October 2016 – 4 November 2016)

Countries	Highlights
<p>MALAYSIA</p> <p>SC unveils six P2P financing platform operators for SMEs</p>	<p>The Securities Commission Malaysia (SC) has introduced six registered Peer-to-Peer (P2P) financing platform operators in Malaysia to widen funding avenues for SMEs. The six operators i.e. B2B FinPAL, Kapital, FundedByMe Malaysia, ManagePay Services, Modalku Ventures and Peplender are expected to be fully operational in 2017. This makes Malaysia the first country in the ASEAN region to regulate P2P financing. As at Oct 2016, 11 Malaysian SMEs have raised a total of RM8 million via the six ECF platforms. SC introduced the ECF in 2015 to provide early-stage financing for start-up entrepreneurs while the P2P financing framework, introduced in April 2016 aims to address funding needs for SMEs to raise working capital for growth. SC's digital agenda aims to achieve four key objectives, namely to enhance access funding, increase investor participation, augment the institutional market and develop a synergistic ecosystem. Market-based financing including P2P and ECF will help enhance access to financing for entrepreneurs and SME businesses in Malaysia.</p> <p><i>(Source: The Borneo Post, 4 November 2016)</i></p>
<p>MALAYSIA</p> <p>PM: Jack Ma can link locals SMEs to huge Chinese market</p>	<p>The appointment of Alibaba founder, Jack Ma as digital economy adviser to the Malaysian government can help spearhead the country's e-commerce development. It would also help open new fields for the Malaysian economy. One of the projects earmarked is the Digital Trade Zone, to be launched jointly with Ma in March next year. The implementation of the first Digital Free Trade Zone in the world was unveiled in the 2017 Budget. It will merge physical and virtual zones, with additional online and digital services to facilitate international e-commerce and invigorate Internet-based innovation. According to Malaysian Prime Minister, Jack Ma could assist Malaysia in the packaging of e-economy in the implementation of, among others, e-payment, Alipay, online banking, and e-financing. The Prime Minister said that he hoped Jack Ma could help connect Malaysian SMEs through its online portal to China's market. In fact, the development of e-commerce can also help Malaysian SMEs make forays into China which had a great purchasing power.</p> <p><i>(Source: Free Malaysia Today, 4 November 2016)</i></p>
<p>INDONESIA</p> <p>Indonesia provides free domain names for SMEs</p>	<p>The Communications and Information Ministry is trying to propel SMEs into regional and global markets, by providing free domain names to help them take advantage of the country's growing e-commerce sector. The government will provide the free domain names to about 8 million SMEs in all parts of the country until 2020. In the first stage, the ministry would provide free domain names to 1 million SME customers of state owned Bank Rakyat Indonesia (BRI) by 2018. Under the current cooperation with BRI, the SMEs will be given a free domain name for a year. Currently, a commercial domain name in Indonesia costs between US\$10 and \$20 a year. The free domain would directly involve SMEs in the e-commerce business and expand their market, while the digital platform would help transform SMEs which are the backbone of the Indonesian economy. BRI has 9.5 million SME debtors in total.</p> <p><i>(Source: The Jakarta Post, 3 November 2016)</i></p>

<p style="text-align: center;">SINGAPORE</p> <p>Access to financing a growing challenge for SMEs: Survey</p>	<p>Access to financing has emerged as a growing challenge faced by SMEs, according to the latest SME Development Survey which polled 2,513 local enterprises across a range of sectors. According to the findings, 22% of respondents said they faced financing issues, up from 14% last year. It ranked among the top four cost concerns, behind perennial issues such as manpower, materials and rent. SMEs with financing issues cited higher bank interest rates as the biggest problem. They were also being squeezed harder by suppliers, with tighter access to supplier credit.</p> <p>According to the survey, the tightening of credit available to SMEs is also starting to have a significant impact on the cash flow of companies. It found that cash flow problems are now the top business concerns of 7% of SMEs, more than double last year's figure of 3%. The survey also found that eight in 10 companies said they are struggling to upgrade skills of their workers. One of the main stumbling blocks is that firms are unable to commit employees to training initiatives because of a lean workforce, with 50% of respondents faced this issue. Another 38% said they have other priorities they need to focus their resources on.</p> <p style="text-align: right;"><i>(Source: Channel News Asia, 2 November 2016)</i></p>
<p style="text-align: center;">THAILAND</p> <p>SME Bank kicks off startup fund</p>	<p>The SME Bank has launched a 1 billion baht venture fund to help startups. The fund is for startups that need investment capital of around 5 million baht to not more than 30 million baht, and aims to partner them with small operators. Government would also help startups in other ways such as providing training programmes and research and development to help increase productivity and add value to their products. The moves are part of a plan targeting to help up to 10,000 businesses, mostly startups. Of the 1 billion baht in the venture fund, around 20 million baht has been earmarked to support SMEs and startups under the Industry Transformation Center project. The government also set aside another 30 million baht from the fiscal 2017 budget to be used to assist SMEs that have just started their business. The projects aim to provide business ideas in addition to setting up a centre to help small operators improve their productivity. The government will lend further support to SMEs, with the goal of developing new innovations that would help strengthen the economy.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 2 November 2016)</i></p>

GOING HARD AT IT



A hardware store is likely the last thing on one's mind when one thinks about digitising business and going online. But ATKC Hardware in Banting is one such business that has made the transition into the digital era. The company, which Ang Teck Kwan now the managing director, started as a 1,500sq ft shop in 2000, was just another hardware store that sold everyday hardware goods — everything from screwdrivers to paint and buckets. However, since Ang Kok Gei and his siblings joined the family business in 2003 and helped to modernise it, ATKC Hardware has grown by leaps and bounds. Today, it operates out of a 50,000sq ft premises and employs 55 workers and counting. They also run an online store, with their e-commerce arm contributes RM1.5 million or 8% to total revenue in 2015.

Previously, his father was a contractor and had built everything. Having obtaining his Masters in Information Technology in 2003, Kok Gei, who also has a degree in electrical engineering, announced that he wanted to help his father develop the business. Kok Gei worked together with his younger siblings, Kok Wee and Shing Yee, to leverage on their father's knowledge of building materials, as well his good working relationship with the suppliers. At the same time, they also set about implementing changes to the way the business was run.

Essentially, the three siblings have transformed a mom-and-pop shop into one that is competitive in the information age. ATKC Hardware is not only still relevant in a fast-changing world, it is continuing to grow. "We introduced bar codes and computer software that have helped the team to record every single stock input and every item sold. These data eventually helped us to make good decisions as we expanded our product lines," says Kok Gei. In 2013, they opened their online store, the decision was based on the understanding that people found it hard to visit physical hardware stores during working hours. Going online enables them to serve other states, even customers from overseas. As a matter of fact, they have shipped their goods to customers in over 30 different countries, including in Australia, Italy, France, Hong Kong, the UK and others. With online sales growing from 3% in 2014 to 8% in 2015, Kok Gei is confident that the online platform will continue to help grow the company's revenue.

(Source: The Star, 31 October 2016)

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