

SME WEEKLY NEWS

(23 May 2016 – 27 May 2016)

Countries	Highlights
<p>MALAYSIA</p> <p>CIMB, CGC add RM750m to SME loan programme</p>	<p>CIMB Bank Bhd and Credit Guarantee Corporation Malaysia Bhd (CGC) have signed a memorandum of understanding (MoU) to add another RM750 mil to the existing RM250 million Enterprise Clean Loan (ECL), as part of a joint initiative to nurture and develop Malaysian SMEs. The growth rate of SMEs is much faster than the country's GDP. By definition, it has become a clear focus area for CIMB, in terms of contribution towards the GDP and employment in the country. In the past, CIMB Bank and CGC had earlier successfully launched three tranches of the ECL amounting to RM250 million disbursed to about 400 local SMEs, representing 40% of the one million SMEs registered in Malaysia.</p> <p style="text-align: right;"><i>(Source: The Star, 23 May 2016)</i></p>
<p>MALAYSIA</p> <p>Terengganu SME Week 2016 posts potential sales of RM15.2 mil</p>	<p>The state-level SME Week 2016 beginning on May 19 in Terengganu has recorded potential sales of RM15.2 million through business matching sessions with several prominent supermarket chains including Giant, Sabasun and Mydin. SME Corp Chief Executive Dato' (Dr.) Hafsa Hashim said the value is more than double the earlier target of RM5.6 million. This was the best sales performance of the Terengganu SME Week over the last five years, and although there were fewer SMEs at the business matching sessions this time around, higher sales were recorded from those that did participate. The SMEs recorded sales of RM300,000, higher than the earlier target of RM200,000. This is positive indication that consumers are becoming more confident in spending and in the quality of SMEs' products.</p> <p style="text-align: right;"><i>(Source: Bernama, 23 May 2016)</i></p>
<p>MALAYSIA</p> <p>Sarawak's SMEs urged to think big, export abroad</p>	<p>SMEs in Sarawak are urged to think big and expand their horizons by exporting abroad to help boost the state as well as Malaysia's economy. With approximately 44,000 SMEs in Sarawak, Minister of Industrial and Entrepreneur Development, Trade and Investment YB Datuk Amar Awang Tengah Ali Hassan highlighted that such number has represented 6.8% of the total number of SMEs throughout the country, making the number of SMEs in Sarawak the fifth largest in Malaysia. SMEs are the key driver of economic growth and therefore greater focus should be given to SME development in the state. He stated when officiating the state level SMEs Week 2016, the recent change his Ministry's name from Ministry of Industrial Development Sarawak to the Ministry of Industrial and Entrepreneur Development, Trade and Investment Sarawak reflects the vital role of entrepreneurs and SMEs to the state.</p> <p style="text-align: right;"><i>(Source: Borneo Post, 23 May 2016)</i></p>

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<p>MALAYSIA</p> <p>AFG Q4 earnings up nearly 40%, boost from SME loans</p>	<p>Alliance Financial Group Bhd (AFG) reported a strong set of earnings in the fourth quarter ended March 31, 2016 at RM129.85 mil, boosted by its loans to SMEs, from the RM93.27mil a year ago. Revenue was up 14% to RM492.81mil from RM432.02mil a year ago. Earnings per share were 8.5 sen compared with 6.1 sen. It also proposed a dividend per share of 6.5 sen, up from 6.4 sen. For the FY ended March 31, 2016, its earnings dipped 1.6% to RM522.04 mil from RM530.78 mil a year ago. Its revenue however, increased 8.5% to RM1.92bil from RM1.77bil. AFG said for FY16, better risk adjusted return loans grew at the rate of 15%, five times as fast as lower risk adjusted return loans. Its net interest margin was maintained at 2.15%. Its loans growth in the SME sector remained strong, recording a 19.7% on-year growth while gross impaired loans ratio was at 1%.</p> <p style="text-align: right;"><i>(Source: The Star, 26 May 2016)</i></p>
<p>MALAYSIA</p> <p>Matrade eyes 1,000 SMEs In eTrade programme by year-end</p>	<p>Under eTrade, SMEs will sell their products via several online shopping platforms to multiply their product presence in different marketplace. This programme, a project under the Digital Malaysia initiative, aims at assisting SMEs to increase their export and expand their market share globally. Matrade had established collaborations with several e-commerce platforms, namely Alibaba.com, TradeIndia, Amazon.com, eBay, JD.com and Tmall for the purpose. Matrade was targeting SMEs from furniture-making, food and beverage, pharmaceutical and apparel industries.</p> <p style="text-align: right;"><i>(Source: Bernama, 24 May 2016)</i></p>
<p>THAILAND</p> <p>SME Bank's budget 30% of net profit</p>	<p>SME Bank of Thailand has set aside an investment budget that equates to 30% of its net profit to invest in and support the research and development (R&D) of SMEs. This is part of the Government's policy to drive Thailand to be an innovative economy. In line with the policy, the Bank yesterday signed an agreement with the Thailand Research Fund to provide a budget for the R&D of products for SMEs. Businesses with innovative products can apply for a loan. At the end of April, the bank had provided new loans to SMEs worth Bt12.15 billion, or 4,125 SMEs and an average of Bt2.95 million per client.</p> <p style="text-align: right;"><i>(Source: The Nation, 24 May 2016)</i></p>
<p>KOREA</p> <p>Polarisation of small and big firms widens</p>	<p>The wage gap between small businesses and conglomerates is widening, indicating increased polarisation between the two groups, according to a report released by the Korea Federation of Small and Medium Business on Wednesday. The number of SMEs reached 3.54 million, 99.9% of all businesses in Korea, in 2014, a 15.5% increase from 2009, during which there were about 3.06 million firms. SMEs employed 14.02 million people in 2014, about 87.9% of the total workforce of 15.96 million people. However, their employees earned 60.6% of what those at conglomerates received in 2015, a decrease from 61.4 percent in 2009. SME employees on average earned an average 2.9 million won (\$2,500) a month while conglomerate employees earned 4.8 million won on average in 2015.</p> <p style="text-align: right;"><i>(Source: Korea Herald, 26 May 2016)</i></p>

“Cheaper and quicker”



Winson Chang says his Roxsil AAC Wall System products can help speed up construction time, as well as bring costs down. After all, a small leak will sink a great ship, and that’s the philosophy on which Winson Chang Chong Fook, 58, founded his company, Roxsil Silicone.

Chang says his company manufactures construction products used with autoclaved aerated concrete blocks (AAC) such as water-proofing material, leveling filler, water plug, skim coats, adhesives and others. He describes his products as Roxsil AAC Wall System which is aimed at preventing seeps and cracks.

Roxsil Silicone was founded in July 2015, after 10 years of research and trials. The owner had also engaged a local university to do preliminary tests of his products to ensure he got them right.

Chang, who had been manufacturing breathable silicone-based paint prior to that, said it was only after he had confidence in his products that he started Roxsil with RM3mil pooled from investors. They currently operate out of a 5,000 sq ft factory in Perindustrian Tekno Jelutong, Shah Alam with 25 workers.

Source: www.thestar.com.my

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