

SME WEEKLY NEWS

(26 December 2016 – 30 December 2016)

Countries	Highlights
<p>MALAYSIA</p> <p>SME loans increase in November 2016</p>	<p>Outstanding business loans of the banking system recorded a higher annual growth of 4.6% (October: 2.9%), with growth driven by the year on year expansion in most major sectors. In particular, the annual growth in outstanding SME loans continued to increase to 9.3% (October: 8.9%). For households, outstanding loans of the banking system grew at a stable pace of 5.4% in November (October: 5.4%) amid sustained growth in outstanding loans for the purchase of residential property. Overall loan demand increased during the month with higher level of loan applications from both businesses and households (November: RM71.3 billion; October: RM69 billion).</p> <p style="text-align: right;"><i>(Source: Bernama, 30 December 2016)</i></p>
<p>VIETNAM</p> <p>Deputy PM urges support for female entrepreneurs & SMEs</p>	<p>Deputy Prime Minister Vương Đình Huệ called on more support for women looking to start businesses during a forum co-organised by the Việt Nam Women's Union (VWU) and the SNV Netherlands Development Organisation. Out of nearly 500,000 enterprises nationwide, more than 100,000 led by women have contributed to national economic stability. Up to 25% of SMEs owned by women have generated jobs for over 1.63 million workers and added VNĐ32.4 trillion to the state budget, equivalent to 3.9% of the total. Huệ suggested the VWU Central Committee continue developing micro finance organisations in support of female entrepreneurs along the way. The Government has submitted a draft law to the National Assembly to assist SMEs, devised incentives targeting micro businesses and start-ups in combination with developing a start-up ecology. VWU Chairwoman Nguyễn Thị Thu Hà said the VWU and the SNV Netherlands Development Organisation are offering support to female entrepreneurs in localities within their 2016 to 2020 agreement frameworks. Women's involvement in business management remains modest, and women-owned firms account for 26.8% of SMEs, mostly operating in services.</p> <p style="text-align: right;"><i>(Source: Viet Nam News, 27 December 2016)</i></p>
<p>INDONESIA</p> <p>Major train stations set to serve as SME showcases</p>	<p>State-owned railway operator PT Kereta Api Indonesia (KAI) is lending its support to the development of local small and medium enterprises (SMEs) by organizing SME bazaars in 14 major train stations on Java and Sumatra. KAI president director Edi Sukmoro said the bazaars would open on 12 January 2017, and showcase products from 171 SMEs for 16 days. The participating SMEs have previously received assistance from KAI and other state-owned enterprises. The bazaars aim to introduce SME products to KAI passengers. From the 14 venues, Gambir train station in Central Jakarta and Bandung train station in West Java will host the biggest exhibitions, with around 40 SMEs showcasing their products. Other train stations, including Surabaya's Gubeng station, will host around 20 SMEs.</p> <p style="text-align: right;"><i>(Source: The Jakarta Post, 28 December 2016)</i></p>
<p>SINGAPORE</p>	<p>Smaller firms are more at risk of falling behind because they are not investing enough to deal with the advent of new technology, according to a new survey. It found that 64% of SMEs said they have not made significant adjustments to adapt to technological change and disruption. This</p>

**Some SMEs
struggling amid
weak business
growth**

contrasts with the 43% of large companies here that made the same admission. The Singapore Business Federation survey polled 969 SMEs and 162 large companies between October and November. Only 2% of the entire cohort said they had undertaken a major restructuring in the past 12 months in anticipation of technological change and disruption. In this climate, banks may become more cautious about lending, especially to small businesses. As investing in technology and innovation capabilities entails financing and time for results to be visible, preserving cash flow and profitability therefore remain the top of the agenda of SMEs.

(Source: The Straits Times, 30 December 2016)

IT'S NEVER TOO LATE

Age is sometimes just a number. Goh Kang Seng, now 64, was no spring chicken when he started IS Premier Container (South) to make corrugated carton boxes in 2002. He started his career by working with a metal container manufacturer back in the early 1980s as a project manager. In 1988, Goh made his move with quit his job and set up his own factory. But then fire broke out at the plant, and Goh lost most of his savings. The German lock maker asks him to join them as a factory manager in 1990. It was a good job, and by 1996, Goh had climbed to the position of managing director. In the late 90s, following the fall of the Soviet Union, Eastern Europe ditched communism and opened up for business. The German lock maker that employed Goh made the decision to move its operations to Poland.



For two years, between 2000 and 2002, he traded in equities. Then in 2002, he met a former colleague. As they got to talking, they began to consider starting a business. “I was already 50. Many didn’t agree with me starting my own business at this age, but I knew being a remisier was not something that I wanted to do over the long term,” says Goh. Together with a Singaporean partner, Goh and his friend started IS Premier Container in a rented 10,000 sq ft factory in Tebrau, Johor with a staff of 10. They pooled together RM500,000 to kick the venture off. Goh admits he felt trepidation and fear because he had his family to think about. “I worked 16 hours a day to ensure we had the right production line and that our customers got the best services from us,” says the managing director.

IS Premier container’s early customers were mainly from the food and floral businesses. This meant taking orders from customers in the middle of the night. According to Goh, they made sure the quality of their products was top-notch and that services were efficient. “Clients usually have a few suppliers,” he points out. “We have to ensure we have good processes in order to be able to make a profit with minimal pricing, making us the preferred supplier,” he adds. He also took care to minimise wastage and defects. With his single-minded determination that the company had to succeed no matter what, IS Premier Container did indeed grow.

By 2006, they needed bigger premises to operate from. The company moved to their own two-acre factory in Tampoi, Johor. They are still there today, employing 100 workers. Presently, IS Premier Container caters to over 200 companies in various sectors, from consumer electrical and electronics, food and beverage, metal stamping and plastic injection. Sometimes a business is affected by downturns and “we understand that their payment would not be prompt.” “Hence managing our cash flow is vital. During the good times, we save for rainy days. With over 200 customers, we are able to support some of our customers who are affected by a downturn every now and then.

(Source: The Star, 19 December 2016)

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