

SME WEEKLY NEWS

(27 June 2016 – 1 July 2016)

Countries	Highlights
<p>MALAYSIA Trade agreements boost productivity and growth: World Bank</p>	<p>Malaysia is now engaging in a new generation of regional agreements including the Regional Cooperation Economic Partnership (RCEP), the Trans-Pacific Partnership (TPP) and the European Union Free Trade Agreement (EUFTA). Based on the newly launched Malaysia Economic Monitor report by World Bank, these agreements can help attract investment, spur innovation and technological upgrading, and further open up market access for Malaysia's exports of goods and services. They can also bring benefits through reforms in new areas that were not included in past agreements - competition policy, government procurement, investment-state disputes, and investment policies.</p> <p>According to Datuk Abdul Rahman Dahlan, Economic Minister in the Prime Minister's Department, trade agreements will expose Malaysian SMEs to new challenges. Thus, it will be critical to maintain programs that will support SMEs such as through training, easing labour mobility, promoting innovation and entrepreneurship, and expanding linkages between SMEs and large domestic and foreign firms.</p> <p style="text-align: right;"><i>(Source: The World Bank, 30 June 2016)</i></p>
<p>MALAYSIA Online payment made easier</p>	<p>ONLINE payment solution provider iPay88 Sdn. Bhd. entered into a collaboration with leading online payments company, PayPal to promote and facilitate cross-border trade for iPay88 merchants. iPay88 collaborates with PayPal to provide greater value to its Malaysian e-commerce businesses as the collaboration would allow local SMEs the access to conduct their business in the global marketplace, thus providing additional source of revenue for local businesses. iPay88's online merchants will also be able to benefit from PayPal's multi-currency checkout, which allow them to reach out to consumers from all over the world and grow their customer base as they can now receive payments from 10 other currencies, apart from the Malaysian ringgit. For small businesses in particular, cross border e-commerce would create a growing opportunity to sell to the world, expanding beyond just the local economy.</p> <p style="text-align: right;"><i>(Source: The Star Online, 30 June 2016)</i></p>
<p>MALAYSIA Aggressive approach to help Sabah SMEs</p>	<p>A supply and services outsourcing (SSO) initiative centre is going to be set up at the Kota Kinabalu Industrial Park (KKIP). The SSO centre would function as a venue where SMEs in Sabah could showcase their products, said Minister of Industrial Development, Datuk Raymond Tan. He said the SSO was a platform to help SMEs, from the production level right up to the marketing and sale of their products. It seeks to provide all or selected value-added services to entrepreneurs manufacturing products such as transport, storage, packaging, distribution, marketing and product promotion.</p> <p style="text-align: right;"><i>(Source: The Borneo Post, 2 July 2016)</i></p>

<p>SINGAPORE</p> <p>IE Singapore ramps up overseas workshops to help SMEs go global</p>	<p>International Enterprise (IE) Singapore has announced that they will be organising more in-market workshops to help SMEs gain hands-on experience in local market and connect with potential business partners. This is in response to SMEs' feedback that actual on-the-ground experience of a market enables them to gain better insights. Group Director for Customer Services, IE Singapore cited that unfamiliarity with overseas markets is a top concern among SMEs who go overseas. They have less resources and networks to help them navigate and understand local conditions. Thus, this in-market workshops will enable companies to experience business conditions on the ground and connect them to like-minded partners, in a closely guided setting and customise the programme according to industries.</p> <p style="text-align: right;"><i>(Source: SMB World Asia, 27 June 2016)</i></p>
<p>SINGAPORE</p> <p>Internal risks threaten to sink SMEs over next 12 months</p>	<p>According to a report by AIG Singapore, the greatest risks SMEs will face in the next 12 months are due to internal factors. Claims data revealed that the top three risks local SMEs face arise from workplace injuries (56%), fire or water damage to property (20%) & legal liability (20%). In addition, workplace injury saw claims grow by 17% in 2015 versus 2014. For 2016, the sum paid for workplace injury compensation claims is also seen to spike by 20-30%.</p> <p>AIG Singapore's Head of SME Packages cited that this year's tough economic climate exacerbates the financial impact on SMEs. In the event of incidents such as fires, property damage, or floods, they may be hit with high costs and forced to stop operating for a period of time. SMEs need to look at how they can protect their business operations and get these operations back on track swiftly if incidents occur.</p> <p style="text-align: right;"><i>(Source: Singapore Business Review, 1 July 2016)</i></p>
<p>INDONESIA</p> <p>SMEs switch to online for branding, expansion</p>	<p>Indonesian SMEs are taking advantage of the unique methods of engagement that online services offer them and potential customers. The owner of Jakarta-based desserts maker PUYO Desserts, Adrian Agus, owes much of his brand's success to intensive online campaigns through various social media and messaging apps. These apps are increasingly aware of their role in the small business sector. Apps such as LINE, KakaoTalk, WeChat or WhatsApp have had their purposes extended beyond the simple text message, with some apps gradually rolling out new features that help small businesses thrive or become more efficient. For example, LINE has recorded over 1 million downloads in Indonesia comprising small businesses including online shops, offline retailers, specific communities and bloggers. Up to 40% of that figure is active businesses who utilize LINE in their practices.</p> <p style="text-align: right;"><i>(Source: The Jakarta Post, 1 July 2016)</i></p>

ON TRACK TO FRANCHISE

After 14 outlets and 10 years of organic growth, Kluang Station is embarking on a new phase of growth via franchising. According to its owner Datuk Dr. Jennifer Low, the kopitiam (coffee shop) has achieved its franchisor status in October 2015. Before that, all outlets were managed and owned by them. Now, they are looking for franchisees to further develop the Kluang Station brand.

Kluang Station is known for its authentic Hainanese cuisine with local favourites such as its Nasi Lemak, Hainanese Chicken Chop and Kluang Mee Siam. It also has an array of popular kopitiam offerings such as the toast with homemade kaya and butter and its signature local coffee.



Kluang Station has received several accolades in recognition of its growth story. In 2014, it received the Sin Chew Business Excellence Award in Retail Excellence. It was also presented with the SME Recognition Award in the SME Excellence category by SME Association Malaysia and the SME100 Award in the F&B category.

Moving forward, Low says top of her priority list is to drive the franchise business. Kluang Station has also developed new concepts such as the Kluang Express and Kluang Café business models to expand and diversify into different segments of the F&B business. This offers budding entrepreneurs more opportunities to be part of the success story of Kluang Station.

(Source: The Star, 27 June 2016)

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