

SME WEEKLY NEWS

(28 March 2016 – 1 April 2016)

Countries	Highlights
<p>MALAYSIA</p> <p>Timber product growth to slow</p>	<p>After posting a growth of 6.5% to RM22.1bil in 2015, Malaysia's export of timber products is expected to be flat this year, as the ringgit stabilizes and shortages in labour. The SME-dominated sector, covering export of sawn timber, plywood, rattan and wood furniture, netted earnings of RM19.5bil in 2013. The sharp fall in the ringgit made Malaysian timber products more competitive in the international market. On the demand side, there is a stronger demand for Malaysian sawn timber from Europe due to the construction of temporary shelters for millions of refugees. However, growth in the sector may be limited by labour shortage and decline in timber resources. Hence, Timber Exporters Association of Malaysia does not encourage SMEs without experience in the industry to venture into this export-led sector.</p> <p style="text-align: right;"><i>(Source: The Star, 28 March 2016)</i></p>
<p>MALAYSIA</p> <p>Towards successful public listing</p>	<p>Many companies aim to become public-listed, but lack the knowledge and right mechanisms to do so. To address this, Steinbeis Malaysia Foundation, non-profit initiative by Amanah Inovasi Malaysia, launched the Initial Public Offering (IPO) Readiness Assessment Programme. Under the programme, participating companies will be reviewed and assessed on group structure, financial information, corporate governance, financial reporting procedure, and risk and compliance issues. The programme is open to all local SMEs and mid-tier companies. SMEs and mid-tier companies urge to grab this opportunity to check if they are on the right track to an IPO in the near future.</p> <p style="text-align: right;"><i>(Source: The Star, 29 March 2016)</i></p>
<p>MALAYSIA</p> <p>Seize the halal opportunity</p>	<p>Only 20% of global demand for halal product is met at the moment, and Malaysia must capitalise fully on its expertise by consolidating the many players in the field. Last year, Malaysia's halal export grew 4.6% to RM39.41bil and SMEs have been urged to tap the opportunities in this market. There are currently more than 5,500 companies with halal certification, 92% of which are SMEs. While many SMEs have good products and services, most are constrained by limited resources and lack the capacity to meet demand on a larger scale. This could be overcome if SMEs pooled their resources together.</p> <p style="text-align: right;"><i>(Source: The Star, 28 March 2016)</i></p>
<p>MALAYSIA</p> <p>Companies Bill tabled for second reading in Dewan Rakyat</p>	<p>The 2015 Companies Bill which seeks to make an impact in improving internal controls, governance and corporate responsibility was tabled for the second reading at the Dewan Rakyat. The Bill was aimed at abolishing obsolete procedures which were no longer relevant in the context of modern business and reducing cost of compliance via simplification of laws and deregulatory measures. Overall, the Bill will help the business community, especially in the small and medium industry. The Bill was aimed at replacing the Companies Act 1965 or Act 125 which was enforced in 1966 and regulated by the Malaysian Companies Commission (SSM).</p> <p style="text-align: right;"><i>(Source: Astro Awani, 31 March 2016)</i></p>

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<p>THAILAND</p> <p>SME Bank gives haircut to low-cost taxi debtors</p>	<p>The state-run SME Bank of Thailand has offered a 50% debt haircut for debtors who failed to make payments under the low-cost taxi scheme. 291 borrowers who defaulted on 106 million baht in loans under the low-cost taxi scheme have reached agreements with the bank on debt restructuring. Some 714 debtors who borrowed a combined 302 million baht under the scheme have defaulted. The bank has been saddled with hefty bad loans in recent years due to imprudent lending, especially to government projects. Its bad loans peaked at 50% of total loans in 2013. SME Bank is one of seven financially ailing state enterprises required by the State Enterprise Policy Commission to undergo business rehabilitation.</p> <p><i>(Source: Bangkok Post, 30 March 2016)</i></p>
<p>SINGAPORE</p> <p>Singapore SME raises \$200,000 in 30 minutes on crowdfunding site CoAssets</p>	<p>A toy manufacturer had applied for a short-term business loan through CoAssets' crowdfunding platform to fund a themed event to promote and sell its products. The project was listed at 4pm on Monday and hit its targeted amount of S\$200,000 by 4.30pm on the same day. With a minimum investment of S\$5,000 in the project, investors can expect to receive a 10% yield, to be paid out within six months. This deal demonstrates the continuing demand in the SME sector for short-term business loans, and investors' growing appetites for crowdfunding as an alternative means to optimise and diversify their portfolios.</p> <p><i>(Source: The Straits Times, 29 March 2016)</i></p>
<p>INDONESIA</p> <p>Latest stimulus aims to push SMEs to become global players</p>	<p>The Government will provide export-oriented public business loans (KURBE) to SMEs as of one the issues addressed in the 11th economic policy package. The loans divided into working capital loans and investment loans. Both of them, channeled to export-oriented SMEs, would be offered by state-owned Indonesia Exim Bank with a 9% interest rate. The Government would also provide SMEs with microloans to a maximum of Rp 5 billion (US\$373,000) per debtor. Meanwhile, small enterprises could borrow up to Rp 25 billion and medium enterprises could get up to Rp 50 billion.</p> <p><i>(Source: Jakarta Post, 30 March 2016)</i></p>
<p>SRI LANKA</p> <p>ADB pioneers auctions of SME re-finance funds with Sri Lanka</p>	<p>The Asian Development Bank is starting its first auction of a 12.5 million dollar tranche of re-finance funds for banks in Sri Lanka who will provide loans to SMEs. It is the first time the ADB is disbursing funds in this way. Fifty percent of the loans have to be either loaned to businesses out of Colombo, to women, for working capital without collateral and to first time borrowers. The rest can be loaned to any SME without restrictions.</p> <p><i>(Source: Economy Next, 28 March 2016)</i></p>

“Tech it home”



“Putting the blame on other factors is the easiest way out because then we don’t have to improve ourselves,” says Aziz Ismail, founder and CEO of cloud-based enterprise solutions company, Authentic Ventures.

“I realised the SME market was underserved when it comes to applications that help them to run their business more efficiently”. It was in 2002 that he set up Authentic Ventures with RM500,000 in capital and focused on enterprise solutions for SMEs.

In 2009, the cloud became a phenomenon that they developed their cloud-based software solutions called Office Central, which encompassed such tasks as accounting, payroll, HR and customer relationship management. They launched it in 2012.

Authentic Ventures now operates out of a 3,200 sq ft office at Bangi Business Park, Bangi, with 30 workers and has an overseas office in Jakarta, Indonesia.

“We are focusing on the Indonesia market which has over 55 million SMEs. We will remain focused on our core strength instead of introducing new products,” he concludes.

Source: www.thestar.com.my

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