

# SME WEEKLY NEWS

(6 June 2016 – 10 June 2016)

Countries	Highlights
<p><b>MALAYSIA</b></p> <p><b>7% domestic lending growth seen</b></p>	<p>MIDF analyst expected domestic lending to grow 7% this year, on the back of a slower loan growth from corporate and household segments. The expectation was in line with the volatile economic condition, with big companies across all industries cutting their expenses and amid the prolonged effects of the GST and heightened inflation. However, MIDF expected growth in household loans to pick up in the second half of the year, following the government's move to increase disposable household income.</p> <p>On the bright side, the analyst said the banking industry would continue to see strong demand from small and medium enterprises (SMEs), in line with the government's direction under the 2016 Budget to support SME growth. Besides that, the kicking-off of some of the infrastructure projects later this year might also trigger more lending under the construction segment.</p> <p><i>(Source: New Straits Times, 6 June 2016)</i></p>
<p><b>MALAYSIA</b></p> <p><b>Shift towards oleo derivatives showing good progress</b></p>	<p>Local oil palm companies are keen to invest further downstream from oleochemicals to oleo derivatives, but many are still hesitant. CEO of MIDA, Datuk Azman Mahmud, attributed the slow take up rate to the perception that oleo derivatives business was capital intensive and involved some challenges. Production of oleo derivatives or speciality oleochemicals usually requires specific R&amp;D and marketing focus while complying with customers' requirements. The challenge involved would be the uncertain timeline for full scale commercialisation. At the same time, potential investors of both big companies and SME players may find it challenging to find partners to scale up production. Thus, MIDA via its extensive network is continuously connecting interested parties to establish smart partnerships in Malaysia.</p> <p>Oil palm companies and SME players are encouraged to seize the opportunities in the oleo derivatives industry, which offer higher margins in the long run. Under the 11th Plan, RM280mil worth of grants are allocated to support palm oil downstream development in oleo derivatives, food and health-based products and clinical trials, including for SMEs.</p> <p><i>(Source: The Star, 6 June 2016)</i></p>
<p><b>THAILAND</b></p> <p><b>Bankruptcy Act offers help for troubled SMEs</b></p>	<p>Under the new Bankruptcy Act, which went into effect on 25 May 2016, all small and medium-sized enterprises (SMEs) can seek rehabilitation plans. The new amendment to the Act is aimed at helping struggling small businesses that have been affected by the stagnant economy. Salinee Wangtal, director of Office of Small and Medium Enterprises Promotion (OSMEP), said 12% of the 420,000 SMEs that file their financial reports regularly have debt ranging from 3 to 10 million baht. Thus, SMEs that are under the rehabilitation plan will receive special consideration for loans from OSMEP, which will be drawn from the SME recovery fund, worth 1 billion baht.</p> <p><i>(Source: eThailand, 8 June 2016)</i></p>

<p><b>SINGAPORE</b></p> <p><b>SPRING Singapore launches S\$2B loan programme for SMEs</b></p>	<p>SMEs in Singapore will have greater access to financing starting 1 June 2016 through the SME Working Capital Loan. Administered by SPRING Singapore, the programme aims to address SMEs' cash flow concerns and growth financing needs through unsecured working capital loans of up to S\$300,000 each. The scheme is expected to catalyse more than S\$2 billion of loans for SMEs over the three-year period. The SME Working Capital Loan was introduced during Budget 2016 as one of the measures to address near-term concerns while encouraging business growth and restructuring activities. The programme provides an additional financing channel to support viable SMEs with larger working capital needs.</p> <p><i>(Source: Enterprise Innovation, 8 Jun 2016)</i></p>
<p><b>VIETNAM</b></p> <p><b>SMEs struggle to use digital technology</b></p>	<p>According to a report from the Vietnam Chamber of Commerce and Industry (VCCI), in 2015, up to 95% of Vietnamese enterprises were using the Internet, but up to 60% of them faced difficulties with information technology (IT) applications. Google representative cited that the digitalisation of Vietnamese enterprises remains slow for various reasons. There is a lack of awareness of the benefits of online connection, a lack of internal technical expertise and people are in the habit of using cash due to security issues. Majority of SMEs in Vietnam has not yet provided a mobile commerce experience and many have not adopted e-commerce practices at all, thus making businesses almost invisible to more than half of Vietnam's online population as well as the rest of the world.</p> <p><i>(Source: VietNamNet Bridge , 10 June 2016)</i></p>

## GIVING A HANDLE ON NUMBERS



Startups begin with a mission. For co-founder and chief executive officer of Vectory Innovation Sdn. Bhd. Bryan Soong Tze Yuem, his mission was to help SMEs embrace the digital revolution in their business processes, starting with basic accounting, using their cloud-based enterprise resource planning applications.

Two years ago, he established Vectory Innovation and started out by renting a house with two other friends to develop a cloud-based enterprise resource planning (ERP) application called Biztory, an accounting system that doesn't require users to have accounting knowledge to run it. He wanted to offer a product whereby every SME can digitalise their business easily. Then, SMEs can achieve more with less by automating or simplifying processes which require paperwork. By doing so, they can spend more time growing their business, reducing overheads while increasing productivity in the process.

One of the ways it helps business owners to be more efficient is by understanding the company position better, on a daily basis. By recording all the sales transactions into Biztory, the products are then analysed and visuals can be created using graphs to aid business owners in making better decisions. Basically, Biztory tells the story about a business.

*(Source: The Star, 11 June 2016)*

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