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SME NEWSLETTER



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Message from the Chairman

My dear colleagues:

It is my pleasure to present to you the latest "SME newsletter", volume VII for 2017. This publication is a compendium of relevant reports, analyses and educational news, many of them abbreviated, concerning the SME sector in the region.

The beginning of 2017 shows positive developments for Australian SMEs, international funding for Azerbaijani SMEs, more Malaysian SMEs going overseas, while South Korean SMEs are also encouraged to sell in international markets.

The same business dynamism is seen in the Philippine SME market and everywhere in the Asia Pacific region.

In fact, two trends are emerging and both are positive. One is that SMEs in less developed economies are finally receiving more funding. And those established in more developed economies are being encouraged to export and connect to the global supply chain.

The future for SME looks brighter for 2017 indeed. Enjoy your reading!

George Abraham
Chairman of SME Development Council
CACCI

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Managing people in a SME to win-win (Australia)

ACCI, February 20, 2017

CANBERRA - Despite the importance of the SME sector to the national workforce, relatively little research has been undertaken in how workplace laws and regulations influence HRM practise within small firms. Academic studies have tended to type cast the small business workplace as representing either a “small is beautiful” or “Bleak House” scenario.

The first of these comprises a harmonious and close working relationship between the owner-manager and their employees. The second is a dictatorship offering employees poor working conditions. The reality is probably somewhere between, and recent evidence suggests that Australian SMEs are more likely to represent the “small is beautiful” option.

Small to medium enterprises (SMEs) – defined as those employing fewer than 200 people – employ just over 70% of the national workforce. Although about 60% of SMEs employ no one other than their owner-manager, around 36% comprise work places where the workforce is less than 20 people.

What this means is that the majority of the Australian workforce is located within the SME sector where they work in small teams. This makes the workplace environment of a small business significantly different in many respects from that found in large organisations.

Managing the small business workplace

Although not all small businesses are the same, research suggests that they do share some common traits. For example, the small business workplace typically operates as a tight circle with the owner-manager at the centre, coordinating their team in what is often an informal and idiosyncratic environment.

Large organisations are generally characterised by formality and structure, with full-time human resource management (HRM) staff and systems. By contrast most SMEs have informal, often fluid structures and limited HRM systems dealing only with the essentials.

Another feature of SME workplaces is their relatively low level of unionisation. When making decisions over pay and conditions, discipline or dismissal, the owner-manager tends to rely on industrial awards rather than formal negotiations with employees.

Most micro and small firms remain informal in how they manage their workforce. For the majority of owner-managers the complexity and frequently changing nature of workplace laws and regulations can be daunting and time consuming. As a business grows larger, the level of formality in HRM increases. However, small firms that have

highly skilled employees are more likely to adopt formal HRM systems than their counterparts with low-skilled employees.

Employer associations such as Chambers of Commerce, can also help to influence the level of formality in HRM within SMEs, usually through education of the owner-manager. However, trade unions and even major customers or suppliers can have a strong influence. This typically occurs when a union takes action against the employer, or in the case of a customer, staff training and certification are required under contracts.

Getting a win-win via peak performance management

Small business owner-managers who wish to grow their firm or just enhance its performance need to adopt more formal HRM systems. Key areas for attention are flexibility of working hours, performance appraisal systems, group or team working practices and performance-based pay.

Flexible working arrangements are strongly associated with innovation and the adoption of new ideas. Providing employees with greater levels of flexibility in their working arrangements, as well as career path development, reward for effort, constructive feedback, training and organisational support have been found to enhance SME performance. Sadly, not enough small business owner-managers in Australia appear willing to adopt employee performance management practices.

Despite this, most Australian SME owners demonstrate a willingness to pay overtime rates. Research into Australian SMEs also suggests that around 40% of employers allow employees to use leave entitlements, however, only 34.5% offer flexibility working hours.

Research has also suggested that workplace laws and regulations serve to restrict the ability of SMEs to adopt flexible working arrangements. There may also be a tendency for owner-managers to want to treat all employees fairly and equally.

As already noted, the workplace in most SMEs is relatively flexible in regards to structure and team roles. Many owner-managers view the adoption of more formal HRM systems as reducing their flexibility and making things too rigid.

The bottom line for the majority of small business owners, particularly those who wish to grow or enhance their firm's innovation and performance, is that an investment in the skills and productivity of their workforce is important. Although it can be initially complex, the adoption of HRM practices focused on high performance is the key to success.

A first step for small business owner-managers is to engage their workforce in a dialogue designed to focus the entire team's effort on achieving enhanced levels of innovation and performance. Employee engagement and involvement in innovation and performance enhancement programs have been found to be effective within SMEs.

Owner-managers who are willing to lead change and engage their employees in a discussion over what is needed, and the trade-offs to ensure that both the employee

and the employer achieve their goals are likely to facilitate enhanced firm performance and a more satisfied workforce.

This article by Tim Mazzarol arises out of a research project conducted by the Small Enterprise Association of Australia and New Zealand (SEAANZ), for Biz Better Together, an initiative established by the Australian Chamber of Commerce and Industry. It is supported by the Department of Employment under the Productivity and Education Training (PET) Fund.

<https://www.acci.asn.au/news/managing-people-small-business-get-win-win-result>

Qantas to launch SME loyalty program

Steve Creedy, The Australian, November 18, 2017

SYDNEY - Qantas Loyalty will launch a new program in 2017 to allow small and medium-sized enterprises to earn points on the business related transactions they make with the airline.

Called Acquire, the new program will also allow business owners and employees to earn points for business while still earning personal Qantas points for themselves.

The airline cited the example of an employee booking a Qantas flight who would earn individual points via the consumer program but also Acquire points for their employer.

Acquire is due to launch in March and will be open to all Australia-based SMEs with an ABN. Businesses can pre-register for the program and Acquire points earned through the pre-registration can be converted on a 1-1 basis to a Qantas Frequent Flyer account.

Qantas said it would announce a range of partners that would allow SMEs to earn points in areas such as financial services, professional services, services as well vehicle and office-related costs. There will also be options to convert Acquire points to Qantas points that can be used for flights or gifts.

Qantas argues that most SME owners and their employees are already Qantas Frequent Flyer members, meaning the new strategy will increase the value of their membership.

“Acquire will provide SME’s with tangible benefits by turning everyday business expenses into an opportunity to earn points that can be redeemed for real rewards that benefit the bottom line,” Qantas Loyalty chief executive Lesley Grant said.

"There is currently no other airline-based coalition loyalty program in Australia targeted at businesses and our ultimate goal is for Acquire to be as important to these small and

medium businesses as the Qantas Frequent Flyer program is to almost 10 million Australians.”

The airline also revealed that its Qantas Cash Card, allowing members to load up to nine currencies on their frequent flyer card, had recorded more than 250,000 transactions across 131 countries since its launch in August.

Qantas Frequent Flyer redemption rates were on the rise, up 8% in the July-September quarter compared to the previous quarter, with membership now at 9.6 million. Billings for the quarter were also up 7.1%.

<http://www.theaustralian.com.au/qantas-to-launch-sme-loyalty-program-called-acquire-next-march/news-story/6e706dfb9ccd18347b6f8d4c7eb87faa>

Six key trends affecting Australian SMEs

Nye Longman, Leadership, September 19, 2016

SYDNEY - Since September 2014, Australia’s Scottish Pacific has engaged specialist research firm East & Partners to conduct six monthly polls of 1200 small to medium enterprise leaders across all states and key industries.

Together they have produced the SME Growth Index which has been released. Scottish Pacific CEO Mr. Peter Langham said the latest results show that SME confidence has taken a hit despite the resilience of the sector, which according to ABS statistics employs almost half of the 10.7 million Australians in the workforce.

Here are six key trends affecting Australian SMEs

1. SMEs predicting positive growth now in minority

For the first time since the Index began, SMEs forecasting positive growth (48.4%) are outnumbered by SMEs forecasting negative growth or no change (51.6%). 24.2% forecast negative growth, compared with 16.8% last year.

“The current environment is clearly placing pressure on Australia’s small to medium business community,” Langham said.

2. Cash flow named as top small business concern

“SMEs nominated cash flow as the most stressful element of business. They cited credit conditions as a key barrier to growth,” Langham said.

“With the Index highlighting that cash flow keeps 72.5% of respondents awake at night, it’s crucial for these leaders to find the right funding to support their business.

3. Small businesses increasingly looking to non-banks for funding

“Businesses are increasingly looking beyond the banks to fund growth and to help ease cash flow concerns. From this time in 2015, there has been a 30% increase in SME owners planning to fund their growth using a specialist non-bank lender, with one in five now indicating their intention to do so,” Langham said.

He said SME Growth Index surveying took place in July and August 2016, in the aftermath of the Federal Election and UK Brexit referendum. While uncertainty around these events may have influenced some responses, the results were a timely reminder to governments, industry bodies and financial institutions of the importance of having the right regulatory and funding systems in place to stimulate and support the nation’s vital SME sector.

4. SME owners putting in long hours

A 50-plus hour week is standard for most SMEs (88.8%). Almost half of SME owners and senior managers (43.7%) are spending 60 to 80 hours a week working on their business, which equates to 12+ hour days, six days a week.

5. Double edged sword of technology

Almost half of SMEs (44.6%) believe mobile and digital technology has had a negative impact on their work/life balance. Only 15.7% of small businesses believe it has led to better work hours or flexible working conditions.

New products and services plans on hold – Almost half (48.9%) of SMEs report no plans to introduce new products and services during the second half of 2016, up from 33.7% in 2015. This may have been influenced by uncertainty following the Federal Election.

6. Entrepreneurs still positive

Australians are still keen to start their own business, despite barriers and tough conditions. The Index shows one in 10 SMEs are in start-up phase, a consistent figure since data was first collected in September 2014.

<http://www.businessreviewaustralia.com/leadership/2203/Six-key-trends-affecting-Australian-SMEs>

SMEs on the move - literally (international)

PYMNTS.com, September 26, 2016

GLOBAL - Exposure to globalization can fuel business expansion or threaten it, depending on strategy. Those potentials and threats, however, expand beyond foreign exchange challenges. PYMNTS takes a look at globe-trotting SMEs to discover the trends of small businesses' global dealings, from business travel to cross-border trade.

71% of U.S. SMEs look to trade to boost the economy, said FedEx in its Trade Index. International trade is seen in a positive light for smaller businesses in the country, with 77 percent reporting a positive view of it, researchers said.

For companies already trading internationally, 90% view the practice as a positive one. The majority of SMEs agreed that boosting international trade will bring more jobs to the U.S. According to FedEx Services Executive Vice President Raj Subramaniam, the data shows that, even with ongoing debate about the consequences and benefits of cross-border trade, U.S. SMEs are on board with the tactic to boost national economic health overall.

55.4% of business travel agents said their clients aren't using Airbnb and similar alternative accommodation services, despite Airbnb recently launching its B2B solutions, as well as reporting a steady increase in corporate use of the on-demand tool. The statistic provided by Travel Leaders Group could suggest that, while corporates are willing to use Uber, Lyft and other ground transportation tools other than taxis, when it comes to accommodation, the risks might just be too high. Researchers pointed to the challenges corporations face when not only updating their travel policies for employees but also ensuring proper duty of care for their employees using alternative services, which may have different or lacking insurance policies.

46.2% of Singapore SMEs report forwards usage to mitigate against FX risk, beating out Hong Kong SMEs at 37.2 percent. Researchers at East & Partners said the data highlights Asian SMEs' superiority over SMEs in other markets, like North America and Australia, in their use of FX hedging tools, like forwards and options. While globalization is demanding that smaller companies pay closer attention to their FX exposure and risks, researchers pointed to a fragmented FX services market as one reason why uptake of these tools could be lagging.

Luckily, East & Partners said, there is evidence that SMEs are beginning to take a more proactive approach to their FX strategies.

A 29% decline in foreign currency purchase value by U.K. SMEs in 2016 signals bad news for U.K. small businesses, who have been disproportionately hit by the weak pound. New analysis from FEXCO Corporate Payments said that a 29% decline between July 2015 and July 2016 also pairs with a 7% decline in the number of foreign currency purchases made. While there was some recovery in August figures, analysis said the data suggests SMEs are slowing down their import spending — but only among

smaller businesses. Larger corporates landed increases in both the number of foreign currency purchases made in July, as well as an increase in the value of those purchases, suggesting larger U.K. corporates aren't shying away from importing practices. FEXCO said that Brexit's impact on the declining value of the British pound has led to a higher cost of importing for U.K. firms, which, according to the research, disproportionately effects smaller companies.

26% of EU SMEs plan to boost investment in digital tools in 2017, found a new report released by Schroders U.K. Globalization and expansion across borders demands a digital workplace for many SMEs, but researchers said there are some major concerns these businesses have about going digital. The first, unsurprisingly, is data security, while cost to implement a digital workplace is also a struggle. Half of SMEs surveyed said they're moving towards mobile working, suggesting that small businesses are beginning to explore a more fluid workspace across physical location.

<http://www.pymnts.com/news/b2b-payments/2016/b2b-data-digest-sme-globalization-world-cross-border-trade-expense-management-travel-fx-foreign-exchange/>

How to attract top talent to your SME (Australia)

Bhakthi Puvanenthiran, The Sydney Morning Herald, January 17, 2017

SYDNEY - Luring away good workers from the big listed companies takes persistence.

It's common sense that having the best staff can transform your business. In fact, a recent study found 10% of productivity comes from the top 1% of employees and 26% of output derives from the top 5%.



Monique Brasher of General Assembly believes networking attracts staff.

On top of that, business owners know what top talent looks like. They are problem solvers, self-directors and strategic thinkers. They have passion and are highly skilled.

But how do you get a small team stacked with people like this when your brand isn't plastered on billboards? My Small Business asked three leaders how they've drawn high performing workers to their ranks.

Development

General Assembly's Monique Brasher says the education provider has a strong focus on access to development.

"We attract ambitious individuals by offering our team incomparable networking opportunities not available at many organisations. At GA, team members in their twenties and thirties have the opportunity to run multi-million dollar P&Ls as regional general managers," she said.

"Studies show flexible working options and access to ongoing development opportunities is one of the top three factors employees look for in a workplace."

Technology



David Toniolo of Toniolo Consulting invests in staff-centered technology.

IT expert David Toniolo (Owner, Toniolo Consulting) said perks like gym memberships and flexible working weren't necessarily going to convince someone.

"In addition to salary and development opportunities, flexible working situations will soon become less of a perk and more of an expectation," he said.

For that reason, Toniolo has put extra thought into how the technology he buys for work fits into employee's broader lives.

People are consuming more cloud services in their personal lives which are border-less by nature, and naturally that will influence the way people approach work. SMEs can't always compete with larger organisations in offering big salaries, but they can invest in IT which recognises the individual's working preferences to attract and retain top performers."

Job sharing



Anna O'Dea of Agency Iceberg advocates for job sharing.

Culture expert Anna O'Dea of Agency Iceberg says more and more SME's are offering job share options to attract the best talent.

"It's widely recognised women who leave the workforce to have a family find it challenging to find a part time role and as a result, many workforces miss out on the best talent. Recently we're seeing a number of SME's offer job share (where two people can share one full time role) to support more women move back into

senior roles. SME's are also competing on time away from the office, as well as salary," she said.

O'Dea said a number of her SME clients are offering more annual leave in packages to reward working smarter rather than working harder.

<http://www.smh.com.au/small-business/managing/how-to-attract-top-talent-to-your-small-business-20170116-gtsr51.html>

Microfinancing climate resilience (international)

Mark Malloch Brown, AzerNews, August 8, 2016



BAKU - Vulnerable communities face the brunt of climate change – from rising sea levels and extreme weather events to prolonged severe droughts and flooding. According to the World Bank, without effective mitigation measures, climate change could push more than 100 million people into poverty by 2030.

To help the most vulnerable communities become more resilient to the effects of climate change, financial institutions should support small and medium-size enterprises.

In emerging economies, SMEs account for as much as 45% of employment and up to 33% of GDP – and these numbers are significantly higher when informal SMEs are included. When an SME builds up its own climate resilience, it can have cascading effects in the community around it.

Unfortunately, SME owners generally have trouble securing bank loans, and instead must turn to informal lending and alternative funding sources to support their businesses. According to the World Bank, 50% of formal SMEs lack access to formal credit, and the total credit gap for both formal and informal SMEs is as high as \$2.6 trillion worldwide. While the gap varies considerably among regions, it is particularly wide in Africa and Asia.

Microfinance can close this gap by providing the small loans that SMEs need to get off the ground and thrive. According to the OECD, microfinance institutions, including national foreign-aid agencies, banks, credit unions, and nonprofit organizations, already provide basic financial services to more than 100 million of the world's enterprising poor, 90% of them women.

The role of microfinance in boosting SMEs' climate-change resilience needs to be more fully defined. In Africa, Asia, and Latin America, microfinance has enabled SMEs to invest in drought-resistant crops, build better irrigation systems, and purchase climate

insurance to protect incomes when crops fail because of too much – or too little – rainfall.

These projects already have a proven track record. According to a review by the OECD, 43% of microfinance activities in Bangladesh in 2010 had strengthened the resilience of communities. These projects include lending programs for weather-resistant housing and drought- and salt-tolerant seeds, and they enhanced climate-change resilience. In Nepal, microfinance is supporting disaster relief and preparedness, crop diversification, and improved access to irrigation. Microfinance can also help SMEs transition to low-carbon business models, by financing their efforts to adopt renewable energy sources and shift to sustainable production and supply chains.

Microfinance is not the only solution, and it certainly has its critics. To allay concerns about money being poorly spent, microfinance institutions should reward SME owners who use loans to finance climate-change resilience and renewable-energy projects. This need not be an act of corporate social responsibility. In fact, according to the Business and Sustainable Development Commission, which I chair, such an approach is in microfinance institutions' own self-interest.

The private sector should understand that the climate crisis is also an opportunity, especially with regard to SMEs. In fact, some in the private sector already recognize this.

GSMA – a trade group that represents hundreds of telecoms operators, and whose director general, Mats Granryd, is a member of the Business Commission – and its members are facilitating microfinance in rural areas. With mobile phones, farmers can quickly find information ranging from seed prices to weather patterns, and have immediate access to the funds they need to complete transactions. This mobile-enabled information leads to better decision-making, saving the farmers money and boosting their resilience to extreme-weather patterns and droughts. And of course mobile providers benefit as well from operating in an expanded rural market.

There are also opportunities in peer-to-peer lending networks, whereby online services match lenders directly with borrowers. P2P micro-lending platforms such as lendwithcare.org, Lendico, and RainFin have proved popular, and could re-energize the microfinance community and provide wider access to loans for SMEs in developing countries. Financial products like weather derivatives – which insure the harvests and enterprises of SMEs and some of the world's poorest people – also have potential.

If the world is serious about mitigating the worst effects of climate change, especially its disproportionate impact on vulnerable communities, both the public and private sectors should support efforts to extend microfinancing to SMEs. Those on the front line of protecting lives and livelihoods can't go it alone.

http://www.azernews.az/news.php?news_id=100544&cat=analysis

ADB to issue \$200M for Kazakh SMEs

Trend, AzerNews, October 28, 2016



ASTANA - The Asian Development Bank (ADB) has approved a \$200 million equivalent loan to provide much-needed financing in local currency to micro, small- and medium-sized enterprises (MSMEs) in Kazakhstan.

“The funds will help finance working capital and productive investments of MSMEs and boost lending to women entrepreneurs, especially in regions outside Astana and Almaty,” said Giovanni Capannelli, ADB Country Director for Kazakhstan.

The loan will be channeled through the Damu Entrepreneurship Development Fund, a government-owned agency mandated to provide loans and guarantees to MSMEs through qualified microfinance organizations and local banks. The ADB loan will be provided to reduce currency-related risks of financial institutions and their borrowers.

In addition to the loan, the ADB will provide a technical assistance grant of \$500,000, financed by the Government of Luxembourg through the Financial Sector Development Partnership Special Fund to help improve the credit risk management of selected financial institutions and expand financing opportunities for MSMEs.

In 2015, there were 1.1 million MSMEs registered in Kazakhstan including individual entrepreneurs, small enterprises, and medium-sized enterprises. While MSMEs contribute to more than 25% of the country’s GDP, only 19% of them have ever received a bank loan. Insufficient documentation, poor credit history, and issues with property titles for collateral tend to be hampering MSME access to financing.

ADB support will allow MSMEs to access financing which is needed to maintain operations, invest in productive technologies, and grow business, thereby contributing to job protection, economic stability, and diversification under the current challenging conditions.

Since joining ADB in 1994, Kazakhstan has received around \$4.9 billion in sovereign and non-sovereign loans, and guarantees for agriculture and irrigation, education, finance, transport, water supply and sanitation sectors.

http://www.azernews.az/news.php?news_id=104352&cat=region

EU allocates €14.5M for Azerbaijani SME development

Amina Nazarli, AzerNews, December 9, 2016



BAKU - The European Union has allocated 14.5 million euros to Azerbaijan as part of the program on the country's regional development, the Azerbaijani Economy Ministry reported.

The agreement was signed during the meeting between Azerbaijan's Economy Minister Shahin Mustafayev and EU Ambassador to Azerbaijan Malena Mard on

December 9 last year.

It envisages twinning and technical assistance, creation of an information system for business in rural area, improvement of support system for development of rural areas in the context of development of small and medium enterprises and family farming, introduction of consulting services system on agriculture, information support, enlightenment of consumers.

Mustafayev reminded that the EU is Azerbaijan's main trade partner with a specific weight of 50%. Meanwhile, the EU countries account for 35% of non-oil investments.

The minister noted that Azerbaijan plays an important role in ensuring Europe's energy security. 26 projects have been implemented in Azerbaijan as part of the cooperation with the EU and additional 11 projects are being implemented.

In turn, Mard noted the need for expansion of relations in other areas, besides the energy sector. The ambassador added that she will continue her efforts for the development of the EU's cooperation with Azerbaijan.

The share of European countries in Azerbaijan's foreign trade was 37.12% in January-September 2016, according to Azerbaijan's State Customs Committee.

Azerbaijan has become a country of direct priority to the EU's strategy in its wider neighborhood since the last enlargement of the European Union in 2007. Azerbaijan affects Europe's interests, mainly in a regional energy strategy.

The European Council adopted a mandate for the European Commission and the high representative for foreign affairs and security policy to negotiate, on behalf of the EU and its member states, a comprehensive agreement with Azerbaijan on November 14 last year.

http://www.azernews.az/news.php?news_id=106301&cat=nation

ADB supports Azerbaijani SMEs

Nigar Abbasova, AzerNews, December 13, 2016

BAKU - The Asian Development Bank (ADB) may render its support for the development of small and medium-sized enterprises (SMEs) in Azerbaijan.

A source told Trend that the assistance may be rendered by means of opening lines of credits for local banks.

"Thus, the ADB wants to provide support to banks in Azerbaijan and contribute to the development of SMEs," said the source, mentioning that the implementation of any concrete project is not currently on agenda and the government does not hold any discussions with the Bank in this regard.

Financing of SMEs in Azerbaijan is carried out by a number of organizations, including the National Fund for Entrepreneurship Support, State Agency for Agricultural Credit, banks and non-bank credit organizations.

Moreover, a number of international financing organizations such as the Black Sea Trade and Development Bank (BSTDB), the European Bank for Reconstruction and Development and the International Finance Cooperation allocate credits for the support of small and medium entrepreneurship in the country.

The ADB earlier approved a \$500 million loan to help Azerbaijan maintain social spending, create jobs, and diversify its economy to mitigate the adverse impact of a crash in oil prices.

In addition to the loan, ADB will provide technical assistance of \$1.2 million to help design reforms to macro-fiscal management, state-owned enterprises, and the finance sector. The capacity of government departments in implementing the reforms will also be strengthened.

Also, the Bank will provide \$1 billion in private and public sector assistance to expand Azerbaijan's Shah Deniz II, one of the world's largest gas fields.

Azerbaijan became a member of ADB in 1999 while the country's share in the bank's capital amounts to 0.5%. The bank has so far allocated some \$2.8 billion to finance different projects.

http://www.azernews.az/news.php?news_id=106427&cat=business

Role of SMEs in Asian economies

Md Joyнал Abdin, The Independent, December 23, 2016

SMEs are contributing to promoting GDP growth and increasing export earnings of respective countries



DHAKA - The Small and Medium Enterprises (SMEs) are considered as engine of growth throughout the world. About 97 % to 99 % of the enterprises of Asian developing countries are SMEs. This scale could be slightly different for different Asian countries. In the lowest side about 97.3% of enterprises in China, 97.3% of enterprises in Malaysia, 97.5% of enterprises Kazakhstan are SMEs, 97.7%

of enterprises in Vietnam, but 99 % in Bangladeshi, 99.4% in Singapore, 99.5 % in Sri-Lanka, 99.6% in Philippine, 99.7 % in Thailand, 99.7% in Japan and 99.9% in the Republic of Korea.

SMEs are playing vital role in employment generation of respective countries for example SMEs are generating 87.7% of enterprises employment of South Korea (Republic of Korea), 80.3% of enterprises employment is generating by SMEs in Thailand, 75% of non-agricultural employment of Bangladesh are generating by SMEs, 71.8% of enterprises employment is generating by the SMEs in Cambodia etc.

Similarly SMEs are contributing in promoting GDP Growth and increasing Export Earnings of respective countries. For example SMEs are generating 60% of Indonesian and Chinese GDP; similarly they are contributing 47.6% of the GDP of the Republic of Korea, 45% of the GDP of Singapore, and 43.7% of the GDP of Japan. In Bangladesh SMEs are contributing 25 % of GDP. In terms of Export Earnings, about 42.4% of Indian export earnings come from SMEs, similarly 41.5 % of Chinese exports come from SMEs, 26.3% of export earnings of Thailand come from SMEs, 20% of export earnings of Sri Lanka come from SMEs, the amount is 18.8% and 15.7% for Republic of Korea and Indonesia respectively.

Now come to the point what is SME? SME is a specific segment / class of enterprises in a country. They are defined with different indicators by different countries. Bangladesh considered number of employment and replacement cost as indicators. Few countries considered revenue and asset as indicators.

Governments of the Asian countries have respective policies to promote and develop SMEs in respective countries. With some similarities different countries have emphasis upon different incentives and supports to flourish the SMEs in respective states. Common policy supports are offering tax concession, providing repayable loan facilities,

priority sector declaration etc. But few countries are providing equity supports and grants to foster SME growth in respective countries.

For example Thailand, Malaysia, Singapore and Taipei is offering credit guarantee scheme for the SMEs whereas Bangladesh and Sri Lanka is missing this option. Besides these internal and external R&D facilities, product innovation, process innovation, patent license, internal financing, external financing, public support, NGO and foreign institutional support has direct impact on SME development of a country.

There is a positive correlation between innovation and SME development. Innovation could be in terms of product innovation (inventing a new product), process innovation (inventing a new way to manufacture a product with minimum resources / higher quality), improving products quality and standardization, ensuring efficient use of inputs to save resources, using alternative materials / substitute to produce a goods, inventing new machines / technology etc.

Innovation could facilitate increased volume of production, entering into new markets, improved quality and solving social problems or needs. Its outcome could be increased production capacity, production flexibility, saving per unit cost, saving per unit resources etc. Innovation is expected to be outcome of internal research, national level academic research, acquisition of new companies, recruiting new human resources, formal research of government or foreign funded projects.

There are some specific barriers to innovation by the Asian SMEs especially for the SMEs of South Asia. Major barriers are lack of skilled / qualified manpower, scarcity of funding for R&D, Absence of institutional environment, Shortage of information, government as a barrier to innovation, infrastructural barrier to innovation, and market factors as barriers to innovation etc.

A recent study shows that, about 80 per cent of the South Asian SMEs are depending upon internal resources for innovation. Only 4 – 6% of the SMEs used to purchase new idea for fostering innovation. About 30% SMEs have idea about use of journals, research findings and other sources of innovation. About 13% of innovative small and medium firms use government funding for innovation. But sometimes various government policies and strict monitoring plays a negative role for innovation in many South Asian countries.

Availability of long term low cost financing has a positive correlation with SME development of a country. Credit guarantee scheme is playing a significant role in SME development in many Asian countries. For example 70-80 % risk of SME loan is taken by credit guarantee scheme and rest 20-30% risk in beard by the lending banks in Indonesia. Philippine provided about 1.6 billion local currency guarantee for lending to SMEs.

The Thai Credit Guarantee Corporation guarantees 100% of the payment stated in each letter of guarantee issued to participating banks, when prosecuted. However, it is done under the condition that the nonperforming guarantee does not exceed 16 per cent of

the average guarantee outstanding in each portfolio that pools all guaranteed SME loans from the participating bank every year.

SME dominating countries of Asia are Republic of Korea and Indonesia (99.9%), Cambodia (99.8%), Japan, Vietnam and Thailand (99.7%) of SMEs. But most employment generating (by SMEs) countries are Korea, Thailand, Bangladesh, Cambodia, and Japan. SMEs are contributing in GDP of China, Indonesia, Japan, Singapore and Korea etc. The lags behind Asian countries for SME development are Kazakhstan, Bangladesh, and Sri Lanka etc.

Bangladesh has National Industrial Policy 2016 emphasized on SME development as a means of poverty alleviation and employment generation, more specifically SME Policy Strategy to guide SME development in the country. There are a good number of organizations working for entrepreneurship development and SME promotions in Bangladesh. But the above discussion indicates that, Bangladesh still has to go a long way for the promotion and development of SMEs. Because it does not have share in terms of innovation, it is lagging behind in terms of low cost financing, credit guarantee facility so on and so forth.

Therefore it is the most appropriate time for capacity building of SME stakeholders in Bangladesh to foster promotion and development of SMEs. We have limitation is terms of human resources capacity, financing ability, innovation, standardization of products, managerial and technological know-how both in public and private sector SME stakeholders of Bangladesh. European Union funded a project (recently ended) titled INSPIRED initiated few capacity building activities for SME Stakeholders. Hopefully another EU funded project called PRISM will be started soon.

This project could give emphasis on capacity building of human resources, establishing appropriate infrastructure, R&D capacity building, promoting innovation, facilitating financial access to SMEs, establishing testing laboratories, product designing and new product invention, focusing on target international market for fostering exports etc. Thus government and development partners could play a vital role to strengthen SME stakeholder's capacity for promoting SME development in Bangladesh and uplift Bangladeshi SME sectors into Asian even global standard.

The writer is Deputy Manager, SME Foundation, Bangladesh.

<http://www.theindependentbd.com/printversion/details/73521>

Bangladesh to spur SMEs growth

The Independent, December 4, 2016



Industries Minister Amir Hossain Amu speaks at the inaugural ceremony of a three-day international Small and Medium Enterprises (SME) fair at Bangabandhu Conference Hall of World Trade Center (WTC) in Chittagong. (Independent photo)

DHAKA - Industries Minister Amir Hossain Amu termed the Small and Medium entrepreneurs (SME) as the main engine for achieving development goals and their innovative ideas should be used for hastening industrialisation in Bangladesh, BSS reports from Chittagong.

"The skill of entrepreneurs can adapt quickly to changing market situation including achieving export target, generate employment, help diversify economic activities and make a significant contribution to exports and trade," he added.

The industries minister said this while inaugurating three-day international Small and Medium Enterprises (SME) fair at Bangabandhu Conference Hall of World Trade Center (WTC) in Chittagong in December last year.

Chittagong Chamber of Commerce and Industry (CCCI) organised function where the minister said though SMEs are based on relatively small investment, their survival depends on readily available market with easy access but it has controlled 70% business activates in the country.

"SMEs provided 80 to 85% employment opportunities and 35% total internal productions in the country" he added.

He said the government has started to develop environment friendly industrialisations so all Small and Medium industries scattered at the different places in the country will be gathered in nearby economic zones.

Amu said the government is going to enact suitable rules and regulation to support the development and growth for SME sectors by taking opinions from entrepreneurs.

Jute and leather goods, garments, fashion wear, agriculture-based items, plastic, electrical and electronic goods, financial institutions and light engineering products are on display.

CCCI president Mahbulul Alam presided over the function while former CCCI president M. A. Latif MP attended it as special guest. He said 22 leading enterprises participated in the fair.

Deputy Commissioner of Chittagong Shamsul Arefin, Deputy High Commissioner of India Somnath Haldar, Consular General of Russian Confederation Oleg. P. Boiko and vice president of CCCI Sayed Jamal Ahmed among others attended the function.

<http://www.theindependentbd.com/printversion/details/70998>

Malaysia tells SMEs, to tap into India's digital trade platform

Borneo Bulletin, March 8, 2017

KUALA LUMPUR - The Ministry of International Trade and Industry (MITI) is encouraging more local small and medium enterprises (SMEs) and start-ups, in their pursuit to expand their network, to seize opportunities in India's digital trade platform.

Secretary-General Datuk Seri J Jayasiri said India was a big market to tap, with a population of about 1.8 billion, and there was a huge demand for technology tools and systems.

"As this year has been declared, 'The Year of Internet Economy', we have hired Alibaba Group Founder Jack Ma as our advisor on digital economy, but we must also look at other markets and participate in business technology events to get a bigger outreach.

"This would save them (entrepreneurs) a lot of time instead of going to India physically," Jayasiri told a press conference after the soft launch of the Asean India Biztech Expo & Conference here yesterday.

Last year, Malaysia's total trade with India stood at RM1.85 billion.

"Not only will the market of 1.8 billion people be expanded to a lucrative market of 3.5 billion, but also a wide supply chain that would provide opportunities for enterprises of all sizes. "Businesses of ASEAN and India can enjoy first mover advantage, if only they are willing to take the bold step to invest now," he said.

The maiden two-day event beginning May 24, organised by the ASEAN India Business Council (AIBC) in conjunction with the 25th anniversary of ASEAN-India relations, will be opened by MITI Minister Datuk Seri Mustapa Mohamed.

<http://borneobulletin.com.bn/malaysia-tells-smes-start-ups-tap-indias-digital-trade-platform/>

Malays urged to grow MSMEs into SMEs

Borneo Bulletin, January 29, 2017

KUALA LUMPUR – Global economic uncertainty, stiff competition and the urgent need to elevate micro, small and medium sized entrepreneurs (MSMEs) are some of the major challenges faced by Malay businesses in the country.

Speaking on the sidelines of the annual general meeting (AGM) for the Federation of Brunei-Malay Entrepreneurs (PPPMB) yesterday at the Design and Technology Building in Kampong Anggerek Desa, its President Dr Haji Abdul Latif bin Haji Chuchu told the Sunday Bulletin that these MSMEs should not confine themselves to being at the micro level forever or to being stuck selling at food stalls, but to upgrade their status by moving towards becoming small and medium enterprises (SMEs).

“With the establishment of DARE (Darussalam Enterprise), where my portfolio is in SME development, there are vast opportunities available to tackle problems like the fate of food stall vendors in Gadong. Now we see tremendous development – such as with the construction of a new building in the area,” he said.

At the AGM, Dr Haji Abdul Latif pointed out that food stall businesses (MSMEs) at Gadong are monopolised by Malays. However, this is not the case in SME businesses, which are mainly monopolised by other ethnicities.

“We encourage more youths to engage in business. We have sent over 20 to China for training, while 31 young entrepreneurs have been sent to Japan to undergo courses. Business and economy should be the first choice and should be dominated by Malays,” he said.



PPPMB President Dr Haji Abdul Latif bin Haji Chuchu delivering his speech. (Photo: Azlan Othman)

He noted that PPPMB has organised courses such as in business and accounting, as businesses today are unlike they were 30 years ago, with accounting knowledge being crucial.

“In March, we are going to conduct a Food Processing and Marketing course and we hope participants will make use of this valuable course to export their products overseas or to sell them locally,” he said.

PPPMB is planning to manage light industries in Beribi and carry out industrial activities on a 22-hectare site in Kuala Lurah, where an Italian company is mulling stationing a helicopter and light aircraft industry.



PPPMB member Haji Mustapha receiving his Accounting Course Certificate from Dr. Haji Abdul Latif.

Dr Haji Abdul Latif highlighted the need for unity among members so as to further develop the federation.

“We hope it progresses for the sake of the Malay entrepreneurs. There should be no backstabbing among members and discussion should be held in a positive manner, without baseless accusations or finger-pointing,” he said.

Back in 1998, the federation had 25 registered members. Today, that figure stands close to 400, with strong involvement from youths who have become

successors of businesses. Veteran businesspeople are rare nowadays with more of them becoming consumers.

Meanwhile, PPPMB Chairman Haji Mohammad bin Mokti said business should be the first choice. Over the past seven years, the federation has moved ahead as an organisation despite the highs and lows faced by members.

<http://borneobulletin.com.bn/malays-urged-grow-msmes-smes/>

Helping MSMEs break into international market (Brunei)

Hakim Hayat, Borneo Bulletin, January 24, 2017

BANDAR SERI BEGAWAN – As the e-commerce market expands rapidly in this region with a growing number of people having access to the Internet, small scale and medium businesses in the country are urged to take advantage of the boom that offers Bruneian exporters vast and endless business opportunities, said the leading developer of hybrid online market place Cube Junction (CJ) yesterday.

Sharing more insight and ambitious goals of the premier e-commerce platform for ASEAN and beyond, which was locally developed and set to launch on Thursday, Chief Executive Officer (CEO) of Cube Junction, Ramlee Zainuddin in a press conference yesterday said there are numerous high-quality locally made products that are on par with- or even better than- regional and international standards and noted that these products only need more exposure and good branding to break into the outside market.

Sharing the same notion was Advisor of National Chamber of Commerce and Industry Brunei Darussalam (NCCIBD) Captain (Rtd) Zailan bin Pehin Dato Mohd Don, who

believes that nano, micro, small and medium enterprises (MSMEs) in the country can thrive better when they have access to this market with the right platform.

According to the NCCIBD advisor who is also endorsing and supporting Cube Junction's journey to becoming a strategic transshipment hub for air cargo in the region, their backing for this initiative is also part of the chamber's vision to see the empowerment of the private sector to allow it to thrive and help boost economic diversification efforts. He also mentioned Brunei's competitive edge of having better quality-controlled products over other large-scale exporters.

"Brunei can compete in terms of branding and product quality because small-scale businesses here offer good quality and highly regulated products as opposed to mass-manufactured products from bigger countries that may have issues with quality," he said, citing the Brunei Halal brand as an example that has vast potential to be marketed through the platform.



Chief Executive Officer (CEO) of Cube Junction, Ramlee Zainuddin; Advisor of National Chamber of Commerce and Industry Brunei Darussalam (NCCIBD), Captain (Rtd) Zailan bin Pehin Dato Mohd Don; and Chief Technical Officer (CTO) of Cube Junction, Azri Juma.

Captain (Rtd) Zailan, who is also the Principal of the Cottage and Youth Initiative Programme at the i-Centre, said by opening up more market opportunities with the thriving number of young and aspiring small-scale businesses mushrooming in the country, the platform serves as a systematic tool that would help them explore opportunities that are abound outside.

He said the NCCIBD believes that the CJ platform will solve some of the major issues associated with building start-ups and running MSMEs because this platform requires minimum cost for business

operations and they can operate businesses even from home.

Cube Junction also provides a door-to-door service delivery system anywhere in the world, which can solve the current transportation and logistics challenges faced by Bruneian small businesses. A fulfilment centre for Halal products will be developed as part of CJ where products from all over the world can be gathered for re-export, using the strong Brunei Halal Certification Mechanism.

Ramlee said Cube Junction can help businesses market and sell their products online, locally and overseas. It also provides a platform to promote Halal products ranging from food, cosmetics, apparels, footwear, and others.

Cube Junction recently signed an agreement with AFL Logistics (Hong Kong) and is working closely with locally registered regional freight forwarding firm Concord Transworld Forwarding for Brunei inland and hinterland distribution. The AFL-Junction

alliance will be handling firm air trans-shipment for the region via Brunei through strategic alliances agreement.

Security aspects of the online platform are also a main focus for Cube Junction to ensure that all buyers and sellers are protected. According to Chief Technical Officer (CTO) of Cube Junction, Azri Jumat, the platform is secured with the latest SSL (secure socket layer) technology, 128 bit keys, TLS 1.2 and PCI DSS Compliant for a secure and hassle-free transaction.

<http://borneobulletin.com.bn/helping-msmes-break-international-market/>

Creating a culture where SMEs can grow and thrive (Brunei)

Danial Norjidi, Borneo Bulletin, September 29, 2016

BANDAR SERI BEGAWAN - Brunei will continue to create a culture where small and medium enterprises (SMEs) can grow and thrive with true entrepreneurial spirit and leadership, Dato Paduka Dr Awang Haji Mohd Amin Liew bin Abdullah, the Deputy Minister of Finance said yesterday.

Delivering a keynote address at the Leading Business in Asia Forum held at the Radisson Hotel, he shared some of the work the government has been doing to support the changes in local SMEs and the transformation in many government-linked companies (GLCs).

He noted that the long term policy goals of the government, by way of the Brunei Vision 2035, sets measurable targets for both society and economy to drive economic diversification and sustainability.

“The recent circumstances facing the global economy, including but not least the volatility in the prices of oil and gas underscore the priority our government assigns to the accelerated attainment of the Brunei Vision 2035 targets; in other words, to diversify and meaningfully increase the contribution of sustainable commercial enterprises to drive our economy, and as a means to increase gainful, knowledge-based employment for all Bruneian citizens.”

He said that given the current size and structure of Brunei’s economy, the government has placed great emphasis on the importance of the success of SMEs in contributing to a sustainable economic development.

He noted that the national SME body DARE (Darussalam Enterprise) was established earlier this year to lead and develop a holistic and well-coordinated strategy to facilitate

and drive the tangible growth of SMEs so that they can play a vital part in economic diversification initiatives.



Dato Paduka Dr Awang Haji Mohd Amin Liew bin Abdullah, the Deputy Minister of Finance, delivering his keynote address. (Photo: Danial Norjidi)

“Brunei aims to bring its SMEs to the next level of growth where focus has been given to create the right environment for innovation to spur and for the market network to expand beyond its shores.

“We continue to capitalise on the foundation we have created over the years in Brunei’s iCentre and Knowledge Hub to provide effective and vibrant start-ups the ecosystem to nurture their talents and potentials,” he said.

“With the provision of effective incubation programmes and co-working spaces, start-ups are able to tap into collaborative networks and a wide range of great ideas that can be turned into real and tangible opportunities.”

Another driving factor is the spillover effect of FDI inflows, he highlighted. “The effort to create strong linkages between foreign affiliates and our domestic SMEs will continue to provide opportunities for partnerships not only in the local supply chains but also in expanding their markets base to a wider network outside Brunei.”

“With market liberalisation, active engagement of multilateral trade agreements will allow for easier access to new market partners and will maximise the opportunities for our businesses to benefit from the potentials of the larger overseas markets, and open up opportunities for more FDI inflows and export activities.”

Providing an ecosystem conducive for local SMEs to grow is key, he asserted.

“Through the working partnership with DARE, we will continue to create an environment for them to flourish by improving their access to financing, access to wider markets, access to industrial space and access to effective development programs to enhance their capacity, capability and competency.”

<http://borneobulletin.com.bn/creating-culture-smes-can-grow-thrive/>

€50 million to benefit Georgian SMEs

The Financial, March 9, 2017

TBLISI - The European Investment Fund (EIF) and ProCredit Bank Georgia signed an InnovFin agreement in Luxembourg that will benefit innovative Georgian small and medium-sized enterprises (SMEs) and small mid-caps.

The InnovFin agreement, the first of its kind in Georgia, will enable ProCredit Bank Georgia to provide loans to innovative companies over the next two years with the support of a guarantee provided by the EIF and backed by Horizon 2020, the EU Framework Programme for Research and Innovation. The InnovFin guarantee covers 50% of each loan disbursed by ProCredit Bank Georgia and is expected to generate a total loan portfolio of EUR 50 million.



Carlos Moedas, European Commissioner for Research, Science and Innovation, said: “Horizon 2020, our research and innovation programme, is open to the world, and a productive relationship with Eastern Partnership countries such as Georgia is an important part of our strategy. This deal takes our cooperation with Georgia one step further. It will support Georgia's economy, as Georgian companies can now benefit from EU-guaranteed loans to boost

their research and innovation potential”.

Commenting on the signature, the EIF's Chief Executive, Pier Luigi Gilibert, said: “I welcome the signature of this first InnovFin agreement in Georgia. Today's agreement will enable ProCredit Bank Georgia to expand its financing activities, which will allow innovative Georgian companies to benefit from more attractive loans.”

Alex Matua, Director of ProCredit Bank Georgia, said: “The InnovFin programme is very important for ProCredit Bank Georgia, as it gives us the possibility to develop further and finance the businesses that we believe are the core of the economy. We focus on SMEs that have innovative vision and embrace modern European standards.”

Borislav Kostadinov, member of the Management Board of ProCredit Holding, added: “We are very pleased to announce that the InnovFin guarantee agreement, which has already been successfully implemented in eight of our banks in South Eastern and Eastern Europe, will now be introduced in Georgia, thereby easing access to financing for innovative Georgian SMEs. Of the amount allocated to the ProCredit group in 2016, 1/3 has already been utilised to support innovative companies.”

<http://finchannel.com/business/149-press-releases/63778-eur-50-million-to-benefit-smes-in-georgia-as-eif-and-procredit-bank-georgia-sign-first-innovfin-transaction>

Business matching for Thai SMEs

Somonkul Khun, Cambodia Chamber of Commerce, February 16, 2017



PHNOM PENH - On 16 February 2017, on behalf of Neak Oknha Kith Meng, Oknha Lim Heng, Vice President of Cambodia Chamber of Commerce (CCC) and CCC members attend the "Business Matching for SMEs" at Himawari Hotel, Phnom Penh.

The event is jointly organized by Cambodia Chamber of Commerce, Thai Chamber of Commerce and Thailand-Cambodia Business Council with purpose to bring traders, importers and distributors from

both countries to meet together as well as to enhance trade and economic relationship.



35 Thai SMEs business delegates from the sectors of food, consumer products, and cosmetics, beauty and spa products participate in the event to display their products and look for the potential partners in Cambodia.

<http://www.ccc.org.kh/news/business-matching-for-smes>

“SME growth market project” presented to Taiwanese investors

Axel Reiserer, The Financial, February 16, 2017

TAIPEI - A joint delegation by the Zagreb Stock Exchange (ZSE) and the European Bank for Reconstruction and Development (EBRD) has concluded a visit to Taipei China to explore ways to develop local capital markets in meetings with the Taiwanese Ministry of Economic Affairs, the Financial Supervisory Commission, the TWSE Stock Exchange and other institutions.

The visit took place under the framework of the “SME Growth Market Project”, a joint initiative by ZSE and the EBRD and co-founded by the TaiwanBusiness-EBRD

Technical Cooperation fund to promote the development and access to finance for small and medium-sized enterprises (SMEs).

SMEs are vital to the Croatian economy, yet access to finance remains challenging. In this situation, capital markets can provide an additional source of financing. The joint project is aiming to create a regional SME financing platform to set up an efficient and attractive instrument in compliance with the European Union's (EU's) Capital Market Union action plan, according to EBRD.



The EU supports facilitating the access to finance for SMEs through its new “Markets in Financial Instruments Directive 2” (MiFID2), which will enter into force in early 2018. The regulation will ease listing and reporting requirements for SME markets compared with the main markets. The ZSE intends to establish a trading platform that

strikes the balance between listing requirements and adequate information that financial investors seek.

Taiwanese donor support has contributed to the EBRD's work since 1991. It is especially directed towards information technology areas of the knowledge economy, business advice to SMEs and the EBRD Women in Business programmes, as well as projects in sustainable resource management and intelligent transport systems.

<http://finchannel.com/business/financial-markets-and-stocks/63514-sme-growth-market-project-presented-to-taiwanese-investors>

More leasing needed to boost SMEs, says World Bank

Kr Srivats, The Hindu Business Line, February 22, 2017

NEW DELHI - 'India should look to hike share of movable assets financing from 14% to 25%'

The World Bank Group sees “leasing” as an important financing tool for Small and Medium Enterprises (SMEs) and wants policymakers in India to take steps to propel its growth in the country.

“Leasing is very sensitive to taxation and I understand the taxation rules were changed, and as a result, impacted growth of leasing in India,” said Simon C Bell, Global Head-SME Finance, World Bank Group while addressing a symposium on ‘Movable Asset Financing’, organised by the Finance Industry Development Council.

Lopsided funding

Bell said India should look to increase its share of movable assets financing from 14-25%, which could potentially lead to another \$180 billion credit flow into the MSME sector, which provides jobs and growth to the Indian economy.



Simon C Bell, Global Head-SME Finance, World Bank Group.

In OECD countries, about 50% of lending is collateralised against movables, he added.

“If we are able to get banks, NBFCs and financial institutions to lend lot more towards movable assets, then significant financing needs of the SME sector can be met,” he added.

World Bank Group research shows that only 14% of the total asset base of MSMEs comprises immovable assets, such as land and buildings, and one per cent comprises vehicles, which MSMEs can utilise as collateral.

The balance 85% comprises movable assets, such as plant and machinery, inventory, receivables, and other intangible assets, which financial institutions are often

not willing to accept as standalone primary security (without any additional collateral security).

Looking at global best practices, it is estimated that at least 25% of total movable assets (against 6% at present) could be targeted for movables-based finance in the medium term (5-8 years).

This amounts to roughly \$171.7 billion based on March 2013 figures. In the long term, nearly 48-50% of movable assets could be targeted, similar to the levels seen in OECD countries.

Movables-based finance in the US has been predominant, with about 70% of MSME financing secured by movable collaterals. The high proportion of movables-based finance in the US has been facilitated by an enabling environment, Bell added.

<http://www.thehindubusinessline.com/economy/macro-economy/need-to-encourage-leasing-to-boost-sme-growth-says-world-bank-official/article9555694.ece>

Indian startups open a world of opportunities to women

Megha Bahree, Nikkei Asian Review, November 2, 2016



Sheroes staff met clients face-to-face at the company's 2016 summit in New Delhi. (Courtesy of Sheroes)

NEW DELHI - Snehita Mukherjee, 24, left her job in an Indian information technology services company to study interior design. But when she needed to supplement her income, she found a job through a website called Sheroes.in as a data processor working from home so she could continue her studies. Mukherjee then recommended the website to her mother and her elder sister.

Sheroes, a members-only career networking platform for women, is one of a handful of startups that have sprung up in

India in the last few years to help women find full-time or part-time work, identify mentors, tap into networks or receive career counseling.

Sairee Chahal, founder and chief executive of Sheroes (Photo by Megha Bahree)

Some, including Sheroes, are exclusively for women. Others, such as Flexing It, offer freelance work for women and men, while the Indian Institute of Technology in Delhi has started a mentorship program for female entrepreneurs. The networking startups charge companies for placements and recommendations; women seeking jobs or information join for free.

"The traditional job market gives you a burden of expectation," said Sairee Chahal, founder and chief executive of Sheroes, which has roughly 1 million registered women on its platform, by far the largest such startup in the country. "This [flexible work] helps them take charge of their own way."

About 21.2% of working age Indian men - those between 15 and 59 - have a regular salaried job, compared with 13.4% of Indian women of comparable ages, according to a 2014 report by the International Labor Organization. A 2015 report by the McKinsey Global Institute found that Indian women account for just 17% of India's gross domestic product. Full employment equality would raise GDP by 60% by 2025, the report claimed.



The jobs and networking startups feed a real hunger from women, according to Chahal, who said that women in isolated and rural communities are now able to find work that they can do from home. A good example, said Chahal, was an online query from a young woman in a village near Lucknow, in the relatively poor northern state of Uttar Pradesh, who wanted to work from home. Chahal pointed her to Sheroes' listings, and then coached her through the application process and the process of setting up at home.

Chandrika Pasricha started Flexing It based on her own needs. She left her job at McKinsey to freelance and found that there were few options for consultants. Seeing a gap in the market, she set up Flexing It, which says that 40% of the nearly 40,000 professionals registered on the site are women. The company finds work for mid-career professionals with a median work experience of eight years in areas such as marketing and branding, running business units, hiring and managing personnel, finance and analytics.

Struggling for talent

At least 55% of the paying companies at Flexing It are startups and small and medium sized enterprises. "Startups are always struggling for talent," said Pasricha. "They can't afford to throw money at talent, and we're finding a lot of organizations are turning to people like us to get help on specific pieces of their businesses."

According to the 2015 Global Women Entrepreneur Leaders Scorecard, produced by the U.S. research company ACG, India ranked 28th in a survey of 31 countries for gendered access to fundamental resources such as education, the internet, bank accounts and SME training programs. Only Bangladesh, Ghana and Pakistan were ranked lower.

<http://asia.nikkei.com/Business/Trends/Indian-startups-open-a-world-of-opportunities-to-women>

Korea seeks to boost SME exports

Kim Kyung-ho, The Korea Herald, January 30, 2017

SEOUL - South Korea is stepping up efforts to increase exports by small and medium-sized enterprises, many of which are struggling to stay afloat in the sluggish domestic markets.

Less than one in 10 local SMEs have a record of shipping their goods abroad, according to data from the Small and Medium Business Administration. The amount of exports hovered below \$100,000 for 40% of SME exporters.



Park Sung-taek, chairman of the Korea Federation of SMEs, said there would be no future for the country's small and midsized companies as long as they rely on domestic demand and remain as parts suppliers for large manufacturers. Excessive competition among small firms for limited shares of the domestic market undermines the efficiency of the economy.

Experts say bolstering exports by SMEs is also crucial to overcome rising global protectionism and ease the tightened local labor market.

Policies announced by the SMBA earlier this month focused on helping expand exports by small companies in cooperation with other relevant government agencies.

SMBA Minister Joo Young-sup expected outbound shipments by local SMEs and intermediary companies to amount \$250 billion this year, accounting for half of the country's total exports, up from 38% last year.

He said it was meaningless to differentiate between local and overseas markets as exports become a must, not a choice, for corporate growth.

Outbound shipments by local SMEs recorded an on-year increase of 2% last year, while Korea's overall exports dropped 5.9%.

Trade Ministry officials predict the country's exports will rise 2.9% this year following two consecutive years of decline on the back of a recovery in advanced economies and big emerging markets around the world.

According to a recent survey of some 720 exporters and foreign importers of Korean products, conducted by the state-run Korea Trade-Investment Promotion Agency, Korea's shipments abroad were projected to grow 3.4% on-year to \$512.5 billion in 2017.

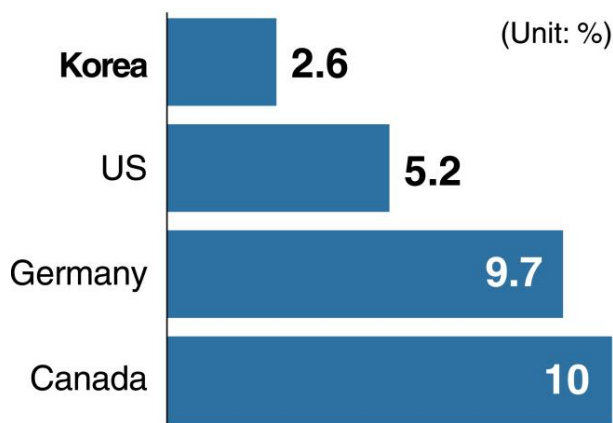
In a sign to back up such optimistic forecasts, the latest customs data showed the country's exports jumped 25 percent from a year earlier in the first 20 days of this month.

Many experts, however, caution that external conditions for Korean exporters will be tougher in 2017 as US President Donald Trump carries out his protectionist policies and China steps up retaliatory measures against Seoul for its agreement to deploy an advanced US missile defense system here.

What is needed to overcome this unfavorable circumstance is to induce more companies, especially SMEs, to ship their goods to more diversified markets overseas, they say.

According to the Korea International Trade Association, only 2.6% of the country's SMEs are engaged in exporting, while they account for 99% of manufacturing firms in Korea. The figure is far below 5.2 percent in the US, 9.7% in Germany and 10% in Canada.

Share of exporters among SMEs



(Unit: %)

The government is pushing for a two-pronged strategy to nurture more SME exporters and help existing exporters continue to increase shipments abroad. As part of such efforts, the SMBA plans to expand financial support for research and development, guide foreign tourists to purchase products made by small firms at local traditional markets and provide more useful information on overseas markets by setting up more business centers in Southeast Asian and Latin American nations.

Source: KITA

In parallel with strengthened policy support, experts indicate, small and mid-sized

companies themselves should be more aggressive in finding opportunities to sell their products abroad.

“Local SMEs should change their long-held passive attitude toward tapping into overseas markets, if they are to survive the low-growth era,” said Jang Hyun-sook, a KITA researcher.

Jang said small and mid-sized companies can and should be encouraged by the success of some of their peers in advancing into global markets.

An exemplary case frequently touted by experts is a local maker of office chairs, which exported \$5 million worth of products to about 40 countries last year. The company, Dawon Chairs, has annually invested 500 million won (\$428,400) in global marketing since it set up a foreign operations team in 2012.

Experts also note local SMEs, especially producers of cosmetics and other consumer goods, may find greater opportunities for increasing sales abroad through global online markets, which are projected to expand from \$304 billion in 2015 to \$1 trillion by 2020.

Korea's exports through e-commerce sites stood at about \$100 million in 2015, accounting for less than 0.03% of the country's overall outbound shipment of goods.

Industry officials say quick decision-making by SMEs is likely to give them advantages in online deals. But many small and midsized firms still face various obstacles to increasing exports through online markets as they are not sufficiently prepared for marketing, delivery and after-sales service.

In this regard, the government also needs to strengthen support for online exports by SMEs, experts say.

<http://www.koreaherald.com/view.php?ud=20170130000253>

Aiming for more competitive SMEs (Malaysia)

Joy Leby, The Star Online, March 6, 2017

Better accountability: Kong says the new Act ensures company directors take more responsibility of the company's governance.

KUALA LUMPUR - The new Companies Act 2016, which is being implemented in stages starting from Jan 31, will help SMEs improve on governance and be more competitive even as it increases the ease of doing business in Malaysia.

As economies are increasingly liberalised, Incorp director Kong Ming Enn says local businesses must be reformed to compete with other companies when they move out to other countries as well as be able to compete with foreign companies coming into Malaysia.

"We are not just competing among ourselves. We are also competing with businesses from other Asean countries and even China. If we cannot compete with them, at least with the proper structuring, we can work together with the other countries," he says.

Kong notes that the Companies Act 2016 is among the economic reforms carried out by the Government as part of the country's vision to become a high-income nation.

The new Act draws its lessons from various Commonwealth jurisdictions including the UK, Canada, New Zealand, Australia, Singapore and Hong Kong.

Kong is optimistic that the changes implemented under the new Act will put SMEs on a better footing to compete with businesses from other countries.



Among the major changes introduced under the new law include the introduction of a single director company, which enables a company to be incorporated with only one member who can also double up as the sole director of the company.

This would mean easier incorporation and lower cost of running a business with higher flexibility.

However, Kong cautions that this does not equate to the ease of expanding a business.

Under the new law, a company could also replace the memorandum and article of association from the previous Act with a constitution lodged with the registrar.

Under the Companies Act 2016, private companies are also no longer required to hold annual general meetings. Instead, company decisions can be fully made through circular resolutions.

Additionally, a company is no longer required to state its authorised capital and newly-issued shares will no longer be tied with the nominal value when the company was incorporated.

Instead, a company is required to notify its issued share capital and paid-up capital and the related changes through the return of allotments. A company may also issue shares at a price depending on the factors affecting the current circumstances and needs of the company.

“Under the new law, dividends are only paid out of profits if the company satisfies the solvency test, which generally relates to its cash flow solvency and balance sheet solvency,” says Kong.

A director has to ensure that the firm would be solvent immediately after the dividend was paid to safeguard the company from financial losses.

“The Companies Act 2016 eases doing business in Malaysia and offers flexibility but the fines for offences and non-compliances are higher,” Kong notes.

This keeps SMEs on their toes, he says, adding that directors now have a bigger responsibility to act in the interest of shareholders and the company.

A company director who breaches the newly-implemented Companies Act 2016 will face a heavier fine of up to RM3mil and a maximum five-year term of imprisonment, or both, if found guilty.

Company directors can no longer claim ignorance, says Kong.

Kong adds that the new Act will also see more existing sole proprietor businesses being converted into private limited companies over the next two to three years.

“We also foresee more new companies being set up,” he adds.

Incorp is looking at helping some 1,000 companies start up this year compared to about 200-300 companies previously.

<http://www.thestar.com.my/metro/smebiz/news/2017/03/06/aiming-for-more-competitive-smes/>

Business programme to boost SME (Malaysia)

Manjit Kaur, The Star Online, February 27, 2017

KUALA LUMPUR - The export value of small and medium enterprises (SMEs) run by bumiputra entrepreneurs is expected to increase to 25% in the next three years.

Deputy International Trade and Industry Minister Datuk Ahmad Maslan said an additional programme to help boost the exports was already in place for the entrepreneurs.

He said the newly launched Galakan Eksport Bumiputera (GEB) programme would help strengthen and enhance the export competency of the SMEs.

“Currently, the export rate of the SMEs is at 18%, and with GEB in place, we are expecting the figure to reach to at least 25% in 2020.

“Under the GEB, the eligible company can receive a grant totalling RM500,000, and under the loan scheme, they are entitled to borrow a maximum of RM5mil,” he told reporters after visiting two SMEs at the Chepor Industrial Centre nearby.

The two companies that he visited were WS Pottery Sdn Bhd, which is a ceramic ware producer and exporter, and My Suffly, which manufactures baby formula.

Ahmad added that the GEB programme was made possible by SME Corp Malaysia with the cooperation from Majlis Amanah Rakyat (Mara).

He said eligible companies could make applications for grants under the programme to set up operation office overseas, marketing and promotional activities for abroad, market research, and for brand development, among others.

Ahmad said prior to GEB, another programme to enhance the capacity of bumiputra enterprises had launched since 2012, had seen a total of 129 projects approved with a total grant of RM9.25mil.



Ahmad (right) visiting the My Suffy plant at the Chepor Industrial Centre. Looking on is Perak executive councillor Datuk Samsudin Abu Hassan (left.)

On the SMEs he visited, Ahmad said the pottery producer had been exporting their products to the United States and Britain, with sales reaching RM1.5mil last year.

For My Suffy, Ahmad said their products were exported to Brunei, with the current sales reaching 7.5 million.

“With the success stories of the two companies, this goes to show that bumiputra SMEs are able to compete at the global level with comprehensive and integrated help by the relevant government agencies,” he added.

<http://www.thestar.com.my/metro/community/2017/02/27/business-programme-to-boost-sme-bumiputra-entrepreneurs-can-get-grant-or-loan-through-geb-to-enhance/>

SME financing by Islamic banks (Pakistan)

Mohiuddin Aazim, Dawn, November 21, 2016

ISLAMABAD - A growing bias for Shariah-compliant borrowing among small and medium enterprises is helping Islamic banks and Islamic banking windows of conventional banks in targeting them. But corporate and consumer financing still dominate their credit portfolios too heavily and SME loans remain only a small fraction of their portfolio-mix.

“Owners and managers of a large number of SMEs have a deeper craving for Shariah-compliant financial services than large businesses and companies,” says the Shariah advisor of a local Islamic bank. “But IBIs have only lately started capitalising on this. The more they go for SME financing, the more they’ll realise this segment has a real big potential,” he predicts.

The conventional banking system has done little to satisfy the borrowing needs of SMEs, thereby making way for Islamic banks to fill the gap.

Islamic banking institutions (IBIs) are also being driven towards funding SMEs by other factors:

“First of all, we’re being pushed towards SMEs and agricultural financing by the central bank,” says the head of an Islamic bank. “Secondly, we’ve also learnt, after over a decade’s experience, that leaving these two segments under-served is unwise as both have a great growth potential.”

Currently the share of corporate and consumer financing in IBIs credit portfolio-mix is at 78.1pc and 10.9pc respectively, as of June 2016. Against this, the entire banking industry's corporate and consumer financing is 67.1pc and 6.4pc of their total credit.

“Owners and managers of a large number of SMEs have a deeper craving for Shariah-compliant financial services than large businesses and companies...But IBIs have only lately started capitalising on this”

Despite some progress made by IBIs, SME financing has a nominal 2.8pc share in their financing portfolio whereas their share in the overall banking industry's lending is just double - 5.6pc.

But despite product development and volumetric increase in lending by some individual banks, the SMEs share in IBIs' overall financing has declined from 4pc in FY12 to 2.8pc in FY16. The stock of IBIs lending to SMEs has, however, increased from Rs11bn in FY12 to Rs19.5bn in FY16 as, well-capitalised IBIs have boosted their overall financing during these four years.

“The share of SMEs in the overall mix of IBI financing will not rise very fast for some years, even if we continue to lend more to them, simply because lending to the corporate and consumer sectors remains so huge,” says the head of Islamic banking of one of the top five commercial banks. Some Islamic banks like Meezan Bank and Dubai Islamic Bank (Pakistan) up-scaled their lending to SMEs, industry sources say.

For boosting SME financing, Meezan Bank has partnered with Karandaz, a private company established by UK's DFID and the Bill and Melinda Gates Foundation to promote access to finance for small businesses. This arrangement, along with a large network of branches, has helped the bank reach out to SMEs in semi-urban and rural areas.

Dubai Islamic Bank is taking advantage of its expertise in product development and has been making efficient use of Murabaha, Wakala and Istithmar, etc, to meet working capital requirements. For the financing of SMEs' long-term fixed capital needs, a different range of products with innovative versions of Musharaka and Ijarah are being offered.

According to an IFC study, the potential financing needs of un-served and under-served SMEs in Pakistan is \$3.8bn or close to Rs400bn. The Islamic banking industry currently accounts for 11.4pc lending of the entire banking industry. So IBIs can absorb about Rs45bn of the SMEs potential in the present context.

But whereas fast expanding branch networks of IBIs and growing use of mobile and internet banking, make it easier for them to boost their lending to SMEs, or to other

segments of borrowers for that matter, a couple of issues remain in place. Islamic banks have not been able to bring their cost of SME credit at par with that of conventional banks, industry sources say.

Besides, “multi-step documentation to conform to the Shariah aspect of their financial products makes borrowing very complicated, which is easier to handle by the corporate sector, but most SMEs cannot afford it,” says a former central banker well-versed with the issues of Islamic banking.

Islamic banks, and Islamic banking windows of conventional banks, do have product information available in Urdu, but the problem is that product details are replete with Shariah related jargon and owners and managers of SMEs don't understand them, mid-tier officials of Islamic banks admit.

The best way to promote Islamic financing of SMEs is to train branch level bank staff in communicating the specifics of a financial product in simple language with potential borrowers.

<https://www.dawn.com/news/1297587>

Developing SMEs: ‘Pakistan can learn from Turkey’s experience’

APP, The Express Tribune, February 23, 2017



Finance Minister Ayesha Ghaus Pasha. (Photo: INP)

ISLAMABAD - Pakistan can learn a lot from Turkey's experience in developing its small- and medium-sized enterprises (SMEs), said Punjab Finance Minister Ayesha Ghaus Pasha.

“We want to see the kind of enabling incentive environment that has been created in Turkey, which has promoted the SME sectors,” said Pasha while talking to the Anadolu Agency in Ankara.

“We would like to see how they have overcome some of the challenges,” she added, noting Turkey's steps to provide

credit, technical training and skills.

“Taking our SME sector's level to Turkey's current level while collaborating with KOSGEB (Small and Medium Enterprises Development Organisation of Turkey) is also

one of our targets,” said the minister. She said that almost two-thirds of SMEs in Pakistan operate in Punjab, while 65% of the population was aged between 15 and 25 years, for whom the government wanted to generate employment.

The SME sector is pivotal to economic growth, Pasha added.

Punjab Minister of Industries, Commerce and Investment Sheikh Allaudin also expressed hope to benefit from KOSGEB’s knowledge and experience with SMEs.

SMEDA officials are in Ankara to exchange views on SME policies and get information on KOSGEB’s structure and support models.

KOSBEG Head Recep Bicer said his organisation wants to see Pakistan as a business centre and as an opening to Asia and the Far East markets.

<https://tribune.com.pk/story/1336025/developing-smes-pakistan-can-learn-turkeys-experience/>

MSMEs urged to participate in 2017 ASEAN programs to gain benefits (Philippines)

Philippine Chamber of Commerce and Industry, February 3, 2017

MANILA - The Philippine business community is called upon to actively participate in the various programs lined up this year as the Philippines hosts the ASEAN Summit coinciding with the 50th founding anniversary of ASEAN.

Philippine Chamber of Commerce and Industry (PCCI) President George T. Barcelon said that the government and private sector have collaborated in developing and implementing programs that are beneficial to businesses in the region.

Barcelon, a member of the ASEAN Business Advisory Council (ASEAN BAC), said that the country’s hosting is very significant as ASEAN celebrates its 50th year as a regional bloc created to bring economic prosperity, political and socio-cultural cooperation in the region.

"ABAC has adopted the theme “Partnering for Change, Prosperity for All” essentially to promote inclusive business and innovation-led growth in the region. We therefore encourage our small entrepreneurs to seize and maximize every opportunity available,” Barcelon said.

One of the council’s deliverables is the ASEAN Mentorship for Entrepreneurs Network (AMEN). AMEN aims to institutionalize mentorship programs engaging its network of “big brothers” to help and handhold smaller companies to become globally competitive.

In the recently concluded ASEAN BAC Meeting in Manila, the council agreed to launch AMEN in November. AMEN will focus primarily on MSME Mentorship highlighting top CEOs mentoring small entrepreneurs in the five priority sectors that ASEAN BAC has initially identified. These are Agri-food, Retail, Tourism, Logistics and Healthcare.

“This will be different and we hope that our entrepreneurs, big or small, get to participate in this endeavor,” Barcelon pointed out. Apart from AMEN, the Council and PCCI have been pushing for the realization of the Roll on Roll off (RORO) Network servicing Davao-GenSan (Philippines) - Bitung, Manado (Indonesia).

PCCI Transport and Logistics Committee Chair, Dr. Henry Basillo announced that RORO is expected to be launched on 27 April 2017 prior to ASEAN Leaders Meeting in Manila. “The key ingredients to make this project a success are already in place. Our exporters from Mindanao are eagerly awaiting the RORO service so that trade formally with North Sulawesi.

http://www.philippinechamber.com/index.php?option=com_content&view=article&id=1055:msmes-urged-to-participate-in-2017-asean-programs-to-gain-benefits&catid=53&Itemid=246

PCCI wants more liberal SME lending rules

Roy Stephen C. Canivel, Business World Online, November 28, 2016

MANILA - The Philippine Chamber of Commerce and Industry (PCCI) wants to introduce revisions in the enabling law that currently puts Small Business Corp. (SB Corp.) under the supervision of the central bank, explaining that this has so far kept out at least a quarter of small and medium-sized enterprises (SMEs) from accessing loans, a top official said.

PCCI Honorary Chairman Sergio R. Ortiz-Luis, Jr. said that the country’s largest local business chamber is moving to have revised Republic Act 9501 or the Magna Carta for micro-, small-, and medium-sized enterprises (MSMEs).

Our SMEs are 99.6% of enterprises. You have to remember that. I don’t think 25% of them are able to access loans,” he told reporters on the sidelines of a business forum on November 24 of last year.

“We need to get funding outside of the control of the Bangko Sentral’s rules, (otherwise) the SMEs would never be able to access funding.”

The proposed changes mainly point to the need to provide SB Corp. with more flexibility in crafting lending policies to SMEs, which would require to dash the provision that give the central bank authority over the kind of rules SB Corp. could roll out.

In a phone interview on November 25 2016, Mr. Ortiz-Luis outlined the changes that PCCI would like to see in the new form of the magna carta.

“We want to remove the provision that SB Corp. is under the supervision of Bangko Sentral which means they are being treated like a bank, and they would have to follow all the rules in lending.”

“We are thinking of removing some conditions to accessing money, in order to promote development, like collateral rules. In short, lending will be more liberal.

Moreover, PCCI also wants to increase the penalty for non-compliant banks, and extend the timetable allotted for the mandatory allocation of credit resources to SMEs.

Under the law, lending institutions are required to set aside at least 8% of their total loan portfolio for micro and small enterprises. The requirement runs for 10 years starting 2008, the year the law was implemented.

Mr. Ortiz-Luis said that PCCI has raised this concern with Senator Juan Miguel F. Zubiri and Rep. Ferjenel G. Biron, chairmen on committee on trade for the senate and congress respectively.

PCCI’s call for more flexible policy decision making on the part of SB Corp. is on the list of top 10 recommendations that the chamber submitted for President Rodrigo R. Duterte’s consideration in October.

In 2015, SB Corp. reported a total loan portfolio to SMEs worth P2.6 billion, data from their Web site showed. This is an over 17% increase from a year earlier.

The loan portfolio includes P1.18 billion from microfinance wholesale operations, P905 million from 945 direct borrowers, and P498.27 million from the enterprise rehabilitation financing program, which seeks to help enterprises recover from the damage of natural calamities.

<http://www.bworldonline.com/content.php?section=Economy&title=pcci-wants-more-liberal-sme-lending-rules&id=136931>

PITC urges SMEs to expand (Philippines)

Raadee S. Sausa, The Manila Times, February 17, 2017

MANILA - The government is urging small and medium enterprises (SMEs) to expand markets beyond Philippine shores as a way of consolidating bigger import-export outputs.

“Currently, for our output for the top countries that we’re exporting to, Japan is on top of the list. So, if you expand into, for instance, the socialist countries to which we can expand aggressively, I think the output of both import and export would be even bigger,” Dave Almarinez, newly-appointed president and chief executive officer of Philippine International Trading Corp. (PITC) said on Thursday.

The Philippine’s top trading partners are Japan, China, US, Singapore, Hong Kong, Germany, South Korea, Thailand, Taiwan and The Netherlands.

“Therefore, there will be more businesses that would be generated if we’re expanding, not limiting to particular countries,” Almarinez added.

The PITC’s role is to engage in exports, trade services and special trading arrangements. It also ensures the most efficient and cost-effective procurement services, and contributes to price-supply stabilization of goods and services.

“More expansion - we’re not - generating more revenues and generating more jobs, directly affecting more Filipinos. In the end, our fellowmen will generate all of this,” Almarinez noted.

The PITC intends to give people easy access, particularly those who want to expand their businesses. “We will give equal chance, weather you’re big or small, to really expand beyond domestic, especially in international markets,” Almarinez said.

For small businesses, the “PITC would be the lead agency for them to partner with, if they don’t have the network yet. We will give them advice, we will give them the possible information and guidance. If not, partner to match which is best for them,” he added.

<http://www.manilatimes.net/pitc-urges-smes-go-market-expansion/312706/>

E-commerce boom 'huge' export opportunity for SMEs - ITC (Philippines)

Raadee S. Sausa, The Manila Times, January 17, 2017

MANILA - The e-commerce boom is leveling the export field for small and medium enterprises (SMEs) in developing countries like the Philippines, but the government needs to lend a hand to these exporters to help them take advantage of this huge opportunity, the International Trade Center (ITC) said in a report released January 13.

The United Nations Conference on Trade and Development has said that developing countries should grasp the rapidly growing opportunity of electronic commerce - worth around \$22.1 trillion in 2015, up nearly 40% from 2013 - or risk falling quickly behind.

The ITC said that as more and more people turn to online marketplaces to buy goods, exporters need to strategize how they can stand out.

“Going online can give even the smallest businesses a big boost,” ITC said. Eben Sermon, eBay’s vice president for Europe and emerging markets, said that sellers must be able to give what buyers are looking for, particularly a unique inventory.

“Those buyers want to be able to shop the world. But they also want increasingly to have an engaging experience. This means telling the story of the sellers, explaining the origin of the products in more interesting ways. And there are multiple technologies to allow you to do that,” he said.

Sermon also underscored the importance of quality. When listing an item on a marketplace or a website, he said sellers must make sure the photography is good and that they “tell the story of the product, tell a story of yourself, the entrepreneur.”

He also highlighted using clear, precise language when talking about shipping returns, pricing and other conditions and specifications.

Exporters are also urged to think carefully about the goods they want to sell. “And check there’s demand first before placing any significant inventory order.”

He advised exporters to work with the online marketplace, noting it provides a low-cost venue for entry to markets. “Then you get access to a very, very large number of buyers with minimal financial outlay up front.”

He also predicts the increasing role of mobile devices. “We have a very high proportion of our sales that are touched by mobile. We expect the number of connected devices and screens to grow exponentially, trillions of connected devices and screens in the coming years.”

Meanwhile, DHL executive Stephano Arganese advises SMEs to organize themselves into cooperatives in order to bundle their volumes and share transport costs.

He said it would be ideal to have a small warehouse or storage space in the destination market “so that when people order online, their goods can be shipped within 24 hours.”

Both executives stressed the role of the government in the successful entry of SMEs in the online marketplace.

Sermon said the government can help small businesses by partnering more on things like aligning duties and customs, simplifying VAT regulations, and supporting the case for exports and online selling.

Arganese underlined the importance of government efforts in fast-tracking business transactions in order to help SMEs, particularly by forging trade facilitation agreements.

“That would facilitate everything which is related to cross-border activities, customs and the like,” he pointed out.

<http://www.manilatimes.net/e-commerce-boom-huge-export-opportunity-smes-itc/307377/>

DTI urges MSMEs to innovate (Philippines)

Raadee S. Sausa, The Manila Times, December 9, 2016

MANILA - The Philippines, in collaboration with Chinese Taipei, urged micro, small and medium enterprises (MSMEs) to invest in innovation to be able to take advantage of the online-to-offline (O2O) business opportunity in the digital economy.

“We must provide solutions not only to address current challenges we’re faced with, but also to solve problems we didn’t even know we had. And in order to do that we must do one thing - we must innovate,” said Undersecretary Zenaida Maglaya of the Department of Trade and Industry’s (DTI) Regional Operations Group during the “APEC Policy Dialogue on MSME Marketplace & O2O Forum” held November 28 to 29 2016 in Boracay, Aklan.

The forum was aimed at promoting the application of O2O business models and encouraging MSMEs to invest in innovation.

According to the United Nations Conference on Trade and Development, electronic commerce helps local businesses access global value chains, and enables them to have a presence in foreign markets through exports and imports. This process leads to higher productivity because of more efficient use of technology, heightened competition, and greater consumer choice; and creates jobs as firms start to expand.

The Asia-Pacific region has the largest market share in the digital economy, accounting for 33% of total market scale, but only a few SMEs in the Asia Pacific Economic Cooperation (APEC) are currently taking full advantage of new digital opportunities.

The role of government in supporting more SMEs to turn these opportunities into business will be a key driving force for economic growth. The APEC Policy Dialogue is focused not only on developing O2O startups but also in aligning this effort to the Iloilo Initiative to establish an APEC MSME Marketplace, which is aimed at improving cross-border trade in the region.

Over 70 stakeholders including Google, Global Innovation Forum and other participants from APEC economies attended the forum and participated in the discussion focusing on the current digital opportunities and challenges of MSMEs in the globalization.

Five out of seven local startups who participated in the event came from QBO Innovation Hub, a new innovation hub for startups under the DTI Negosyo Center Plus model operating at the Export Marketing Bureau in Makati City.

In 2017, the Philippines will cooperate with Chinese Taipei and Malaysia to continue the second phase of APEC O2O Initiative to jointly enhance MSMEs' digital competitiveness and resilience toward quality growth, the DTI said.

<http://www.manilatimes.net/dti-urges-msmes-invest-innovation/300771/>

Transforming SMEs through digital innovation, one step at a time (Malaysia)

Mervyn Koh, The Strait Times, March 6, 2017

KUALA LUMPUR - UOB's cloud-based BizSmart system enables firms to access their operating accounts with the bank. PHOTO: UOB

The message to small and medium-sized enterprises (SMEs) from the Committee for Future Economy (CFE) recommendations and Budget 2017 was clear - they need to look towards digitalisation to ensure their continued success in the digital economy.

A poll conducted by UOB earlier this month found that almost nine in 10 SMEs (88 per cent) believe that their business will benefit from the adoption of digital technology. In particular, more than half felt that it would help them save costs and reduce reliance on manpower.

Despite being aware of such benefits, many SMEs still find it a challenge to implement technology as they grapple with rising business costs and a tight labour market. Respondents say they are unable to devote sufficient resources to adopting technology and to the long and sometimes complicated implementation process when doing so.

What many SMEs may not realise is that innovation might not require an overhaul of their business. Innovation also occurs when businesses change the way they do things, such as reexamining the way they manage various parts of their business.

For example, SMEs can look at how to use technology to automate generally heavily manual functions such as accounting.

To help small businesses, especially those in the retail industry, handle their administrative work more efficiently, UOB launched the BizSmart solution in August last year. It integrates and manages on their behalf back office processes such as payroll, accounting, inventory and resourcing.

It is also the only solution that connects their management of back office processes with their operating accounts with UOB. This enables SMEs to reconcile transactions, such as purchase orders to suppliers and daily takings, with their bank statement in one simple click.

The BizSmart solution comprises five applications: retail management (Vend), employee scheduling and leave (Deputy), payroll automation (HReasily), accounting (Xero) and security (MobileIron), which are all integrated.

This means that SMEs no longer need to go through the time consuming and unproductive process of moving between multiple software programmes to manage different aspects of the business.

By adopting a solution such as BizSmart, small businesses can benefit from cost savings of up to 60%, as compared with using multiple software programmes which cost more when purchased individually. Small businesses can also expect to spend only 2.5 days on administrative work, instead of the current four.

We have noticed that since we launched our BizSmart solution six months ago, the accounting application (Xero) has been the most popular among the five components available. Solutions such as BizSmart enable SMEs to redirect resources elsewhere to improve their bottom line. On average, we see close to 600 SMEs per month expressing their interest in using BizSmart for their business.

In today's fast-changing consumer landscape and softening business environment, coupled with a tight labour market, it is important for SMEs to innovate to stay competitive and relevant. By embracing the opportunities brought about by digitalisation they can find new and better ways to manage their business in an increasingly digitalised world.

The writer is Managing Director and Country Head of Business Banking, Singapore, at UOB

<http://www.straitstimes.com/business/economy/transforming-smes-through-digital-innovation-one-step-at-a-time>

SMEs are 'a central focus in transforming our economy' (Malaysia)

S. Iswaran, The Strait Times, March 1, 2017

An edited extract of Minister for Trade and Industry (Industry) S. Iswaran's speech in Parliament yesterday

KUALA LUMPUR - After the Committee on the Future Economy (CFE) report and last week's Budget statement, there has been much discussion on the economy in the lead-up to this debate. The central questions are where are the opportunities, how do we position ourselves to seize them, and what can we do to deal with short-term challenges. These involved policy decisions and trade-offs. These sentiments have also been echoed by some members today.

There are significant opportunities for Singapore companies in the region

Last year our economy grew at 2%, with growth picking up in the final quarter. Between 2011 and 2016, we averaged 3.1%, which is comparable to other advanced and regional economies. The CFE expects annual growth of 2 to 3% over the next decade. This may be less than what we were accustomed to in the past, but it is consistent with our stage of economic development, our demographic profile, so we need to ensure that within the context of where we are today, we continue to emphasise productivity and innovation as part of the basis for continued growth. This is because with this standard of economic growth, which is not insignificant by international comparisons, it will allow us to continue to create opportunities for our businesses and good jobs for our people.

We are also situated at the heart of a region that is an important driver of global economic growth. ASEAN, China and India are bright spots, with the ASEAN-5 countries expected to grow at 4.9% in 2017, China at 6.7% and India at 6.6%. Their growth emanates not just from the key regions and main cities, but increasingly from the next tier of cities and regions with which we might be less familiar. We need to go beyond traditional spaces and deepen our knowledge and acquire a more nuanced understanding of these new markets.

In tandem with this growth in the region, we see rapid urbanisation and the rise of the Asian middle class with greater disposable incomes and sophisticated demand in sectors like retail, lifestyle, F&B, education and healthcare.

These emerging opportunities play to strengths that we have developed over the years. One example is in infrastructure and urban solutions. McKinsey estimates that the demand for infrastructure in emerging Asian markets, particularly China, South-east Asia and South Asia, will grow by US\$20 trillion (S\$28 trillion) between 2016 and 2030.

China's One Belt, One Road initiative has heightened interest in regional infrastructure projects (road, rail, ports, and airports.) India's plan to build 100 smart cities needs adaptable and high-quality urban solutions. Our infrastructure and urban solutions

companies are held in high regard and can participate in these opportunities, in partnership with their Chinese, Indian and regional counterparts.

This is just not an opportunity for big players. In fact, it extends to SMEs like Memiontec and WaterTech Private, which tap into the demand for small-scale water and energy solutions in the region. In this Budget, the key initiative is really the extension of our Internationalisation Finance Scheme (IFS) for non-recourse financing. It is aimed at helping our smaller businesses go regional and seek opportunities.



Mr Iswaran checking out the robotics technology of one of Meiban's partners at the Meiban Innovation Centre in Ang Mo Kio Industrial Park last year. The Meiban Group has begun to digitalise its factory operations through what it calls the iSmart Factory.

The digital economy also presents unprecedented opportunities. The smallest company can now seek customers in the furthest markets as long as there is digital access. Companies, regardless of size, can reach out to customers anywhere through digital channels, transact with business partners and seek out payment solutions. Literally transformative.

It is transforming industries and offering new ways to overcome our constraints and seek out new opportunities. That is why the CFE has emphasised the importance of enabling our companies to harness digital technologies and platforms. Some companies have already made the move.

HipVan, a popular furniture and home decor store, has primarily used e-commerce platforms to build its business. Its customers make their purchases online; their manufacturing is distributed; and they work with logistics partners on delivery. It also deploys data analytics and digital marketing tools to spot trends and expand their reach internationally.

HipVan has reinvented the traditional furniture business model through digitalisation. We have also seen initiatives from larger companies to establish digital platforms for the benefit of SMEs. In fact, Singtel, a co-founder of the 99% SME movement along with DBS, announced a partnership with Lazada to set up an SME e-marketplace, and help SMEs tap into a wider online customer base.

Helping SMEs seize these opportunities

These are just some examples of the opportunities that lie before us. Our challenge is to ensure that our companies are geared up for the longer term so that they can seize these opportunities. This is especially important to sustain our competitiveness and growth as others are also similarly adapting themselves. Hence, this is a key focus of the Government's economic efforts. The Industry Transformation Maps are a key modality with sector specific strategies that will cover three broad areas:

First, to grow top line and scale, we support companies in internationalisation and financing.

Second, to remain competitive, we support capability development, both to innovate and raise productivity.

Third, we support the development of deep skills in our workers.

In all of these assistance and development efforts, the primary focus and beneficiaries are our SMEs. And for good reasons. First, SMEs are a significant part of our economy. They account for about half of our GDP growth and two-thirds of employment. To effect change and transformation in the economy, they have to accept the reality, embrace the change and be change agents. Second, individually, they often lack the scale to make the investments necessary to cope with the changes taking place and to benefit fully from the opportunities. Finally, they are the key engine of our future growth and integral to the competitiveness of our economic clusters. As SMEs scale, they will create more opportunities and jobs for Singaporeans.

Therefore, the Government is resolute in our commitment to help our SMEs make this transformation successfully. Large companies do not necessarily need this breadth of support. It is the small companies that need them. Let me briefly outline five areas in which we support SMEs.

Growing top line and scaling up internationalization and financing

First, internationalisation. If you are a company taking the first step towards internationalisation, you can tap on IE's Market Readiness Assistance and the Global Company Partnership Scheme to study and understand the market before growing your international footprint. We have set aside \$400 million in grants to support internationalisation. The Government can be an enabler but we cannot make the decision for the companies. In this Budget, we have set up the \$600 million International Partnership Fund to co-invest with firms to help them expand overseas.

Second, financing. The Government has a suite of loan programmes which will collectively catalyse \$5 billion in loans up to 2020. This includes the SME Equipment Loan and the SME Factory Loan. The Monetary Authority of Singapore has also recently reviewed our regulations to enhance the ability of finance companies to provide financing to SMEs.

Earlier, I mentioned that the infrastructure sector in particular afforded significant growth opportunities for Singapore companies. At this Budget, we also introduced the IFS for Non-Recourse Financing to help SMEs participate in these opportunities. This scheme is designed to encourage financial institutions to provide non-recourse loans to SMEs once projects move into the post-construction stage, so that SMEs can free up their balance sheets to take on new projects. The constraint today is that small businesses tie up their resources through personal or corporate guarantees and it limits their ability to take on new projects.

This scheme is targeted at helping businesses in an effective way. Over the next five years, we expect to catalyse \$600 million dollars in loans, which will correspond to approximately \$1 billion in infrastructure projects.

Helping SMEs stay competitive: Innovation and capability development

Third, innovation. Our SMEs want to create new products and services that can differentiate them in the market but they are constrained by resources available for R&D. Hence, we have a range of schemes (\$100 million) to help SMEs commercialise intellectual property (IP) through our network of Centres of Innovation; and to help SMEs build up their innovation capabilities through the secondment of public sector researchers to our SMEs (\$36 million Technology Adoption Programme and \$45 million Get-Up scheme). At this Budget, we announced the A*Star Tech Access Initiative, to help SMEs gain access to costly specialised equipment, user training and advice; and extended the A*Star Headstart Programme, which lets SMEs enjoy royalty-free and exclusive IP licences for 36 months, up from 18 months.

Fourth, capability development. SMEs can tap on the Capability Development Grant (CDG) for larger-scale projects, including automation under the Automation Support Package. CDG also supports projects to raise productivity and develop new competencies. SMEs can also utilise the Innovation and Capability Voucher to flexibly take on smaller upgrading projects. We also have Pact, the Partnership for Capability Transformation scheme, where SMEs collaborate with larger companies to develop new capabilities.

Further, at this Budget, we announced the SMEs Go Digital Programme, which will help SMEs digitalise their products, services and processes. Overall, we have set aside \$1.5 billion of grant support for such capability development in SMEs.

Helping SMEs develop their workers' skills

Finally, skills. We are making a significant investment in developing the skills of our people through SkillsFuture. To help SMEs tap on SkillsFuture, we have put in place initiatives such as the SME Talent Programme, the SkillsFuture Mentors Scheme and the SkillsFuture Earn and Learn programme.

In each of these areas, there are continual efforts to make Government support more accessible to SMEs, through initiatives such as the Business Grants Portal, the SME Digital Technology Hub, as well as the new IP Master Agreement. SMEs can approach the SME centres or go to our SME portal or economic agencies to find out more. There is no wrong door, and they will help you navigate. The key is we have this plethora of support.

Fundamentally, we are in a more uncertain environment. Therefore the emphasis is on a broad range of measures and schemes that are the key platforms to raise the industries as a whole. Companies that are prepared to go further and faster will receive more support. But that does not mean that we are picking winners. The winners are picking themselves and adapting to our schemes.

The impact of such programmes is amplified when the trade associations and chambers come on board to take the lead and get firms in their sector to act together. One good example is the logistics industry - where associations such as the Container Depot Association (Singapore) (CDAS) and the Singapore Logistics Association (SLA) play important roles.

The logistics industry is a traditional strength of ours, and is poised to tap on Asia's rising middle class and the growth of e-commerce. It will harness emerging technologies such as data analytics to improve service delivery. For example, CDAS has launched the electronic container trucking system (with help from Spring) to streamline container logistics operations and improve container supply chain visibility. To go international, SLA has worked with IE to help its members better understand growing markets, including a study mission to understand the investment and business opportunities arising from China's One Belt, One Road initiative.

To help train workers for the new jobs being created, the SLA also plays an active role in attracting and training talent for the industry through its training arm, The Logistics Academy.

As evident, there is no lack of Government resolve or resources available to help our companies, especially SMEs, successfully transform. But we are aware that there is significant variation across sectors and some are facing significant headwinds. For example, the electronics sector grew by more than 15 per cent in 2016, while the transport and storage sector grew by 2.3 per cent. On the other hand, the marine and offshore engineering segment has contracted for nine successive quarters.

The retail industry is coping with disruptive technological changes such as e-commerce which threatens to disintermediate some retailers, while creating new opportunities for others. These disruptive forces are playing out in other sectors too. At the start of this decade, Uber and Grab did not exist. Rapid developments in fintech and artificial intelligence (AI) are also disrupting the financial services, manufacturing and other services industries.

Helping SMEs overcome short-term difficulties

The Government recognises these immediate challenges that our SMEs are facing. We will continue to provide short-term relief where necessary through the system of broad-based support we have built up over the years.

To help with wage costs, we had introduced the Wage Credit Scheme and the Special Employment Credit (SEC) scheme. We also extended the additional SEC at this Budget until end-2019. Together, these amount to about \$1 billion in cash pay-outs to businesses in March 2017.

To help SMEs with liquidity, we had introduced the SME Working Capital Loan in 2016, which has catalysed more than \$700 million dollars in loans to about 4,300 SMEs. We have also extended the corporate tax rebate and raised the rebate cap to \$25,000, at 50% of tax payable for year of assessment 2017.

We also closely monitor rental and other business costs. In 2016, industrial, retail and office rentals all fell. We will continue to maintain a steady pipeline of industrial land and space to ensure that there is competitive pressure in the market and rents.

We have not introduced further broad-based measures, but we have put in place customised support for specific industries due to their varied circumstances. For example, for the marine and offshore engineering sector, we introduced the M&OE Engineering Bridging Loan and the M&OE Internationalisation Finance Scheme in November last year. Not a panacea, but some consolidation is inevitable.

The aim is to preserve the core capabilities that we have built up over the years by helping some M&OE companies to meet short-term cash flow needs, and secure new loans to continue to take up projects. We expect these two schemes to catalyse approximately \$1.6 billion in loans over one year.

To support the construction sector, which has been weighed down by the property market slowdown and economic uncertainties, we are bringing forward \$700 million of public sector infrastructure projects to start in FY17 and FY18.

In summary, the opportunities before us are significant. To seize them, we must invest in the capabilities of our economy, people and enterprises, especially our SMEs. The most durable solution lies in moving up the value curve, innovating, offering products and services that others are not offering, and adopting management methods and techniques that will close the big gaps in productivity in some sectors compared to international best practices. The Government is resolute in our support, through broad-based and targeted programmes, to help our SMEs make this transformation successfully. We do not pick winners, but will support companies that are prepared to make these important transitions. And in all of these efforts, SMEs are our central focus.

Ultimately, creating vibrant, competitive industries with strong capabilities is the surest way to ensure the success of all our businesses, including the SMEs. The Government looks forward to working closely with trade associations and chambers, and unions to ensure a diverse enterprise eco-system, a thriving SME community and a strong economy rich with opportunities.

<http://www.straitstimes.com/opinion/smes-are-a-central-focus-in-transforming-our-economy>

Japan's SME sector wants to tap commercial opportunities in Sri Lanka

The Ceylon Chamber of Commerce, November 4, 2016

COLOMBO - The delegation, a joint effort of the World Business Society of Tokyo Small and Medium Enterprise Consultant Association (WBS) and World Business Associates Company limited comprised representatives from Japanese SME companies engaged in diversified business operations.



A Japanese business delegation consisting of SME sector of that country, held talks with the Ceylon Chamber of Commerce.

They met with the officials of the Ceylon Chamber of Commerce and inquired on the economic and investment climate of the country. The mission was focusing on establishing ties between Japanese and Sri Lankan SMEs.

Japanese enterprises are looking at how they can tap into the one billion strong Indian market via Sri Lanka and also focus further into Africa and south-east Asia.

The delegation, which included representatives from nearly 15 Japanese companies was scouting for opportunities in the areas of agricultural product

processing, textile industry, healthcare service and tourism. The meeting took place at the Ceylon Chamber of Commerce and the past chairman of the Association Mr. Thilak De Soyza was also present at the meeting.

<https://www.chamber.lk/japans-sme-sector-wants-to-tap-commercial-opportunities-in-sri-lanka/>

TOBB prepares to turn SMEs into exporters

TOBB, March 17, 2017

ANKARA - TOBB kicked off "Intelligence in Foreign Trade" training to make non-exporting SMEs into exporters. TOBB President M. Rifat Hisarcıkliođlu stated that they want to raise awareness and encourage SMEs towards foreign trade, "The government produces very comprehensive incentives for investment and export. We will motivate our companies who want to export their goods across borders with information regarding foreign target markets, customers, and various countries' legislations."

The Union of Chambers and Commodity Exchanges of Turkey (TOBB) took the initiative to raise awareness and encourage SMEs about exports and to encourage new companies to export as well as contributing the country's economy. To this end, TOBB began to provide chamber-exchange personnel with training on "Intelligence in Foreign Trade". Training sessions that were held in 3 groups and that were completed on March 9th, 2017.

On the subject, TOBB President M. Rifat Hisarcıkliođlu stated that they are undertaking work to ensure that more SMEs become export-capable. Hisarcıkliođlu explained that the goal is to make companies into players in global trade, "We are looking for companies that know no boundaries. The first phase of this is to encourage our companies. The government produces very comprehensive incentives for investment and export. We will motivate our companies who want to export their goods across borders with information regarding foreign target markets, customers, and various countries' legislations.

In the past, information was used to reach an objective; now information itself is of great value. This will be relayed to our members with the project 'Intelligence in Foreign Trade' which we started with our Chambers and Commodity Exchanges under the coordination of our Union. We aim to eliminate the lack of information in foreign trade through the provision of commercial information and technical information. Commercial information on markets at the global level, target country markets, target competitors, target customers, country legislation, foreign trade operations, new technologies and applications will be relayed to Chambers and Commodity Exchange members by personnel who will take part in the training at TOBB."

Hisarcıkliođlu stated that a second project, following the "Intelligence in Foreign Trade" project, will be aimed at improving the commercial cooperation of members in the digital field of the international arena and will be take place later this year. Stating that they want to help more SMEs to be exporters; this will ensure increased employment and foreign exchange for the country's economy, TOBB President said that they are striving to ensure a strong presence for Turkey in the global supply chain.

<http://www.tobb.org.tr/Sayfalar/Eng/Detay.php?rid=21799&lst=MansetListesi>

Vietnam's SMEs face a range of difficulties

Vietnam Net, March 5, 2017

HANOI - A host of difficulties face small and medium-sized enterprises (SMEs) in Vietnam, Deputy Minister of Planning and Investment Dang Huy Dong told a conference on March 2 in Hanoi on policies to support SMEs and the experience of Japan.



He also insisted that SMEs play a major role in Vietnam's economic development, so the aim of the conference is to discuss the experience of Japanese SMEs and provide useful information to Vietnam's SMEs.

Mr. Hiroshi Arai, Head of the Foreign Business Support Department under the SMEs Agency at Japan's Ministry of Economy, Trade and Industry, said that SMEs in Japan are key to the Japanese economy and policies have therefore been

adopted to provide support.

Japanese SMEs receive guidance from the very beginning, focusing on administrative procedures, regulations, the organizing of production and technology, and financial plans to operate efficiently.

Many well-known economic groups in Japan began as SMEs, he said.

Economic experts claimed that Vietnamese SMEs constantly meet three problems: capital, government policies, and business capacity.

Most struggle to develop under centralized management. Existing policies assist State-owned enterprises, while policies for SMEs adopted in 2009 are yet to achieve significant results.

Other issues include human resources management, capital management, and systems development. To resolve such problem, the Vietnamese Government and ministries have introduced policies to boost SMEs.

The Ministry of Planning and Investment has prepared and submitted to the government a draft Law on Supporting Small and Medium-sized Enterprises, with specific provisions on resources and mechanisms to support SMEs.

<http://english.vietnamnet.vn/fms/business/173850/vietnam-s-smes-face-a-range-of-difficulties.html>

SME Bank offers scheme to accelerate SME growth (Malaysia)

ADFIAP, January 31, 2017



KUALA LUMPUR - The SME Bank Malaysia (SME Bank) offers the 'SME Development Scheme' (SDS) to facilitate access to financing for local SMEs to further develop their business and accelerate their growth. SDS is targeted to assist SMEs in growth stage, focusing on those sectors under National Key Economic Area, other government promoted sectors and asset acquisition preferably landed property (land/ building). Eligible borrowers are Malaysian-owned

business (51% ownership), 'Sdn Bhd', partnership and sole proprietorship which are involved in government-promoted industries and sectors identified by the Bank from time to time. For more details, please follow this link: <http://www.smebank.com.my/sme-financing/programmes/skim-pembangunan-pks-sds/>

<http://www.adfiap.org/resources/sme-bank-offers-scheme-accelerate-sme-growth/>

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