

# **Developing SMEs In eCommerce**

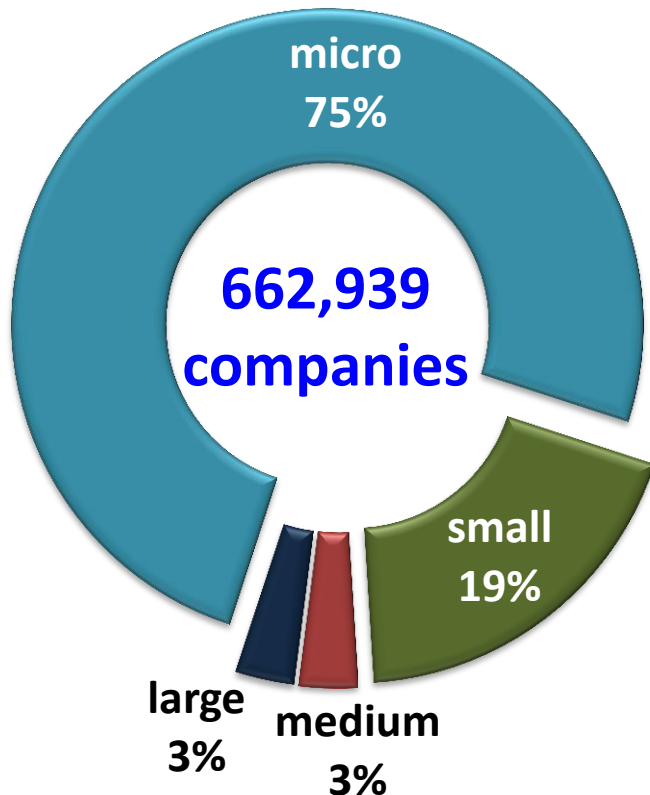
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**Senior Director**  
**SME Corp. Malaysia**  
**10<sup>th</sup> June 2016**  
**eCommerce Day**

# **Landscape of SMEs in Malaysia**

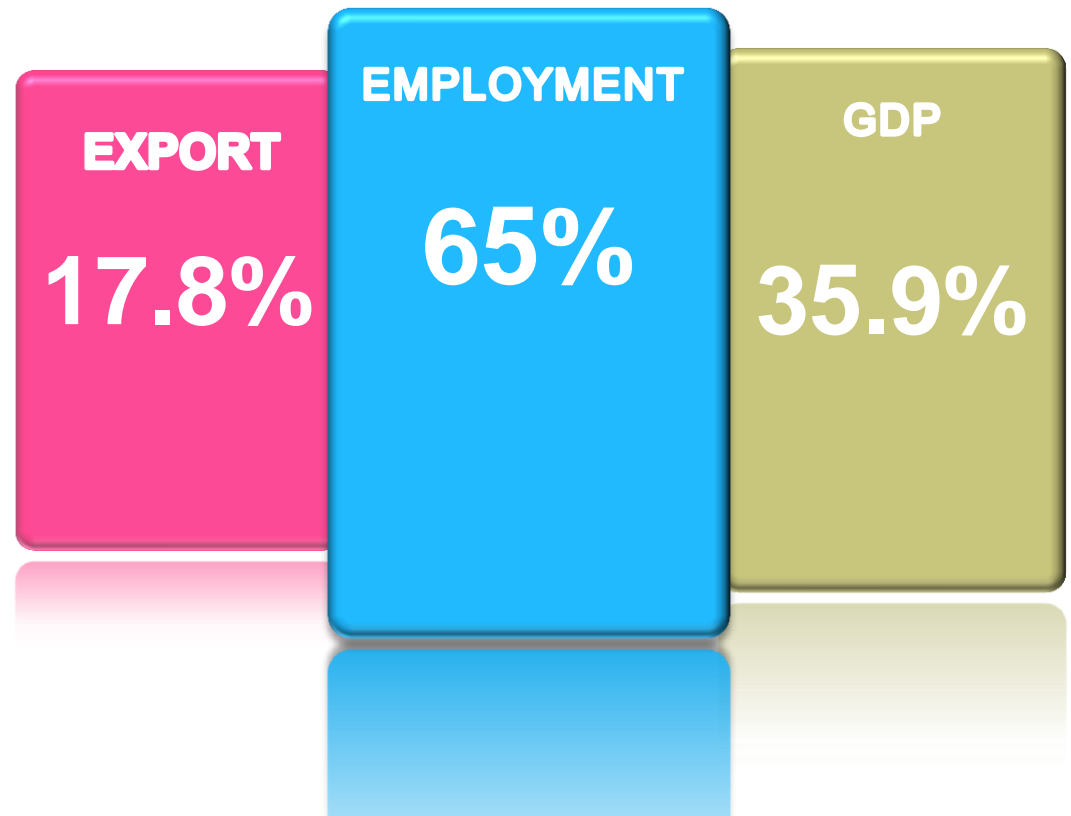


# SMEs are the **backbone** of the economy...

- SMEs account for large proportion of businesses in Malaysia:
  - **97.3%** of establishments (645,136)
  - Size wise **77%** microenterprises, with **< 5 workers**



## SME contribution to:

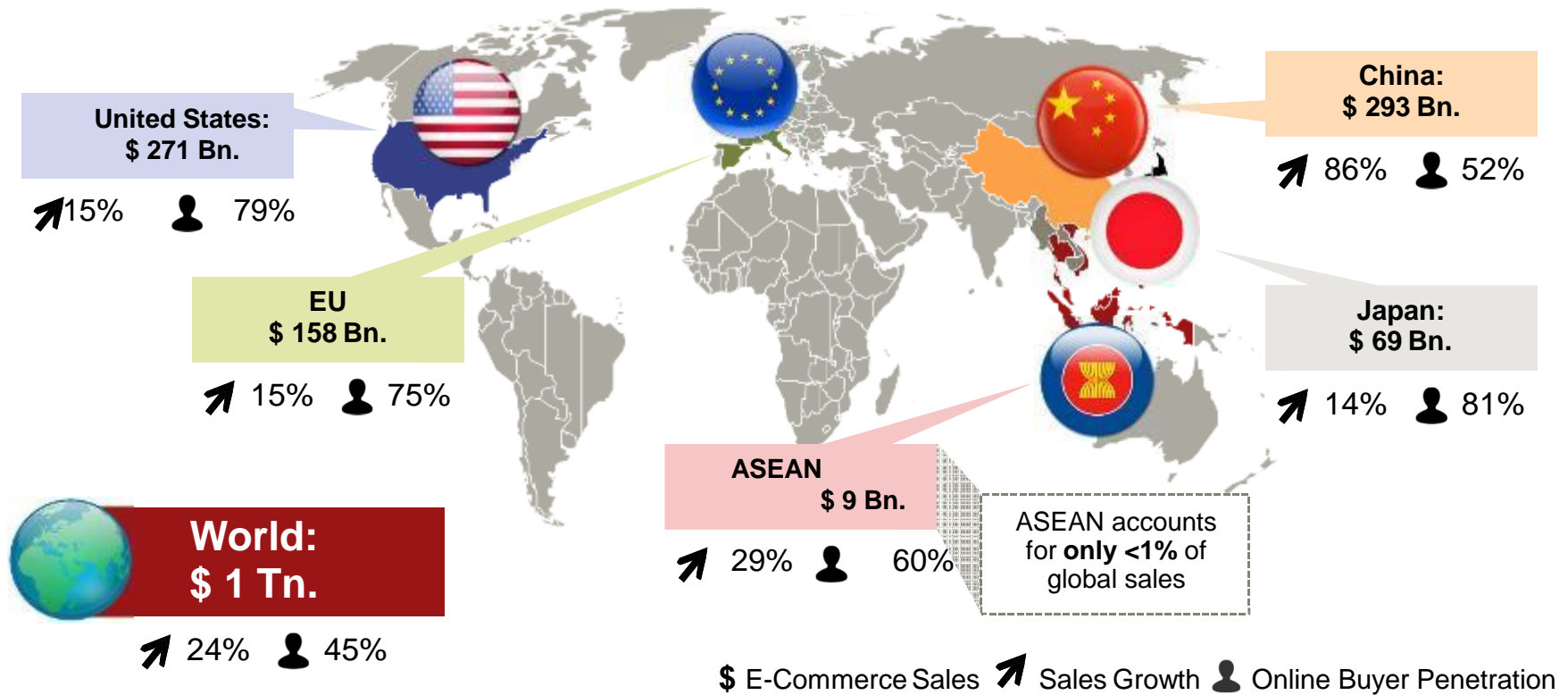


Source: Economic/SME Census 2011, Malaysia

# Global e-Commerce sales have reached \$1.0 trillion in 2015 with double digit sales growth in all continents...

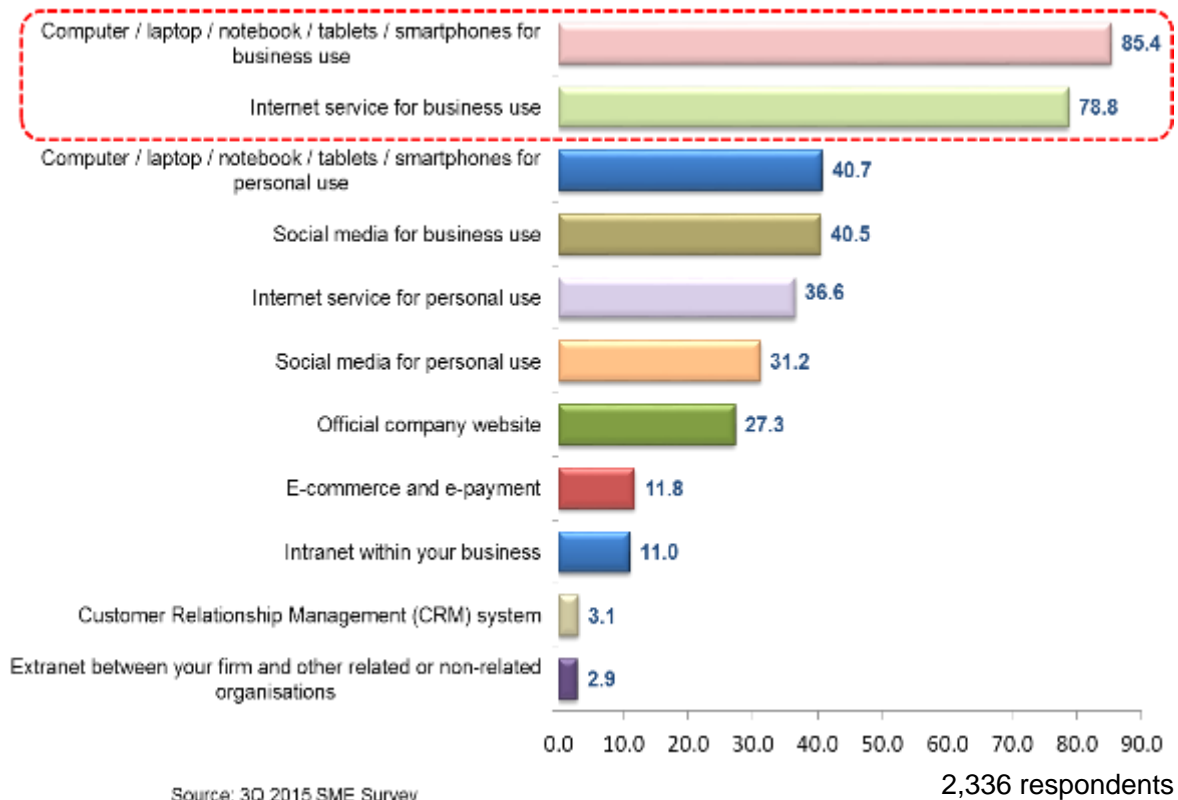
## E-Commerce Sales Growth

(2015, USD, % sales growth compared to 2010)



# In Malaysia, e-business/ICT adoption is still relatively low

- Most respondents run their businesses using Computer / laptop / notebook / tablets but still low in other ICT tools services



**ONLY 19.6% of SMEs are involved in doing business online**



# Main issues affecting adoption of e-business and e-commerce in distributive trade SMEs



# (1) Perception and knowledge issues facing ICT adoption among the SMEs

**1**

Barriers in the form of **perception** and **mentality** towards adopting the Internet and e-business

**2**

**Lack of knowledge** in areas of ICT, which affects their willingness to adopt the Internet or e-business

**3**

Perception on the **lack of ICT support** within the industry

**4**

SMEs are **risk adverse**, most **lack the knowledge** on **benefits** of using Internet for business or adopting e-business

Source: Study on Domestic Assessment on Internet and E-Business Adoption in Malaysian Small and Medium Enterprises, commissioned by Multimedia Development Corporation, 2014  
n= 609

# (1) Perception and knowledge issues facing ICT adoption among the SMEs

**5**

Lack of trust for **buyers** and **unknown suppliers** in cyberspace

**6**

Lack of trust in **IT solutions** and **services providers**

**7**

SMEs **perceive** that they still **need to rely** on **IT personnel** to set-up, maintain and manage the e-business for them

**8**

Most **not aware** of available **Government support and assistance** for ICT adoption and e-business

Source: Study on Domestic Assessment on Internet and E-Business Adoption in Malaysian Small and Medium Enterprises, commissioned by Multimedia Development Corporation, 2014  
n= 609



# Recommendation to address lack of ICT adoption & innovation

- Soft loans for ICT (SLICT) was introduced under RMK-8.
- SLICT was then merged under Soft Loans for SME (SLSME) in 2010
- As at 31 January 2016, RM11.98 million has been approved and RM9.14 million has been disbursed.



...particularly catering to SMEs in the wholesale & retail trade and related services sub-sectors

...increase innovation in ICT adoption and creativity

- Status of GST e-Voucher as at 31 December 2015- RM 92.6 million has been disbursed



Recommendations

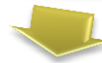
4 Mechanisation (Office Equipment & Machinery, etc)

...able to reduce foreign unskilled labour with automation & mechanisation via Business Accelerator Programme (BAP)

2 Adoption E-Commerce & E-Payment

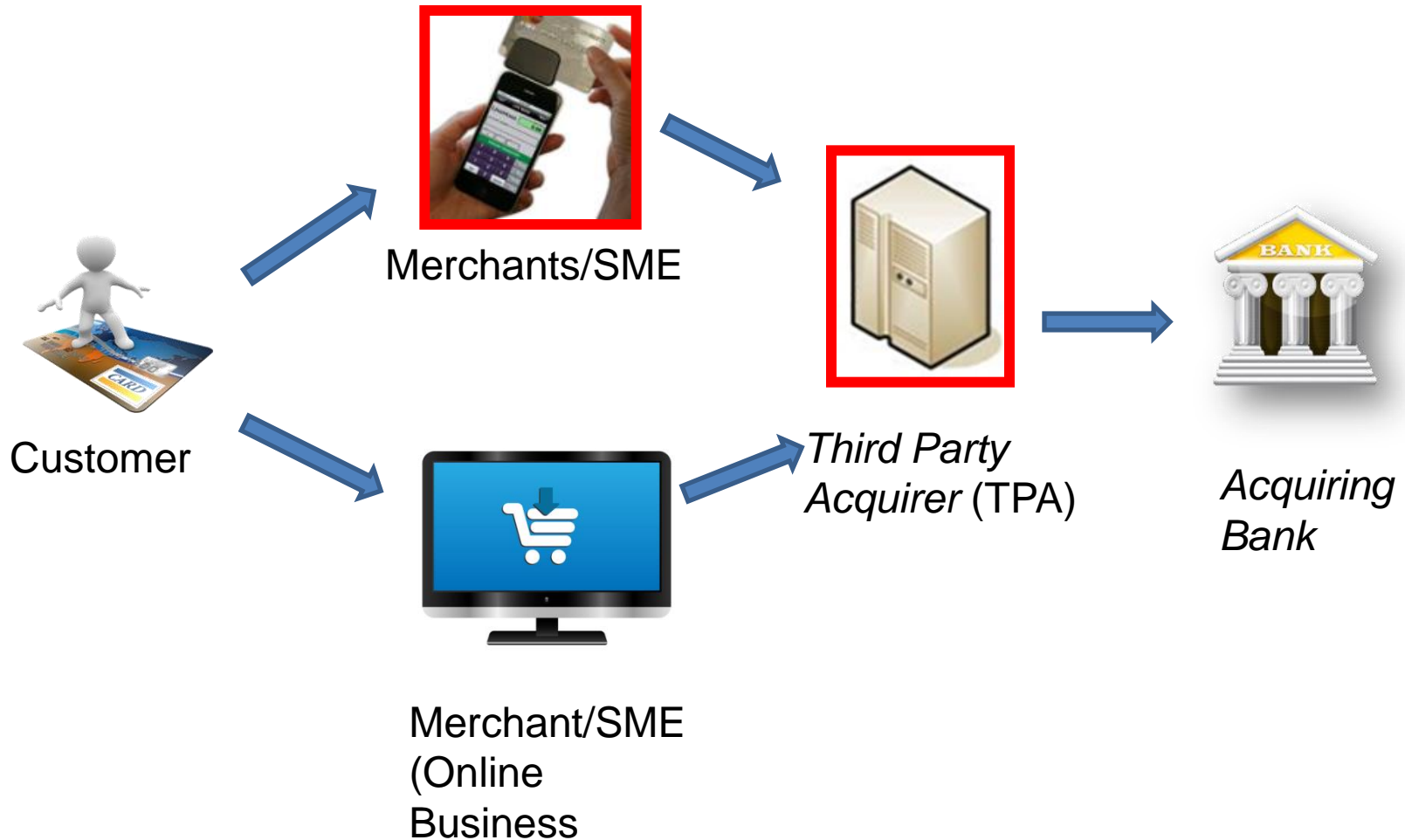
...increase productivity and efficiency of operation

- BAP2.0: Matching grant for Online application, Mobile E-Commerce, E-Payment & ICT Application



3 Automation (Retail Outlets, Warehouses, Supply Chain Mgmt, etc)

# Existing ICT/e-business initiatives – ePayment Programme for SMEs



# To Encouraged Cashless Transaction..



*Mobile*



*EDC Terminal*



*Online Payment Gateway*

## Implementation Mechanism :

- **Contact Third Party Acquirer ( TPA)**
- **Select Suitable Package**
- **Rebate / Financial Assistance RM500**

# List of Third Party Acquirer (TPA)

<b>ManagePay Services Sdn. Bhd.</b> <a href="http://www.managepay.com">www.managepay.com</a>	<b>E-Pay (M) Sdn Bhd</b> <a href="http://www.e-pay.com.my">www.e-pay.com.my</a>
<b>Revenue Solution Sdn. Bhd.</b> <a href="http://www.revenue.com.my">www.revenue.com.my</a>	<b>GHL Payment Sdn Bhd</b> <a href="http://www.ghl.com">www.ghl.com</a>
<b>GHL CardPay Sdn Bhd</b> <a href="http://www.ghl.com">www.ghl.com</a>	<b>GHL ePayment Sdn Bhd</b> <a href="http://www.e-ghl.com">www.e-ghl.com</a>
<b>iPay88 Sdn. Bhd</b> <a href="http://www.ipay88.com">www.ipay88.com</a>	<b>MOLPay Sdn. Bhd</b> <a href="http://www.molpay.com">www.molpay.com</a>
<b>Fass Payment Solutions Sdn Bhd</b> <a href="http://www.fasspay.com">www.fasspay.com</a>	<b>MobilityOne Sdn Bhd</b> <a href="http://www.mobilityone.com.my">www.mobilityone.com.my</a>

Details are available at [www.smecorp.gov.my](http://www.smecorp.gov.my)

# Target Group



**Pasar Tani**



**Direct Selling Agent**



**Online Business**



**Insurance Agent**



**Hawkers**



**Teksi1M**

# Holistic Capacity Development Programme through Business Accelerator Programme (BAP 2.0)

**Programme-based**

Diagnose and identify strengths & weaknesses of SMEs

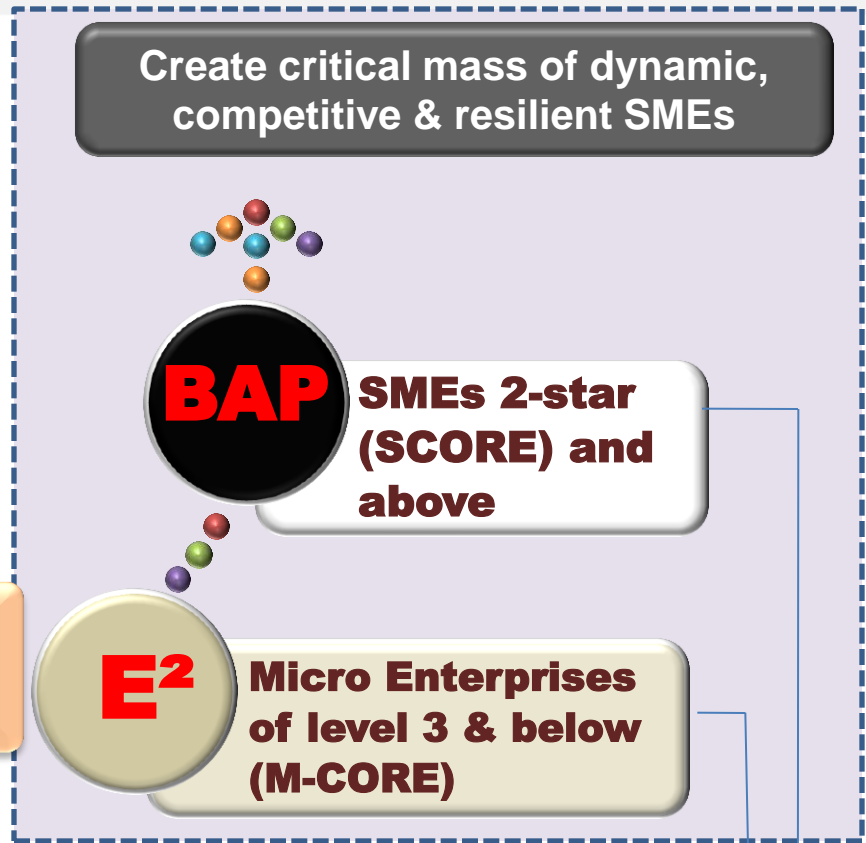
Business advisory and recommend action plan

Capacity Building

Enhance capabilities of SMEs through improvement activities which partly funded under the grant scheme

Financial Assistance

Soft Loan Scheme



Monitor & Evaluate

In collaboration with



In collaboration with



BAP: Business Accelerator Programme  
E<sup>2</sup>: Enhancement & Enrichment Programme

# Component & Eligibility Under BAP 2.0 for SMEs

## Online Applications, Mobile e-commerce, e-payment & ICT applications

- Development of eCommerce modules on existing website (e.g. shopping cart) with maximum grant of RM10,000

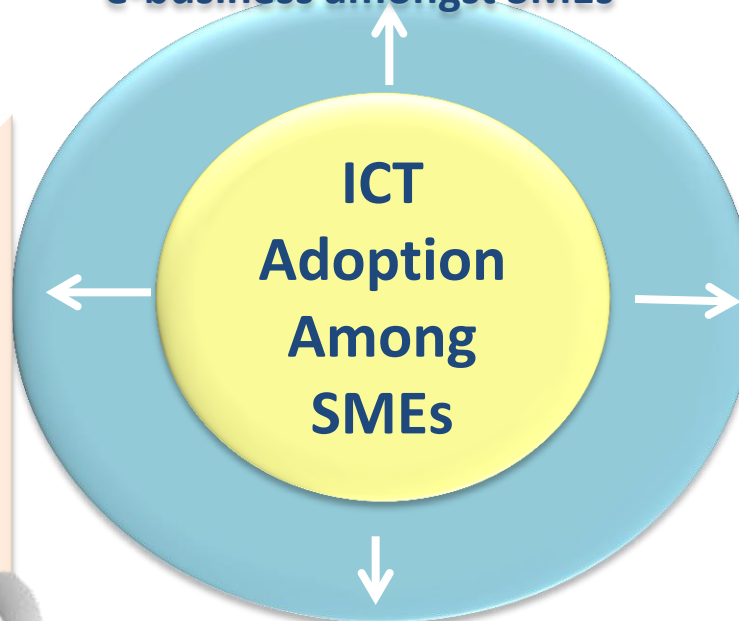


# Way Forward ...by stepping-up collaboration with Ministries & Agencies and ICT solution providers on e-business adoption

## Broadband and IT solution providers

- Microsoft
- MIMOS (IoT)
- Telekom Malaysia
- Maxis, Digi, Celcom, etc
- PayPal
- Google
- etc

...a culture of adopting e-business amongst SMEs



## Government Agencies

- SME Corp. Malaysia
- MDeC
- MCMC
- KPDKKK
- etc

## Industries (Verticals)

- Wholesalers (B2B)
- Retailers (B2C)

## E-Shop Providers

- MDEX.my
- Lelong.com.my
- eBay Malaysia
- Etc.

## SME Corp Role – eCommerce Roadmap:

- Increased promotion / marketing of eCommerce to SMEs;
- Increased scale & effectiveness of eCommerce training for SMEs.







**i** info



[www.smeinfo.com.my](http://www.smeinfo.com.my)



[www.smecorp.gov.my](http://www.smecorp.gov.my)



SME Annual Report 2014/15



SME Corp. Malaysia



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*Thank You!*

