

# BUDGET

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# Budget 2022 Outlook: A Precursor For Post-Pandemic Recovery

by CEDAR Research Tem

The government will focus on several sectors which are badly affected by the Covid-19 pandemic, including tourism, retail, and small and medium enterprise (SME), in Budget 2022 to be tabled later this month, according to Finance Minister Tengku Datuk Seri Zafrul Aziz. The government is optimistic that the country's economy will recover next year in line with the growth projections made by the International Monetary Fund (IMF) and World Bank for 2022. Tengku Zafrul said this can be achieved through the government's high commitment to revive all pandemic-affected sectors. However, he said, the recovery period may differ depending on economic sector. The National Recovery Plan (NRP) and Budget 2022 will form the building blocks for Malaysia's longer-term recovery and reform efforts through the 12th Malaysia Plan (12MP).

Firstly, efforts must be made to not only address COVID-19, but also to emerge

more resilient post-pandemic. Secondly, in pursuing short-term goals to prevent an economic recession, we must also take the opportunity to address structural issues in the medium and longer term. Lastly, a proper digital infrastructure will be crucial especially in reducing urban-rural inequality. To ensure its success, the Finance Ministry was fully committed to provide for the development expenditure of the nation as detailed in the 12MP.

The 12MP is based on three themes, four catalytic policy enablers, and 14 game changers. The three themes are resetting the economy, strengthening security, wellbeing, and inclusivity, and advancing sustainability. The four policy enablers are focus on developing future talent; accelerating technology adoption and innovation; enhancing connectivity and transport infrastructure and strengthening public service. The 14 game changers represent innovative actions to shift mindsets and change the approach to national

development. The plan will require reform and transformation at all levels of government and incorporate 'political buy-in' to ensure successful fundamental change.

The new approach aims to restore economic growth, address socioeconomic challenges, balance regional development, and enhance the country's competitiveness to be more resilient and sustainable. It will also set the path for Malaysia to become a high-income nation. Several broad economic targets were set including GDP growth, GNI per capita, labour productivity growth, share of compensation of employees, mean monthly household incomes, wellbeing index, unemployment, inflation, and fiscal balance.

The upcoming budget is also aimed at carrying out structural reforms for Malaysia to become more competitive in the post-pandemic period with development agenda that is more sustainable and inclusive. The upcoming



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SME Bank Group of Companies

**Cover Story**

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budget is also aimed at supporting the rakyat and businesses by protecting their livelihood and income opportunities and improving their reliance to face future crises as well as carry out structural reforms for Malaysia to become more competitive in the post-pandemic period with development agenda that is more sustainable and inclusive. From the plan to ensure continuity of programmes for the public health, we believe there will be allocation directed for the healthcare system although the government is guiding the country from the pandemic to an endemic phase.

At the recent parliamentary session, the Deputy Finance Minister II unveiled proposal by the MOF to raise the ceiling of the Covid-19 from RM65 billion to RM110 billion in view of the payment commitment which had grown to RM91.8 billion. This highlights there still an urgent need for allocation to cover the Covid-19-related spending. There will still be allocation in the upcoming budget to support the national agenda in containing Covid-19. Aside from that, as the economy has begun its course of reopening under a possible post-Covid scenario, MIDF Research expected more incentives could be provided to industries and business which have been struggling to revive and recover after being hit by the pandemic and sharp decline in demand. Industries such as tourism, hotel & accommodation, and aviation, for example, have been impacted by the international border closure and reduced demand for travels and tour.

Like in the previous budget, the research team also foresee allocations such as grants, and financial assistance could be provided to support the small and medium enterprises (SMEs) as well as micro enterprises to revitalise their business activities. For the public, the research team expected more incentives could be allocated for the B40 and less privileged segments. More importantly, the government is expected to focus on addressing the worsening of socioeconomic well-being of the people as 580,000 or approximately 20 per cent of the M40 households have fallen to the B40 segment because of the pandemic. Moreover, absolute poverty ratio in the country also worsened to 8.4 per cent in 2020 (2019: 5.6 per cent) as increased number people having monthly income below RM2,208, which is the latest measure of poverty line. MIDF Research also expected Budget 2022 to focus on infrastructure developments as the

economy reopens. It foresees the continuity of major projects such as MRT3 and Pan Borneo Highway will continue to support the sector's growth next year. The aspiration to become regional hub in technology will also require spending to improve the technology infrastructure in Malaysia.

There will be more spending to promote digital adoption and improving internet connectivity may be included in the Budget 2022. This development expenditure is expected to create more job opportunities and have positive spill over effects to other businesses and sectors in the economy. While there is still no indication on the amount allocated under Budget 2022, according to UOB Group's research team, the Budget 2022 will likely see expansionary policies which include RM32.5 billion for Covid-19 Fund, development expenditure of RM76.1 billion (including rehabilitation plan), continued targeted cash handouts and financial aid particularly for MSMEs. With that, there comes a need for the government reform the fiscal management to meet to improve the efficiency of public service delivery.

Nevertheless, Covid-19 will continue to be a key risk to Malaysia's growth prospects. While the new positive cases of Covid-19 have stabilise and started to trend lower, the renewed rise in Covid-19 cases and tightening of restrictions on the economy remain as the immediate downside risk to near-term growth outlook. Furthermore, the emergence of new variants and the waning effect of available vaccines could increase the risk of infections. Limited mobility and fears of the infections not only will worsen labour and wage shortages and supply-chain constraints, but tighter containment measures will also result in weaker spending activities. Other risks to the growth outlook include heightened volatility in the financial market as monetary authorities in the advanced markets begin to taper their asset buying programmes, and the sluggish recovery in the job market as the jobless rate will take time to fall back pre-pandemic levels. On a positive note, concerns about the local political development had also subsided as the government and the opposition agreed to prioritise on improving the public health condition and reviving the economy.



# 5 Tips for Managing Workplace Disruption During the Coronavirus Pandemic

by CEDAR Research Tem

Seemingly overnight, the coronavirus pandemic has expanded the boundaries of how far organizations thought flexible workplace policies could stretch. Even organizations with more traditional workplace cultures, such as utilities and universities, are directing staff to work remotely in an effort to keep employees healthy and slow the spread of the virus. As employees pack up their laptops to work from remote locations, workplace strategists and corporate real estate leaders can play a key role in shaping productive, engaging workplace culture and behaviours wherever that work takes place.

Following are tips for ensuring employees have the tools and support they need to be productive, effective and connected while working remotely.

## 1 Prioritize Health and Wellness Above All Else

As COVID-19 spreads to an ever-growing segment of the global population, the top priority of every organization in this time of crisis should be on protecting the health of its talent, customers, vendors and other stakeholders. Countless organizations are demonstrating their commitment to slowing the spread of the virus by closing facilities (or parts of them), and deploying a remote working plan.

While sending employees to work in the self-contained bubbles of their homes keeps a large segment of workers safe, what about employees who cannot do their jobs remotely? Some organizations are quarantining mission-critical functional areas that must remain in operation, cordoning off physical spaces where those employees can do their jobs without coming into contact with other people. Some energy companies are even exploring the idea of having power plant operators sleep in the plant to minimize exposure to germs.

Such measures may seem extreme and will surely be disbanded when social distancing is no longer required, but one thing the pandemic has made it clear is just how important it is to pay attention to “building health” issues such as ventilation, air filtration, cleaning and facilities management preparedness. The desire to work in healthy buildings will not dissipate any time soon.

## 2 Build The Right Infrastructure for The Virtual Workplace

At its core, a virtual workplace includes many of the same elements as a physical one: places to collaborate, share ideas and get work done. Yet it can take a

Herculean effort to ensure each employee has the basic technology to be effective in that virtual environment: laptops, a VPN, file sharing systems, access to essential software, a mobile phone and high-speed Wi-Fi at home.

In addition to this basic infrastructure, organizations will need to provide access to the right collaboration and communication tools to work together virtually. When we design workplaces, we often design neighbourhoods so people who must collaborate sit in close proximity to each other. Now we must figure out how to recreate the neighbourhood concept online. From internal chat and messenger apps to videoconferencing solutions, equipping employees with tools to communicate—and providing training on how to use them—can make all the difference between a connected organization and a collection of people working in silos.

## 3 Combat Productivity / Engagement Pits With Virtual Cultural Initiatives

In a new reality when even coffee shops and bars are closed down in many cities, working from home with little in-person interaction for even a few days can feel isolating for some people, which can diminish both productivity and engagement.

Organizations must make a proactive effort to combat these impacts, taking steps to ensure employees still feel connected even if they aren't in close proximity. Virtual coffee talks, happy hours or book clubs, along with gaming and avatar-based socialization can go a long way toward achieving that goal. They may not be a perfect substitute for the carefully curated lounges, coffee bars and community events that a well-designed office experience provides, but they can help maintain a sense of community until life returns to normal.

## 4 Explore Alternative Work Sites Beyond Home and The Office

In some instances, employees will be unable to go into the corporate office as usual, but working from home isn't an option—either because the nature of an individual's role is too sensitive to be carried out in an unsecured location, they need access to equipment or programs that are inaccessible remotely, or because their home environment is not conducive to work.

That's why some organizations are assessing alternative work sites, such as sterilized coworking centers. If you are considering such an option, it's important to have a clear understanding of their

sanitation processes and schedule, and who has access to the facility. Longer term, more organizations may see the value in identifying a network of alternative work sites where employees can be productive during emergency situations.

## 5 Treat Communication As A Two-Way Street

Clear communication is essential to provide transparency during these fast-changing times. Establish protocols and guidelines to communicate information to employees and business partners on your infectious disease outbreak response plans. An intranet site can serve as a way for employees to access any information they are seeking about COVID-19 workplace policies and updates.

Just as important, avoid miscommunication by ensuring the appropriate dissemination of information and avoiding “fake news” or “infodemics.” (An “infodemic” is an overabundance of information—some accurate and some not—that makes it hard for people to find trustworthy sources and reliable guidance when they need it). Recognize that employees will have many concerns about the impact not only to their workday, but also about the longer-term implications for the economy and their job. Communicate early and often about the impacts of the pandemic to your business and the expectations for employees during this period, and set up feedback channels for employees who have concerns and questions.

## How will COVID-19 change the future of work?

It's impossible to predict the long-term implications of today's sudden, massive shift to remote work, but a few outcomes are possible. One is that employees and business leaders alike will open their eyes to the value that can be unlocked when each individual has the freedom to work where and when it makes most sense—which may be from home at least part of the time. Yet it's just as likely that we will emerge from this period craving the face-to-face interaction that has been sorely missed, and with a greater understanding of how physical space influences the way we all feel and work each day. Workplace strategists and designers will have an ever-more important role to play in shaping the future of places and spaces where we can come together to connect, work productively and be inspired.

Source: [jll.com.my](http://jll.com.my)



# IGTV: The Ultimate Guide for Businesses

oleh CEDAR Research Team

Let's be honest. Social media is already a part of our everyday lives. Look around. Video is everywhere in the world of social media marketing, and by 2021, it's predicted that video will account for 80% of total mobile data traffic. To capitalise on this trend, Instagram reacted by launching IGTV - a mobile-optimised long-form video feature. People's social media consumption has been growing and growing, and it doesn't seem to be stopping any time soon. And as consumption increases, the demand for variety in content grows as well. Instagram addresses this increasing demand with IGTV.

## 1 What is IGTV?

Instagram TV or more popularly known as IGTV, is Instagram's long-form video platform. You can see it as something similar to Youtube. With IGTV, you can share mobile-optimized video content up to 60 minutes long. That's a far cry from the 60 seconds of video you can share on a classic Instagram post. With the limitation of the short-form video gone, you now have a better opportunity to tell more engaging and compelling stories through video. You can create different types of content like feature films, study resources, e-learning courses and many more. So to answer the question 'What is IGTV?': it is an Instagram-powered platform to ramp up your video marketing strategy.

## 2 Why Use IGTV?

Video usually outperforms other types of content on any social media platform, even on Instagram. The latest findings from Mention & Hubspot's 2021 Instagram Engagement Report revealed that for the third year running,

video is the content format that IG users are most likely to engage with. It has become a powerful medium for brands and marketers to engage with potential and existing customers. With IGTV, you can boost your Instagram marketing strategy and promote your business more effectively. You can now create more compelling videos since IGTV lets you upload videos as short as 15 seconds and as long as 10 minutes. If you have a verified account, you can even upload videos for as long as an hour.

## 3 IGTV for Businesses

So, how does businesses use IGTV? IGTV provides a new way for businesses to connect with existing and new audiences. Unlike Instagram Stories, with IGTV businesses can create longer, permanent videos with freedom when it comes to length, format and type of content. This opens up a wealth of opportunities for businesses to forge

deeper connections with potential customers.

Instagram offers a unique visual experience and the same can be said for IGTV. The tools available on the IGTV platform enable businesses to share their narrative through videos and captions. You can leverage IGTV to break down the fourth wall in marketing and completely transform the customer experience. Let customers into your world by creating fun, engaging content that really gives viewers an insight into your business and its unique selling points.

When it comes to raising brand awareness, IGTV is an invaluable tool for organisations. An Instagram profile follow automatically generates an IGTV follow, which means that when your followers open IGTV, they can instantly watch your content. Because of the direct link between Instagram and IGTV, your



IGTV is instantly accessible to the global community of more than 500 million daily users. Users visit Instagram for inspiration and discovery, so if you're creating distinctive and appealing content, you're guaranteed to engage existing followers and attract new interest and ultimately, increase brand exposure and reputation. What Should You Post on IGTV?

Since you now know how to use and how to upload videos on IGTV, you may be wanting to try it out immediately. But you need to know this, for you to get the most out of your IGTV, you must have a proper plan. You must have an idea of the type of content you want to post. Having a strategy will give you a sense of direction, and all your content aligns with each other. These are few ideas on what you could post on IGTV.

- **Tutorial Videos**

One excellent way to build engagement is through helpful tutorial videos. You can cover different topics in your industry. What better way to demonstrate how a product works than through a video tutorial? Now that you can upload longer videos with IGTV, you can easily share videos showing your viewers how to do or use something. For example, you can create a tutorial guide on how marketers can study their content. Teach them what content metrics to look out for and how they can analyse and improve them.

Another example could be showing how your product can solve the pain points of your customers. Not only are you highlighting the product's feature but you're also presenting a solution to your customers' problems. There are more tutorial video concepts that you can explore. Just look for something that you love doing and can make quality content from.

- **Q & A Session**

Another great way to interact with your audience is through a question and answer (Q&A) session. You can answer any questions your followers might have, and it would be an excellent opportunity to show that you have solid and reliable knowledge of your industry.

A perfect example would be, let's say, you're a medical expert. You can answer your viewers' questions about health or share your insights and opinions about specific medical systems. Another example will be if you're a business owner. You can answer your audience's questions about business strategies or business

solutions you use. You can also share with them any recommendations of software for automation, inventory management, and more. You can use the Q&A session to impart your business knowledge to your eager audience. As a tip, promote your Q&A session on your Instagram feed and story beforehand, asking them for questions they want to be answered. Pool the questions and use them for your IGTV recording.

- **Educational Videos**

What's a great way to impart knowledge virtually? Through videos. Through IGTV, you can share educational videos virtually about anything that you're an expert on. You can discuss concepts and topics that you have substantial and reliable knowledge of. For educational videos about digital marketing, it's easier to grasp things and understand concepts if an expert is explaining them. So educational videos will definitely be a hit if you impart your knowledge in your field of expertise. Just make sure that your educational videos are beginner-friendly and easy to understand so that your audience won't be overwhelmed with complex terminologies.

- **Behind the Scenes**

Have you ever been curious about how things are made and how things are being run in the background? Everyone has. Sharing with your audience what goes behind the scenes is a perfect way to build transparency into your brand. Reveal to them what goes into making your products. For example, if your business is about health supplements, you can show your audience how empty capsules turn into your supplements. Besides this, you can also show how your employees work. If you're running repair services, you can show a video of how your employees repair an air conditioner or repair a furnace. Showing how things are done is a great way to build trust with your customers.

## 4 IGTV Best Practices

Since you now have a few ideas on what you can post on your IGTV, here are some tips and best practices that will help you optimize your impact.

- **Be consistent with your aesthetic**

Just like with your Instagram account, where you maintain a consistent and specific aesthetic, the same thing works with IGTV. Having a consistent aesthetic is a crucial factor for your branding effort. Stick to a consistent colour scheme, fonts, and themes.

- **Put most important information upfront**

People usually scroll through their feeds quickly, so you only have a small window of time to grab their attention. Because of this, make sure that your IGTV video hooks your audience as soon as possible. Don't let them lose their attention or give them a reason to swipe next.

To have a compelling hook, answer the following questions as soon as possible:

*What is the video about?*

*Why should you continue watching?*

*Optional: Who is this for?*

*Optional: How long will the video be?*

If you answer these questions in the first few seconds of your video, you will have longer and higher-quality views.

- **Cross-promote**

To boost engagement with your IGTV videos, you need your target audience to see them. To do this, you have to cross-promote your videos through different channels and platforms. Besides having a preview of them on your feed and stories, you can also share the link on Facebook, Twitter, email newsletters, and other social media platforms you're on.

- **Optimize descriptions by using relevant hashtags**

To improve your IGTV videos' visibility, you must add relevant Instagram hashtags in your description so that even those who don't follow you can discover them. This allows your videos to be seen by a relevant audience and not just your existing followers.

- **Plan your posts**

It's essential to have a proper publishing calendar for your social media posts, including IGTV. With a publishing calendar, you can easily visualize your content, make plans and organize your posts more efficiently.

There is an ever-growing need for content. Social media platforms must come up with solutions to keep up with this demand. Instagram's IGTV is their answer for the increasing demand for content variation and video content. Without the 60 second limitation for a video that Instagram has, IGTV proves itself to be a hub of countless possibilities for growing your audience, brand, and digital marketing.

Source: <https://mention.com/>

# BUSINESS ALERT

by Corporate Planning

## OIL, GAS AND ENERGY (Average USD 74.3 / Brent Crude)



### OUTLOOK: NEUTRAL

- Gas Malaysia Bhd has announced the average natural gas selling price for the distribution segment by its wholly owned subsidiary Gas Malaysia Energy and Services Sdn Bhd. Gas Malaysia said for the fourth quarter beginning Oct 1 to Dec 31, the average natural gas selling price is RM36.42 per million British Thermal Units (MMBtu). The above-average selling price includes the Transportation Tariff of RM1.19 per MMBtu and Distribution Tariff of RM2.05 per MMBtu as previously approved by the Energy Commission. Petronas' 1H21 capital expenditure (capex) declined by 14 per cent y-o-y to RM12.7 billion mainly from a 32 per cent drop due to project delays and rephasing of activities caused by movement restriction orders. At this stage, 1H21 appears to be below Petronas' annual capex plans, accounting for 28 to 32 per cent of the national company's target of RM40 to RM45 billion over the next five years. As a comparison, 1H accounted for 33 to 44 per cent of the group's capex over the past three years.
- Malaysia's palm oil inventories at the end of September are expected to ease slightly from a 14-month peak hit in August, as skyrocketing exports offset an uptick in production. The palm oil stockpile at the world second largest producer likely fell 0.36% to 1.87 million tonnes, according to a median estimate of nine planters, traders and analysts polled by Reuters. Production is seen rising 2.8% to 1.75 million tonnes, up for a second consecutive month to its highest since September last year. The rise in shipments to top importers India, China and the European Union helped lift the benchmark crude palm oil contract to a record high of RM4,598 a tonne by the end of September. A decline in stockpiles may keep prices supported at these levels. Analysts and traders said they expect sustained buying in October from India, the world's largest edible oil importer. With the current energy crisis and crunch, we expect more exports of biodiesel may materialise, which can only lead to higher prices that will curb demand. Shortages at British gasoline stations, climbing power costs in the European Union ahead of winter, and forced restrictions on energy use in China have raised prices for oil, gas and coal.

## HEALTHCARE



### OUTLOOK: NEUTRAL

- The Ministry of Health has applied for RM4.67 billion worth of funding for new projects under the Rolling Plan 2 of the 12th Malaysia Plan 2021-2025 (12MP), said Deputy Minister of Health Datuk Noor Azmi Ghazali. Application for the funding was submitted to the Economic Planning Unit (EPU) in March 2021, and is pending the unit's approval. The government will continue its initiatives to ensure Malaysia secures universal access to quality healthcare, by improving the basic infrastructure of the national healthcare system, particularly in Sabah and Sarawak.
- Under Rolling Plan 1 of the 12MP, MoH received the approval for RM4.36 billion worth of development expenditure. This covers 394 projects, comprising 332 physical projects and 62 non-physical projects. Touching on the subject of East Malaysia, Rolling Plan 1 underlines RM422.49 million for Sabah and RM820.77 million for Sarawak – with more allocation expected upon approval for the Rolling Plan 2 allocation. In 11MP 2016-2020, RM677.41 million was allocated for Sabah and RM632.95 million for Sarawak, so as to improve the healthcare infrastructure in both states, including the development of hospitals in rural areas. IHH Healthcare Bhd, a Malaysian-Singaporean private healthcare group recorded a net profit of RM483.31 million for the second quarter (Q2) ended June 30, 2021, compared with a net loss of RM120.64 million in the same period last year. Revenue rose to RM4.27 billion from RM2.57 billion previously. The higher revenue was achieved as more patients returned to its hospitals for treatments in certain markets where movement restrictions were eased.

## BUSINESS SERVICES



### OUTLOOK: NEUTRAL

- The services sector is expected to expand by 7% in 2022, mainly driven by wholesale and retail trade, information and communications, finance and insurance, transportation and storage as well as food and beverages and accommodation sectors. The Finance Ministry (MoF), in its Economic Outlook 2022 report, said that the sector was badly affected in 2020 with a contraction of 5.5% but rose by 4.8% in the first half of 2021 (1H2021) with less strict standard operating procedures implemented by the government compared to the Movement Control Order 1.0. The sector is estimated to grow by 0.7% in the second half of this year supported by the gradual opening of the economy.
- The Distributive Trade Master Plan 2021-2025 would provide a clear direction for the distributive trade sector and outline strategies to support and strengthen the recovery and development of the subsector. On the finance and insurance subsector, MoF said it projected the subsector to grow by 5.5%, mainly backed by the finance segment, following the continued economic recovery and resumption of investment activities. It said the subsector recorded a surge of 16.9% in 1H2021 supported by higher loan disbursements, particularly households amid the lower interest rate environment and tax exemption measures and expected to record strong growth of 8.9% for the whole year. The ministry said with broader internet usage due to the continued surge in e-commerce, e-learning and online entertainment activities, the information and communication subsector is projected to expand by 5.7% next year.
- Implementation of infrastructure projects under the National Digital Network will also facilitate the transition to the fifth-generation cellular network spectrum, hence, enhancing network speed and internet coverage. The sector expanded by 6.1% in 1H 2021 and is anticipated to rise by 5.8% for the year. The ministry said the real estate and business services subsector is projected to rebound by 8.6% next year after being weighed down by 10.5% in 1H2021 and is expected to decline by 5.1% for the whole of 2021 due to slower properties leasing and renting as well as lower demand for professional services. The transportation and storage subsector is anticipated to further expand by 9.5% next year supported by all segments due to the normalisation of economic activities and improved external demand.
- The land transport segment is projected to expand, following the increase in cargo delivery and daily ridership of rail transport as well as higher volume of highway traffics, it said. In 2021, it said the subsector is forecast to improve by 2.3% and grew by 3.4% in 1H2021 due to a significant increase in all segments, especially other supporting services following the surge in online shopping.

## COMMUNICATIONS CONTENT AND INFRASTRUCTURE



### OUTLOOK: NEUTRAL

- The government has agreed to increase the total investments to be spent on improving telecommunications infrastructure in Kelantan to more than RM1 billion from an initial RM700 million. Various new initiatives have been added through the National Digital Network Plan (JENDELA) in the State. The JENDELA plan has been added with new initiatives through the construction of new towers, free broadband services to the Orang Asli community using satellite technology and also the installation of high-speed fibre optics in several premises. The government had previously announced an allocation of RM700 million through JENDELA to enhance telecommunication infrastructure facilities in Kelantan for better Internet access and network.
- Maxis has launch what it claims to be the first 5G international roaming service, which will enable its customers to use these services while travelling in in Singapore, Thailand, and Indonesia. They are pleased to have reached this important milestone with our roaming partners in these three countries and look forward to enabling our customers with the incredible speeds and latency of 5G when travelling. This is a testament to our strong commitment to enabling individuals and businesses to 'Always Be Ahead' with the best connectivity experience wherever they are. Maxis said once travellers arrive at any of these three destinations, customers can choose to roam on either Singtel in Singapore, AIS in Thailand, or Telkomsel in Indonesia. The 5G roaming service will be activated automatically on any 5G-enabled device.
- Digi.Com Bhd's net profit fell 2.5 per cent to RM312.82 million in the third quarter (Q3) ended September 30 2021 from RM320.76 million a year earlier despite a rise in its revenue. Group revenue rose slightly to RM1.584 billion from RM1.579 billion a year earlier. In the quarter under review, Digi said its service revenue of RM1.343 million returned to sequential growth of 0.2 per cent. This was underpinned by improvements in postpaid and core prepaid revenues as total subscriber base strengthened to 10.37 million coupled with a resilient blended average revenue per use (ARPU). The prepaid revenue saw a stable quarter-on-quarter (QoQ) performance, largely attributed to the growth in the Malaysian segment and continued data usage growth to RM645 million. The company's postpaid revenue strengthened to RM633 million, up 1.6 per cent QoQ and 1.1 per cent year-on-year (YoY), the highest in five quarters, reflecting its strategic efforts to drive data monetisation as well as delivering sustainable subscriber and revenue mix.

## WHOLESALE AND RETAIL



### OUTLOOK: NEGATIVE

- Despite registering RM92.7 billion in July 2021, the overall sales in Malaysia's wholesale and retail sector contracted by -14.7 per cent compared to the same period last year. The latest data released by the Department of Statistics today showed that the negative growth was due to sluggish performance across the sector. Motor vehicles remained the worst performer, registering -85.4 per cent growth. This was followed by -8.1 per cent in retail trade and -1.1 per cent in wholesale trade. In terms of volume index, wholesale and retail trade registered a negative growth of -16.7 per cent year-on-year to record 106.5 points. However, the seasonally adjusted volume index went up by 1 per cent for month-on-month in July 2021.
- Wholesale trade recorded RM49.5 billion in sales for July 2021. But when compared to the same period last year, growth was also negative at -1.1 per cent. Sales in the wholesale trade subsector also registered an overall decrease by 2.4 per cent, due to negative growth across the board. The sharpest drops, in descending order are: Wholesale on a Fee or Contract Basis (-22.1 per cent), Wholesale of Household Goods (-12.1 per cent), Wholesale of Machinery, Equipment and Supplies (-10.4 per cent) and Non-specialised Wholesale Trade (-1.2 per cent). Volume indices for the subsector also registered negative growth and contracted by -4.0 per cent compared to the same period last year. However, seasonally adjusted volume index slightly increased by 0.1 per cent for month-on-month.
- Retail trade also registered a negative growth of -8.1 per cent as compared to July 2020. Among the contributors to the decline were Retail Sale of Automotive Fuel in Specialised Stores (-14.1 per cent), Retail Sale of Other Goods in Specialised Stores (-11.1 per cent) and Retail Sale in Non-specialised Stores (-10.8 per cent). In contrast, sales of this sub-sector went up 1.4 per cent as compared to June 2021.
- Meanwhile, the wholesale and retail trade subsector is anticipated to increase by 8.7% next year in line with the wider usage of e-commerce and rapid transition to digitalisation while for 1H2021 it rose by 9.9% supported by strong performance in all segments.

## TOURISM



### OUTLOOK: NEUTRAL

- Malaysia returns to participate in the World Travel Market (WTM) 2021 that is held in hybrid with a strong message to promote Malaysia as a safe holiday destination after travel restrictions were enforced for almost two years worldwide. This year marks the 40th participation by Tourism Malaysia. This year's participation aims to provide tourism industry players from around the world to get the latest information on travelling to Malaysia, especially after the recent announcement on Malaysia's first international tourism bubble to Langkawi that will open its doors on 15 November 2021.
- Tourism Malaysia believes that WTM serves as an important platform to introduce Malaysia's new and upcoming tourist attractions that meet the needs of the UK and Europe markets.
- Tourism and recreational destinations in several states are ready to be "invaded" by visitors, following the government's announcement to lift the ban on interstate travel beginning Monday (Oct 11). Several states have begun preparations to receive tourists to boost the tourism sector in their respective states, after the industry had been affected since March last year due to the Covid-19 pandemic. In Terengganu, the state is targeting 1.5 million tourist arrivals by the end of December, and according to state Tourism Culture and Digital Technology Committee chairman Ariffin Deraman, tourism industry activists and hotel operators are receiving very encouraging bookings at the moment.
- The ministry said the tourism industry is projected to rebound strongly by 28.9% in 2022 with the resurgence of tourist arrivals and domestic tourism although the industry is estimated to contract further by 19.5% in 2021.



# 12th Malaysia Plan to Power Digitalisation Among SMEs

By Strategic Credit & Economic Analytic (SCEA)

The government had tabled the 12th Malaysia Plan 2021-2025 (12MP) last month. The agenda lays out the medium-term plan for the next 5 years, which is also a new phase of the longer-term Shared Prosperity Vision 2030. It entails transformational approaches mainly based on 3 themes and 4 catalytic policy enablers.

The development spending is estimated to skyrocket 53.8%, ballooning to RM400 billion (11MP: RM260 billion). Some of the yet-to-be-disclosed budgeted expenses will be used to rehabilitate public agencies that are in financial difficulties, namely Lembaga Tabung Haji and the Federal Land Development Authority (FELDA). Nonetheless, it is expected that more than half of the gigantic expenditure will be channelled to the conventional, social, and economic infrastructures – roads, hospitals and schools.

As SMEs play a pivotal role in Malaysia's economy, which accounted for 97.2% of total registered companies in 2020, we expect them to benefit from the sizeable allocation.

Under the 12MP, the government eyes to achieve several SME related targets by 2025, such as:

1. Increase SME's contribution to GDP to 45% (2020: 38.5%)
2. Raise SME's contribution to total exports to 25% (2020: 13.5%)
3. Attain average annual growth of labour productivity at 3.5%
4. Digitalise 90% of SMEs' operations.



### 3 Themes



**Resetting the economy**

**Advancing sustainability**





**Strengthening security, wellbeing & inclusivity**

### 4 Catalytic Policy Enablers



**Developing future talent**

**Accelerating technology adoption & innovation**





**Enhancing connectivity & transport infrastructure**

**Strengthening the public service**



To strengthen SMEs' participation in the economy and their export performance, Malaysia will be leveraging on the 4th Industrial Revolution technologies such as automation, digitalisation, big data and Artificial Intelligence. The Digital On-Boarding for Micro Businesses, Digital Transformation Acceleration Programme, The Digital Compass, Warongku initiatives, among others, are expected to enhance their competitiveness, help move up the value chain, boost labour productivity and expand export markets.

According to the latest available data, the contribution of digital economy and eCommerce to Malaysia's GDP stood at about 20% and 6%, respectively. SMEs are encouraged to be more involved in the eCommerce industry for better market reach and to adopt digital technologies in their day-to-day operations. Holistic financing platforms such as the eBerkat initiative will help accelerate the adoption of digital solutions. Furthermore, the government also plans to look into SMEs

& entrepreneurs' digitalisation needs and peer-to-peer financing to help them to strive in bigger markets and grow their businesses globally. Programmes under the Malaysia Digital Economy Corporation – eRezeki and eUsahawan – will be enhanced to assist SMEs on marketing and funding needs.

We are of the view that these financing initiatives are steps in the right direction, over and above the available funding options from the financial industry. This is evinced by the Smart Automation Grant launched by the Ministry of International Trade and Industry (MITI) last year, which were well received. As at end-January 2021, a total of RM6.2 million had been awarded to 66 SMEs and mid-tier companies. The grant has pushed the adoption of automation among industry players, particularly local service providers and manufacturers.

According to Bank Negara Malaysia, the banking industry approved more than a

quarter of SME loans to first-time borrowers as at June 2021. Overall outstanding SME loans grew 6% y-o-y (2020: 9.6%), with approval rates improving to 77.3% (2020: 73.3%). Banks are also expected to act as a catalyst in facilitating the digitalisation of SMEs.

Meanwhile, it is mentioned under the 12MP that the role of development financial institutions will be revitalised to ensure financial assistance to better reach targeted groups. As a bank with the mandate to serve the SME community, SME Bank will continue to provide financial products and services catered to SMEs.

While the Covid-19 pandemic has impinged on the earnings of SMEs, recent relaxation to allow interstate travel should help boost local businesses, especially the tourism industry. We believe the country's economic recovery is on the right track. This is the best time for SMEs to ride on the recovery trend and transform their businesses.



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**Strategic Credit & Economic Analytics, SME Bank**

# SEMBAK USAHAWAN bersama

## Noraida Aznita Azizan

Pengasas & Ketua Pegawai Eksekutif

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Che Nor Food Solution Sdn Bhd.

**Bidang Perniagaan**  
Sebuah syarikat berasaskan makanan

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**Telefon**  
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**Facebook**  
Sambal Garing Che'Nor Official



Menjadi antara pelopor jualan produk sambal segera membuatkan produk Sambal Che'Nor keluaran syarikat Che Nor Food Solution Sdn Bhd terus gah di pasaran, bukan hanya sekadar pasaran tempatan, bahkan menembusi pasaran antarabangsa. Berkongsi kisah kejayaan produknya, pengasas Sambal Che'Nor, Noraida Aznita Azizan, berkata, dia bersyukur kerana sejak dipasarkan tujuh tahun lalu, Sambal Che'Nor terus mendapat tempat di hati pelanggan membuatkan hasil jualan begitu memberangsangkan. Sambal Che'Nor bermula dari dapur restoran pada tahun 2015, namun kini telah berkembang kepada kilang berkeluasan 0.4 hektar bagi menampung permintaan yang tinggi daripada pelanggan.

### Boleh anda kongsi latar belakang di sebalik tertubuhnya perniagaan anda?

Sambal Garing Che'Nor dicipta secara rasmi pada 1 March 2015 ketika saya mengusahakan Restoran Che'Nor Cendol Madu di Kota Damansara. Jualan hanya dibuat di kaunter restoran sebagai salah satu pendapatan tambahan sahaja pada awalnya. Bermula dengan hanya satu kualiti seminggu, permintaan sentiasa meningkat sehingga sambal perlu dimasak dua kualiti setiap hari. Pada

ketika itu, pelanggan-pelanggan tetap mula bertanyakan tentang peluang untuk mereka menjual dan boleh mendapat pendapatan tambahan melalui produk ini. Saya merasa terpenggil untuk mengkomersialkan sambal resipi turun temurun daripada ibu saya sendiri yang sering membekalkan sambal garing untuk saya bawa pulang ke asrama.

Produk keluaran syarikat hanya bermula dengan satu produk sahaja iaitu Sambal Garing Ikan Bilis Che'Nor, resepi turun temurun daripada ibu saya. Atas faktor sedap dan pedas membangkitkan selera makan dan tahan lama dalam suhu bilik, saya percaya produk resipi ibu saya ini akan dapat membantu dan memudahkan

kerja-kerja penyediaan makanan yang pantas untuk keluarga, perkelahan dan juga dikala melancong ke luar negara.

Saya mula membuat jualan sambal ini dengan meletakkannya di restoran saya, kemudiannya mula mendapat permintaan ramai. Jadi dalam tahun yang sama saya terus buat keputusan untuk beroperasi dari kilang yang boleh mengeluarkan sehingga 30,000 bekas sambal sehari.

### Boleh anda kongsi perkembangan syarikat serta kelebihan produk anda?

Bermula daripada situ, peningkatan jualan berlaku secara mendadak apabila tahun pertama mencatatkan hasil jualan sebanyak RM1.5 juta, kemudian meningkat kepada RM2.7 juta pada tahun kedua dan RM6.6 juta pada tahun ketiga, pendapatan hanya dengan satu produk sahaja ketika itu.

Pada 1 Mei 2015, kami memulakan sistem ejen dan bagi membuka peluang untuk orang ramai berkongsi kesedapan dan keenakan Sambal Garing Che'Nor. Alhamdulillah, setakat 2019 kami mempunyai 60 stokis dan 3000 ejen jualan berdaftar di seluruh Malaysia, Singapura dan Brunei. Kelebihan produk adalah dari segi teknik masakan Sambal Garing Ikan Bilis Che'Nor membuatkan produk itu tahan lebih lama walaupun tanpa bahan pengawet.

Dalam mengekalkan rasa sambal yang asli, saya akan memastikan sukatan yang betul dalam pemprosesan serta akan melatih pekerja untuk dapatkan rasa yang sama. Bahkan, bagi memproses satu masakan yang lama dalam kuantiti besar, kami perlu pastikan cara masakan mengikut apa yang sudah dilatih serta perlu berhati-hati supaya sambal tidak hangit atau lemau. Bermula tahun ini, bagi produk makanan, kami keluarkan produk sambal basah dalam bentuk siri iaitu Siri Garuda untuk resipi Indonesia



Sambal Pilihan Ramai Rakyat Malaysia



Sumber daripada Internet



Sumber daripada Internet

dan Siri Malaya untuk resipi Malaysia, sambal penyet, dan sambal ikan masin bagi menambahkan jualan. Kini, produk Sambal Che'Nor telah berada di pasaran seluruh negara, dan dieksport ke Singapura, Brunei, Laos, Myanmar, termasuk beberapa negara di Eropah.

#### Bagaimana syarikat anda berdepan dengan masalah pandemik?

Ketika negara berdepan pandemik Covid-19 dan berdepan situasi sukar kini, strategi jualan bukan semata-mata melibatkan syarikat secara langsung, tetapi paling utama adalah membantu usahawan yang dilahirkan bawah syarikat iaitu 'Chenorpreneur' untuk turut sama berkembang. Pihak kami kini mempunyai 200 stokis dan 3,000 ejen berdaftar yang bersama dalam menggerakkan jualan produk. Model perniagaan kami adalah mahu melantik lebih ramai usahawan yang dipanggil 'Chenorpreneur'. Kami akan membimbing mereka untuk menjadi pengedar bermula dengan memasarkan produk di kedai runcit, sehingga ke pasar raya. Sebahagian barisan Chenorpreneur yang menggerakkan jualan Sambal Che Nor di pasaran. Dalam masa sama, pihak kami kini juga bekerjasama dengan

EcoShop untuk pembungkusan kecil produk sambal garing yang dijual dengan harga RM2.10 dan akan diedarkan ke semua rangkaian EcoShop seluruh Malaysia. Tidak hanya terikat dengan produk makanan, Che Nor Food Solution Sdn Bhd melangkah setapak lagi dengan mempertaruhkan produk minuman iaitu serbuk kopi asli yang diimport dari Aceh, Indonesia. Kopi yang ditanam di Gunung Gayo itu telah mendapat pengiktirafan 'Single Origin' dan mempunyai rasa premium namun mampu milik. Kami namakan sebagai Kopi Original dengan dua perisa iaitu Kopi Gayo (100 peratus Arabica) dan Kopi Arabica Robusta. Berbeza dengan jualan sambal, untuk produk kopi kita telah mempunyai pengedar besar untuk mengembangkan pasaran.

#### Boleh anda kongsi perancangan syarikat anda dalam masa terdekat?

Dengan keupayaan teknologi di kilang pengeluaran serta ruang lebih besar, pihak kami mampu memenuhi permintaan pelanggan merangkumi produk sambal kering dan sambal basah pada tahun ini. Di Che Nor Food Solution, kami kini bukan sahaja mampu menyediakan

sambal garing ikan bilis, malah sambal garing udang, sambal garing tempe serta pelbagai jenis serunding. Harga yang ditawarkan adalah serendah RM6.90. Malah, kami turut menyasarkan penjualan tahun ini sebanyak RM10 juta dan alhamdulillah telah mencapai 50 peratus.

Kami masih mengekalkan model perniagaan yang sama di mana kita membuka peluang untuk orang ramai menjadi usahawan dengan menyasarkan lebih ramai usahawan lelaki untuk jualan produk minuman ini. Mengenai perancangan jangka masa panjang syarikat, pihak kami merancang untuk mengeluarkan sekurang-kurangnya 10 lagi produk untuk memberi peluang lebih ramai usahawan terlibat berdasarkan potensi pasaran masing-masing. Kita akan keluarkan produk seperti pes makanan, dan juga mee segera. Alhamdulillah kami sudah ada beberapa pengedar yang berpotensi membawa produk ke rangkaian lebih besar di samping bekerjasama rapat untuk membawa ke pasaran luar negara.

Sumber: Sinar Harian



Sumber daripada Internet



Sumber daripada Internet

## Happening



# ECOTHON (12 – 15 October 2021)

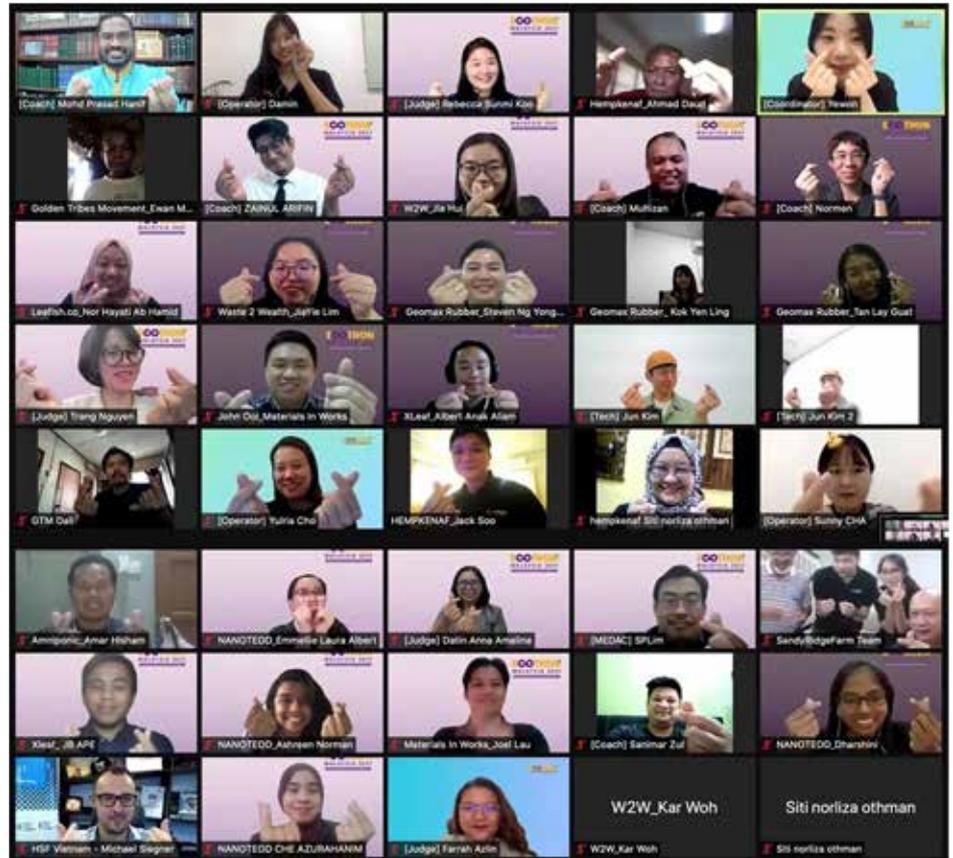
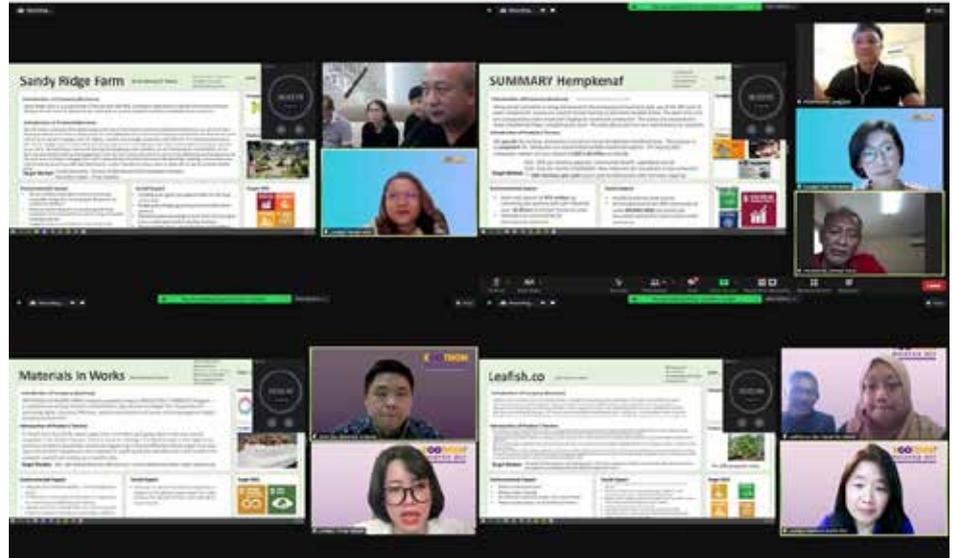
**E**cothon, an eco-entrepreneurs' marathon for sustainable development, is a business model competition for promising eco-entrepreneurs who have an innovative business idea related to SDG 12: Sustainable Consumption and Production (SCP). Ecothon aims to support the entrepreneurs to transform an innovative SCP-related business idea into a feasible business model.

Ecothon aimed to contribute to the spread of eco-entrepreneurship and the achievement of UN SDGs by developing sustainable business models that minimize environmental impact. This year, the event was held virtually in Cambodia, Lao PDR, Indonesia, Malaysia, and the Philippines. For Malaysia, CEDAR has been given the privilege to be the partner with Ministry of SMEs and Startups of Republic of Korea. Five of our Business Coaches and BEACON; Muhizan Muhaiyuddin, Zainul Arifin Kamaruddin, Sanimar Zul, Mohd Prasad Hanif and Normen Mukhtar was appointed as the Coaches for the program. Ecothon in Malaysia took place for 4 days from October 12th to 15th. A total of 43 participants from 12 teams has shown their enthusiasm towards building sustainable businesses in Malaysia.

During the program, the present and future entrepreneurs with SCP-related business ideas competed with other participants based on growth with expert mentors and professional local business coaches who completed coach training for sustainable business development. The participants had built the network with the mentors and other participants as well as developed their own sustainable business model.

## HOST & SECRETARIAT

- Ministry of SMEs and Startups, Republic of Korea (MSS)
- Ministry of Entrepreneur Development and Cooperatives, Malaysia (MEDAC)
- Centre For Entrepreneur Development and Research (CEDAR)
- ASEM SMEs Eco Innovation Center (ASEIC)
- Hanns Seidel Foundation (HSF)



## Winning Teams



### Materials In Works

A company aspired to lead in Industrial Symbiosis Program - a collaboration among industry enterprises to up-cycle and exchange their by-products in achieving higher resource efficiency, waste minimization and hence reducing negative impact towards environment.



### Geomax Rubber Innovative Products

A company developing innovative, sustainable and circular economy eco-footwear by up-cycling rubber gloves through its own patent pending green technology.



### Moopt.com

Provides a cloud platform to help smaller Critical Industries, to build a custom industrial automation system 200x faster, with 1000+ pre-built templates based on our 10 years experience in supply chain management.