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## Majority SMEs still doing business the traditional way

By : Harun Jau

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**KUCHING:** Less than 30% of Small Medium Enterprises (SMEs) in Malaysia have adopted eCommerce in doing businesses , according to Nurdiana Abdullah, senior manager Exporters Training Unit, Exporters Development Division of MATRADE.

Nurdiana said the majority of SMEs in Malaysia were still doing business through the conventional way, which was why the Government had introduced the eTrade : Enhancing Business Competitiveness through Online programme with the hope to get more SMEs to register.

She disclosed that although 97.3% of Malaysian Enterprises were SMEs, the contribution of SMEs towards the GDP was currently 32% and SME's contribution on export was only about 19%.

According to Nurdiana, the government is targeting RM163 billion in exports through eCommerce platform by 2020.

"For Malaysia, we want to achieve RM163 billion by 2020 ," she disclosed in her presentation: "Digital Malaysia eTrade Expanding Your Market Through e-Commerce Market Place" workshop held at Riverside Majestic Hotel here yesterday.

eTrade Project is an initiative under Digital Malaysia which was endorsed by the Prime Minister in November 2013. The main objective is to accelerate exports by SMEs via participation in international leading e-marketplaces. With this initiative, qualified export-ready SMEs are able to be listed at selected e-marketplace at preferential rate.

She said the target was by end of 2020, 25,000 SMEs would be on board this programme with 2,625 targeted this year.

SMEs, she stressed, need to have presence in Multi eMarketplaces to gain access to all major export destinations. The benefits of multiple e-Marketplaces are , it enables SMEs to expand beyond reach niche markets, help to reduce costs, improve efficiency and at the same time increase profits.

She said the eTrade programme basically has two key strategies namely to penetrate key export markets and expand in key E-Marketplaces. The 7 economies that have been identified for penetration are ASEAN, China, India, Japan, Korea, Middle East and USA.

She said with the full implementation of ASEAN Economic community next year, it will provide accessibility to half a billion markets in ASEAN adding if Malaysian SMEs do not grab the opportunities , other SMEs from other ASEAN countries would grab the opportunities.

She said the Phase 1 which was launched in October this year would focus on Business-to-business (B2B) e-commerce transactions and Convert existing exporters to eTrade platform to increase the channels for customer acquisition.

An agreement was signed recently to have collaborations with Alibaba.com to target the China market and the the next phase of collaboration would be in Alibaba's B2C platform i.e Taobao , Tmall, 688 and also with other e-commerce marketplaces such as eBay, Rakutan and Zalora, she said.

She added that the key target markets for eTRADE were China and the United Kingdom with its high utilization of international e-Marketplace such as ebay, alibab.com, Ocado, Achika. The other key target markets are USA, Japan, India and ASEAN.

Nurdiana urged SMEs in Sarawak to participate in the programme saying those SMEs which fulfilled the SMEs definition, are export ready, incorporated under the Companies Act 1965, at least 60% Malaysian equity, with minimum "SCORE Rating of 4 "SME Corp Competitiveness Enhancement Rating, Exporting made in Malaysia products or services and registered with MATRADE under the Malaysia Exporters Registry (MER) may apply to participate in the programme.

Meanwhile, the other workshop speaker Travis Tai from the Panpages Online Berhad who spoke on services offered by Alibaba for eTRADE said Internet widen scope in doing business by bringing different people to the scene where they were no longer located in just their own area.

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He said Malaysian businessmen were so used to do business the traditional way where they do business with people they know or get to know people first before doing business with them.

But the internet world, he said was different because people bought things from people that they never met or from people they didn't know, but had trust in them. He said the internet had changed the way business were done.

He said there were so many different types of internet marketing tools that could be used to do business such as website, the print media, B2B, B2C platforms like Taobao, Tmall and Alibaba.com and also search engine marketing to optimise performance and also the social media marketing and many others.

As for Panpages, he said the question was not about the right solution but rather who was the right partner. He added that the trends were fast changing and the social media might be the biggest thing today but 10 years ago it barely existed. Today, it is one of the biggest tools for marketing, he said.

Panpages has been around for 25 years and has been with the SMEs studying the market and ways to help SMEs outsource their business.

Travis said, Panpages , a local business engine was the right partner as it has the right people and has over 120 sale staff and has huge customers service teams to help meet the needs of customers and also it has the right partners like Alibaba.com. It is also an appointed partner with Google Malaysia and Microsoft.\*

Panpages has its headquarters in Bandar Sunway and has branches in Kuching, Penang, Ipoh, Malacca, Johor Bahru and Kuantan.

\* Correction: PanPages is also an appointed partner with Google Malaysia.

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