

Struggling HK businesses must develop brands, new markets

Small and medium-sized enterprises have encountered financial difficulties of varying degrees in the past year. Thanks to the government-bank joint rescue, a fraction of the troubled SMEs will at least stay above water for a while. But what happens after the borrowed money has gone and firms are heading nowhere but down?

Is the government adopting the right policies towards SMEs haemorrhaging funds? We must ask what is wrong with the business fundamentals of the SMEs and the Hong Kong economy.

Since the onset of the financial crisis, the biggest problems SMEs have faced are a shortage of business orders and insufficient sales. Hong Kong exporters and Hong Kong-owned factories on the mainland have been badly hurt by diminishing orders. Shops and restaurants are hit by weakening sales, because customers have less purchasing power.

We must face these fresh challenges and step up our efforts to open new markets. We must find new customers in the global marketplace spanning Asia, the Middle East, Latin America, including developing nations. And we must seek ongoing support from our old friends in the US and Europe. Our product and service status must be raised in the world arena. It is not enough to have good quality and low prices. In today's world, branding is so important. It is about creating and delivering value to customers.

Some SMEs got involved in property and shares speculation. Through this crisis, people have learned a costly lesson. Enterprises must get back to the basics - focusing on their core business, revising strategies, improving the skills of their staff - to best prepare for a long, hard battle.

At this critical moment, the government should help SMEs to find new markets and take a proactive role in beefing up the intelligence of SMEs with, say, coaching on brand-building and value-adding via technology and design elements.

Yes, we can, and we will, bring positive changes to make Hong Kong a stronger place than ever before. We turn a new page in 2009.

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