

Playing in the global market

For forward-looking businesses in Malaysia looking to thrive in today’s dynamic business environment, the obvious next step is to tap on the depth of global markets. Especially for SMEs who might primarily serve a small domestic market, scaling across borders could help them achieve greater diversification, enhance business agility, increase revenue streams and gain greater economies of scale.



- Malaysia is one of the **most open economies** in the world, ranking **12th** out of 190 countries²⁵.
- **54%** of businesses in manufacturing rated market expansion as the most popular business strategy in the next six months²⁶.

Today’s world has become a lot smaller and this is in part thanks to the interconnectivity of networks and global supply chains. Businesses can easily reach new customer segments previously untouched via new channels in mobile banking, e-commerce and even social platforms. This greatly levels the playing field, enabling new and emerging disruptors to compete with the larger and more entrenched enterprises in the global marketplace.

Public-private partnerships are the driving force behind efforts to capture a growing global consumer base. For instance, the Malaysian government launched the SMEs Go Global Programme in 2020 to provide aid to SMEs in high growth industries looking to expand into global markets²². The Malaysia Digital Economy Corporation (MDEC) has also partnered with logistics start-up Janio to drive Malaysia’s National eCommerce Strategic Roadmap (NESR) and help Malaysian SMEs expand across Southeast Asia with cross-border logistic solutions²³.

Beyond geographical expansion, businesses are also leveraging synergies formed through mutually beneficial partnerships in a conducive business ecosystem. Chubb recently partnered with Revolut to provide a wide range of insurance coverage to its digital banking customers across 22 countries, tapping on Chubb’s multinational capabilities and global footprint as one of the world’s largest insurers²⁴.

Businesses need to understand the different regulatory requirements, risks and challenges around their data, technology, products, and services when expanding internationally and establishing new partnerships. With this in mind, it is imperative to have in place the proper due diligence and protection to ensure sustainable business growth.

RISKS & SOLUTIONS

Doing business around the globe can be a key driver of growth for the future – if it is done with an eye toward the potential risks.

Potential business risks	Chubb insurance products/ services to consider
Exposure to new and unknown overseas risks and regulations.	Cyber Multinational Insurance Products and Services
Exposure to political-related risks overseas, excluding terrorism (e.g. transfer of money, goods lost or confiscated at ports).	Multinational Insurance Products and Services Kidnap/Ransom & Extortion
Selling products in new markets requires transportation of goods that may be put at risk while in transit.	Multinational Insurance Products and Services Marine/Cargo
Exposure to products exported to overseas/ new countries.	Product Liability

²² <https://www.smecorp.gov.my/index.php/en/programmes/2015-12-21-10-06-32/smes-go-global-programme>

²³ <https://pengovasia.com/mdec-working-to-drive-the-digital-transformation-of-malaysia-smes/>

²⁴ <https://www.insurancebusinessmag.com/asia/news/breaking-news/chubb-unveils-partnership-with-fintech-244049.aspx>

²⁵ <https://www.uobgroup.com/asean-insights/fact-sheets/malaysia.page>

²⁶ https://www.fmm.org.my/Press_Releases/@-FMM_PRESS_STATEMENT%3BPromoting_the_Growth_and_Development_of_vSMEs_Post_COVID-19_Pandemic_through_Comprehensive_and_Progressive_Agreement_for_Trans-Pacific_Partnership.aspx

CASE STUDY

Meet Jingyi from Technopreneur MY

HER BUSINESS

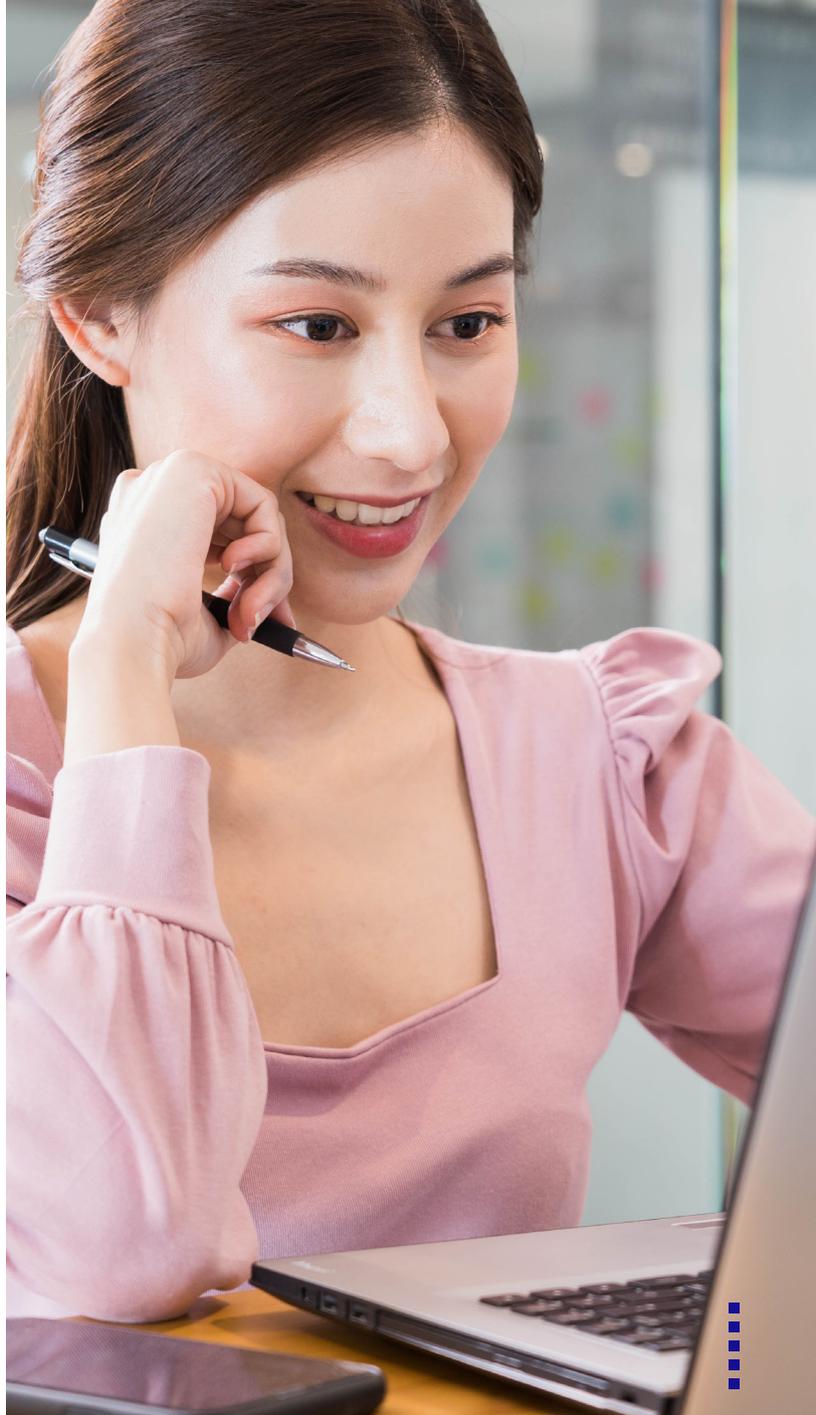
Jingyi owns a small technology consultancy business that works with clients across Southeast Asia to manage their digital assets and online events. Her company has recently been signed on as an approved vendor partner for a large government-linked statutory board.

WHAT HAPPENED

While doing data migration work for a government stakeholder, Jingyi's team had accidentally uploaded data to an incorrect destination, exposing confidential client-side data to the public. While this incident was detected and addressed within half an hour, it still amounted to a significant data leak and was brought to the attention of data privacy regulators – who have sanctioned her company and imposed a fine on her.

Chubb's Coverage

Covered by Chubb's cyber liability policy, Jingyi got assistance from Chubb's claims team to negotiate a successful settlement agreement and a feasible payment plan for the fine.



Please contact your insurance intermediary or Chubb for a tailored solution for your business.

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