

SME WEEKLY NEWS

(14 December 2020 – 18 December 2020)

Countries	Highlights
<p>MALAYSIA</p> <p>BNM sets up RM1b facility to support high-tech, innovation-driven SMEs hit by Covid-19</p>	<p>BNM is establishing a RM1 billion High Tech Facility-National Investment Aspirations (HTF-HIA), as announced under Budget 2021, to provide additional assistance for high-tech and innovation-driven SMEs affected by the Covid-19 pandemic. Eligible SMEs include those in advanced manufacturing and services sectors that are aligned to deliver national strategic long-term development goals as outlined in the NIAs including those in the E&E, aerospace, pharmaceuticals and ICT sectors, as well as R&D-driven firms supporting the development of emerging technologies. Also eligible for the facility are SME project participants in key government programmes involved in research, development and innovation for critical technologies identified under national blueprints, including projects ranging from IR4.0-related technologies, to green technology and biotechnology, to ensure their continuity and completion of existing projects. Eligible SMEs can obtain financing of up to RM1 million for working capital, up to RM5 million for capital expenditure financing, or a combination of working capital and capex of up to RM5 million for a tenure of up to seven years. This facility is offered at a financing rate of up to 3.5% p.a. for financing without guarantee or up to 5% p.a. inclusive of guarantee fee (with guarantee coverage by CGC).</p> <p style="text-align: right;"><i>(Source: The Edge Markets, 16 December 2020)</i></p>
<p>THAILAND</p> <p>SEC gauges 69 SMEs for crowdfunding</p>	<p>The Securities and Exchange Commission (SEC) estimates 69 SMEs and startups are likely to access the equity crowdfunding platform next year, with three pilot projects having reported success in raising a total of 76 million baht through the crowdfunding platform via the capital market. The SEC and the Stock Exchange of Thailand are conducting a feasibility study to establish a new SME exchange to support trading between small companies. The new exchange is a channel that also allows early-stage investors to exit venture capital and angel funds. The SEC expects to open the new SME exchange for trading in 2021. The SEC amended the crowdfunding rules to make them more convenient and flexible for SMEs, allowing fundraisers to issue fundraising instruments as convertible debentures that grant investors rights as creditors in the early stages. This status allows them to become business owners by converting their bonds to equities, making it easier for investors to decide whether to invest. Also, fundraisers are allowed to raise funds up to 80% of the investment target. The SEC also plans to launch a campaign next year to educate small businesses on digital applications to help them grow their business and raise funds through the new platform.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 17 December 2020)</i></p>
<p>CAMBODIA</p> <p>ARDB to disburse \$50M loan by Dec 31</p>	<p>The Agricultural and Rural Development Bank (ARDB) expects to fully disburse a \$50 million emergency fund for SMEs by year end. The bank has received nearly 600 loan applications since it was launched on 16 March 2020. More than \$40 million in loans have been approved. Most animal and aquaculture farmers were able to get the loans because the import of live hogs is limited, leading to higher domestic pig prices, which has turned farmers' attention to these loans as capital to start their businesses. Federation of Associations for Small & Medium Enterprises of Cambodia (FASMEC) said the issuance of government loans through ARDB has served as a lifeline for many of the SMEs during Covid-19. The ARDB currently offers loans between \$10,000 and \$300,000. The government in May decided to cut the annual interest rates from 6% to 5% for working capital and from 6.5% to 5.5% for capital investment, without service charges. It also adjusted the maximum loan term from 5 to 7 years for capital investment while retaining a short-term maximum of 2 years for working capital.</p> <p style="text-align: right;"><i>(Source: The Phnom Penh Post, 14 December 2020)</i></p>