

# SME WEEKLY NEWS

(19 July 2021 – 23 July 2021)

Countries	Highlights
<p><b>MALAYSIA</b></p> <p><b>JanaNiaga digital payment platform to boost SMEs' liquidity</b></p>	<p>The National Supply Chain Finance Platform (JanaNiaga) fund size is expected to reach RM1.2 billion with additional allocation from FIs. With an average invoice period of 90 days, JanaNiaga digital payment platform would contribute RM4.8 billion a year to SMEs' cash liquidity. As announced in the 2021 Budget, JanaNiaga platform will be spearheaded by Exim Bank, with involvement of several FIs in Malaysia. To ensure that assistance to SMEs can be provided soonest possible, an allocation of RM300 million has been provided by Exim Bank to mobilise JanaNiaga. JanaNiaga would provide huge benefits to the country's digital payment ecosystem, as such platform had been widely adopted by foreign economic sectors. The platform is leading the financing of invoices from GLCs through digital portals. With the support of GLCs, these SME providers will enjoy financing rates as low as 3.5% p.a. for a financing margin of 100%, much lower than the regular rates. Funding applications are also made online, allowing each application to be approved within 24 hours only. Meanwhile, SME cash liquidity was important especially during the critical time of the Covid-19 pandemic to ensure business viability.</p> <p><i>(Source: News Straits Times, 22 July 2021)</i></p>
<p><b>MALAYSIA</b></p> <p><b>OCBC Malaysia rolls out eBiz account for SMEs</b></p>	<p>OCBC Bank (Malaysia) Bhd expects its OCBC eBiz Account, business account that SMEs can apply for entirely remotely, to see at least 6,000 new business accounts by the end of 2020. With the business account, which is part of its digital banking thrust, SMEs can apply for entirely remotely without the need to step into a branch. It is open only to SMEs with two or fewer directors or shareholders, which represents the bulk of OCBC Bank's existing SME clients. This is made possible via the bank's eKYC (electronic know your customer) platform, which is supported by CTOS. The account, with a relatively low initial deposit of RM500, comes with complimentary business internet banking services Velocity@ocbc and access to OCBC Mobile Banking. The OCBC eBiz Account will benefit SMEs significantly as they can skip the queues at the branches and avoid the crowds altogether. In a matter of minutes, they will be able to complete their application for an online business banking account at their convenience and verify their identity via the OCBC SME eKYC app. If the application is successful, the bank will contact the customer to give their account number and login ID for internet banking.</p> <p><i>(Source: The Star, 20 July 2021)</i></p>
<p><b>INDONESIA</b></p> <p><b>Indonesian B2B marketplace GudangAda raises more than \$100M in new funding</b></p>	<p>GudangAda, a Jakarta-based marketplace that brings wholesalers closer to retail stores and other buyers, announced it has closed a Series B of more than \$100 million, thus brings total raised so far to about \$135 million. Its last funding was a \$25.4 million Series A last year. Founded in January 2019, GudangAda is now used by half a million SMEs and covers 500 cities in Indonesia. GudangAda helps lower operational costs by connecting principal manufacturers, distributors and retailers, and handling almost all aspects of B2B buying, including deliveries. Its mobile app includes a point-of-sale system and also used to manage orders, track logistics and make payments. GudangAda focuses on several things to make buying inventory easier for SMEs. One is optimising inventory turnover to increase working capital for businesses on the platform. The company also provides market research and data for products and gives retailers a large selection of goods. Being connected to multiple suppliers on the same platform also lets small retail stores that sell a large selection of items, but don't have the buying volume to order directly from distributors, to purchase inventory at competitive costs.</p> <p><i>(Source: Tech Crunch, 22 July 2021)</i></p>

**SINGAPORE****Study: Post-circuit breaker adaptations helped SMEs prepare for disruptions**

Based on the OCBC Bank study, SMEs that adapted their operations after last year's circuit breaker were better prepared for the disruptions amid the heightened alert measures in May and last month. The SME Index surged 8.3 points to 59.5 in the second quarter from 51.2 in the first quarter (index above 50 indicates an improvement in the health of SMEs). The SME Index uses data from 100,000 of OCBC's SME customers with annual sales turnover of up to \$30 million. The data reflects collections, payments, cash flow, account activities and balances - metrics that provide a good indication of the state of a firm's health. Collections from sales across the 100,000 SMEs represented in the index grew by 6% from the first to the second quarter this year. OCBC said the pandemic has had a profound impact on SMEs in Singapore, forcing entrepreneurs to find new ways of doing business. Their recovery was supported by a rapid shift towards digitalisation and e-commerce. SMEs can also build on Singapore's strength "as a growing hub for the services industry, the changing supply chains and the emerging green economy".

*(Source: The Straits Times, 20 July 2021)*

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