

SME WEEKLY NEWS

(18 January 2021 - 22 January 2021)

Countries	Highlights
<p>MALAYSIA</p> <p>Lazada Malaysia launches RM44m stimulus package</p>	<p>E-commerce platform, Lazada Malaysia has channelled RM44 million with aim to help more than 70,000 local SMEs through its second stimulus package, Pakej Kedai Pintar 2.0. The package which allow businesses to sign up from now until 28 Feb 2021, is introduced to address business pain points and provide efficient solutions with subsidies and bonus exposures to boost SMEs' sales online. The package will have multiple benefits for both new and existing participating sellers. They include a 0% commission rate, waived payment fees, 90 days of dedicated store-building support, Lazada University training, subsidised advertising credits for sponsored search and free product exposure slots on Lazada Flash Sale. After the first Pakej Kedai Pintar was launched during MCO last year, local SMEs on Lazada generated more than double the sales. The impact of the initiative also goes beyond short-term digital adoption, but also for long-term sustainability and growth. Pakej Kedai Pintar 2.0 could help SMEs diversify their revenue streams from brick-and-mortar stores to e-commerce without incurring additional capital costs.</p> <p style="text-align: right;"><i>(Source: The Malaysian Reserve, 22 January 2021)</i></p>
<p>CAMBODIA</p> <p>Cambodia sees US\$100 million co-financing scheme fund for SMEs fully subscribed</p>	<p>A SME enterprise co-financing scheme fund totalling US\$100 million has been fully subscribed by mid-October last year, benefitting 753 SMEs, according to the SME Bank of Cambodia. The fund was launched on 1 April 2020 by Cambodia's Ministry of Economy and Finance, and was jointly funded by the SME Bank of Cambodia, participating commercial banks and microfinance institutions, which are organisations that provide loans to low-income clients who traditionally lack access to funding such as banks. The average loan taken by SMEs amounted to US\$122,514, with a minimum of US\$16,800, and a maximum of US\$300,000. Some 50% of loans were subscribed by manufacturers of local consumable goods, waste recyclers, as well as goods for the tourism sector. Another 27% were taken up by food manufacturing and processing firms, while 13% went to manufacturers of finished products, spare parts or assembly parts to supply other manufacturers. Meanwhile, 11% were taken up enterprises in SME cluster zones, and research and development firms related to IT, or the supply of IT-based services. There are currently 33 institutions providing the co-financing scheme: 24 commercial banks, 6 specialised banks & 3 microfinance institutions.</p> <p style="text-align: right;"><i>(Source: HRM Asia, 18 January 2021)</i></p>
<p>THAILAND</p> <p>Steps to boost SME liquidity</p>	<p>Federation of Thai Industries (FTI) proposed five measures to increase liquidity for SMEs under the state's 500-billion-baht soft loan programme to relieve the impact of the ongoing outbreak that has caused a drop in Thailand Industrial Sentiment Index (TISI) for the first time in eight months. The five measures are unlimited loan values; maximum 5% interest rates for the first five years; loan guarantee with maximum claim of 40%; 1% reduction of minimum interest rates for all loan grants; and principal cut during amortization to reduce loan value. These measures are aimed at easing borrowers' difficulties in gaining loans and not burden them excessively during the amortisation period. Since Bank of Thailand (BoT) launched the soft loan programme last year by distributing the money to needy businesses via commercial banks, only 120 billion baht has been disbursed. Commercial banks were reluctant to lend money, due to worries about SMEs' years-long recovery affecting their debt payment ability. SMEs are reeling, with this month's outbreak leaving them in dire need of assistance. The spread of the latest wave of the pandemic was partly blamed for the decline in TISI for the first time in eight months, a period during which businesses were hopeful for an improved economic outlook as the outbreak had subdued.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 21 January 2021)</i></p>

PHILIPPINES**One-stop hub
mobile app for
SMEs launched**

UnionBank launched a mobile application that serves as a one-stop hub tailored for all the financial-related needs of SMEs. Wherever they are, they can do banking transactions, open their online stores, track their inventory, and apply for a loan through this app. Launching the SME Business Banking app is also part of the bank's goal to "Tech Up, Pilipinas", as the bank has an advocacy to help SMEs join the e-commerce space by educating them. As such, the bank developed the app in such a way that SMEs will be able to do banking as if it is embedded in their day-to-day activities. For those who would apply for a loan, they will not be asked for paper requirements since the loan application will be assessed through a credit score. The SME Business Banking app was developed as a single-access platform for the users. In terms of security, one may log in through biometrics security, such as facial recognition. If the device is not capable of the biometrics features, a one-time password (OTP) can be sent directly to the user. For those who are part of more than one business, the app allows multiple company management.

(Source: Philippine News Agency, 20 January 2021)

Economics and Policy Division
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