

SME WEEKLY NEWS

(30 November 2020 – 4 December 2020)

Countries	Highlights
<p>MALAYSIA</p> <p>Online moneylenders gear up to serve SMEs</p>	<p>Ministry of Housing and Local Government announced the license approval for eight new online moneylenders, on top of the 4,572 traditional licensed players already operating. The ministry, which governs the moneylending business, said more online moneylending licences would be issued in the future. These online moneylenders have set their sights on the SME sector, promising fast and easy loans with limited collateral. The eight companies that were granted licences to provide loans online are GHL Payments, BigPay Later, Axiata Digital Capital, Grabfin Operations, Presto Credit, JCL Credit Leasing, Fortune Tree Capital and Hoop Fintech. While the new online financial offerings have the potential to shake things up for banks and moneylenders, industry experts and banking analysts do not see the development as a major threat to the banking landscape as they appeal to different target markets. MSMEs and the B40, for example, are not a major focus for banks given the high risks associated with lending to these segments. Also, online moneylenders have an edge over their traditional counterparts as customers will be able to secure loans much faster from them.</p> <p><i>(Source: The Edge Markets, 1 December 2020)</i></p>
<p>INDONESIA</p> <p>Govt. urges SMEs to digitize, get credit scores for easier financing</p>	<p>Government officials and industry players have called on SMEs to go digital and make use of fintech platforms to build for themselves a positive online track record and gain credit scores for easier access to financing. According to a Mandiri Institute study, SMEs that have an online presence are more resilient, as they are more likely to continue producing and selling goods to survive the economic slowdown, particularly during the Covid-19 pandemic. Cooperative and SMEs Minister stated that 10.2 million SMEs were on digital platforms as of November 2020. The share of SMEs using online platforms relative to the overall number of small businesses rose to 16% from 13% earlier this year. However, the minister also said that there were still 23 million small business owners in the country with no access to financing from the banking sector. Fintech could help boost financial inclusion for these businesses. Meanwhile, Financial Services Authority (OJK) data show that the country's fintech lending platforms have disbursed a total of Rp 56.16 trillion (US\$3.98 billion) in new loans as of October 2020, marking a 23.9% y-o-y increase. Fintech platform KoinWorks also reported that, in 2020, more than 30,000 SMEs requested productive financing through its P2P lending platform, in which KoinWorks disbursed up to Rp 2.5 trillion in loans.</p> <p><i>(Source: Jakarta Post, 4 December 2020)</i></p>
<p>SINGAPORE</p> <p>Large firms step up to help SMEs with relief and training</p>	<p>Several large companies are helping SMEs stay afloat by providing much-needed relief and training as the Covid-19 outbreak continues to take a toll on their finances and operations. American software company, Salesforce has partnered the Singapore Business Federation (SBF) to hand out \$960,000 in cash grants to eligible SMEs. The programme is expected to benefit 120 firms, which will each receive a grant of \$8,000. They can use the funds for their immediate cash-flow needs, such as rent and operating costs, to pay staff wages and to upgrade their skills or to digitalise. Meanwhile, financial services firm American Express is helping to drive foot traffic back to stores by bringing its global Shop Small campaign to Singapore. Around 2,000 businesses are participating. American Express previously has committed US\$200 million (S\$268 million) worldwide for its Shop Small campaigns. Besides financial assistance, Grab's recent initiatives to address digital gap include its Grab Merchant Academy, an online training programme with modules for businesses in areas such as online store management, menu optimisation and online marketing. Firms can access these modules through the GrabMerchant app.</p> <p><i>(Source: Straits Times, 30 November 2020)</i></p>

CAMBODIA

The Worldbridge i4.0 SME Cluster project officially break ground

The Worldbridge i4.0 SME Cluster project has officially broken ground on 27 November 2020. The cluster is seen as an innovative and strategic solution for SMEs and industrial development in Cambodia. Unlike special economic zones, industrial parks or traditional SME clusters, the i4.0 SME Cluster is an innovative solution which supports the government's objectives under the Industrial Development Policy 2015-2025 and serves as a vehicle in which government policies supporting skills-based employment, SME development, agro-processing expansion and industrial diversification can be easily achieved. Most importantly, it brings a new future for SMEs, entrepreneurs, the ICT sector and manufacturing investment in the country by bringing them together into complete value chains. The purpose of the establishing the Worldbridge i4.0 SME Cluster project is to promote and boost the competitive ability of the SME through the production, businesses and services in one place which they can link to each other in the zone. The SME sector plays a key role in driving the Cambodian economy, contributing 58% to GDP and 70% of total employment.

(Source: Khmer Times, 30 November 2020)

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