

SME WEEKLY NEWS

(20 April 2020 – 24 April 2020)

Countries	Highlights
<p>MALAYSIA</p> <p>Lazada aims to help 50,000 SMEs through 'Pakej Kedai Pintar'</p>	<p>E-commerce player, Lazada Malaysia which recently launched its own stimulus package named 'Pakej Kedai Pintar', hopes to aid about 50,000 local SMEs. The effort is in tandem with the government's economic stimulus mission and pledges to support e-commerce entrepreneurs and SMEs. The package cash fund which runs from April to June 2020, with an allocation of RM10 million aims to get the SMEs to sell online, stabilise jobs and support the country's economy during the COVID-19 pandemic. This initiative is targeted to assist SMEs via a series of customised benefits, especially those in the fresh food and groceries categories, new and existing e-commerce sellers, including those who were planning to set up stalls for Pasar Ramadan. Eligible SMEs will be able to enjoy free shipping services, access to micro loan facilities and fixed weekly payments, as well as services of a dedicated support team to train and develop customised sales campaign with them through Lazada University. Through the initiative, SME retailers that are new or have little experience in e-commerce could expect 100% costs of selling online covered and swiftly diversify their revenue streams beyond traditional bricks-and-mortar model on a platform where one in three Malaysians are Lazada's user.</p> <p style="text-align: right;"><i>(Source: The Edge, 23 April 2020)</i></p>
<p>SINGAPORE</p> <p>Banks to lend more money to SMEs at cheaper rate with new MAS facility</p>	<p>The Monetary Authority of Singapore (MAS) will offer 0.1% interest rates p.a. for a 2-year tenor in a move to support SME lending under schemes from Enterprise Singapore (ESG). The initiative will help lower the cost of loans for the Enhanced Enterprise Financing Scheme - SME Working Capital Loan & the Temporary Bridging Loan Programme. The Temporary Bridging Loan Programme is aimed at helping local companies manage their immediate cash flow needs. Companies that require more working capital beyond the programme can apply for the Enhanced Enterprise Financing Scheme - SME Working Capital Loan. MAS and ESG noted that financial institutions typically take into account their costs of funds and underwriting and a credit spread to reflect the risk profile of the borrower when they price SME loans. By providing financial institutions funding at the low interest rate, the facility reduces the financial institutions' cost of funds for loans made under the ESG Loan Schemes. This will help SMEs manage their cash flow better amidst the current Covid-19 pandemic. The facility also reinforces MAS efforts to ensure ample Singdollar funding to banks in Singapore, by maintaining a high level of Singdollar liquidity in the banking system, so that they can continue to play their role in providing credit to individuals and businesses in Singapore.</p> <p style="text-align: right;"><i>(Source: Straits Times, 20 April 2020)</i></p>
<p>INDONESIA</p> <p>Requests for loan restructuring on the rise as COVID-19 hits P2P borrowers</p>	<p>Like conventional lenders, peer-to-peer (P2P) lending platforms have also received a rising number of loan restructuring applications, as the emergency measures implemented by the government have also affected their clients. According to a recent survey by the Indonesian Fintech Lenders Association (AFPI), about half of the association's members have received loan restructuring applications from their clients. But the association said it had yet to receive information about the exact number of P2P lenders who have eased loan repayment rules. AFPI spokesman said some association members may agree to ease loan repayment rules, but it would be applied selectively and differently depending on the condition of each borrower. As such, only borrowers whose businesses are negatively affected by the pandemic and those who have lenders' permission would be allowed to restructure their loans, he said, adding that not all SMEs had suffered because many of them offer good businesses as they provide for hospitals or sell their goods in e-commerce. AFPI also reported that P2P lenders had experienced an average 5 percent decline in loan disbursements in April from March this year.</p> <p style="text-align: right;"><i>(Source: The Jakarta Post, 21 April 2020)</i></p>