

# SME WEEKLY NEWS

(27 April 2020 – 1 May 2020)

| Countries  | Highlights  |
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| <p><b>MALAYSIA</b></p> <p><b>MoF targets 700,000 SMEs to benefit from Prihatin Special Grant</b></p> | <p>The Ministry of Finance targets about 700,000 SMEs to benefit from the RM2.1 billion Prihatin Special Grant (PSG), which would ease the burden of micro-entrepreneurs badly affected by the COVID-19 outbreak, said its Minister Tengku Datuk Seri Zafrul Abdul Aziz. The PSG is a grant, paid on a one-off basis and does not need to be repaid. The special grant is a one-off financial assistance amounting to RM3,000 to qualified micro SMEs, open beginning from 1 - 15 May 2020. Applicants can review results of their applications starting in the first week of June 2020 with payments are expected to be made in June, which will be credited to the eligible applicant's account. Among the qualifications to apply for PSG are, they must be Malaysian citizens and running a micro SME with total annual sales or turnover of less than RM300,000, with the number of employees less than five, excluding the owners. The micro SMEs must be registered with the IRB, local authorities or the Companies Commission of Malaysia before or on 31 December 2019 and continue to be in business when the application is made.</p> <p><i>(Source: Bernama, 1 May 2020)</i></p>   |
| <p><b>PHILIPPINES</b></p> <p><b>PH eyes \$500-M loan to help poor families, SMEs</b></p>             | <p>The Philippines is seeking from the World Bank another \$500-million loan to replenish funds being doled out to poor families and small businesses affected by the Covid-19 pandemic. The fresh loan is aimed at mitigating the impact of Covid-19 on poor households and providing financial relief to affected SMEs. The upcoming loan would help alleviate the financial burden faced by formal SMEs through a temporary two-month wage subsidy; provide temporary financial relief to SMEs through deferrals of tax and social security payments, and support business continuity by facilitating access to credit through an SME credit guarantee scheme. The World Bank noted that SMEs had been hit hard by the Covid-19 outbreak and at risk of bankruptcy in the absence of public support. According to a survey by the government, 77% of micro &amp; small firms and 62% of medium-sized firms had to close due to the enhanced community quarantine, while SMEs who remained open experienced an average sales drop of 66.5%. Without strong government intervention, temporary closure may end up becoming permanent as they run out of working capital to finance ongoing fixed costs and risk eventually defaulting on their debt.</p> <p><i>(Source: Inquirer.net, 27 April 2020)</i></p> |
| <p><b>SINGAPORE</b></p> <p><b>RIABU launches Pledge2Pay in support of SMEs in Singapore</b></p>      | <p>Singapore-based social FinTech RIABU that helps SMEs get their invoices paid on time, is calling on Singapore's largest companies to pay invoices issued by their SME suppliers within 30 days to help the small businesses survive the slowdown caused by the Covid-19 outbreak. Cashflow is the lifeblood of every business especially for every SME at a time of economic crisis. Supply chains will be protected through the pledge as the payments to SMEs can ensure that products and services will be continued to be supplied. Large companies can protect their customer base as small businesses are their customers too. Long term sustainability can be built as important gaps in the sustainability reports of large companies can be filled. Competitive bids can be attracted with SME suppliers if they are paid within 30 days. RIABU helps companies of all sizes especially SMEs to ensure that they get paid. The company provide insights into the past payment conduct of prospects and customers and the duration in which companies are likely to make the payments of invoices, based on the experiences of other suppliers.</p> <p><i>(Source: IBS Intelligence, 27 April 2020)</i></p>  |