

SME WEEKLY NEWS

(20 July 2020 – 24 July 2020)

Countries	Highlights
<p>MALAYSIA</p> <p>Macrokiosk allocates US\$705k subsidy to help Malaysian SMEs digitalise their businesses</p>	<p>Macrokiosk has allocated US\$705,000 (RM3 million) subsidy to help SMEs in Malaysia to embrace digitalisation through its 'BOLD.for SME' initiative. This is in line with their efforts to assist Malaysia's SMEs to restart their businesses and create sustainability following Covid-19 pandemic and the MCO. The allocation is meant to provide a stepping stone for SMEs to quickly adopt digitalisation and integrate digital solutions into their existing business models. Selling and buying over social platforms, also known as chat commerce, have become a norm amongst small businesses. With their payment solution, businesses can quickly close a sale by sending their customer a link comprising a digital invoice and multiple payment options. Businesses too can reach out to customers through SMS, email, WhatsApp and Viber, to name a few, whether for the purpose of replying to their queries, notifying them of new promotions, issuing rewards and vouchers, or simply sending a thank you note – all of which can be easily executed via the platform. SMEs can also tap into the company's range of digital solutions, such as one-time passwords for secure authentication to verify their customers, or configurable interactive chats to provide instantaneous support services to their customers on their preferred messaging platform.</p> <p><i>(Source: Digital News Asia, 23 July 2020)</i></p>
<p>MALAYSIA</p> <p>eBay launches 'Global 24/7' programme to empower Malaysian SMEs</p>	<p>eBay launched "Global 24/7", an e-Commerce accelerator programme designed to help SMEs leverage eBay's platform for global export as the economy gradually enters a recovery phase. The e-Commerce accelerator programme provides start-up incentives, necessary tools, trainings and assistance for business owners to tap into eBay's global marketplace of over 174 million active buyers. Global e-Commerce has experienced exponential growth due to a shift in consumer behaviour, following the Covid-19 pandemic. Malaysian SME exporters on eBay platform have seen a corresponding increase, especially in the health supplements, electronics, and automotive categories, where volumes have more than doubled from the same period last year. The US, Australia and Europe are the top 3 export destination markets for Malaysian SMEs on eBay with automotive parts being the leading category of sales globally, followed closely by home improvement items; cellphones & accessories; and health & beauty products. The Programme will run from 1 July to 31 December 2020. SMEs who have an existing business but do not have an eBay store are eligible to apply for this programme.</p> <p><i>(Source: Malaysia Kini, 21 July 2020)</i></p>
<p>INDONESIA</p> <p>Survey: SMEs in Indonesia most confident of surviving Covid-19</p>	<p>In June 2020, technology firm HP surveyed a total of 1,600 SMEs across eight countries in Asia i.e. Singapore, Indonesia, Thailand, Vietnam, Australia, India, Japan, and South Korea, with 200 respondents per country. Findings show that SMEs in Indonesia, Vietnam and Thailand are more confident of their ability to survive and thrive post-Covid-19 pandemic. In contrast, Singapore was less optimistic, with only about half of respondents expecting to do so. Overall, 60% of respondents were confident of surviving post-Covid and 53% were confident of thriving. Indonesia had the highest proportion of the latter, at 72% per cent. Indonesia and Thailand also saw the largest shares of respondents seeing digital adoption as 'essential' to SMEs success, alongside India. In contrast, only 19% of respondents in Singapore and 13% in Vietnam saw this as 'essential', with greater shares seeing it as 'very important' or 'important'. Indonesia also had the largest proportion of respondent i.e. 59% reported having a dedicated individual or team in charge of innovation, compared to the regional average of 39%. HP noted that 31% seek advice on innovation from financial institutions, with only 19% looking towards technology companies.</p> <p><i>(Source: Business Times, 23 July 2020)</i></p>

CAMBODIA**Government CGC
scheme to boost
business loans**

The government plans to establish a Credit Guarantee in Cambodia (CGC) scheme to serve as a risk-sharing tool for financial institutions to disburse more loans to businesses impacted by Covid-19. The initiative aims to enhance control over the pandemic's impact on key economic sectors in order to build their financial resilience and help revive the economy post-Covid-19. Previously, the National Bank of Cambodia noted in its Semi-Annual Report 2020 that the tourism sector, which has been hardest hit by coronavirus saw revenue drop 55% while the manufacturing sector shrunk by 11% year-on-year due to disruptions tightening basic raw material supply. The CGC will be a vital tool in propping up businesses that seek funds from financial institutions which are guaranteed by the government through the initiative. Credit guarantee schemes (CGS) have been a popular means to ease funding hurdles for SMEs in many countries. The ministry's CGS will help SMEs access credit that is limited due to a lack of collateral and mitigate risk of credit loss for lenders. In the longer term, lenders should develop credit-assessment skills based more on business and financial feasibilities than collateral value to minimise avoidable loss from loans.

(Source: The Phnom Penh Post, 23 July 2020)

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