

SME WEEKLY NEWS

(27 July 2020 – 31 July 2020)

Countries	Highlights
<p>MALAYSIA</p> <p>Govt agrees to three-month loan moratorium extension, but only for the jobless</p>	<p>The government has agreed to further extend the bank loan moratorium for the public. The targeted moratorium extension will run for three months but only for those who lost their jobs this year and are yet to find employment, after which period banks can further extend the help based on individual situation. As for those who are still employed but seen their wages reduced or affected owing to the Covid-19 pandemic, the amount of their monthly loan commitments would be reduced, in line with the quantum of their salary deduction. The six-month financial moratorium was enforced in April, in response to the Covid-19 outbreak in the country. Since the re-opening of the economy in May and later during the recovery RMCO, economic activities throughout the country have been picking up. The number of individual borrowers who continued to pay their loan instalments and no longer opted for the moratorium facility, increased from 331,000 borrowers in April, to 601,000 borrowers in July 2020. Meanwhile, for the same period, the number of SME borrowers choosing not to take up this facility increased from 5,000 to 13,000 borrowers.</p> <p><i>(Source: Malay Mail, 29 July 2020)</i></p>
<p>CAMBODIA</p> <p>Covid-19 aid extended for tourism, aviation sectors</p>	<p>The government has extended minimum tax exemption for the aviation sector and renewed monthly tax exemptions for the tourism industry, which has been hard hit by the Covid-19 pandemic. The tax exemptions will apply in August and September. All domestic-registered airlines are eligible for it. The government will also make \$40 payment to suspended employees in tourism-related industry. Ministry of Economy and Finance stated that the government plans to mobilise a total of \$1.164 billion to help restore and boost business viability during and after Covid-19. Of that amount, \$500 million will be disbursed as loans to SMEs, \$300 million will be set aside for the State-owned Small and Medium Enterprise Bank of Cambodia (SME Bank) and Agricultural and Rural Development Bank of Cambodia (ARDB), while \$200 million will be used for credit guarantee schemes. SME Bank and ARDB have already disbursed about \$30 million in loans to SMEs as of the end of last month. The government will also continue to provide \$40 allowances for suspended factory workers in textile and footwear sectors. Owners of temporarily closed companies in the textile and footwear sectors are also required to disburse \$30 per month to each of their workers.</p> <p><i>(Source: The Phnom Penh Post, 31 July 2020)</i></p>
<p>PHILIPPINES</p> <p>Most small businesses optimistic about growth: Survey</p>	<p>Based on a Facebook survey, of Philippine MSMEs operational on Facebook, 64% are saying that they are optimistic about the future of their business and are stepping up to take their business forward despite the setbacks of the pandemic. Facebook's "State of Small Business Report" covers 30,000 small entrepreneurs and employees in over 50 countries, including over 100 respondents in the Philippines. The survey was conducted in partnership with the World Bank and OECD. The survey captures the impact of the Covid-19 pandemic on MSMEs business operations, their financial performance, and the actions that they have taken to mitigate the impact of the pandemic throughout the world. The survey showed 35% of Philippine MSMEs had reduced their workforce due to the pandemic crisis. Facebook Philippines added 46% of MSMEs that remain operational on social media platform reported a decline in sales. Respondents also noted that they are expecting cash flow to continue being a challenge over the next few months. The Government stated that about 436,000 of the country's 1.6 million small businesses were forced to halt operations amid the government-imposed strict lockdown from mid-March to May.</p> <p><i>(Source: Business World Online, 27 July 2020)</i></p>