

SME WEEKLY NEWS

(6 July 2020 – 10 July 2020)

Countries	Highlights
<p>MALAYSIA</p> <p>Airbnb proposes initiatives to aid tourism industry</p>	<p>Airbnb has proposed to the Government several policy recommendations for consideration to help everyday people and small business operators whose financial security has been put at risk by the Covid-19 epidemic. One suggestion was for the government to consider including Short Term Rental Accommodation (STRA) hosts in key incentives. These incentives included the postponement of tax installment payments to affected businesses in the tourism sector beginning April 1, 2020 to Dec 31, 2020; RM1 billion Penjana Tourism Fund facility to finance transformation initiatives in the sector; one-off payment of RM600 and personal income tax relief of RM1,000 on expenditure related to domestic tourism until Dec 2021 and; digital vouchers of up to RM100 to all Malaysians for domestic tourism purposes to be enabled for Airbnb bookings. Also, as many affected Airbnb hosts rely on booking income to help pay their mortgage, it also encouraged the Government to consider extending the moratorium on loan repayments at least until December 2020. The special incentive allocated to players in the sharing economy, specifically to the e-hailing industry, is also welcomed plan. Airbnb also requested to consider extending the one-off cash assistance being provided to e-hailing drivers to Airbnb hosts.</p> <p><i>(Source: The Borneo Post, 7 July 2020)</i></p>
<p>MYANMAR</p> <p>Almost three-quarters of Covid-19 fund in Myanmar distributed to SMEs</p>	<p>Nearly 70% of the Covid-19 funds set aside to support the economy has been distributed to SMEs in the garment manufacturing, hotels and tourism sectors since April 2020. The Government has lent a total of K101 billion in seven tranches to 3,393 businesses impacted by the pandemic. More than 2,500 small businesses involved in F&B, commodities production and services received the biggest chunk of the loans (around 70%), hotels & tourism sectors absorbed around 15% while garment manufacturers received the remaining funds. The Ministry of Planning, Finance and Industry announced on 18 March 2020 that SMEs can apply for loans with a 1% interest rate for a period of one year. The Government has set aside funds amounting to 5% of GDP for its Covid-19 Economic Relief Plan. Myanmar's current GDP stood at over USD70 billion, implying that Covid-19 support funding is expected to total up to US3 billion. According to the latest announcement on 3 July 2020, the Government will add another K100 billion to its Covid-19 fund. The new Covid-19 loans will mainly prioritise the country's main sectors like agriculture and livestock.</p> <p><i>(Source: Myanmar Times, 10 July 2020)</i></p>
<p>CAMBODIA</p> <p>Cambodia offers additional assistance to businesses and workers impacted by Covid-19</p>	<p>The Government introduced new measures to help mitigate impact of Covid-19 pandemic on businesses and economy. Among others, the Ministry of Economy and Finance introduced additional USD 200 million into Credit Guarantee Fund, which guarantees loans through FIs so enterprises that have previously faced difficulty accessing loans have the ability to obtain working capital. The government also provided capital to small businesses through low-interest loans granted by Agriculture Rural Development Bank (dropped interest rates on loans for working capital from 6% to 5%, and loans for investment capital from 6.5% to 5.5%). The government recently launched online Business Registration Platform to cut registration time to 8 days (from 3 months) by streamlining the registration procedures. Also, the withholding tax on new loans from foreign and domestic sources has been reduced to 5% for 2020 and 10% for 2021, with the normal rate of 14% resuming in 2022. For existing loans, the withholding tax has been reduced to 10% for 2020, with normal rate resuming in 2021. The government too has granted an extension of cash-for-work program, which provides cash-based compensation for short-term labor projects in target areas, through 2020.</p> <p><i>(Source: Lexology, 8 July 2020)</i></p>

<p>PHILIPPINES</p> <p>Alibaba Cloud establishes Philippines ecosystem alliance for digital transformation</p>	<p>Alibaba Cloud announced the formation of Alibaba Cloud Philippines Ecosystem Alliance with the vision to speed up the digital transformation of businesses in the country. The alliance is a joint initiative with local ecosystem partners to promote cloud adoption and the use of analytics intelligence among businesses of all types and sizes. Alibaba Cloud currently has over 20 local partners from various industries such as retail, fintech, media, ICT, business process outsourcing, healthcare and education. They plan to help 5,000 businesses in the Philippines on their digital migration by end-2023. In line with its efforts to actively prepare young, tech-savvy Filipinos for the impending shift to digital, Alibaba Cloud has launched series of training program dedicated to providing the necessary training in IT, including Alibaba Academy Program, Alibaba Cloud Partner Program and Alibaba Certificate Program. Alibaba Cloud aims to train 50,000 and certify at least 10,000 IT professionals within the next three years. To assist enterprises and SMEs in the Philippines to grow and succeed in a digital society, Alibaba Cloud offers comprehensive localised cloud solutions and products in the Philippines, including leading products in computing, storage, data base, cloud network, cloud security, analytics and artificial intelligence fields, as well as solutions on New Retail, fintech and digital media.</p> <p style="text-align: right;"><i>(Source: Manila Bulletin, 6 July 2020)</i></p>
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