

SME WEEKLY NEWS

(30 March 2020 – 3 April 2020)

Countries	Highlights
<p>MALAYSIA</p> <p>Covid-19: Malaysia SMEs see zero cash inflow for at least three months due to MCO</p>	<p>Malaysian SMEs expect no cash inflow for at least 3 months due to the ongoing MCO period to curb the spread of the Covid-19 pandemic. National President of SME Malaysia, Datuk Michael Kang said that the biggest challenge for SMEs is cash flow as they evaluate how Malaysia's RM250 billion Prihatin Rakyat Economic Stimulus Package will mitigate Covid-19's economic impact on them. SME Malaysia in partnership with Bizsphere launched a survey, aimed to gauge the sustainability of SMEs during the Covid-19 crisis and MCO impact on these companies.. It is expected that there will be no cash inflow for at least 3 months due to MCO. Yet, SMEs will still need to continue pay full salary, rental and some statutory payments. Nearly one-third of SMEs can only have enough cash flow for March while 37.8% can only sustain up to April. There are only 26.3% of SMEs found that government assistance through stimulus packages will help them sustain their business despite the additional allocation of RM100 billion loan to SMEs under the Prihatin Package. 77.6% of SMEs have yet to apply for the special relief fund. He said SMEs are afraid to have high gearing as many of them already have existing loans. The economic uncertainty for the next 6 months will burden repayment capability and they risk going under bankruptcy.</p> <p style="text-align: right;"><i>(Source: The Edge Market, 30 March 2020)</i></p>
<p>CAMBODIA</p> <p>Government officially launches a \$100 million Fund for SMEs</p>	<p>The Ministry of Economy and Finance has officially launched and implemented the government's Co-Financing Scheme for SMEs. The fund is now available for all prioritised SMEs sector. The government's SME Co-Financing Scheme, aims at providing loans with low interest rates to bolster and develop the SMEs in the prioritised sector, such as manufacturing and handicraft to boost the local production and fulfill domestic consumption. The capital of the SME Co-Financing Scheme, amounts to \$100 million and is jointly funded by the SME Bank of Cambodia and participating commercial banks and microfinance institutions. For those small enterprises who want to apply for this loan, they must be a registered SMEs, have a turnover from 250 million riel (\$62,500) p.a. or employ from 10 to 50 people. However, for medium sized enterprises, they must have an annual turnover from \$175,000 or employ 51 to 100 people. SMEs can borrow up to \$200,000 for working capital and up to \$300,000 for investment capital. The maximum interest rate is 7% per year, and the repayment period is four years. The collateral is dependent on the criteria of participating financial institutions.</p> <p style="text-align: right;"><i>(Source: Khmer Times, 3 April 2020)</i></p>
<p>SINGAPORE</p> <p>New Enterprise Singapore initiative to help SMEs break into e-commerce market</p>	<p>SMEs who have little or no e-commerce experience, can start selling online through the E-Commerce Booster Package. It provides both cost and manpower support, aims to help retailers change their business model, and diversify their sales channels and revenue streams beyond traditional brick-and-mortar. The package provides support to retailers for domestic and overseas markets. For the domestic market, retailers will receive assistance from four e-commerce platform providers – Amazon, Lazada Singapore, Qoo10 and Shopee. Retailers will receive a one-time 90% support on qualifying costs for the fees charged, capped at S\$9,000. The platform providers will work with sellers to curate and list products for up to six months, participate in promotion campaigns, fulfill orders and perform basic data analytics of sales. Sellers eyeing overseas markets can use the ongoing Multichannel E-Commerce Platform Programme. The one-time support of 70% on qualifying costs is now enhanced to 90% until 30 Sept 2020, and retailers will receive help from solution providers to list and sell products on multiple overseas e-marketplaces. In terms of manpower, Enterprise Singapore will support 90% of the qualifying manpower cost for three months.</p> <p style="text-align: right;"><i>(Source: Channel News Asia, 2 April 2020)</i></p>

THAILAND

**Industry Ministry
defers SMEs' debt
payments**

The Industry Ministry will suspend debt payments for 12 months for SMEs affected by the Covid-19 outbreak who borrowed money from the 20-billion-baht Pracha Rat fund. The measure will cover over 5,600 businesses in the agriculture and processing, retail, services and tourism sectors. The government expects the measure will reduce the non-performing loan rate for SMEs. The Pracha Rat fund is aimed to support and help SMEs boost efficiency, productivity, quality, training programmes and marketing as many businesses struggle with slow growth and cannot access loans from financial institutions. The rescue measure will cover many provinces such as Bangkok, Samut Prakran, Songkla, Samut Sakhon, Pathum Thani, Nakhon Pathom and Phuket. The Industry Ministry recently has also announced it plans to roll out rescue measures by suspending debt payments for 6-12 months for 2,500 small community enterprises and SMEs through a revolving fund for household industries and handicrafts. The measure covers businesses in food, drinks, herbs, jewellery, souvenirs and clothing. Producers can apply for debt suspension in April.

(Source: Bangkok Post, 31 March 2020)