

SME WEEKLY NEWS

(22 June 2020 –26 June 2020)

Countries	Highlights
<p>MALAYSIA</p> <p>Prioritise local e-commerce players in giving Penjana incentives, says SME Association</p>	<p>SME Association of Malaysia is urging the Govt. to prioritise the disbursement of incentives under Penjana for local e-commerce enabler companies over foreign ones. Its president, Datuk Michael Kang said with the booming e-commerce market since MCO was implemented, greater importance should be placed on local players to further drive the domestic e-commerce industry forward. Under Penjana, the Government would be collaborating with private companies to run a 'Shop Malaysia Online' campaign to encourage online shopping with promotional codes and various discount vouchers being provided through e-commerce platforms. For this campaign, the government is allocating RM70 million to be matched by e-commerce platforms. Datuk Michael Kang said local e-commerce enabler companies were not as strong as foreign e-commerce players operating in Malaysia due to the latter's vast financial war chest, cross-border expertise and technologies. However, Malaysia also had a strong ecosystem of local enablers including a few companies that have been internationally recognised. Hence the 'Shop Malaysia Online' campaign is an opportunity for local players to catch up with foreign e-commerce giants.</p> <p style="text-align: right;"><i>(Source: Malay Mail, 27 June 2020)</i></p>
<p>SINGAPORE</p> <p>AXA Singapore extends support for SME clients</p>	<p>New and existing AXA SmartPlan customers will receive an additional month of complimentary insurance coverage for their annual policy if they enrol or renew their policy from June 01 to August 31. AXA SmartPlan provides SMEs with comprehensive covers to support their business needs. With working from home becoming the new normal during the pandemic, many firms' portable electronics are often left uninsured when brought home by employees. SmartPlan can cover the cost of repairs or replacement of portable electronic equipment such as laptops but excluding mobile phones, if damaged. AXA will provide SMEs complimentary coverage up to SG\$5,000 per equipment, which can be topped-up if required. F&B businesses have become more focused on takeaway and delivery orders in recent months, making exposure to food poisoning a concern. AXA will provide SMEs with complimentary food poisoning cover, of up to SG\$500,000, with additional cover available. AXA also said that it will cover claims, legal costs and expenses incurred as a result of employees' work accidents or illnesses, including Covid-19 arising from and in the course of work. In order to help businesses struggling with cash flow, AXA provides the option of interest-free monthly payment of premium, instead of lump sum upon enrolment.</p> <p style="text-align: right;"><i>(Source: Insurance Business Asia, 24 June 2020)</i></p>
<p>THAILAND</p> <p>Central bank tweaks B500bn soft loan scheme for SMEs</p>	<p>The Bank of Thailand is fine-tuning the process of offering 500 billion baht in soft loans with an aim to provide virus-hit SMEs with better access. The central bank has talked with banks about tweaking the scrutiny process to give SMEs easier access to the funding source after some barriers arose. The imminent rejig will prioritise the soft loan approval process but will keep the same borrower categories and loan conditions because the royal decree does not allow any changes in conditions. About 51,991 SMEs have applied for the central bank's soft loans with a credit line request of 80.7 billion baht after the scheme's applications were made available in April 2020. The central bank is offering the 500 billion baht in soft loans at 0.01% interest to FIs for two years to re-lend to SMEs with a maximum credit line of 500 million baht at 2% interest. The government will absorb interest charges for six months for SMEs that receive soft loans. To be eligible, SMEs must operate domestically, be non-listed companies, have a credit line of up to 500 million baht from FIs, and continue to service debt or make late payments of less than 90 days at the end of last year.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 24 June 2020)</i></p>

CAMBODIA

More SMEs look to SCFS for loans

It has been a little over two months since the government launched 'SME Co-Financing Scheme 2020' (SCFS) to provide SMEs with loans and preferential rates to maintain and develop their businesses and production lines. Financial institutions participating in the project have reported rising demand in loan applications. The Ministry of Economy and Finance launched the Small and Medium Enterprise Bank of Cambodia (SME Bank) in April with initial capital of \$100 million in tandem with the SCFS, a joint venture between SME Bank and partner financial institutions. The SCFS aims to provide low-interest loans to SMEs and build up priority sectors – manufacturing and handicrafts, curb imports while satisfying domestic demand, and create employment opportunities. The ministry has said SMEs can borrow \$200,000 for working capital and \$300,000 for investment capital from the bank, at a 7% annual interest rate and a payback period of not more than 7 years – revised from 4 years initially. The collateral depends on the criteria of the financial institution. All SMEs can apply for a loan but they must be registered with the ministry.

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

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