

SME WEEKLY NEWS

(28 September 2020 – 2 October 2020)

Countries	Highlights
<p>MALAYSIA</p> <p>SME Corp partners Aspirasi to provide micro-financing for SMEs in Malaysia</p>	<p>SME Corp. Malaysia, an agency under MEDAC, has signed a Memorandum of Agreement (MoA) with Aspirasi, a digital financing services provider under Axiata Digital, to empower SMEs in the country through digital financing solutions. The agreement is crucial for narrowing the financial inclusion gap, as well as to assist underserved businesses to embrace technology as the country moves towards a digital economy. This collaboration will benefit microenterprises through Aspirasi Assist, an initiative from Aspirasi that offers syariah-compliant micro-financing from RM1,000 up to RM20,000. Aspirasi Assist offers favourable terms, such as a 6-month grace period, profit rates as low as 0.5% and approved applicants receiving funding within 48 hours. Aspirasi Assist also provides micro-insurance as an additional benefit to protect approved applicants. MEDAC through SME Corp. Malaysia will collaborate with GLCs and private sectors to enhance access to financing for microenterprises. Entrepreneurs and microenterprises, especially those who have been impacted by the pandemic and the MCO are encouraged to seize this opportunity to obtain financial assistance through this partnership.</p> <p style="text-align: right;"><i>(Source: Digital News Asia, 29 September 2020)</i></p>
<p>CAMBODIA</p> <p>Smart Axiata launches help for startups/SMEs</p>	<p>To support startups and small businesses across Cambodia, Impact Hub Phnom Penh is launching a new education programme for entrepreneurs with funding from Smart Axiata's \$1 million Covid-19 relief fund. The free online course aims to help entrepreneurs overcome challenges that have emerged because of the pandemic. It is designed for SME founders and leaders who need solutions to improve their business and build a resilient company. Participants will learn how to assess their current business operations in order to adapt to changing circumstances by designing and implementing new plans. Entrepreneurs will also learn about different ways to acquire additional funding, engage customers and remodel their financial plans. The online classes will be available on Impact Hub's website where entrepreneurs can join at no cost. Business owners will be able to access different online modules and participate in monthly online group calls with other entrepreneurs. They will also have access to videos, various exercises, resources and case studies from around the world. Smart Axiata is partnering with Spring Activator, a Canadian startup supporter, which has experience navigating through three recessions.</p> <p style="text-align: right;"><i>(Source: Khmer Times, 2 October 2020)</i></p>
<p>SINGAPORE</p> <p>Singapore SME business sentiment sinks to all-time low</p>	<p>Business sentiment for the next six months at Singapore's SMEs plunged to the lowest ever amid Covid-19-induced uncertainty over prospects for global growth and economic activity. The latest SBF-Experian SME Index, a joint initiative of Singapore Business Federation (SBF) and information services company, Experian, saw its reading of business sentiment drop to 46.3 points, its lowest level since the inception of the gauge in 2009. The construction and engineering sector posted the steepest fall in business sentiment, probably because of additional costs and restrictions on restarting building projects. However, SMEs in retail and F&B sectors appeared to be less pessimistic, encouraged by the reopening of physical stores and eateries. Meanwhile, the global economy came to a virtual halt in the 1H2020 due to curbs on mobility to stem the pandemic. Singapore's GDP shrank by 13.2% y-o-y in the 2Q 2020, prompting the Ministry of Trade and Industry to cut its 2020 GDP growth estimate to a range of -7% to -5%. The SBF said SMEs across most sectors remain cautious, scaling back growth and expansion plans.</p> <p style="text-align: right;"><i>(Source: Straits Times, 29 September 2020)</i></p>

INDONESIA**Most small
businesses could
shut down in six
months due to
COVID-19: UNIDO**

Majority of small businesses might have to shut down within six months, as the restrictions aimed at containing Covid-19 are bringing the Indonesian economy to a standstill and destroying their revenues, according to a survey by United Nations Industrial Development Organization (UNIDO). Some 60% of small businesses might only survive six months if the pandemic restrictions were still in place. The survey also found that 92% of the surveyed micro enterprises were expecting a more than 50% y-o-y fall in revenue, leaving them the most severely hit sector. However, around half of the surveyed small businesses were expecting to recover in a month as the pandemic ended, 27% expected two to three months, 14% four to six months and the remaining 5%, more than six months. UNIDO suggested that the government offer a wage subsidy to help small businesses retain their workers, while collaborate with e-commerce platforms to help SMEs keep selling their products amid pandemic restrictions. The government has earmarked Rp 123.46 trillion (US\$8.3 billion) for MSMEs as part of the pandemic relief package.

(Source: The Jakarta Post, 1 October 2020)

Knowledge Management & Strategy Division
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