

SME WEEKLY NEWS

(6 April 2020 – 10 April 2020)

Countries	Highlights
<p>MALAYSIA</p> <p>Additional RM10bil for SMEs under Prihatin economic stimulus package</p>	<p>The government has allocated an additional RM10 billion for SMEs under the additional Prihatin Rakyat Economic Stimulus Package. From the total, RM7.9 bil has been allocated for Wage Subsidy programme, an increase from RM5.9 bil to RM13.8 bil. The additional allocation included a total of RM2.1 bil in grants that would be channelled to micro businesses registered with Inland Revenue Board as of January this year. SME sector contributed towards 40% of the country's economy, thus it was imperative to protect the interest of the companies. SMEs faced cash flow problems following the implementation of the MCO as well as red tape in accessing assistance from the government. The wage subsidy would benefit 4.8 million workers with a monthly income of RM4,000 and below. Previously on 27 March, RM250 billion Prihatin Rakyat Economic Stimulus Package has been announced, to benefit those affected by the Covid-19 crisis. Of the total, RM128 billion has been set aside to protect the welfare and well-being of the people, of which RM100 billion is allocated to help businesses including SMEs. Finance Minister said that the special stimulus package was aimed to ease the burden of Malaysian SMEs amid the global pandemic.</p> <p style="text-align: right;"><i>(Source: News Straits Times, 6 April 2020)</i></p>
<p>THAILAND</p> <p>BoT schemes to cover 1.7m SMEs</p>	<p>About 1.7 million SMEs with total loans outstanding of 2.4 trillion baht are eligible to participate in Bank of Thailand's (BoT) six-month deferment period on principal & interest and a 500-billion-baht soft loan scheme. Another measure is the Corporate Bond Stabilisation Fund, a pre-emptive strike to prevent the impact of the coronavirus pandemic from affecting financial stability. The three measures are among four in total under the third phase of the central bank's relief measures worth 900 billion baht, targeting SMEs and corporate bond issuers. Under the third package, all SMEs with a credit line of up to 100 million baht will be automatically offered the 6-month grace period on principal & interest to alleviate impacts on small and mid-scale SMEs. SMEs unaffected by the pandemic are advised to continue servicing debt as usual to allow lenders to retain higher liquidity to help those who are in need. Also, the central bank will provide 500 billion baht in soft loans at 0.01% annual interest to FIs for two years to relend to SMEs with a maximum credit line of 500 million baht at 2% interest. The government will absorb interest cost for six months for SMEs who receive soft loans. Moreover, the government will partly compensate financial institutions for losses that might be incurred on these additional new loans.</p> <p style="text-align: right;"><i>(Source: Bangkok Post, 8 April 2020)</i></p>
<p>MYANMAR</p> <p>Loans approved from COVID-19 fund for 400 small firms</p>	<p>Myanmar Investment Commission will be issuing emergency loans to around 400 small businesses that have suffered financial losses due to Covid-19 pandemic. Over 400 businesses submitted their loan application forms and the applicants have been determined to be genuine companies that have actually suffered losses. Most of the applicants are SMEs, including hotels and travel agencies. The first batch of funds will be released on 9 April, while other batches after the Thingyan holidays. The loan scheme was announced on 29 March, and the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) and its state & regional offices began accepting the loan applications from 30 March. There is no limit as to how much SMEs can lend as the amount depends on the needs of the business. The applications will be assessed at two levels, first is to see if SMEs comply with the specified sectors and requirements. If requirements are met, Myanmar Institute of Certified Public Accountants will inspect the accounts and recommend the loan amount that should be extended to each business. Then, a working committee will make their decision on the application.</p> <p style="text-align: right;"><i>(Source: Myanmar Times, 6 April 2020)</i></p>