

SME WEEKLY NEWS

(29 March 2021 – 2 April 2021)

Countries	Highlights
<p>MALAYSIA</p> <p>Majority of SMEs expect recovery in 2021, Mastercard Report</p>	<p>More than two thirds of SME in Malaysia expect their businesses to recover from the effects of the pandemic by April, while 80% indicated they have sufficient resources to see out the rest of the year. Despite still facing a number of challenges economically, between one fifth to one third of the businesses surveyed, depending on their industry, indicated that their operations had returned to pre-pandemic levels, with the manufacturing sector seeing the strongest return to form. Mastercard said while there's no doubt the Malaysian economy has been hit hard by the pandemic, the findings of this report gives cause to have optimism for recovery this year. Mastercard is working actively to support SMEs and businesses of all sizes as they adapt to a new normal, ensuring that they have the technologies and business insights they need to thrive in an economy that's becoming ever more digital by the day. Mastercard Impact Study for SMEs was carried out at the end of 2020 by Data & Services, Mastercard's professional services arm that encompasses the company's offerings beyond the transaction.</p> <p>With businesses continuously taking proactive measures following the pandemic, 31% SMEs are making investments to ensure that they're prepared for an economic turnaround. Furthermore, 21% established an online presence and 39% enhanced an existing online operation in order to better reach customers. Respondents indicated that labour, finance and sales were their biggest concerns, at 74%, 64%, and 63% respectively. Also, 85% respondents felt that assistance from banks has been either good or excellent. When asked about what form of support would be most valuable to their operations, 66% wanted lower interest rates, while 52% wanted extended grace periods on debt repayment. Interestingly, only half of the respondents were aware of the extent of the financial support offered by banks, which indicates an opportunity for FIs to conduct additional outreach with small businesses to help them better understand their options. Moving forward, 46% indicated an intention to move towards using non-cash options for payments. This is most likely a response to the way in which the pandemic drove a marked shift towards digitalisation, as contactless payments became safer for both consumers and employees.</p> <p><i>(Source: News Straits Times, 30 March 2021)</i></p>
<p>SINGAPORE</p> <p>Shopee to help SMEs upskill via SkillsFuture Queen Bee programme</p>	<p>Shopee partnered with SkillsFuture Singapore (SSG) to help SMEs upskill their operations and expand into the e-commerce sector. As part of the SkillsFuture Queen Bee programme, Shopee will work with SME sellers to identify their needs and formulate a training plan to support their efforts in moving towards e-commerce. For a start, Shopee will support the training of 30 SMEs by providing a skills manager who will plan, source, design and implement a training plan tailored to their needs. Shopee will also create a skills support ecosystem, bringing the SMEs together to learn and build up the necessary capabilities to excel in e-commerce. The SkillsFuture Queen Bee programme, which lists the help of industry leaders, or "queen bees", encourages larger companies onboard the programme to train both its own staff, as well as staff from other companies, especially those that work in the same industry. Under the Queen Bee programme, Shopee provides an online portal with resources and courses to support sellers in expanding into e-commerce. Shopee will also select five of its high-performing sellers to lead their communities by creating groups to share best practices, knowledge and resources. Sellers will have access to a step-by-step tutorial on how to participate in campaigns through a dedicated campaign website, on top of additional platform campaigns to boost visibility and traffic to their online stores, and increase sales for sellers.</p> <p><i>(Source: The Business Times, 31 March 2021)</i></p>

<p style="text-align: center;">THAILAND</p> <p>Thailand unveils more SME support</p>	<p>Thailand's cabinet approved financial support worth 350 billion baht (USD 11.2 billion) to support businesses adversely impacted by the COVID-19 pandemic. Finance Minister said the COVID-19 situation at home and abroad has had a widespread and longer than expected impact, thus affecting the business sector's ability to access liquidity and capital. The financial support measures which include soft loans, easier collateral requirement for credit, and extended loan repayment periods, will be used to sustain struggling sectors as well as SMEs with the potential to recover over time. Bank of Thailand announced it will provide 250 billion baht (USD 8.1 billion) in soft loans as a credit rehabilitation measure for business operators, with an emphasis on helping SMEs affected by the COVID-19 crisis. Another 100 billion baht will be allocated towards an "asset warehousing" scheme to support debtors who are unable to repay their loans. The scheme allows debtors to transfer assets for debt settlement while allowing them the right to buy back these assets later.</p> <p style="text-align: right;"><i>(Source: Regulation Asia, 29 March 2021)</i></p>
<p style="text-align: center;">CAMBODIA</p> <p>\$200M credit guarantee scheme launched</p>	<p>The Ministry of Economy and Finance launched a \$200 million credit guarantee scheme to provide SME with larger loans and easier application procedures to ensure their businesses remain afloat during the ongoing Covid-19 crisis. The Business Recovery Guarantee Scheme (BRGS), under the ministry's Credit Guarantee Corporation of Cambodia Plc (CGCC), will widen access to formal loans from participating FIs for working capital, investment and business expansions. CGCC's primary mission is to provide credit guarantees to participating FIs to assist financially-viable businesses that lack collateral to secure loans. CGCC's guarantee will act as collateral or security for 70-80% of the loan amount borrowed from participating FIs and hence reduce the physical collateral required from borrowers. The instrument comes at a timely moment to support businesses that plan to borrow from the PFIs during the pandemic. BRGS will prove a lifeline for SMEs with limited productive resources and budgets that had traditionally been unattractive to lenders and financiers.</p> <p style="text-align: right;"><i>(Source: The Phnom Penh Post, 29 March 2021)</i></p>