

SME WEEKLY NEWS

(26 July 2021 – 30 July 2021)

Countries	Highlights
<p>MALAYSIA</p> <p>Malaysian SMEs' GDP shrank 7.3% in 2020, more than overall economy's contraction of 5.6%</p>	<p>Malaysia's SMEs GDP contracted by 7.3 % in 2020, sharper than the decline in Malaysia's GDP and non-SMEs GDP, which shrank by 5.6% and 4.6% respectively. The various measures to curb the spread of Covid-19 during the prolonged pandemic health crisis has resulted in the decline of Malaysia's economic sectors, especially SMEs. SMEs registered a nominal GDP of RM512.8 billion in 2020, decreasing its contribution as a share of Malaysia's GDP to 38.2% from 38.9% in 2019. Since 2004, this was the first time the SMEs' performance was lower than the Malaysia's GDP and non-SMEs GDP. SMEs GDP for all sectors contracted in 2020, where SMEs value added for the services sector decreased by 9.2% in 2020 (2019: 7.5%). The sluggish momentum was attributed to the decline in wholesale & retail trade, F&B and accommodation sub-sector. SMEs in the construction sector declined 15.4%, contributed by the decline in all its sub-sectors. Value added of SMEs in the manufacturing sector registered negative growth of 2.9% influenced by non-metallic mineral products, basic metal and fabricated metal products. Value added of SMEs in mining & quarrying sector dropped to 7.1% in 2020 while value added of SMEs in the agriculture sector decreased to 0.3%.</p> <p><i>(Source: The Edge Markets, 28 July 2021)</i></p>
<p>MALAYSIA</p> <p>SMERF financing scheme to help affected biz</p>	<p>SME Corp. Malaysia in collaboration with MIDF have introduced a new financing facility called SME Revitalisation Financing (SMERF). The financing scheme offers financing amount up to RM250,000 or up to 90% of total costs of eligible items with an interest rate as low as 3%. It has been developed to facilitate viable SMEs constrained by financial difficulties and underserved sectors to sustain and continue to strive through enhancement of their products' marketability, business sustainability as well as adoption of technology and modernisation. This product can help strengthen their core businesses, improve productivity and sustain jobs via fast and more flexible ways of financing. Introduction of SMERF will give breathing space to SMEs including microenterprises in the face of economic headwinds they are facing. The financing will ease cashflow blockage faced by viable SMEs in revitalising and achieving business goals, strengthening core business and building capacity and capability. MIDF is pleased to play their part in supporting the nation's economic recovery and assisting SMEs as the growth engine.</p> <p><i>(Source: The Malaysian Reserve, 27 July 2021)</i></p>
<p>SINGAPORE</p> <p>Application period extended for programme to help small firms restructure debts, wind up</p>	<p>The application period for a programme to help small and micro companies restructure their debts or wind up their businesses has been extended by a year. The Simplified Insolvency Programme (SIP) will be open for application until 28 July 2022, the Ministry of Law (MinLaw) announced. The extension of the SIP comes as the business environment continues to be challenging for some sectors, even as Singapore transitions towards an endemic Covid-19 situation. This is due to an uncertain global outlook and changes to safe management measures to reduce the risk of Covid-19 transmissions locally. The SIP consists of two separate programmes which eligible companies can apply for. One is for the restructuring of debts and the potential rehabilitation of viable businesses, while the other is geared towards orderly winding up of non-viable businesses. To qualify for the SIP, the number of creditors cannot exceed 50 and the number of employees cannot exceed 30. If accepted into the SIP, micro and small companies and their stakeholders will benefit from simpler, quicker and lower-cost insolvency proceedings, which seek to optimise resources and potentially maximise returns to creditors.</p> <p><i>(Source: The Straits Times, 26 July 2021)</i></p>

INDONESIA**Transporta offers free trial of transport management system to Indonesian SME truckers**

Transporta, an Indonesian tech startup, announced today a free trial of its transport management system (TMS) for SMEs in the logistics space. This allows companies with 20 or less trucks in their fleets to use Transporta's TMS services at no charge, for up to 75 trips per month. This CSR initiative aims to help SME truckers swiftly adapt to Indonesia's massive digital migration due to the pandemic and rise in e-commerce activity, while keeping costs low. Offering free platform and TMS solutions, Transporta also aims to tackle two-pronged problems plaguing SMEs' logistic processes. The problems include the sudden influx of e-commerce orders from retail customers resulting SME truckers transporting goods in half-full trucks at a moment's notice, with empty haul back to origin city and barely any route optimization. Secondly, these SME truckers are losing out to larger fleets due to the low level of digital adoption and the high cost of logistics solutions.

Resolving these old-fashioned and manual processes, Transporta's solutions give a bird's eye-view of SMEs truckers and logistics operations through a centralized cloud platform. As a result, truckers can maximize the speed of their daily operations and utilize resources such as routes, truck space, petrol usage, and driver cohorts efficiently, driving both profitability and delivery performance. Logistic companies will be able to send bids, process orders, schedule routes and drivers, track deliveries, and invoice clients -- all from a single web application at zero-cost. Apart from its main TMS solution, Transporta also provides a telemetry system to track each truck in every fleet, providing accurate and updated location information for all assets and building a digital footprint for SME truckers.

(Source: Yahoo Finance, 30 July 2021)