

# SME WEEKLY NEWS

(21 June 2021 – 25 June 2021)

Countries	Highlights
<p><b>MALAYSIA</b></p> <p><b>SMEs in Malaysia still lag in digital adoption: World Bank</b></p>	<p>Despite SMEs being the backbone of the economy, digital adoption among SMEs lags behind that of larger firms, according to the World Bank Malaysia. The World Bank's report indicated that Malaysia has a high number of SMEs, but account for a low share of the activity. Digital adoption among SMEs lag behind those of large firms and firms are interested in government's assistance for the adoption of digital solutions. Only about one in three businesses in Malaysia have implemented digital transformation strategies, while less than one in four businesses have a dedicated digital strategy team. Malaysia also has "fewer businesses with websites, and fewer secure servers than per capita income would predict" compared to other countries. As of 2017, only 37.8% of business establishments in Malaysia have a web presence. The World Bank also stated that large export-oriented firms dominate the digital economy as they adopt e-commerce at higher rates than SMEs. According to Khazanah Research Institute, digital adoption by SMEs is most concentrated in front-end computing devices and connectivity (below 85%), and least prevalent in back-end business processes such as inventory management (14%) and order fulfilment software (11%). Furthermore, only 44% and 54% of SMEs use cloud computing and data analytics, respectively.</p> <p style="text-align: right;"><i>(Source: Techwire Asia, 24 June 2021)</i></p>
<p><b>SINGAPORE</b></p> <p><b>Singapore SMEs, individuals, given 'final extension' to resume full loan repayments</b></p>	<p>Monetary Authority of Singapore (MAS) and financial industry announced the "final extension" of relief measures to resume full loan repayments for individuals and business affected by the pandemic. The application window to reduce instalment repayment plans for mortgages, convert outstanding balances to term loans at a reduced interest rate, and to extend loan tenures for debt consolidation plans, renovation and student loans, will now end on 30 Sept 2021, 3 months beyond the original deadline of 30 June 2021. Existing relief measures allow for loan tenures for renovation and student loans to be extended up to 3 years; and for debt consolidation plans to be extended up to 5 years. Eligible SMEs under the Extended Support Scheme - Standardised can opt to defer up to 80% of principal payments on secured loans, as well as loans granted under Enterprise Singapore's Enhanced Working Capital Loan Scheme and Temporary Bridging Loan Programme till 30 Sept 2021. This applies to SMEs in Tiers 1 and 2 sectors, including aviation &amp; aerospace, tourism, hospitality, conventions &amp; exhibitions, built environment, licensed food shops &amp; stalls, qualifying retail outlets, arts &amp; entertainment, land transport, and marine &amp; offshore.</p> <p style="text-align: right;"><i>(Source: Business Times, 24 June 2021)</i></p>
<p><b>PHILIPPINES</b></p> <p><b>World Bank approves \$400-million loan for PH financial sector boost</b></p>	<p>World Bank approved a \$400-million (P1.9-billion) loan for the Philippines to make its financial sector more inclusive amid the pandemic. The First Financial Sector Reform Development Policy Financing loan is the first of two programs which seeks to strengthen the Philippines' financial sector stability, expand financial inclusion and promote disaster risk finance that protects national budgets and businesses. The latest loan is under the Bank's development policy financing, which provides quick-disbursing assistance to countries undertaking reforms. In addition to providing timely financial resources to support government financing needs, the loan will help meet the immediate needs of individuals and SMEs under strain. The Philippine government contracted a total of \$17 billion in financing from external sources in 2020, around \$15 billion of which were sourced externally. It aims to secure \$23.7 billion in 2021 to bridge the budget deficit and provide funds for priority projects amid the pandemic. In particular, the Department of Finance aims to get \$7.67 billion in loans and grants from multilateral institutions, \$10.54 billion from bilateral partners, and \$5.5 billion from commercial markets.</p> <p style="text-align: right;"><i>(Source: Rappler.com, 26 June 2021)</i></p>