

SME WEEKLY NEWS

(17 May 2021 – 21 May 2021)

Countries	Highlights
<p>MALAYSIA</p> <p>E-commerce platform Aladdin1 to focus on social commerce</p>	<p>SME Association of Malaysia has urged the Government not to impose a full lockdown on the economy, warning that nearly 40% of SMEs will close down their business operations for good if that happens. The association said it has conducted a web dialogue with its members and is currently conducting a nationwide survey on the impact of the MCO 3.0. The initial report indicates that 91% of SMEs expect business revenue to be affected by MCO 3.0, with 37.5% of these companies expecting a drop of more than 50% in business performance. The survey also shows that 84.5% of SMEs will be significantly affected by MCO 3.0. If the same type of measures that were enacted during MCO1.0 are exacted in MCO 3.0, more than 40% of SMEs will be in dire financial straits and two million jobs will be lost. A total of 88.5% agreed that business performance will be significantly affected if the National Covid-19 Immunisation Programme (NIP) is delayed. The association also pointed out that many industries such as tourism, tourism-related, events management, private education and enrichment centres have been suffering for a long time since the pandemic began in March last year.</p> <p style="text-align: right;"><i>(Source: The Edge Markets, 19 May 2021)</i></p>
<p>CAMBODIA</p> <p>Dutch bank FMO proposes \$10mn boost to Laos-Cambodia SME fund</p>	<p>Dutch entrepreneurial investment bank, the Netherlands Development Finance Co (FMO) has proposed a \$10 million investment in ASEAN Frontier Markets LP, a private equity (PE) fund that targets investments in SMEs in both Cambodia and Laos. The proposed investment will be made through the Micro and Small Enterprise Fund (MASSIF), which is run by the FMO on behalf of the Dutch government. MASSIF provides a number of financial services, such as bank accounts, savings services and loans for micro, small, and medium-sized entrepreneurs. The investment will allow them to keep supporting a trusted local partner in countries where they have limited private equity (PE) teams with presence and local knowledge. ASEAN Frontier Markets Fund LP, which is the third fund managed by Emerging Markets Investment Advisors (EMIA), will focus on early-stage investments and is expected to also add non-financial value through job creation, training, improved business governance, improvement in labour practices and the launch of new products and services in Cambodia and Laos.</p> <p style="text-align: right;"><i>(Source: Khmer Times, 21 May 2021)</i></p>
<p>PHILIPPINES</p> <p>PSE asked to report on SME participation in stock market</p>	<p>Philippine Stock Exchange (PSE) has been ordered by Department of Finance (DoF) to submit a progress report on the participation of SMEs in the stock market, amid a broader effort to encourage listings from small businesses. The PSE is currently rolling out a marketing campaign to inform small companies of the relaxed listing rules for initial public offerings, in a bid to encourage more small companies to go public. The PSE in March relaxed listing requirements both for the main and the SME boards and has adopted “a measure that will gauge a company’s suitability for listing despite the challenges it is facing due to the pandemic”. The changes include easier track record and operating history norms, with new guidelines for sponsor models in the case of those looking to list on the SME board through a sponsor company. More tools are available online for companies to assess their readiness to conduct IPOs. The same tools can also help investment houses make their own assessments of listing prospects. Nevertheless, compliance struggles and the impact of the pandemic may have caused SMEs to shun listing on the exchange.</p> <p style="text-align: right;"><i>(Source: Business World, 17 May 2021)</i></p>