



News Update on Mitigation of COVID-19 Crisis #18 – 09/28/20

How governments and IFIs are supporting SMEs through the lockdown:

For a detailed summary of mitigation actions being taken by national governments, see [this page](#) produced and updated by the **IMF**.

- ✓ **The United Kingdom** unveiled the [Winter Economy Plan](#) to protect jobs and support businesses over the coming months. This step by the UK's Treasury will give over one million business the flexibility to pay back their loans and save thousands of viable jobs this winter.
- ✓ **The European Commission** has approved the modification of the [Operational Program for Mazovia region](#) in **Poland**. Specifically, EUR 95.9 M were reallocated from the Cohesion policy budget to initiatives aimed at strengthening health, education, and SMEs. Almost a third of these funds, specifically EURO 33.6 M, is assigned to SMEs to help them continue their operations and save employment.
- ✓ **The U.S. International Development Finance Corporation (DFC)** is in talks with the government of Serbia on the launch of a [guarantee scheme](#) for the support of local SMEs. If approved, the scheme will provide at least USD 1 B in liquidity.
- ✓ **The European Bank for Reconstruction and Development (EBRD)** is scaling up its support to SMEs in **Uzbekistan** by [providing a new loan](#) to **Bank Asaka**. The loan will be provided in two tranches of USD 20 M and USD 30 M, respectively, and will be disbursed in three different currencies, which are US dollars, Euros, and Uzbek sums.
- ✓ **EBRD** is in the process of updating its [action plan](#) in **Egypt**, which is expected to be approved in 2021. According to the plan, EBRD will continue investing in the private sector, particularly SMEs.

How banks and other financial service providers are adapting to the prolonged crisis:

- ✓ **Malayan Banking Berhad (Maybank)** is targeting an 18% growth in its SME loans this year, outpacing the last year's 15% growth. To achieve this objective, the banking group has launched their [SME Digital Financing solution](#), a program that approves SME loan applications within 10 minutes.
- ✓ **HSBC Singapore** is [enabling SMEs to access and utilize receivables financing](#) via Singapore's **Networked Trade Platform (NTP)**. The bank aims to achieve 15% market share in the SME sector of Singapore by 2021. To that end, the bank launched the online banking platform HSBCnet for SMEs, SME Green Loans, and HSBC Pioneer, a 12-month program for fast growing businesses, among other products and initiatives.

- ✓ **Barclays** initiated a partnership with **Propel** to provide [one million SMEs with speedy access to asset finance](#) via online platform. Barclays relationship managers will connect to Propel's online portal, which gives swift decisions for loans up to USD 128,344 for SMEs already banking with Barclays. As a result, SMEs will be able to purchase equipment up to the value of USD 2.6 M, with funds regularly released within 24 hours.
- ✓ **Mastercard and its partners N-Frnds, SGeBIZ and Finastra** [entered into an agreement](#) with the **Asian Development Bank** to provide funds to SMEs. Mastercard's technology solutions will provide wholesaler access to credit and fully digitalized marketing campaigns, among other benefits.

How FinTech companies can adapt to the new normal:

- ✓ **Marco Financial**, the first tech-enabled financing platform built for **Latin American** exporting SMEs, secured USD [26 M in funding and credit](#). Macro Financial will use the funds to address the USD 1.5 T global trade finance gap that has disproportionately impacted the SMEs.
- ✓ **Dubai SME**, a part of Dubai Economy, is [partnering with lending platform Beehive](#) in an effort to enable individuals to invest in SMEs in the country. Dubai SME has allocated USD 6.8 M to the capital guarantee program, which is managed by the Mohammed Bin Rashid Fund and the Beehive Platform.
- ✓ The Pan-African energy leasing company, **Solarise Africa**, has secured a further [USD 10 M](#) investment from **Proparco**, alongside existing investors, **EAV** and **EDFI Electrifi**. **Solarise Africa** will use these funds to enable African SMEs to pursue renewable energy sources.
- ✓ European fintech **Neo** launched a new international [multi-currency SME bank account](#). Neo offers FX swaps and options in up to 80 currencies for hedging and risk management purposes.
- ✓ **Khalifa Fund for Enterprise Development** and **Amazon** teamed up on a [new program to back SMEs in Abu Dhabi](#). This partnership will motivate innovations within the Abu Dhabi's SME sector.
- ✓ Vietnamese fintech firm, **Kim An Group**, has raised [new funds to upgrade its technology system](#). The firm provides end-to-end services in sales and credit scoring technology to connect banks and financial companies to MSMEs in **Vietnam**.

Reflections and Insights on COVID-19 and the future of SMEs:

- ✓ Mehul Sutariya published an [article](#) on **the ways that mobile business solutions can transform the SME landscape** in the years to come. In Mehul Sutariya's opinion, the way forward lies beyond the storefront and the Facebook page and leverages mobile devices to offer unique experiences, such as AR, that cannot be obtained offline.
- ✓ In his Crowdfundinsider.com article, Omar Faridi [discusses](#) the University of Indonesia study, according to which, **SME borrowers using local P2P Lender Investree were able to generate more revenue** and to better scale their business operations after getting loans from Investree.

For more industry news, visit the SME Finance Forum's [LinkedIn Discussion Group](#).