Volume 213

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WASME SME UPDATE

FORTNIGHTLY E- BULLETIN FOR GLOBAL UPDATE ON SME NEWS, EVENTS, & PROGRAMS

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AUSTRALIA

New manufacturing capability network boosts Australian SMEs in commercialization efforts

The Australian Manufacturing Capability Network (AMCN) is now actively supporting small and medium-sized enterprises (SMEs) in Australia to commercialise innovative products and services, marking a significant step forward for the nation's manufacturing sector.

Launched by the Australian Government in May 2024, the AMCN operates as an Industry Partner Organisation under the government's new Industry Growth Program (IGP), as revealed in a news release. This initiative, a key component of the National Reconstruction Fund, is designed to bolster the future of Australian manufacturing by fostering innovation and growth.

The AMCN represents a collaborative national effort, bringing together industry, government, and academia. It is spearheaded by the Advanced Robotics for Manufacturing (ARM) Hub, based in Queensland, which leads the network's initiatives. Over the past three months, AMCN partners have been developing tailored services to assist startups and SMEs in applying for the IGP, with a focus on providing deep technical expertise in areas like robotics, artificial intelligence, and autonomous systems.

The network hosted yesterday its first masterclass webinar on generative AI for technology and manufacturing businesses, signalling the start of its active engagement with the industry. Professor Cori Stewart, founder and CEO of ARM Hub, expressed her excitement about the network's pivotal role in this government initiative. "It is gratifying to now see the network in action, providing crucial technical support that enables SMEs and startups to become global innovation leaders," Professor Stewart stated. "We are thrilled to be partnering with the Industry Growth Program and thank the Australian Government for this opportunity. The network is committed to strengthening sovereign manufacturing capability and growing the national economy."

Australian Government Minister for Industry and Science, Ed Husic, announced that AMCN is one of four not-for-profit organisations collaborating with the IGP to help participating SMEs bring new products and services to market. The IGP offers expert advice on commercialisation and early-stage business growth, particularly for businesses operating in the priority areas identified by the National Reconstruction Fund. This month, the first five companies to receive IGP funding were announced.

As an Industry Partner Organisation, the AMCN complements the IGP by offering specialised advisory services based on its extensive expertise in various sectors. Professor Stewart pointed out the challenges faced by Australian industry, especially the 'missing middle' of ambitious export-oriented SMEs and startups. "Small businesses, which make up 96% of all Australian businesses, often struggle with low levels of free cash flow and limited human resources, which can hinder their ability to invest in and scale innovation," she noted.

The AMCN addresses these challenges by connecting SMEs with a comprehensive network of technology experts and essential commercialisation services. The network includes institutions such as CSIRO, Flinders University, Swinburne University of Technology, the Queensland Government, University of Technology Sydney, and Western Sydney University. It is further supported by technology partners, specialist providers, and venture capital investors.

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EGYPT

Egypt launches tax facilitation measures to boost investment

Egypt has unveiled the “first step” in a new tax facilitation package to enhance investor relations and address economic challenges. The announcement, made by Finance Minister Ahmed Kouchouk, will see the introduction of measures designed to streamline the tax system, boost productivity, and foster growth through increased production and exports. This follows the earlier announcement by his predecessor in the post, Mohamed Maait, who revealed in January that the tax authority is close to completing a new draft income tax law.

Speaking at a press conference attended by Prime Minister Mostafa Madbouly, Kouchouk said that a simplified and integrated tax system will be implemented for businesses with annual revenues of up to 15 million Egyptian pounds ($309,*525), covering small and micro enterprises, startups, freelancers, and professionals. “We have started studying the challenges on the ground, and our decisions reflect our seriousness in meeting the needs of our partners in the tax community,” he said, adding: “We are continuing the ‘tax hearings’ and moving immediately with other packages of facilitations to stimulate the business community, with a focus on clarifying and defining the procedures and executive rules decisively so that we do not leave matters to personal estimates in the tax regions and offices,*” Kouchouk said. “*We are targeting a tangible improvement felt by the business community in the quality of tax services provided to them in the tax regions and offices*,” he added, according to a post on the prime minister’s Facebook page.

The minister of finance described the announcement as “the beginning of a new page” between the tax authority and the business community. “*We confirm that the partnership is rooted in trust between all parties and that we will focus on the future, not the past, we will provide fair and distinguished service to investors and financiers, we will focus on expanding the tax base, and this ensures the interests of the state and investors and the ability to improve support and services for citizens*,” he said.

Efforts will be made to integrate informal economic projects into the formal sector using various facilitation techniques. Taxpayers can submit or amend returns for 2021 to 2023 without facing penalties.

Kouchouk said that tax returns will be simplified and that the sample inspection system will be expanded to include all tax centers. Tax audits will now use a risk management system for all taxpayers across offices and regions to streamline processes. Previously, penalties for delays could exceed the original tax amount several times. Now, a cap has been set so penalties will not exceed the original tax amount under any circumstances, he said.

The minister added that efforts will be made to expedite dispute resolution and clear accumulated tax files to boost economic activity, while the exemption threshold for "transfer pricing studies" for international companies will also be increased to 30 million Egyptian pounds. He also said the introduction of a new centralized settlement mechanism and a simplified value-added tax refund system would ease the burden on investors and create a competitive, investment-friendly environment.

The initiative aims to support the North African country's efforts to maximize production and export capabilities, and the tax relief package includes a graduated legal handling principle for the non-submission of tax returns, linked to annual turnover, benefiting taxpayers. *"There will be a serious investment in enhancing the efficiency of the employees at the Egyptian Tax Authority and improving their conditions in line with the burdens and responsibilities required of them,"* Kouchouk said. He also mentioned that a modern, integrated system will be introduced to evaluate employees based on performance metrics and the quality of services provided to taxpayers. "*We in the Ministry of Finance and the Egyptian Tax Authority are a unified and harmonious team that believes in this direction, as reflected in the first tax relief package*," the minister said.

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ETHIOPIA

DBE, MoLS Ink $43 Million Agreement to Support Youth Entrepreneurs and Small and Medium Enterprises

Development Bank of Ethiopia (DBE), in its partnership with the Ministry of Labor and Skills (MoLS), signed an agreement to disburse $43.8 million to finance youth entrepreneurs and Small and Medium Enterprises. Yohannes Ayalew (PhD), President of DBE, and W/ro Muferiat Kemal, Minister of MoLS, signed the agreement on September 3, 2024, at the MoLS premises.

At the signing ceremony, Yohannes Ayalew (PhD) stated, "Today's agreement is critical for enhancing financial provisions. The bank, in collaboration with the ministry, has completed preparations to integrate the youth into the workforce this year." Yohaness further said, "A total of $43.8 million, funded by the African Development Bank, will be utilized for agriculture based businesses. For this, the bank will coordinate with relevant stakeholders to make the finance accessible.

Muferiat Kamil, Minister of MoLS, on her part said, “The agreement will have its key role in strengthening SMEs that work in the agricultural sector and create more job opportunities in the field.” She went on saying, “Maximizing exportable products has been given due attention in the Home Growth Economic Reform, and putting the youth to work in the field of agriculture will play a significant role in improving the export business.”

It was indicated at the ceremony that further collaborations between the two institutions will enhance additional support for innovative entrepreneurs. Development Bank of Ethiopia (DBE) has introduced a financing initiative called "Idea Financing" to support innovative entrepreneurs.

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GHANA

IFC and Access Bank Partner to Support Access to Finance for Small Businesses in Ghana

To support economic activity and job creation in Ghana, IFC today announced a partnership with Access Bank to increase access to finance for small businesses in the country, with a portion of the funding specifically dedicated to women entrepreneurs.

Under the partnership with Access Bank, IFC will invest up to $10 million local currency equivalent in an unfunded risk sharing facility (RSF) to increase lending to small and medium-sized enterprises (SMEs) in Ghana, including those in the agriculture, health, education, and green sectors, supporting waste reduction, energy saving, and sustainable building practices.

The RSF will provide a 50 percent guarantee on a portfolio of eligible loans to SMEs of up to $20 million local currency Ghanaian Cedi equivalent, eliminating the risk of currency fluctuations. At least 25 percent of the facility will support women-owned SMEs (WSMEs).

The RSF is processed under IFC's Small Loan Guarantee Program (SLGP), a program supported by the European Fund for Sustainable Development (EFSD) as part of the EU's Global Gateway strategy. The aim of the program is to de-risk and scale up financing for SMEs in Ghana and other eligible countries to enhance financial inclusion, job creation, and bridge the SME finance gap in emerging economies.

IFC will also provide advisory support to help Access Bank strengthen its capacity to lend to SMEs and help them enhance their financial and business management skills. *"At Access Bank, we believe that empowering micro, small, and medium enterprises is crucial to promoting economic growth and development," said Olumide Olatunji, Managing Director of Access Bank Ghana. "Our partnership with IFC is a major step towards enhancing financial access for these businesses, while giving them the financial push to thrive and contribute meaningfully to the country's economy."*

IFC's support will help Access Bank Ghana increase its reach to key segments that remain traditionally underserved by financial institutions, with the aim of tripling the bank's WSME loan portfolio to $60 million by 2028. SMEs represent the vast majority of businesses in Ghana and are an important source of job creation.

"IFC's commitment to supporting SMEs with local currency funding reflects our dedication to driving economic growth and job creation in Ghana," said Kyle Kelhofer, IFC Senior Country Manager for Ghana. "With both financial and advisory support, IFC is empowering Ghana's smaller businesses and fostering a more inclusive and resilient economy."

Although financial inclusion has improved in sub-Saharan Africa in recent years, small and medium-sized businesses still identify access to finance as a key constraint. According to the Global Findex Database, the credit gap for women-owned SMEs in Ghana was estimated at $213 million in 2021.

In the last decade, IFC has provided close to $2 billion in financing and advisory services in the Ghanaian economy, investing in key sectors such as healthcare, energy, agribusiness, financial services, infrastructure, manufacturing, retail, education, and tourism.

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MALDIVES

President Dr. Mohamed Muizzu Ratifies the New Foreign Investment Law, Modernizing the Foreign Investment Framework of Maldives

In a significant move towards enhancing the investment climate in the Maldives, President His Excellency Dr. Mohamed Muizzu today, has ratified the new Foreign Investment Law. The law brings significant changes to the foreign investment framework of the Maldives, replacing the old legal structure that has governed foreign investments for over 45 years. The primary objective of the new law is to promote FDI in the Maldives by creating a more transparent and secure environment for foreign investments.

The law seeks to streamline processes for investment approval, provide clarity on investor responsibilities and rights, grant assurance on investment security, and includes provisions to give effect to multilateral and bi-lateral treaties on investment promotion and protection. The new law will come into effect three months from the date of ratification and will apply to all foreign companies and individuals intending to undertake business on a long-term basis in the Maldives. When the law comes into effect, foreign investments established and operating under approval issued by the Ministry shall be deemed to be investments authorized under this Act.

Under the new law, all foreign entities or individuals seeking to establish a business in the Maldives on going concern basis will need to secure an investment license before commencing business operation and comply with the terms of the license for the duration of their operations. The law also seeks to improve transparency and equitable treatment of investors by mandating the Ministry, in consultation with the Cabinet, to publish business areas closed and restricted for foreign investments, and outlining any special conditions applicable to invest in restricted areas.

The criterion for this determination includes national security considerations, competitiveness impact, the prevalence of domestic players in the market, foreign expertise and knowledge required for specific sectors, and potential contributions to employment opportunities and human capital development. The law also accords investors specific responsibilities and rights while conducting business in the Maldives, including the right to fair and equitable treatment, repatriation of profits, and assurance of fair compensation in cases of expropriation which can only be for specific public purposes or national security reasons. These measures address long-standing investor concerns relating to the security of their investments in the Maldives.

The law also establishes mechanisms for investor complaints and remedies, by providing an avenue for investors to approach the Ministry regarding administrative decisions taken by the Ministry or other Government agencies. The law requires the Ministry to review and assess such complaints through an independent committee.

The law allows for the enforcement of existing bilateral and multilateral investment treaties, ensuring that provisions within these treaties take precedence. This is a critical assurance sought by major investors looking to establish and expand their presence in the Maldives. With the new law in place, Maldives is poised to attract higher levels of FDI, driving economic growth and diversification. This development is expected to generate new employment opportunities, enhance human capital, and solidify the position of Maldives as a competitive and secure investment destination for international investors.”

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PAKISTAN

PM Shehbaz Directs Measures to Boost SMEs Profitability

Prime Minister Shehbaz Sharif has called for immediate measures to enhance the profitability of small and medium enterprises (SMEs), emphasizing their pivotal role in driving national economic growth.

Chairing a meeting of the steering committee of the Small and Medium Enterprises Development Authority (SMEDA) on Friday, the prime minister directed authorities to focus on capacity building and export enhancement for SMEs.

During the meeting, the prime minister was briefed on the government's strategy to uplift SMEs. He referred to SMEs as the "engine of national development" and stressed that strengthening this sector is critical to improving the country's economic outlook. He instructed the immediate operationalization of the SMEDA Board to ensure prompt implementation of the SME development strategy.

Prime Minister Shehbaz also highlighted the importance of increasing the role of women entrepreneurs in the SME sector. He urged relevant authorities to include women in decision-making processes related to SMEs and provide support for their businesses. "Women's participation is essential for a vibrant economy," he noted.

To enhance SME exports, the prime minister called for raising product standards to align with international practices. He also advocated for the involvement of experts of global repute to help elevate the competitiveness of Pakistani SMEs in the global market.

The briefing covered various measures aimed at making SMEs more profitable. Among the key points discussed were improving access to easy loans, promoting SME exports, and integrating climate resilience into SME operations. It was noted that the government would facilitate SMEs in securing loans to help them launch and grow their businesses. Additionally, efforts to tackle climate change would include the introduction of technology for manufacturing textiles using recycled materials, providing an eco-friendly boost to the sector.

Prime Minister Shehbaz underscored the need for a new policy framework for SME development, which would be based on the latest data and trends. This updated policy would provide a more targeted approach to addressing the challenges SMEs face and increasing their contributions to the national economy.

The meeting was attended by key government officials, including federal ministers Ahad Khan Cheema and Rana Tanveer Hussain, the State Bank governor, the chairman of the Federal Board of Revenue, and the president of the Federation of Pakistan Chambers of Commerce & Industry (FPCCI), alongside members of the steering committee. The gathering focused on formulating actionable plans to enhance SME profitability and competitiveness on a national and international level

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ASIA

Tokyo Stock Exchange announces additional partners for TSE Asia Startup Hub

Tokyo Stock Exchange, Inc. (TSE) has announced the additional partners for its TSE Asia Startup Hub, which was launched on March 25, with the aim of building an ecosystem that supports the growth of promising Asian startups. TSE said in a statement on last Friday that that 21 venture capitals and one bank, which invest in unlisted Asian companies, have joined TSE Asia Startup Hub as the third batch of partners. This brings its total number of 52 partners and four observers.

According to the statement the latest bank that joined TSE Asia Startup Hub is Korea Development Bank. Meanwhile, the latest batch of venture capital firms that joined the hub is CAC CAPITAL Co., Ltd; CDIB Capital Group; Cool Japan Fund Inc; CyberAgent Capital, Inc; Daiwa Corporate Investment Co., Ltd; Genesia Ventures, Inc; Global Brain Corporation; Gobi Partners; IMM Investment Japan Corp; Incubate Fund KK; IndoGen Capital; IT-Farm Corporation; JAFCO Investment (Asia Pacific) Ltd; JIC Venture Growth Investments Co., Ltd; KK FUND (KK Investment Management Pte. Ltd.); Monk's Hill Ventures Pte. Ltd; Rebright Partners Pte. Ltd; SBI Investment Co., Ltd; Spiral Ventures Pte. Ltd; The University of Tokyo Edge Capital Partners Co., Ltd; VentureTECH Sdn. Bhd.

TSE said it continues to develop the TSE Asia Startup Hub initiative by publicizing the companies to be supported and providing useful support measures along with the partners. Earlier in July, TSE said that through TSE Asia Startup Hub, the exchange will collaborate with domestic and international partners to support leading Asian companies for business development and fundraising through initial public offerings (IPOs) and other means. It noted that since the announcement of this initiative, many leading Asian companies and a wide range of domestic and international stakeholders have resonated with the value of this initiative and expressed strong interest in participating in it.

In July, 16 new organizations join TSE Asia Startup Hub as partners, and the Ministry of Economy, Trade and Industry, the Japan Business Federation (KEIDANREN), and the Kansai Economic Federation (Kankeiren) have also agreed to support the initiative as observers. TSE Asia Startup Hub is an ecosystem to encourage promising Asian companies to choose TSE for their IPOs.

By enhancing collaboration among TSE and the partners, the TSE Asia Startup Hub aims to increase listings of promising Asian companies in the long run, by catering to the needs of each company and providing support for business development, fundraising, and IPO in Japan. The TSE Asia Startup Hub will recruit Asian companies to support and plan to announce the companies in the third quarter of 2024. Factors including valuation, intention for IPO, audit, connection with Japan, will be considered for eligibility.

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AFRICA

Nigerian government launches ₦100 million AI Fund for startups in partnership with Google

The Federal Government, in collaboration with Google, has launched a ₦100 million fund to empower 10 Nigerian startups using AI in their technology products to drive Artificial Intelligence (AI) innovation in Nigeria.

Announced by Dr Bosun Tijani, the nation's Minister of Communications, Innovation, and Digital Economy, on Tuesday, September 10, 2024, the fund is expected to accelerate Nigeria's burgeoning tech ecosystem by identifying and supporting AI startups with high-impact potential.

The National Centre for Artificial Intelligence and Robotics (NCAIR) will coordinate the AI Fund, which is part of the President Bola Ahmed Tinubu-led administration's broader push to ensure the country remains at the forefront of AI innovation.

According to Tijani, this initiative highlights the government's belief that AI development requires active public sector involvement to shape policies that can influence both the private and public sectors.

"If we get it right in the public sector, it will permeate the private sector. With time, the adoption and deployment of AI will not only transform our national lives but will shape the future of things in our country," Tijani stated.

The Nigerian government has also drafted a National Artificial Intelligence Strategy document, which is expected to shape future AI policy and guide government efforts.

Google's involvement in the initiative reinforces its commitment to Africa's digital transformation and aligns with its broader AI commitments across Africa.

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EUROPE

A Porsche-backed startup is building a massive battery recycling plant to boost Europe's EV industry

A massive battery recycling plant is being built in Germany by Cylib, a startup looking to reduce waste from EV batteries that have reached the end of their life. Cylib, which is backed by luxury sports car firm Porsche and appliances maker Bosch, on Monday started work on the new site in the town of Dormagen, in the German federal state of North Rhine-Westphalia.

More than 180 million euros ($200 million) is being pumped into the facility, which is expected to span 236,000 square feet and will produce recycled batteries for the electric vehicle industry in Europe. Cylib says its facility will be the largest end-to-end lithium-ion battery recycling facility in Europe. It plans to recycle roughly 30,000 metric tons of end-of-life batteries at the facility each year, making it larger in scale than the current biggest plant, Hydrovolt, a joint venture between Swedish EV battery maker Northvolt and Norway-based aluminum and renewable energy firm Hydro.

Hydrovolt has capacity to recycle 12,000 metric tons of end-of-life batteries annually, according to Hydro's website. Recycled batteries produced by Cylib's new facility are expected to be used by Porsche, which invested in the startup as part of a 55 million euro funding round, a source familiar with the matter told CNBC.

The source, who preferred to remain anonymous as the information is not yet public, added that the plans are still in the early stages and have not yet been formalized. Asked about Porsche's involvement in the project, a Cylib spokesperson said that investments from partners like Porsche are "strategic," adding that it is working closely with its investors about process industrialization and commercial partnerships.

Battery recycling is a key priority for the European Union, which is looking to ensure the sustainable development of batteries needed to fuel the transition to electric vehicles. Founded in 2022 by German entrepreneur Lilian Schwich, her husband Gideon Schwich, and Paul Sabarny, Cylib uses water-based lithium and graphite recovery techniques to repurpose materials from batteries that have hit the end of their lifespan. Earlier this year, the firm raised 55 million euros of financing from investors including climate-focused venture capital firm World Fund, Porsche Ventures, Bosch, and DeepTech & Climate Fonds.

Cylib said the new plant would primarily serve automotive, battery manufacturing and chemicals clients. The startup wants it to be the first of many, with further facilities planned elsewhere in Germany and Europe within the next few years. The new facility is being built on a brownfield site located at Chempark, an industrial space used primarily by the chemicals industry. Cylib said that the location was strategic, with preexisting supply chains already located on-site.

Operations at the plant are scheduled to commence in 2026. The move is key to Cylib's ability to reach mass production, said CEO Lilian Schwich. "Cylib reaching industrial scale production will be a key driver in building a robust European battery infrastructure," Schwich said in a press statement. "Battery recycling is pioneering the circular economy, proving that economic success is compatible with reduced environmental impact," she added.

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EVENTS UPDATE

Date: 5-8 December, 2024
Venue: Ludhiana, Punjab, India
Details:
Write to:
directorpnd@wasmeinfo.org

Date: 12-13 December, 2024
Venue: Coimbatore, Tamil Nadu, India
Details https://www.wasmeinfo.org/events.html#

Membership

WASME has members in different countries across the world. Member constituents represent industrial promotional organizations of various types and come from highly industrialized, developing and transition economies, as well as least developed countries. WASME has a broad membership spectrum that includes:

Categories

General Members

- Ministries/ Government Departments
- Public Sector Undertakings/Semi Government Organization
- Export Promotion Councils/ Trade Councils
- Financial Institutions/ Banks/ NBFCs
- SME Promotion Organization/ Enterprise Development Organization

Chambers/ Industry Associations/ SME Associations

International & Regional Federations/ Associations

Associate Members

- Corporations, Consulting Firms
- Partnership/ Proprietorship/ LLP etc
- Research Institutes/ Technical Institutes/ Universities
- Individual Consultants/ Experts/ Students
- NGOs/ SMEs etc.

Permanent Members

- Any General Member or Associate Member who is willing to be Permanent Member of WASME

Benefits to Members

Collaborating with other members on issues of common interest to enable local SMEs gain access to a variety of advantages, such as:

- Making advantage of a vast network of WASME to create new alliances
- Building a global network and making your voice heard
- Globally promoting your company using WASME marketing platforms
- Possessing the chance to organise or present at WASME Global Conferences, Seminars, Exhibitions, events, and programmes
- Having your interests represented at multilateral organizations including UN organizations, national and international forums etc.
- Sharing your opinions and ideas in WASME publications
- Get access to WASME Resource Centre of Knowledge, Experts, Technology, Trade Facilitation, Financial Assistance, Market Linkage etc.
- Get tailor made services and support

For any query related to membership write to **membership@wasmeinfo.org**

WORLD ASSOCIATION FOR SMALL AND MEDIUM ENTERPRISES (WASME),

WASME is an International Non-Governmental Organization that has observer and consultative status with many UN agencies, such as UNIDO, UNCTAD, UNICITRAL, WIPO, ILO, ECOSOC, UNESCAP, ITC, and UNESCO. Additionally, WASME has several inter-governmental and international organization affiliations. It has been striving to stimulate, foster, promote, and coordinate international cooperation for the growth & development of MSMEs.

WASME was founded in 1980 with the goal of supporting MSMEs in member countries. We have achieved this through our strong association with local government bodies, regional authorities, international linkages, civil societies, SMEs, etc. We are continuously working to improve our innovative and sustainable framework so that we can better serve MSMEs around the world.

WASME's fortnightly SME e-Bulletin "WORLD SME UPDATE" aims to keep its readers abreast of latest information on various developments taking place in the SME sector around the globe. If you have any news/information on the issues related to Government policies & programmers and latest developments in the SME sector i.e. technology and innovations, success stories, case studies, research and methods, planning and programs, training and developments, finance and management, and marketing that you would like to share with the world SME community, please do send them to us at editor@wasmeinfo.org

We always welcome your valuable feedback/comments on the SME e-Bulletin to further enhance our services on information dissemination. Hence, please send us your valuable guidance as well as meaningful articles as a regular contribution to SME e-Bulletin and our website in the larger interests and benefits of SMEs the world over.

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