



World SME Update

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ARGENTINA



More than 100,000 SMEs and access to the benefits of the law

More than 100,000 micro, small and medium enterprises registered in the register SMEs are enabled to access the benefits of the law. Registered companies can now pay VAT to 90 days deducted from the check tax earnings and better access to financing.

"For the first time in Argentina a tax was removed and made for the benefit of SMEs, which are the engine of productive development. From the state, we are removing obstacles to help them grow and give them concrete incentives to invest and create genuine and quality employment ", said Minister of Production, Mr. Francisco Cabrera.

SME Act essentially provides a differential treatment for micro enterprises, small and medium from relief measures in administrative and fiscal, financial incentives and better access to credit.

To access these benefits SMEs should make a formality simple online registration. All information is available in www.produccion.gob.ar/beneficios-pyme.

Radiography of registered SMEs

Of the total of 104,273 registered companies, more than half are between the province and the city of Buenos Aires, while Cordoba and Santa Fe meet a quarter of SMEs have access to the benefits of the law.

Small businesses represent 73.3% of SMEs that can enjoy the benefits of the SME Law, while 21.1% are small and the remaining 5.6% are medium.

According to the sector of the economy to which they belong, services gathers 38% of companies, followed by trade, with 26.8%. Then they appear in similar proportions industry and agriculture, with 15.8% and 15.7%, respectively. Further back is the construction sector, with 3.5%; and finally the mining industry represents 0.2% of the total.

Geographically, 29.8% of the registered companies are located in the province of Buenos Aires. Behind, the city of Buenos Aires is located, with 25.9%; and the provinces of Santa Fe, 13.2%, and Cordoba, 11.9%.

The benefits of the Law

1) Less taxes

- Minimum Presumed Income removal.
- Compensation Tax Credits and Debits Bank.
- Payment of VAT to 90 days.

2) Support to invest

- Relief from income tax, up to 10% of investments.
- VAT tax credit for investments

3) More and better financing options

- Increased guarantees via the Guarantee Fund SMEs.
- Bonus rates, considering unfavorable regions.
- Improved financial instruments such as Note and Notes.

Other measures for SMEs already implemented by the Ministry of Production:

- **Productive loans.** The quota loanable Credit Line Investment Productive 14 to 15.5% was extended. An increase involving \$ 63,000 million and in turn 50% expanded access to short - term financing.
- **Tax relief.** Retention thresholds VAT, 135%, and perception of earnings, 400%, which were not updated since 2000. For micro enterprises hold no certificates are granted automatic VAT rose.
- **Administrative simplification.** To remove bureaucratic times, reduce the tax breathlessness and concentrate resources of SMEs in productive tasks, various procedures are simplified by means of automation and by reducing withholding amounts and quantities.

AUSTRIA



Mr. Mitterlehner and Mr. Leichtfried increase early-stage financing for start-ups by 20 million euros

Ministry of Economy and Ministry of Infrastructure set first initiative of start-up package of the Federal Government to - new ideas of young companies be encouraged more than ever

Minister of Economy Mr. Reinhold Mitterlehner and Infrastructure Minister Mr. Jörg Leichtfried are starting the first initiative from the start-up package of the Federal Government. The increase in seed funding by EUR 20 million is expected to support 80 companies in the build-up phase. The Ministry of Infrastructure and the Economy will contribute to the expansion of the subsidy by ten million euros by 2018. The additional funds will be made available to Förderbank Austria Wirtschaftsservice (aws) via the Seedfinancing programs for start-ups and pre-seed financing in the pre-start-up area.

Mr. Reinhold Mitterlehner, Austria's Minister of Economic Affairs, wants to turn Austria into a showcase for the founding country: *"We want to promote new ideas as early as possible and comprehensively. This is a breakthrough for many technological and scientific innovations and creates the jobs of the future. It is important that the grants for our early-stage financing are repaid in the event of success and are therefore available again for other young companies. This principle has proved successful and is also adopted internationally,"* says Mr. Mitterlehner.

Infrastructure Minister Mr. Jörg Leichtfried: *"Start-ups are an important engine for our business location. They rely on innovative ideas, stimulate the development of new technologies and create new jobs in the country. That is why we support young companies with seed funding in the particularly critical phase of construction. Our approach is clear: the state is supposed to take on risks that nobody else is carrying and the public should benefit from it. Seed funds will therefore be fully repaid in the event of success."*

Aws Seedfinancing: early phase promotion as a success concept

The concept of consistent support in the early phase of young companies through a two-stage program is a tried-and-tested system with high economic importance. The transfer of scientific results into the economic implementation is made possible by the provision of capital in the risky start-up phase of a high-tech enterprise. The subsidy funds used are fully repaid in the event of a project success. This approach also applies at the European level as the best practice model and has been adopted, for example, in the Horizon 2020 EU program.

Expert jury met for project selection; 4.8 million euros of funding recommended

An international expert jury recently selected the first ten start-ups and nine pre-founding projects in the high-tech sector. The projects were evaluated in detail and checked for quality and feasibility.

Examples of current subsidies through the aws Seedfinancing program are the Vienna start-ups Waytation and Blue Danube Robotics. Waytation developed a system for indoor visitor stream analysis, which allows the use of name plates to make qualitative and quantitative measurements that could not be realized until now. This idea of the founding team Florian Bräuer and Cemsit Yeligt was recommended as well as support from the Seedfinancing program as Blue Danube Robotics. The company Blue Danube Robotics produces a tactile safety system for industrial robots using pressure sensor air cushions. This means that machines can be equipped with a soft, sensitive and impact-absorbing skin and allow direct cooperation with humans instead of a cage solution.

The Styrian start-up WUGGL is developing a mobile measuring instrument, which is used to determine the weight of pigs simply and quickly by means of optical body measurements. The pig mollusc performs the non-contact weight measurement by making a whole-body picture of the animal, and immediately the weight is indicated. This allows the mower to control the weight of the animals quickly, without great effort and constantly.

The Tyrolean start-up "SES" wants to pre-develop the development of a waste heat-operated CCS system for methanol-based energy storage systems. Methanol-CO2

energy storage systems presently represent the most space-efficient technology for the chemical storage of medium-sized and large quantities of electrical energy.

Success model for almost 30 years

The early stage promotion can look back on almost 30 years of success in Austria. Since 1989, a total of 287 companies with a total funding of more than 108 million euros have been supported under the seed funding. Since 2006, there is also the PreSeed financing, which supports the start-up phase and prototype development phase of high-tech start-ups. A total of 211 projects in the amount of 27.8 million euros have been approved since the start.

BRAZIL



More than 80% of small businesses do not seek bank loans

Sebrae Research (Brazilian Micro and Small Business Support Service) points out that high interest rates and bureaucracy are the main difficulties for entrepreneurs

Brasília - Financial institutions are more remote from micro and small businesses. In 2016, 83% of small businesses did not resort to bank loans, a figure almost 10% higher than in 2015. The data are in a Sebrae survey of 6,886 entrepreneurs from across the country. For 47% of the businessmen, the reduction in interest rates would be the best solution to facilitate the acquisition of financing. The reduction of bureaucracy is indicated as a suggestion for 27% of respondents.

"The cost of money, bureaucracy, and excessive collateral requirements by banks make entrepreneurs seek other sources to finance their business. Entrepreneurs are throttled, you need to find ways to facilitate the access of micro and small business credit without usury interest, such as the proposal Credit Simple Company" argues the president of Sebrae, Mr. Guilherme Afif Domingos.

As an alternative to banks, most negotiate payment terms with suppliers (52%), use pre-dated (27%) or special (20%) and business credit cards (21%). Even in these forms of financing, however, there was a fall in the utilization percentage. Of the companies surveyed, 22% are not using any funding - ten percentage points higher than last year - and 15% hold loans at banks.

Sebrae's research also pointed out that 19% of entrepreneurs who have already sought financial institutions to obtain financing at some point in their business life have had their loan applications denied, compared to 14% in the survey conducted in 2015. For 16% The justification heard by the banks was the lack of credit line for the profile and another 13% received the argument that the checking account was very new.

Loans granted

In contrast to the 83% of entrepreneurs who did not seek the banks, 17% turned to financial institutions to obtain credit. Only two in three of those who applied for loans in the last six months were successful. The high interest rates are among the main difficulties identified for 51% of respondents, soon after the lack of real guarantees, as assessed by 22% of entrepreneurs.

Among the entrepreneurs who contracted financing, 53% used it for working capital and 36% applied it in the purchase of merchandise for resale. Another 32% of the respondents invested in the reform or expansion of the business.

BULGARIA



€ 385 million for Bulgarian SMEs agreements with five commercial banks under the "Initiative for Small and Medium Enterprises"

The European Investment Fund (EIF), part of the European Investment Bank (EIB) signed its first guarantee agreements under the "Initiative for Small and Medium Enterprises" (OPIMSP) in Bulgaria with the following commercial banks: United Bulgarian Bank, Raiffeisenbank Bulgaria, UniCredit Bulbank, ProCredit Bank and EIBANK.

These agreements aim to improve access to finance for over 4000 Bulgarian small and medium enterprises (SMEs), including micro-enterprises and start-ups, which will be secured through bank loans at lower collateral and lower interest rates.

Five guarantee mechanism will generate finance for SMEs from 385 mln. Euros, which represents two thirds of the planned 600 mln. Euros available in OPIMSP. These five agreements were signed only six months after the launch of the initiative in Bulgaria.

The initiative for SMEs in Bulgaria is a joint financial instrument of the European Commission, the EIB Group and the Government of Bulgaria, represented by the Ministry of Economy. Its purpose is to promote the financing of SMEs by providing credit risk protection on portfolios of SME loans provided by financial institutions. Along with funds from European structural and investment funds, which constitute a contribution from the Government of Bulgaria, the Initiative for SMEs co-financed by the European Union through the resources of the "Horizon 2020", and the resources of the European Investment Bank.

Minister of Economy of the Republic of Bulgaria, Mr. Bozhidar Lukarski said the agreements signed: *"I am happy that the hard work of the ministry and other partners in recent months in preparation of the implementation of the Initiative for SMEs in our country will pay off in the interest of Bulgarian SMEs and they will can benefit from available funding, which is crucial for the realization of their investment intentions.*

Initiative for SMEs is an important tool that will allow the Ministry of economy to speed up policies to increase the competitiveness of Bulgarian business. "

Commenting on the transaction, EIB Vice-President, Mr. Andrew McDowell said: *"The EIB Group is fully committed to the implementation of the Initiative for SMEs and we are pleased with the Bulgarian authorities to announce that the top five commercial banks in Bulgaria will begin to provide financing SMEs. All five banks are major creditors of SMEs in Bulgaria through the initiative will be vital partners in providing support for entrepreneurs who want to start and grow their business. We are confident that these agreements will provide lasting benefits for Bulgarian business. "*

CEO of EIF Mr Pier Luigi Giliberto said: *"I am glad that we signed the first five agreements within the Initiative for SMEs in Bulgaria. These transactions will generate more than 600 mln. Euros for financing small and medium enterprises in the coming years. Combining the European structural and investment funds, "Horizon 2020", and the resources of the EIB Group will allow the EIF to provide risk-sharing and capital relief to financial intermediaries, which will be entirely in favor of small and medium enterprises.*

Commenting on the signing, European Commissioner Ms. Corina Kretsu said: *"The signing of these agreements clearly demonstrate that the initiative for SMEs accomplish its objectives, namely to provide fresh loans to small businesses and to support the common European goals for growth and job creation. I like other EU countries to follow the example of Bulgaria. "*

Managing Authority of the "Initiative for SMEs" Main Directorate "European Funds for Competitiveness", Ministry of Economy

EGYPT



Minister of Trade and Industry announces strategy for enhancing industrial development and foreign trade until 2020

Mr. Tarek Kabil: *"The strategy is based on developing industry, increasing exports, controlling imports, ensuring a stable, balanced growth and creating a business climate capable of supporting the national economy."* Minister of Trade and Industry Mr. Tarek Kabil announced the Ministry's five-pillar strategy for enhancing industrial development and foreign trade until 2020, in accordance with all regional and international trends.

The strategy is based on developing industry, improving small, medium, as well as micro enterprises, increasing exports and controlling imports, Mr. Kabil said. It also rests on promoting innovation, conserving energy, enhancing technical and vocational education and creating a business climate capable of supporting the national economy and ensuring a stable, balanced growth, he added.

The Minister's announcement came during his speech at the conference held by the Ministry to unveil the new strategy, in the presence of representatives from the Federation of Egyptian Industries, the Federation of Chambers of Commerce, the

United Nations Industrial Development Organization (UNIDO), the International Labour Organization (ILO), as well as the German Agency for International Cooperation (GIZ).

Mr. Kabil indicated that the strategy seeks to make industrial development the engine of sustainable economic development in Egypt, which would help meet domestic needs and boost exports, hence, make Egypt an active player in the global economy. *"The strategy aims at enhancing industrial development and foreign trade until 2020 through a variety of mechanisms and action plans which would boost trade, industry and small –as well as medium sized- enterprises and raise industrial growth rates,"* he said.

The Minister made it clear that the general policies of the strategy depend on taking advantage of the available opportunities, overcoming the current challenges and capitalizing on the successful trade and industry policies adopted worldwide. He pointed out that the first pillar of the strategy is "industrial development". *"The ministry eyes a gradual 8% industrial growth rate and a greater contribution by the industrial sector in the national GDP from 18% to 21% by 2020, through increasing private investments from the current EGP43bln to around EGP100bln,"* Kabil noted.

To support the "industrial development," he added, the ministry will undertake a raft of measures including reviewing the regulations for industrial lands and licensing, facilitating procedures and focusing on import substitution industries and others supplying domestic demands, namely the recycling and packaging industries; chemicals; plastics; furniture; mining; engineering; leather and textile industries.

The second pillar of the strategy is transforming small, medium and entrepreneurial enterprises into a key instrument to increase industrial production, create more jobs and boost exports. *"In Egypt, there are 2.5mln SMMEs employing 75% of the country's total workforce, 17% of which export to foreign markets and 20% belong to the informal sector,"* Mr. Kabil said.

As for the third pillar, he pointed out that it aims at boosting Egypt's exports and narrowing its trade deficit, through increasing non-oil exports by 10% annually, up from \$18.6bln in 2015 to over \$30bln by 2020. It comprises the implementation of a range of programmes to develop import/export regulations, enhance Egypt's export competitiveness, improve quality control, develop logistic transportation projects, enact international trade agreements, eliminate product access barriers and activate promotion programmes for Egyptian exports.

The fourth pillar concerns the overhaul of technical and vocational education and training "TVET", aiming at providing skilled labour, technical and vocational know-how to improve product quality. It will be carried out through programmes enhancing the private sector's involvement in the development of the TVET system, establishments, as well as trainers and educators.

Finally, the fifth pillar focuses on the governance and institutional development project, which aims at enhancing the performance of the Ministry's institutions and implementing a comprehensive plan of communication with the main stakeholders to achieve the goals of the strategy.

The Trade Minister went on to explore the Ministry's significant achievements over the past year, the key opportunities available and the major challenges facing the Egyptian economy, including the international economic crisis, low growth rates and falling oil prices; all affecting trade flows across the world.

Mr. Brender, for his part, lauded the new strategy adopted by the ministry. *"The EU welcomes the new Strategy of the Ministry of Trade and Industry ... We will continue to provide support to the Ministry and its stakeholders for the implementation of this Strategy through our ongoing TDMEP cooperation programme as well as forthcoming support for development of small and medium enterprises,"* he noted.

HUNGARY



Parliament adopts tax package designed to cut red tape and provide SME incentives

The tax package endorsed today helps cut bureaucracy, bolster enterprise competitiveness and combat the black economy, Minister of State for Parliamentary and Taxation Affairs Mr. András Tállai said. The new regulations include a number of incentives for enterprises, and they will significantly reduce the tax burden of SMEs, he added.

As a result of changes, the turnover ceiling for the Small Taxpayer Lump Sum Tax (KATA) and the limit on VAT exempt status are set to increase, regulations on healthcare contribution are set to become simpler and the tax authority will in the future assist instead of sanction taxpayers who commit unintentional mistakes.

As another favourable change, the Minister of State pointed out, healthcare contributions will no longer be payable on dividend income and capital gains. This measure is expected to leave HUF 3bn more at families.

Thanks to the higher limit for VAT exempt status - HUF 8 million instead of the current HUF 6 million - even more enterprises may opt for this tax scheme, which means that taxpayers do not have to charge and pay VAT to the budget, and they do not have to separately declare VAT to the tax authority, he stated.

INDONESIA



FMO Supports Financial Inclusion In Indonesia

MASSIF's financing for PT Bina Artha Ventura (Bina Artha) will enhance micro and small entrepreneurs in Indonesia, supporting financial inclusion in the country

PT Bina Artha Ventura (Bina Artha), a Venture Capital Company engaged in the microfinance sector, has entered into a Term Facility Agreement for USD 5 million equivalent in Indonesian Rupiah for a 5-year term, financed from the Dutch government fund, MASSIF, managed by FMO.

Bina Artha is a strong, transparent and professional managed MFI that gained sizeable market share in its four years of existence supported by CreditAccess Asia, a solid and well-capitalized group in the Netherlands.

Bina Artha fulfils a role in providing finance to the underserved microsegments of Indonesia by providing group loans and individual lending to micro and small enterprises. FMO's financing will support further growth of the company's loan portfolio.

The facility will be used by Bina Artha to serve its existing clients with growing working capital needs, as well as new clients who have limited or no access to capital, especially female entrepreneurs. With this investment, FMO supports the development and growth of the Indonesian microfinance sector by providing much needed capital to an important financial intermediary in the market.

FMO's Chief Executive Officer, Mr. Jurgen Rigterink said: *"FMO is proud to support the financial sector in Indonesia, a country with great economic prospects. Working together with Bina Artha will contribute greatly to improving access to finance and supporting entrepreneurs in the country"*.

MFI's play a pivotal role promoting economic growth of the base of the pyramid by providing finance to micro and small entrepreneurs. PT Bina Artha Ventura is a growing MFI in a Lower Middle Income Country where financing of these micro and small entrepreneurs has a tremendous development impact.

The financing will have a positive contribution to at least three of the UN Sustainable Development Goals. SDG 1 (no poverty), SDG 5 (gender equality) and SDG 8 (decent work and economic growth).

JBDC Partners With First Angels Jamaica To Assist MSMEs

The Jamaica Business Development Corporation (JBDC) and First Angels Jamaica (FAJ) have signed a three-year Memorandum of Understanding (MOU), under which micro, small and medium-sized enterprises (MSMEs) will receive assistance to deliver winning business pitches.

The FAJ is an angel investor group that backs the start-up ventures of aspiring local entrepreneurs. JBDC Deputy Chief Executive Officer (CEO), Harold Davis, said the MSMEs will benefit from a range of business services under the entity's recently launched accelerator programme.

"What this MOU does is really enable entrepreneurs to approach an angel investor for financing," Mr. Davis noted. *"It will facilitate businessmen/women who need help in tweaking their business models, market access strategies, proof of concept for the businesses and pivoting of business models. We will do all of that work to prepare them,"* he further shared.

Mr. Davis noted that many entrepreneurs either lack confidence or are ill-prepared to sell their business ideas. He said that through the services provided under the accelerator programme the entrepreneurs would be ready to engage an investor in the FAJ group within three to six months.

To benefit from the MOU and the financing that comes from an angel investor, entrepreneurs must register with the JBDC's accelerator programme. The FAJ is one of two angel investor networks in Jamaica, the other being Alpha Angels in Montego Bay.

An angel investor, also known as a business angel, informal investor, angel funder, private investor, or seed investor, is an affluent individual, who provides capital for a business start-up.

SMEs To Benefit From Caribbean Entrepreneurial Asset And Commercialisation Project

Small and medium-sized enterprises (SMEs) in the Caribbean region are to benefit from a technical cooperation project that will enable them to generate wealth from their intellectual entrepreneurial assets (IEA).

Dubbed the Regional Entrepreneurial Asset and Commercialization Hub (REACH), the project will provide capacity building, training and mentorship in technology commercialization; creative industries intellectual asset management; and product branding value capturing.

Acting Permanent Secretary in the Ministry of Industry, Commerce, Agriculture and Fisheries, Reginald Budhan, said the project will provide an enabling environment to support the commercialisation and monetisation of the creative industries and intellectual assets in Jamaica and the wider region. He said it will bring well-needed support to entrepreneurs and innovators, and help to boost Intellectual Property (IP) investments in the region.

Speaking at the official launch of REACH at the Courtyard by Marriot Hotel in New Kingston on November 18, Mr. Budhan said the initiative provides an opportunity for entrepreneurs to unite and take full advantage of the untapped intellectual property resources throughout the region.

He noted that Jamaica has vast creative capacity that remains largely underutilized. He mentioned that in 2004, the International Intellectual Property Institute reported that from the US\$1 billion generated from reggae, including retail sales, copyrighted music and retail merchandising, Jamaica only earned US \$1.4 million. *“This large gap indicates that there is strong potential for Caribbean countries to capture more of the total market value,”* he said.

Mr. Budhan said there is huge demand for monetizing innovations through improved management of IEAs. He noted that in 2010, the Bank of Jamaica reported that Jamaica earned US\$23.8 million from cultural services, which is more than the earnings from services in finance, business, insurance and construction combined. He said the Bank noted that reggae icons like Sean Paul and Shaggy earn more annually than Jamaica’s banana industry.

Mr. Budhan said in spite of these impressive results, Jamaica and the Caribbean remain significantly challenged in increasing the contribution of the cultural industries to sustainable development due to a myriad of reasons.

These include the lack of strategic and focused management, limited financial resources, insufficient market intelligence and branding, poor linkages with the local tourism industry, and weak data collection.

A business lab component of REACH is scheduled to begin in February 2017 and will equip delegates to run successful businesses and to transform their ideas into viable enterprises. REACH is aimed at building the commercialization capabilities of competitively selected Caribbean entrepreneurs and firms.

The project is being executed by the University of the West Indies in partnership with the Inter-American Development Bank (IDB); the World Intellectual Property Organization (WIPO), the Young Americas Business Trust (YABT) in collaboration with the Jamaica Intellectual Property Office (JIPO).

National Roadmap To Double E-Commerce Growth By 2020

The National eCommerce Strategic Roadmap is expected to double the e-commerce annual growth rate from 10.8% in 2016 to 20.8% in 2020, as an effort to ensure that the sector becomes one of the primary drivers of growth in the Malaysian economy.

The roadmap, launched by Prime Minister Mr. Datuk Seri Mohd Najib Razak on Oct 3, aims to boost the sector's gross domestic product contribution to RM170 billion by 2020.

Minister for International Trade and Industry (MITI) Mr. Datuk Seri Mustapa Mohamed underlined the importance of the e-commerce agenda, saying it is a "very important subset" of the government's digital economy master plan. Mustapa said the roadmap is cognisant of current developments, particularly in the context of international trade agreements such as the Trans-Pacific Partnership Agreement (TPPA).

"TPPA, of course, has its e-commerce agenda and in some cases, we are probably more advanced than some of these agreements that we have negotiated," Mr. Mustapa told reporters at a press briefing yesterday (November 28, 2016). *"What's important is this roadmap has taken all current developments into consideration. If there is a need for a revision, there will be changes. It is not cast in stone,"* he added.

The roadmap was drafted by the National e-Commerce Council (NECC), a coalition of 13 ministries and agencies, under which six thrust areas of intervention have been identified, including lifting non-tariff barriers, realigning existing economic incentives and promoting national brand to boost cross-border e-commerce.

Eleven programmes will be carried out under the roadmap, which will be led by different lead agencies such as MITI, SME Corp Malaysia, the Malaysian Investment Development Authority, Malaysian Communications and Multimedia Commission, Bank Negara Malaysia and the Finance Ministry.

Mustapa did not discount the possibility of monetary incentives to promote the growth of e-commerce in Malaysia. *"The NECC is set up to listen to suggestions from industries and we will respond in a manner that will facilitate the growth of e-commerce in this country. At present, it is just to help them with regulatory aspects, but in the future there may be (monetary incentives),"* Mr. Mustapa said.

Commenting on how the appointment of Jack Ma would fit into the e-commerce agenda, Mr. Mustapa said the government is confident that Ma will provide a lot of useful inputs into government policies. *"He is an iconic leader in this segment of*

the economy and his advice is being sought by many countries. All of us are looking forward to his coming here in March."

On Nov 4, Chinese Internet tycoon Jack Ma was appointed as Malaysia's digital economy advisor during Najib's weeklong official visit to China. The founder and executive chairman of Alibaba Group Holding Ltd is expected to the launch of the country's e-free trade zone in March next year. Meanwhile, Mustapa – when commenting on the TPPA – stressed that Malaysia continues to "keep an open mind" about it, saying that it is too early to take a definitive stand on the matter.

"Although (US President-elect Donald) Trump has come up with a statement on Nov 21, I think we have to wait for more clarity after Jan 20, 2017, after his inauguration (which will reveal) his new policies and also the people running the trade agenda under his administration," he said, in response to Trump's remarks.

MIDF collaborates with MATRADE to provide RM300 Million Financial Assistance under Services Export Fund (SEF)



The Government of Malaysia has allocated RM300 million fund under RMK-11 to assist Malaysian Services Providers (MSPs) to undertake activities to expand and venture into international markets with the aim to increase the competitiveness of Malaysian Services providers (MSPs) abroad.

This programme is implemented in collaboration with Malaysian Industrial Development Finance Berhad (MIDF). The disbursement of this fund to MSPs is through the provision of grants and soft loans. The maximum fund provided under this programme is up to RM5 million per company for the duration of the fund period from 2015 -2020.

Among the grant activities under MATRADE are speaking engagement to promote Malaysian services expertise in international events, participation in tender bidding, rendering services for projects undertaken overseas, presentation to potential clients, procuring commercial intelligence reports, initial setting up of office overseas and conducting feasibility study for international project overseas.

MIDF will provide soft loans for costs incurred in preparation and submission of project proposals for overseas projects and expenses related to raising bank guarantee or performance bond to execute overseas project.

RWANDA

Govt launches Rwf7.5bn fund to support exporters



The government, the Development Bank of Rwanda (BRD), and Germany Development Bank (KfW) have launched a €8.5 million (about Rwf7.5 billion) Export Growth Facility to support export-oriented firms. The funding, from the

Germany government, is part of the Rwandan-German Development Co-operation small-and-medium-enterprises (SMEs), according to Mr. Amb Claver Gatete, Minister for Finance and Economic Planning.

Speaking at the launch event in Kigali on Monday, the minister said the project will ease access to export-related funding and aims to broaden and deepen the range of products and services offered by financial institutions to SMEs with export potential, or those that are already active in the export sector. Mr. Gatete said the fund will help grow and diversify Rwanda's exports and thus reduce the country's trade deficit.

The Export Growth Fund, which was established by the Ministry of Trade, Industry and East African Community Affairs, is implemented by BRD and seeks to address the challenge of lack of funds to boost export trade. According to Mr. Alex Kanyankole, the BRD chief executive officer, the funding will facilitate SME firms in horticulture, agro-processing, artisanal mining and manufacturing.

"We want SMEs in these sectors to access enough funding to improve and expand their operations, as well as become more innovative to boost their productivity and hence enhance product quality and export volumes," Mr. Kanyankole said at the launch of the facility.

He added that the facility is part of efforts by BRD to re-energise small export-oriented businesses to help boost competitiveness of the country's products. Kanyankole said the money will be accessed in form of working and investment capital through selected partner financial institutions, both commercial and microfinance banks.

"BRD will provide loans, of about €6 million (about Rwf5.3 billion) to financial institutions for on-lending to export-oriented SMEs in Rwanda, as well as €2.5 million (about Rwf2.2 billion) for capacity building to support the implementation of the project," he added. Local producers and exporters will be able to access the funds at less than 10 per cent interest rate.

Export Growth Facility consists of three different components - the matching grant fund, the export guarantee facility, and the investment catalyst fund. KfW's support will focus on the funding component, according to officials.

According to Markus Bar, the director of the KfW Kigali office, the international lender supports BRD to ensure sustainable and tailored financial support for local SMEs to facilitate them to expand their businesses and boost their capacity to enter new export markets.



World Association for Small and Medium Enterprises (WASME) is a global non-profit organization headquartered at Noida, India that has been spearheading the cause and development of Small and Medium Enterprises (SMEs) world over since its inception in 1980. Over three decades, WASME has emerged as one of the most representative, effective and leading international organizations, working towards the promotion of SMEs worldwide through policy advocacy, information dissemination, conferences, seminars, events, trainings, publication, network linkages and many **more.** .

WASME enjoys consultative status with concerned agencies in UN system such as **ECOSOC, UNCTAD, ITC, WIPO, UNIDO, UNESCO, UNCITRAL, UNESCAP and ILO**, several intergovernmental and international organizations like **WCO, OECD, ICSB, APEC, APCTT, etc.**

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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 and meaningful articles as a regular contribution to SME e-Bulletin and our website in the larger interests and benefits of SMEs world over.

Editor, World SME Update

World Association for Small and Medium Enterprises

Plot No. 4, Institutional Area, Sector - 16 A,

Noida, Gautam Budh Nagar - 201301, Uttar Pradesh, India

Tel: +91-120- 4216283, Fax: +91-120- 4216284 | Email: editor@wasmeinfo.org

Website <http://www.wasmeinfo.org>