

# Lifeline for ailing businesses

Govt aid aims to help traders recover in post-pandemic era

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**KUALA LUMPUR:** Small and informal businesses looking to bounce back from the Covid-19 pandemic now have access to a wide array of financing aid under the Semarak Niaga Keluarga Malaysia programme.

Prime Minister Datuk Seri Ismail Sabri Yaakob said the RM40bil programme shows the government's commitment towards helping micro, small and medium entrepreneurs (MSMEs) recover and regain capability and competitiveness post-pandemic.

He said the role of MSMEs in the country's economic recovery is crucial and the government's efforts to assist the group is part of the Malaysian Family mantra that "no group will be left behind".

"In my recent visit to Farm Fresh in Muadzam Shah, I had the opportunity to interact with small and large entrepreneurs.

"It gave me a clear picture of their role in providing employment opportunities, bridging income gaps and addressing long-term challenges such as food security.

"I believe that the contribution and role of local MSMEs throughout the country is very important in reviving the nation's economy. But the sector has been affected economically by the Covid-19 pandemic.

"The Semarak Niaga Keluarga Malaysia Programme is a clear sign of the government's commitment in ensuring that the MSME ecosystem remains competitive," said Ismail Sabri at the programme's launch event here.

Also present at the event were Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz and his deputies Datuk Mohd Shahar Abdullah and Yamani Hafez Musa.

The programme consists of direct loans, financing guarantees and equity injections that can



**Driving the economy:** Ismail Sabri waving towards the media after launching the 'Semarak Niaga Keluarga Malaysia' programme in Kuala Lumpur, accompanied by Zafrul (left). - AZMAN GHANI/The Star

## SEMARAK NIAGA

benefit various entrepreneur groups.

One of the initiatives under Semarak Niaga is the RM200mil Informal and Micro Financing Scheme (SPIM), which offers loans of up to RM10,000 at zero interest rate to informal sector traders.

For entrepreneurs in the agri-food sector, Ismail Sabri said Agrobank will offer loans of up to RM75,000 at zero interest rate for the first six months, with a moratorium facility for up to six months.

Businesses that are more mature will also be able to gain access to the IBS Promotion Fund 2.0 scheme by SME Bank, which offers loans of up to RM10mil.

Another similar scheme is the Young Entrepreneur Financing Programme 2.0 which has loans of up to RM1mil, said Ismail Sabri.

"Collectively, the size of the fund for the two schemes is worth RM300mil," he said.

He said for viable companies which have difficulties obtaining new funds, the government and financial institutions have come up with a more flexible form of financing to help these firms revive their businesses.

"One of the solutions is through equity crowdfunding and peer-to-peer financing supported by an allocation of RM80mil in matching grants for the Malaysia

Co-investment Fund.

"This is an addition to the RM100mil investment by Bank Pembangunan Malaysia Bhd (BPMB)," he said.

Ismail Sabri said funding methods through equity and quasi-equity investments in excess of RM2.2bil will be made available to assist companies facing high indebtedness problems.

He added that the "Syarikat Jaminan Pembiayaan Perniagaan" (SJPP) scheme would provide guarantees for scheduled and restructured financing with a guarantee limit of RM22bil.