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WASME SME UPDATE

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

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Bahrain

BAB joins forces with key entities to fuel Bahrain SME growth

The Bahrain Association of Banks (BAB) has explored collaborative approaches to boost financing modes for small and medium enterprises (SMEs) in Bahrain.

For this BAB organised a meeting with various banking and financial institutions, the Ministry of Commerce and Industry, and representatives from entities such as SMEs Development Board, the Labour Fund "Tamkeen," Export Bahrain, and the Bahrain Insurance Society.

Participants discussed potential economic, banking and developmental opportunities, aiming to create partnerships between Bahraini banks and organisations dedicated to supporting and nurturing SMEs.

Crucial partners

This meeting was part of the strategic efforts undertaken by Bahraini banks, positioning them as crucial partners in financing SMEs in alignment with Bahrain's 2022-2026 strategy for developing the financial services sector.

It also adhered to the directives and circulars issued by the Central Bank of Bahrain, following the national guidelines aimed at establishing necessary frameworks.

Dr Waheed Al Qassim, the CEO of BAB, emphasised the importance of aligning government actions with BAB's initiatives to support SMEs. This alignment involves simplifying the financing processes for these enterprises and bolstering their capacity to boost commercial activities in Bahrain.

He underscored that strengthening collaboration between government bodies and financial institutions is pivotal in realising the association's primary objectives, in harmony with the strategy aimed at advancing the financial services sector.

National priorities

In response, representatives from government entities participating in the meeting affirmed their commitment to supporting BAB's endeavours in accordance with national priorities.

These efforts are geared towards establishing Bahrain as a prominent hub for startups and small and medium enterprises. This involves creating an environment conducive to their growth and success by streamlining establishment procedures and providing a regulatory framework that encourages entrepreneurship and innovation across various sectors.

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Egypt

CGC guarantees EGP 181.54bn for SMEs in 9M 2023

Credit Guarantee Company (CGC) continues to support the national economy, despite the challenging conditions faced by the world's economies due to recent wars and crises. The company, in collaboration with the Egyptian banks, succeeded in providing guarantees worth more than EGP 181.54bn to 223,000 beneficiaries from SMEs in the first nine months of 2023. This reflects the company's mission of supporting the national economy by facilitating financing for SMEs and enabling them to overcome the multiple challenges of this period.

Naglaa Bahr, CGC Managing Director, commented: "*The role of the guarantee is to support the growth of the national economy, especially in difficult circumstances. This is achieved by focusing on supporting small, medium, and micro enterprises with customized guarantee products that meet the changing market needs. This contributes to empowering entrepreneurs, helping them to continue their businesses and creating new job opportunities for youth and women.*"

Bahr added that CGC also provides technical support to entrepreneurs and SME owners through non-financial products in partnership with leading institutions, as well as organizing courses for them through the company's website. Nagla Bahr explained that the company's portfolio, in cooperation with the Egyptian banks, provided financing of more than EGP 264bn to more than 223,000 SMEs by the end of the third quarter of 2023. More than 50% of this financing was directed to youth 26% to women, as well as 2.97% to start-ups.

The company accounted for 3.2% of GDP in 2022, in addition to supporting the state budget by more than EGP 1.1bn and providing 225,000 jobs. It is worth noting that CGC recently won the Product Innovation of the Year Award from the Global SME Finance Forum 2023. This award recognizes CGC's success in providing financing solutions for SMEs through its innovative program "Engz" and its modern digital platform.

CGC is the first company in Egypt entrusted with issuing guarantees with governmental and international support. Established in 1991, CGC Egypt is under the supervision of the Central Bank of Egypt. CGC participates in and reduces risks for financial institutions (banks and non-banks) and enables them to provide financing for micro, small, and medium-sized projects.

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Fiji

FDB and Tappoo Pte Limited launch collaborative partnership to foster SME growth and development

The Fiji Development Bank (FDB) and Tappoo Pte Limited unveiled a ground-breaking Public-Private Partnership today, marking a significant stride in the development of Small and Medium Medium Enterprises (SMEs) in Fiji.

Under this agreement, FDB will offer financing opportunities to registered SME suppliers of Tappoo PTE Ltd, utilizing a simplified qualification criterion mutually established between the two organizations. These suppliers will have the option to obtain loans from FDB at the lowest rate of 3.99%.

While officiating at the announcement of this important collaboration, Deputy Prime Minister and Minister for Trade, Co-operatives, Small and Medium Enterprises, and Communications, Hon Manoa Kamikamica highlighted the importance of fostering robust Public-Private Partnerships and strategizing on how we can further strengthen these collaborations to maximize their impact and sustainability.

"Today, we're seeing two powerhouses collaborate. The private sector through the Tappoo PTE Limited brings innovation, resources, and a profit-driven mindset, while the public sector through the FDB ensures inclusivity, regulation, and social responsibility – a beautiful synergy and the best of both worlds," said the Hon Deputy Prime Minister. "*This PPP, like any other will offer a unique opportunity to share risks and mitigate potential challenges. By distributing the risks between the stakeholders, we can foster an environment encouraging investment and sustainable growth, thus creating a more conducive environment for SMEs to thrive*."

FDB CEO, Mr Saud Minam highlighted that this collaboration aims to explore the potential of Public-Private Partnerships in Fiji's financial sector.

"*In the case of Fiji, the utilization of Public-Private Partnerships within the sphere of financial institutions, particularly in the context of providing support and financing to Small and Medium Enterprises (SMEs), remains an untapped opportunity. The partnership between FDB and Tappoo Group of Companies represents an important step into this arena, with a focus on tailoring facilities to effectively address the unique challenges and requirements of the local business environment."*

Chairman of Tappoo Pte Limited, Mr Kanti Tappoo stated "The collaboration between the two organisations is a significant step forward in our collective mission to empower local businesses and contribute contribute to Fiji's economic growth. This partnership emphasizes our commitment to fostering an environment where innovation, entrepreneurship, and inclusive development can thrive, ensuring a prosperous and sustainable future for our nation."

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France

Ukraine and France plan to deepen economic cooperation

Expansion of the cooperation programme in the field of humanitarian demining and war risk insurance, involvement of the French business community in the reconstruction and rehabilitation of Ukraine, cooperation with Ukrainian companies and support for small and medium-sized businesses. These were among the issues discussed during a meeting between Yuliia Svyrydenko, First Deputy Prime Minister and Minister of Economy of Ukraine, and Gaël Veyssière, Ambassador Extraordinary and Plenipotentiary of France to Ukraine.

"*The process of Ukraine's reconstruction and recovery will accelerate as we attract private sector investment, and for this we need to expand our political and military risk insurance programmes. We appreciate France's introduction of a bilateral mechanism for insuring investments in Ukraine*," said Yuliia Svyrydenko.

The parties also discussed Ukraine's need for macro-financial assistance, the possibility of France's involvement in financing programmes to support small and medium-sized enterprises, and preparations for the launch of the EU's four-year Ukraine Facility programme, which will provide up to EUR 50 billion over the period 2024-2027.

Ukraine and France will continue to work on developing a strategy for the use of frozen russian assets to support the country's reconstruction. For his part, the French Ambassador raised the issue of liberalising Ukraine's currency legislation to allow investors to withdraw dividends abroad. The parties also discussed the issue of accelerating humanitarian demining in Ukraine. France has already allocated a total of EUR 15 million for this purpose through various programmes.

"*We are grateful to the French government for its support in each of these important areas. France has been and remains a reliable partner and friend of Ukraine, and we can count on their help at this difficult time. It is particularly valuable for me that France has taken on the patronage of my home region of Chernihiv. I believe that our relations with France will only grow closer in the future*," concluded Yuliia Svyrydenko.

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Hungary

China, Hungary sign five cooperation documents amid progressing relationship

The National Development and Reform Commission (NDRC), China's top economic planner, and Hungarian authorities signed five cooperation documents on Monday covering various fields including jointly building the Belt and Road Initiative (BRI), along with other projects, the NDRC announced on Tuesday.

The two sides signed a second batch of priority cooperation projects for China and Hungary to jointly build the BRI in the second round. The two countries agreed to promote projects in fields such as infrastructure, industry, scientific research and development, and financing.The two sides also signed four other memorandums of understanding, aiming to promote bilateral cooperation in industrial investment, the exchange of policies in economic development, green and low-carbon development, and the digital economy.

The signings embody a strong and established bilateral relationship while also signaling further elevated cooperation, especially against the backdrop of the ongoing third Belt and Road Forum for International Cooperation, Bao Jianyun, director of the Center for International Political Economy Studies at Renmin University of China. Chinese President Xi Jinping met with Hungarian Prime Minister Viktor Orban on Tuesday in Beijing. Xi stressed China's commitment to promoting a deep synergy of the BRI with Hungary's "Opening to the East" policy, and sharing development opportunities and achievements, the Xinhua News Agency reported.

The two sides should work for the on-time completion and operation of the Budapest-Belgrade Railway, Xi said. He also said that China stands ready to work with Hungary to continue to lead cooperation between China and Central and Eastern European Countries in the right direction and promote steady and sustained progress in China-Europe relations, according to Xinhua.

On the same day, CRRC Changchun Railway Vehicles Co and Serbia's Ministry of Construction, Transport and Infrastructure signed a contract for the procurement of five high-speed trains needed for the Budapest-Belgrade Railway, the company told the Global Times. The deal also marks the first time for China's high-speed train system, which is capable of running at speeds of more than 200 kilometers per hour, to be exported to Europe, according to the company.

The Budapest-Belgrade Railway, linking the capitals of Hungary and Serbia, is a flagship project under the BRI between China and Central and Eastern European countries. The travel time will be shortened from eight hours to three hours after the project goes into operation. Hungary will firmly support and continue to actively participate in the BRI, Orban said.

Experts said that the stable and progressing China-Hungary relationship will have a demonstration effect, especially because Hungary has participated in the BRI as an EU member and the country is a significant bridge connecting China with the Central and Eastern European Countries and with the EU.

Hungary has insisted on its own independent foreign policy with China, and it has been promoting cooperation based on an already established consensus, Cui Hongjian, a professor with the Academy of Regional and Global Governance at Beijing Foreign Studies University, told the Global Times on Tuesday, adding that the strong bilateral relationship has been established on a high level of political trust with mutual respect Cui also noted that the two sides have great common interests, especially in economic and trade development.

Mario Rendulić, president of the Presidency of the Chinese Southeast European Business Association, told the Global Times on Tuesday that the BRI has "provided a framework for enhanced cooperation, trade and investment between China and the CEE region." According to Rendulić, the China-CEE cooperation mechanism, running in parallel with the BRI, has played a significant role in facilitating dialogue and cooperation in various areas, including infrastructure development, finance, agriculture and tourism. Cui said that Hungary has well integrated the BRI as well as China's regional cooperation with Central and Eastern European countries, highlighting infrastructure construction.

For instance, the signature Budapest-Belgrade Railway will assist Hungary to find a sea gate through the China-Europe sea-land express transport, which will bring major benefits to boost its trade and economy, Cui noted.

Hungary was the first European country to sign a BRI cooperation document with China, Yang Chao, the Chinese Embassy's chargé d'affaires in Hungary, told the Global Times in an earlier interview. Hungary is one of China's most important trading partners in Central and Eastern Europe. Bilateral trade reached $15.52 billion in 2022, an increase of 84 percent from 2013, Yang said.

As of the end of 2022, China's direct investment in Hungary amounted to $426 million, involving trade, chemicals, finance, communications equipment, new energy, logistics and other industries, official data showed.

China and Serbia signed a free trade agreement on Tuesday, marking the first Central and East European country to sign an FTA with China, according to China's Ministry of Commerce. Serbia thus has become China's 29th FTA partner.

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Laos

Laos to step up financial support for SMEs

The Lao government's Small and Medium Enterprises (SMEs) Promotion Fund has injected 152 billion kip (some US$7.3 million) in financing for SMEs through commercial banks to mitigate the impact of the Covid-19 pandemic.

Agreements on the provision of financing in the form of long-term low-interest loans were signed on Friday (Oct 20) between the SMEs Promotion Fund and six commercial banks. Witnessing the signing were Lao Minister of Industry and Commerce Malaythong Kommasith and over 130 representatives of relevant departments and organisations, according to Lao Economic Daily report on Tuesday.

Malaythong said the financing scheme is the government's latest effort to address the current economic and financial issues, inflation, fluctuation of exchange rates, rising prices and soaring foreign debt. *"These soft loans are aimed at providing small businesses with more capital as the regular customers of banks, as well as enable them to expand their operations in agriculture so that more produce can be grown locally and less needs to be imported,"* he said.

Besides, Laos has been concerned about a labour shortage that is affecting business operations despite the Lao government's efforts to increase minimum wage for workers. In addition, the Lao government has instructed relevant authorities to take urgent measures to address the continuing economic and financial difficulties with respect to inflation, unfavorable currency exchange rates, spiraling prices and foreign debt..”

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Namibia

Namibia and Estonia establish Strategic Partnership to empower MSMEs

According to the 2022 Digital Financing for Sustainable Development: An Assessment and Strategy for Namibia commissioned by Government of the Republic of Namibia, with support from the United Nations (UN) in Namibia under the technical assistance of the UN Development Programme, Micro, Small, and Medium Enterprises (MSMEs) in Namibia, though crucial, grapple with the need for digital adaptation, sustainable innovation and consistent growth. In light of these challenges, the Namibia Investment Promotion and Development Board (NIPDB) has entered into a strategic partnership with the Estonian Centre for International Development (EstDev), a government-funded foundation responsible for managing and implementing Estonia’s international development cooperation and humanitarian assistance projects. The partnership will, amongst others, culminate in the development of a digital capacity and skills development strategy for Namibian MSMEs, which will define and outline support measures for their benefit.

“*We are very pleased to embark on our collaboration with the NIPDB. EstDev and NIPDB share the same motivation to deliver change. We also share the same vision to support Namibian MSMEs and start-up ecosystems. For Estonia, Namibia has a special meaning. We both gained independence at the same time, we are both small and agile, and share similar values on human rights and democratic governance. Thus, it is no wonder that Namibia is one of the African countries Estonia has prioritised for its development cooperation*” Ms. Nelli Timm, Regional Advisor for Africa for EstDev.

With a combined investment of EUR 146,000 (close to N$3 million), the partnership between NIPDB and EstDev is a determined step to enhance and elevate the capabilities of the MSME sector in Namibia in areas such as online banking and eCommerce, the use of mobile apps to streamline their activities and online market research.

The partnership, which has its roots in strategic meetings held between EstDev and NIPDB in Estonia in May 2023, will materialise in three key projects, the first of which will kick off in November 2023, in Swakopmund:

Tallinn University of Technology – This initiative aims to introduce Estonian methodologies and online tools to promote entrepreneurship and innovation in Namibia, with an emphasis on sustainable growth through green technology and a circular economy.

BCS Digital Skills Academy – This initiative, led by the NIPDB, will respond to the demand for digital proficiency in Namibia, outlining strategies for the forthcoming 3-5 years, encompassing action points and an introductory training segment.

Foundation Tallinn Science Park TEHNOPOL – Aiming to consolidate economic relationships between Estonia and Namibia, this endeavour will focus on building a sustainable start-up environment, prioritising green technology, elevating entrepreneurial awareness and underpinning environmental advancement.

Speaking during the official announcement of the partnership, Executive Director: MSME Development, Innovation and Acceleration from NIPDB, Mr Dino Ballotti remarked, "The NIPDB's mission to Estonia earlier this year offered a comprehensive view of a dynamic tech and innovation ecosystem. The insights gained and connections forged during this visit are now yielding positive results as we'll see Namibian MSMEs benefiting from Estonia's experiences and learnings."

The rationale for this alliance is further strengthened by EstDev's ongoing work to assist nations in realising their developmental targets. Their African Regional Strategy 2020-2030 positions Namibia as a key collaborator for Estonia. Moreover, Estonia's investment in pioneering a digital transformation and fostering entrepreneurship resonates with Namibia's strategic vision, especially when considered alongside the European Union's green hydrogen initiative.

A call for application will be issued to invite Namibian MSMEs to take advantage of this opportunity.

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Oman

Oman's tourism ministry unveils new investment packages for SMEs

In a bid to bolster small and medium enterprises (SMEs) and invigorate the country's tourism sector, the Ministry of Heritage and Tourism (MHT) has rolled out its second tranche of investment opportunities for this year.

MHT, in collaboration with the Authority for Small and Medium Enterprises Development (ASMED), has identified nine distinct investment prospects across seven governorates.

Among them is a 9,357sqm plot that has been earmarked for a temporary camping venture in Ghamda, located in the wilayat of Bukha in Musandam. Additionally, there's a sizable 121,447sqm area designated for another temporary camping project in Safwan, wilayat of Mahdah, in Buraimi, complemented by a hotel project in Tawi Al Qa'dah within the same governorate.

Other investments involve hotel projects in Al Awabi, South Batinah, over a 8,110sqm of land; a 5,000sqm hotel in Quriyat Muscat; a boutique 1,000sqm hotel in Saiq, Jabal Akhdar, in the Dakhiliyah governorate; a 5,800sqm hotel facility in Ibri, Dhahirah; and a sizable 10,000sqm hotel in Bidiya, North Sharqiyah.

Additionally, a 10,000sqm area in Al Jufra, wilayat of Ibrit in Dhahirah governorate, has been set aside for another temporary camping place. These initiatives predominantly target SME proprietors, aiming to galvanise economic activities and tourism. "The overarching goal is to draw an increased number of tourists, amplify support for SMEs, and inspire them to delve into the tourism industry," commented an MHT official.

Global firm BMI anticipates a surge in tourist arrivals to Oman, projecting 3.5mn international visitors in 2023, denoting a 20.8% uptick from the previous year. The annual tourist influx from 2023 to 2027 has been predicted to climb by 7.4%. This uptrend is largely attributed to both leisure and business tourism, further propelled by the spike in oil prices fostering domestic ventures

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Romania

EIF and leading Romanian banks join forces to empower SMEs for sustainable growth

The European Investment Fund (EIF) has signed agreements with five banks to support Romania's small and medium-sized enterprises (SMEs). The series of uncapped direct guarantees totalling €1 billion is backed by the InvestEU Member State Compartment in Romania and the Recovery and Resilience Facility Romania (RRF RO) and represents an ambitious venture aimed at enhancing sustainability and competitiveness for businesses across the country.

The banks, Banca Comerciala Romana, Banca Transilvania, CEC Bank, Raiffeisen Bank and ProCredit Bank are well-known EIF partners, having successfully implemented various EIF mandates in the past, such as the SME Initiative Romania (Initiativa pentru IMM-uri).

Thanks to the Sustainability Guarantee the partner banks will be able to further support a green and sustainable transformation of the economy, and finance environmentally-friendly, green and inclusive investments of the end beneficiaries. The SME Competitiveness Guarantee will enable the partner banks to facilitate access to finance for a broader spectrum of companies and industries, with loan terms which would not be offered in the absence of the guarantee.

"*We've been working hard with the Romanian government and the European Commission to make sure that Romanian businesses can get the support that they need during these difficult times. Today's five agreements will translate those efforts into real access to finance on the ground, helping SMEs pursue their growth ambitions, driving economic progress and fostering a greener future*," said EIF Deputy Chief Executive Roger Havenith.

With financing available in both RON and EUR, this endeavour will bolster cohesion regions in Romania, fostering business growth and expansion, supporting value chains, sustainable infrastructure products and services, renewable energy and energy efficiency, and clean transport, while propping up the Romanian financial ecosystem.

The EIF guarantee enables its partner banks to offer improved financing terms such as lower interest rates, reduced collateral requirements and reduced down-payment requirements for investment loans. Moreover, thanks to the EIF guarantee, banks can offer longer maturities and increased financing volumes and support excluded segments such as start-ups, which would not have been targeted without the guarantee.

The uncapped direct guarantees are part of the InvestEU portfolio guarantee products under the InvestEU Member State Compartment in Romania. Funded through Romania's Recovery and Resilience Fund, this initiative comprises two vital components: the RRF RO SME Competitiveness Guarantee and the RRF RO Sustainability Guarantee. These programmes are pivotal in advancing Romanian businesses' competitiveness and steering the nation towards sustainable economic growth.

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South Africa

IFC Partners with FirstRand Bank to Expand SME Financing in South Africa

To facilitate increased access to financing for small and medium-sized enterprises (SMEs) in South Africa, including women-owned businesses, IFC today announced a loan to FirstRand Bank, which will support businesses in the agriculture, services, trade, construction, hospitality, and other sectors in the country.

IFC's $150 million loan will enable FirstRand Bank to increase lending to SMEs with loan sizes between $10,000 and $2 million equivalent in South African rand, helping these businesses sustainably scale, expand into new markets, and sustain and create jobs. FirstRand will allocate 25 percent of IFC's loan to support women-owned businesses.

Although South Africa has a developed financial system, smaller businesses in the country can still struggle to access financing, limiting their growth. IFC's partnership with FirstRand Bank will help the bank increase its already wide-ranging support for South Africa's smaller businesses and entrepreneurs.

"South African SMEs have been hard hit by events beyond their control over the past few years, such as the pandemic, and the floods in KwaZulu-Natal. SMEs were particularly affected as they do not have significant capital reserves and other buffers to weather stress events. This transaction will provide FirstRand Bank with valuable additional capacity to provide small businesses with innovative funding solutions to support growth," said Andries du Toit, FirstRand's Group Treasurer.

"SMEs are key to job creation and the delivery of essential goods and services," said Adamou Labara, IFC's Country Manager for South Africa. "IFC's investment in FirstRand Bank, a longstanding partner, will support the resilience of SMEs in South Africa, helping them grow and become more sustainable, including through ongoing global economic challenges."

IFC's loan to FirstRand Bank is aligned with the institution's country strategy for South Africa, which includes a focus on financing SMEs, including women-owned businesses, with the goals of promoting job creation and reducing poverty and inequality.

IFC has an investment portfolio of about $3.1 billion across 45 clients in South Africa, and an active advisory portfolio of $25.8 million across 15 clients. IFC supports the private sector in South Africa through focus areas such as empowering small businesses and entrepreneurs, promoting financial inclusion, and contributing to the country's transition towards a greener economy..”

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Asia

Japanese VC Incubate Fund Asia Announces First Close Of $50 Mn Fund To Back India & SEA Startups

The early stage Japanese venture capital (VC) firm Incubate Fund Asia has concluded the first close of its third fund with a target corpus of $50 Mn (around INR 416 Cr).

The VC firm will look to deploy the funds in 20 pre-seed and seed stage startups across India and Southeast Asia, investing in the $500K to $1.5 Mn range. Incubate Fund Asia will also make follow-on investments in portfolio startups via Fund III. The VC firm said it would invest 40% of its corpus in new startups, deploying the rest in portfolio startups.

The Japanese VC firm first started investing in Indian startups in 2015 via its $91 Mn Incubate Fund III.

Set up in 2016, Incubate Fund Asia was initially an India-focused subsidiary of the Japanese firm, before being rebranded to its current form. The VC firm is led by Nao Murakami, founder and general partner, with support from Incubate Fund's Japan team.

Murakami said about the first close, "Our mission is to empower startups and fuel innovation across Asia. With the target fund closure of $50 Mn, we will be ready to significantly enhance our support to emerging ventures, driving sustainable growth and innovation. Incubate Fund Asia remains deeply committed to its vision of nurturing innovation and catalysing the growth of startups, ultimately contributing to the development of a thriving entrepreneurial ecosystem across Asia."

The VC firm has invested in startups such as Captain Fresh, Yulu, ShopKirana and Plum. In all, Incubate Fund Asia has invested in 23 Indian startups, according to its website.

Incubate's fund announcement comes against the backdrop of investors active in India accumulating large amounts of dry powder to deploy in startups. According to Inc42 statistics, around $22 Bn have already been raised or committed by investment firms active in India since the start of 2022.

Since the start of 2023 alone, there have been fund announcements worth nearly $4 Bn, per data collated by Inc42.

However, the Indian startup ecosystem is also going through a funding winter, driven largely by low investor confidence, high valuations and prevailing global macroeconomic headwinds, which has forced investors to be selective in their investments and preserve liquidity.

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Europe

France wants to boost angel investment by copying UK's investment schemes

As part of France's budget for 2024, which was passed last week by the French government without a vote, France plans to create a new tax relief system for angel investments in tech startups. In many ways, France is drawing inspiration from the British tech ecosystem for this change. If you're an angel investor in the U.K., chances are you're already quite familiar with the acronyms SEIS and EIS, which mean Seed Enterprise Investment Scheme and Enterprise Investment Scheme. These two tax relief schemes have fostered angel investments in small private companies — generally tech startups — since 1994.

In the U.K., if you invest in an early-stage startup, your investment is eligible for a 50% tax break on your income tax, with a limit of £200,000 in investments per year. You may wonder, but what is an early-stage startup, after all? Criteria change every now and then, but right now, an SEIS-compatible company is a British company that is less than three years old, has less than 25 employees and less than £350,000 in gross assets. *"I benefitted from SEIS both as a founder and an investor. SEIS funding de-risks angel investing, and allows startups to close their rounds much faster," Reedsy co-founder and CEO Emmanuel Nataf told me. "The fact that any tax payer — and not just the wealthiest — can benefit from the tax breaks makes it a real enabler for the tech ecosystem in the U.K."*

As for the Enterprise Investment Scheme and as the name suggests, more companies are eligible. But, in that case, individual investors only get a 30% tax break on their income tax. EIS-compatible companies are less than seven years old, have less than 250 employees — and their gross assets should remain below £15 million. Interestingly, deep tech companies have a bit more leeway as they are still eligible if they have been around for up to 10 years. Individuals can invest as much as £1 million per year to get the tax credit (or £2 million for deep tech investments).

And it's been working incredible well. In 2021, according to a report from Paul Midy, a member of the National Assembly representing Emmanuel Macron's party that has been working on that topic, a total of £175 million and £1.6 billion have been invested in private companies via the SEIS and EIS respectively (that's $213 million and $1.95 billion at today's exchange rate, respectively). "Angel investors taking advantage of the schemes also bring significant support to the founders, which might be harder to get from institutional funds," Nataf added.

Importing the SEIS and EIS schemes

Now that you understand how it works, France is basically copying these schemes with a different set of criteria. Starting in 2024, individuals who invest in companies with the JEI label (jeunes entreprises innovantes) will get a 30% income tax break. Starting in 2025, there will be two new categories, JEIC and JEIR — C for croissance and R for rupture. These acronyms are a bit jargony, but the bottom line is that investors in deep tech startups will get a 50% tax break for investments up to €100,000 per year. Investors in other startups will get a 30% tax break for investments up to €150,000 per year.

“This scheme for so-called ‘young companies’ is designed to help thousands of young innovative companies to hire, to raise capital, to improve cash flow and to gain access to public contracts,” Paul Midy said in a video on X (formerly Twitter). “It should enable half a billion euros in additional fundraising every year for our startups, specifically at the early stage.”

It’s going to take a bit of time before the French tech ecosystem can feel the effects of this regulatory change. But it’s a welcome change as France — like many tech ecosystems around the world — is experiencing a slowdown in traditional VC investment.

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The Womenture initiative launches European female founder pre-accelerator programme

Female entrepreneurship has long been an area needing greater focus and support, especially within the European Union. Breaking down the barriers that women face in the business world is not just a matter of fairness but also a way to foster economic development and innovation.

This is where Womenture comes in. The EU-funded project is launching a pre-accelerator programme aimed at reshaping the entrepreneurial landscape for women across Europe. Led by Design Terminal and in partnership with DEX Innovation Centre (CZ), Tallinn Science Park Tehnopol (EST), and SpinLab (DE), this initiative has the goal of inspiring women and increasing the number of female founders. It offers diverse support opportunities and creates a valuable environment and community.
Applications for the Womenture pre-accelerator are now open! Don’t miss the chance to apply until November 30.

What the programme offers
The Womenture programme is a seven-week online pre-acceleration for future female entrepreneurs residing in the European Union. Women entrepreneurs will be taught important skills covering essential topics from, team and competencies, business model, product/service development /design as well as marketing/sales and finance/funding including pitch training.

The programme places a strong emphasis on collaborative learning, professional networking, and mentorship from accomplished industry figures, all tailored to the unique needs of female founders. Recognizing the specific challenges women face in the European Union, Womenture has designed the entire programme to be adaptable to various life circumstances.

Objectives

- Networking: Forge connections among various initiatives, startups, and innovation actors to build a strong community.
- Innovative Support: Boost support for female founders, who remain underrepresented in the European Union.
- Capacity Building: Facilitate knowledge transfer between incubators and accelerators and assist other institutions in launching programmes for minorities and diverse teams.

These goals have been designed with the specific aim of benefiting female entrepreneurs by offering tailored services and enabling knowledge-sharing.

Framework of the programme

Womenture will enrol 20 women in the “idea phase” in its seven-week pre-acceleration programme. The programme’s structure takes into consideration findings from a meta-analysis prepared by participating partners to address the needs and gaps within various ecosystems.

Upon completion of the pre-acceleration phase, Womenture will host four inspirational online events, to maintain engagement with the participating startups and provide further opportunities for knowledge sharing and networking. An Innovation Ecosystem Hub will also be launched, serving as a platform where stakeholders can interact and support each other.

Next year a Joint Innovation Summit will be held to showcase the results and explore further dissemination and exploitation possibilities. This summit aims to provide a platform for female entrepreneurs to interact with a broader range of stakeholders, thus widening the scope and impact of the programme.

For a more detailed timeline and additional information, visit the Womenture website.

Eligibility Criteria

People who have a residence in the European Union member states and people with residence in Horizon Europe-associated countries.

European Union member states: Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

Countries associated with Horizon Europe: Albania, Armenia, Bosnia and Herzegovina, Faroe Islands, Georgia, Iceland, Israel, Kosovo, Moldova, Montenegro, Morocco, North Macedonia, Norway, Serbia, Tunisia, Turkey, United Kingdom and Ukraine.

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Date: 9th December 2023
Venue: Dubai
Details: https://www.wasmeinfo.org/event/icsme-2023/

Date: 24-27, January 2024
Venue: ICCB Dhaka, Bangladesh
Details: https://www.wasmeinfo.org/event/16th-ipf-bangladesh/

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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