

Relief for SMMEs amid Covid-19

The Covid-19 pandemic, which has been declared a National Disaster and has prompted a 21-day national shut down, is having catastrophic effects on businesses throughout South Africa and around the globe.

Micro, small and medium enterprises are among the hardest hit by the crisis. Government departments have been inundated with enquiries from SMMEs, requesting help to mitigate the devastating impact the pandemic is having on their livelihoods.

Government's commitment to SMMEs

The Minister of Small Business Development, Minister Khumbudzo Ntshavheni, announced that Government is introducing support measures for SMMEs during this extremely difficult time.

The Department's proposed Debt Relief Fund will offer qualifying SMMEs much-needed repayment relief, which will assist many business owners who are currently finding their debts unserviceable. In order for SMMEs to qualify for assistance from the fund, they will need to demonstrate a direct link of the impact, or potential impact, of Covid-19 on their businesses.

Assistance from banks

Some of the banks have also started announcing lifelines that they will be extending to their SMME customers.



Big banks reassure SMEs in Covid-19 crisis

23 Mar 2020



Standard Bank was first to the party, offering a three-month payment holiday for debt repayments for qualifying business customers with an annual turnover of less than R20 million. Furthermore, the bank recently made a statement on Twitter, committing to reach out to their vehicle and home loan customers individually with payment relief options.

“ If you're a Vehicle or Home Loan customer, you can be assured that we'll be reaching out to you individually with payment relief options to help ease and guide you through the financial uncertainty that you may be experiencing during this time. pic.twitter.com/QxhoYHwUIQ— Standard Bank SA (@StandardBankZA) [March 22, 2020](#) ”

Nedbank are encouraging their customers to get in touch with them directly. They will be offering solutions including debt

repayment holidays, extended loan periods, or short-term credit extensions on a case-by-case basis. They will make further announcements regarding their relief offerings in the coming days.

“ We understand that many individuals and businesses are experiencing cashflow challenges as a result of COVID-19.

Nedbank is committed to working with you to find a suitable solution for your loan with us. Find out more:

<https://t.co/dq2Bv7Y4xc> pic.twitter.com/ApdsnrV2J5— Nedbank (@Nedbank) [March 23, 2020](#) ”

Be proactive

Darlene Menzies, CEO of Finfind, stated, “Now, more than ever, it is the performance of the small business sector that will determine the fate of the country’s economy going forward. With a severely constrained fiscus and looming mass retrenchments by corporates, it is critical that the SMME sector is strongly supported through this crisis. This is essential in order to prevent large-scale liquidations of viable small and medium businesses, and the loss of thousands of jobs, adding to the already high unemployment rate.

Starting and building a business is not easy, it takes tremendous perseverance and resilience. The financial challenges and cash flow pressures that business owners face each month are currently being magnified, due to the shutdown being put in place to avoid the spread of the Covid-19 virus.”

Menzies urged small business owners who are facing cash flow challenges, to make contact with their banks, suppliers and other creditors sooner rather than later.



Darlene Menzies, CEO of Finfind

“It is crucial that business owners proactively communicate their inability to meet payment commitments over this time, rather than taking no action. It is in the best interests of the business and the credit provider to find a workable repayment plan to address the outstanding debt.”

Menzies continued, “In this time of uncertainty, it is important that business owners take immediate steps to ensure they have the cash flow reserves needed for the months ahead. Ironically, the best time to apply for finance is when it is least needed when business is booming. This is when lenders are more likely to approve credit facilities that are then available to the business owner for these kinds of unplanned crises. Of course, if you haven’t already secured the money you need to bridge you through this tough time, then the next best time to apply for finance is now before you hit the cash cliff.”

Get the funding help your business needs today

Finfind has included all the latest cash flow solutions available from Government and private lenders across the country, adding to its comprehensive funding database of over 600 SMME finance offerings.

If you anticipate needing cash flow assistance in the coming months, you can complete Finfind's [online questionnaire](#) which will automatically match you any finance offerings that match your particular funding needs. You will also find a link to the Government's Debt Relief Fund on Finfind's home page.

For more, visit: <https://www.bizcommunity.com>