

SMEs: More Loan Schemes Are Not What We Need to Combat the Impact of Covid-19

By *Iyath Adam Shareef*

Following the launch of the new Covid-19 Economic and Stimulus Loan schemes in late last month, several small business owners have expressed their concerns and dissatisfaction at the introduction of 'yet another loan scheme.'

The Covid-19 Recovery Economic Stimulus Loan Schemes are the latest in line of the stimulus packages introduced by the government to provide assistance for businesses affected by the Covid-19 pandemic. Similar endeavours by the government includes the 'Viyafaari Ehee' Loan aimed for SMEs and self-employed and freelancing individuals, Covid-19 Recovery Scheme for businesses with over MVR 10 million turnover as well as electricity and water subsidies for busi-

nesses.

Citizens took to social media to convey their frustration, stating that more loan schemes are a non-viable solution for SMEs who are already struggling to survive. One business owner on Twitter shared their difficulties in applying for loans due to the stern eligibility conditions, including being debt-free – a requirement that the majority of businesses are not able to meet due to the current conditions. Additionally, SME owners also stated the lack of sufficient information regarding interest payment on loans. Moreover, they also raised their concerns about the lack of responsiveness to permits, citing the difficulties in running businesses due to this; an issue which seemed to be especially prevalent for small retail businesses.

Looking at the restaurant

industry – which is eligible to apply for the Sustainable Stimulus Loan, along with gyms and salons – the Restaurant Association of Maldives (RAM) has stated that only 4 café and restaurant businesses received loans from the past loan schemes, citing lack of proper planning by the government as the cause of this. In a press conference held on 28th June, the President of RAM, Hamid Afeef iterated that stimulus loans with interest payments are a burden on restaurant owners as it adds to their already existing debts, in a time where businesses are not turning profits. He further stated that the majority of café and restaurant owners want Islamic finance methods from the government; a plea which he says has fallen on deaf ears. Moreover, he also disclosed that over the past 18 months of the pandemic,

several businesses in the industry have been forced to close down due to difficulties in paying overhead costs.

Dissatisfied with the current circumstances, café and restaurant owners also took to the streets last week in a protest named "Don't Bite the Hand That Feeds You." They expressed their concerns with the current lockdown conditions, citing the lack of notice by the government when announcing lockdowns which has resulted in severe financial losses for the industry and made it impossible to pay property rents and salaries to employees. They also disclosed that deliveries alone were not enough to sustain and preserve their businesses.

In an interview given to RaajjeTV's 'Habar Feetha' programme, Shaira Saleem – founder of the Sheri Salon & Spa chain – and Fathimath Shafa – owner

of Salon Femina also voiced similar sentiments regarding the stimulus loans as well as the annual quota payments required for expatriate employees. Considering that the Maldivian salon industry is predominantly staffed by expatriate employees, the salon owners emphasised the financial burden this placed on them at a time when their businesses are severely struggling.

"We cannot afford to pay these fees even with the current extension till next January. We simply don't have the money right now. My request to the government is to give us at least one or two years to allow us to get back on our feet, before we can pay this" stated Shafa and Shaira. "SMEs need moratoriums on our payments. Loans are not the solution. It will only result in more debt for us."

Reduced Fixed Broadband Prices Comes at a Critical Time

Implementation of the new reduced fixed broadband prices determined by the government has begun on 1st July. As per the new guidelines, fixed broadband connections are set at the following prices and speeds, MVR 250 per month for 30GB at 5 Mbps, MVR 500 per month for 100GB at 15 Mbps and the MVR 700 per month for 200GB at 15 Mbps. Additionally, the national minimum broadband speed is set at 2 Mbps, regardless of the internet package.

According to the Communication Authority of Maldives (CAM), Internet Service Providers (ISPs) will be regularly monitored to ensure that the agreed prices and internet speeds are maintained. If ISPs deviate from this, they will be fined.

This reduction in internet prices comes at a critical juncture for Maldives, as well as the whole

world. With the rise of the Covid-19 pandemic, digital services have been increasingly utilised within the past year, from online delivery services by businesses, online classes and meetings in the education and administrative sector and the implementation of telemedicine in the health sector. However, the issue of internet prices and speed caused outrage among citizens.

Although Maldives is one of the countries with the highest rate of digital connectivity in South Asia, there are obvious imbalances between the usage of internet in the Greater Male' Area and island atolls, with more fixed broadband connections with faster download speeds in the former area. Regardless, the quality and speed of internet is grossly unequal to the price range in all parts of the country. In January 2021, the aver-

age download speed in the Maldives was 24.5 Mbps, behind Bangladesh and India respectively. However, the price of a monthly internet subscription in the Maldives comprises of 3.1% of Maldives' per capita income, which is above the 2% per capita income prescribed by the United Nations. This has comparatively reduced the usage of fixed broadband Internet connections in the Maldives – a problem which will hopefully be remedied by the new and reduced Internet prices. Along with the new fixed broadband prices, mobile internet plans are also scheduled to be reduced beginning October 2021, although these prices differ based on Dhiraagu and Ooredoo.

This article contains information and statistics from April 2021 Maldives Development Update ("A Digital Dawn") report by the International Bank for Reconstruction and Development/ The World Bank.



- ✓ A Hospitality Industry trade fair organized on an online virtual platform.
- ✓ New opportunities for entrepreneurs to the Maldives market.
- ✓ Exhibitors can showcase their latest products and services.
- ✓ Exhibitors can interact real time with locals and international Visitors / buyers.
- ✓ Exhibitors will have customized virtual booths.

FEATURES OFFERED TO VIRTUAL STALL/BOOTH

- ✓ The live exhibition will run for 5 days.
- ✓ Dedicated Virtual Stall for Each Exhibitor
- ✓ Backdrop image/video on virtual stall.
- ✓ Company logo on virtual stall.
- ✓ Up to 10 products can be uploaded into Virtual stall.
- ✓ Up to 3 video links into virtual stall.
- ✓ Up to 3 dedicated user access.
- ✓ Access to unlimited visitor profile and set-up meetings using the platform.
- ✓ Unlimited live chat/live video calls during the 5 days live show time.
- ✓ E mail notifications for each interaction.
- ✓ Exhibitor visitor meeting scheduler with united meetings.
- ✓ Search visitor by business, category, and other parameters.
- ✓ External visitors invite facility.
- ✓ The Stall will be available for 3 months after the live event

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Government Announces Stimulus Loan Scheme for Small Businesses

The government has announced the launch of its Covid-19 Sustainable Stimulus Loan Scheme on 23rd June. This loan scheme is the second part of the government's Covid-19 Recovery Economic Stimulus Scheme to support small and medium-sized enterprises (SMEs) impacted by the Covid-19 pandemic.

It is specifically aimed towards small businesses and allows them to take out loans of up to MVR 1 million, with an interest rate of 6% per annum. Businesses eligible for this stimulus loan includes cafés and restaurants, gyms, salons and



guesthouse businesses.

The Sustainable Stimulus Loan will be released through the SME Development Finance Corporation (SDFC), under three packages – (1) to finish existing projects, (2) as running capital and (3) for business expansion purposes,

including technical service fees to better develop businesses. The repayment period for these loans are 5 to 8 years, with a grace period of 12 to 24 months. No equity is needed for this loan, except for business expansion loans under the third package. To be eligible for this loan scheme,

businesses must have been gaining profits from 2018 to 2020 and been fully operational within the past year with no defaulted loans. Applications for the loan will be opened this month.

The first part of the Economic Stimulus Scheme is the Covid-19 Economic Stimulus Loan which was opened for applications on 20th June. This loan scheme is overseen by Bank of Maldives (BML) in partnership with the Ministry of Finance and is funded from special loan facilities provided by the European Investment Bank. Under this scheme,

businesses can take loans of up to MVR 10 million, with a payment period of 4 years and grace period of 12 months. The interest rate for this loan is also 6% per annum. More information about this loan scheme is available on the BML website page <https://www.bankofmaldives.com.mv/covid-19-economic-stimulus-loan>.

These loan schemes are a part of President Ibrahim Solih's National Resilience and Recovery Plan (NRRP) to combat the economic decline of the country due to the Covid-19 pandemic.

Peoples Profile

Shyness Cakes by Sheneena Zahir



Shyness Cakes by Sheneena Zahir, an up-and-coming cake decorating business based in HA. Dhindhoo.

Sheneena's first foray into cake decorating was in 2018, when she created a cake for her husband's birthday at the suggestion of her daughter. From this, her interest in cake-making began and she continued to make decorated cakes for her family for

special occasions.

Although she first began baking and decorating cakes without any prior experience, she has since completed basic and



advanced cake decorating courses as well as different icing techniques courses, which has allowed her to offer a variety of designs for clients. Her creations

are beautiful with the attention to detail apparent in every design, no matter the type of cake. Decorations available for cakes range from simple icing cakes in round or rectan-



gular shapes to elaborate designs with fondant figures, buttercream rosettes, ruffle icing and different toppers. The types of cakes available include chocolate and butter cakes, fruitcakes, cheesecakes

and the all-time Maldivian specialty, kanamadhu (sea almond) cake. In addition to whole cakes, Sheneena also offers decorated cupcakes, tray cakes, doughnuts, different types of tiny

dessert cups, puddings and brownies as well. Prices for her cakes are based on cake sizes, with prices starting at MVR 300-350 rufiyaa, depending on the type of cake. Sheneena observes that while cake prices were comparatively higher in Male' – where she was previously based – sales are still at a reasonable level at her current location as well, with birthday cakes, cheesecakes and milk cakes in high demand.

Sheneena hopes to expand her business and continue learning more about cake decorating as she goes along. Check out her amazing decorations on her Facebook page @ shynesscakes.

Sparkle Up Your Home with Aisha's Hand-Made Wall Hangings!



Aishath Waleedha (Aisha) is the owner of Roz.mv, a small business selling hand-stitched embroidery wall hangings in Male'.

Aisha started her business

as a way to gain income by staying at home, while she was studying for her bachelor's degree in the Islamic University of Maldives (IUM). Although she had learnt to stitch by hand

when she was a young girl, she spent a considerable amount of time doing research about embroidering, before she started selling her handmade products.



Through Roz.mv, Aisha makes and sells embroidered wall hangings for a variety of occasions – wedding anniversary and birthday gifts, family portraits and even for rankiyun ceremonies. Her



product prices range from MVR 300-2000, which is determined based on the size of embroidery hoops used. According to her, these hoops – on which she stitches her designs – are the backbone of her craft and is not easily available in the Maldives. Therefore, she has now switched to buying the hoops as well as the other materials she needs from outside the Maldives.

Aisha's dream is to further expand her business and utilise her skills as a seamstress to sell hand-made embroidered clothing in the future – something which she receives requests about even now. However, for Aisha, the biggest obstacle to achieving this is the lack of free time available to dedicate to this work. Hand-stitching and embroidering require extreme attention to detail and as a full-time student and employee at IUM, time is not something she has to spare. Nevertheless, Aisha still hopes to have her own embroidered clothes business under the name of Roses MV.

Check out Aisha's splendid workmanship and design process on her Facebook, Instagram and Tiktok pages, @roz.mv.



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GureyzKitchen: A Taste of Home in Malaysia



For us Maldivians, the ultimate comfort food is no doubt, Maldivian short eats or hedhika. However, making hedhika is an arduous process, more so if you are not residing in Maldives,

ber of last year, Gureyz-Kitchen is run by Aishath Gureysha and boasts an assortment of hedhika and Maldivian breakfast items on their menu. Her goal – to provide a taste of home

form with your details and the food you want. The form is easy to navigate with prices and pictures of the food clearly displayed – so you know exactly what you are getting. And the best part, no minimum order is required. The only condition is that orders and payments must be made one day in advance, although this may change soon with same day orders available!



where it's difficult to find the time and the ingredients to make these items.

for Maldivians, especially students, living away from home.

Enter GureyzKitchen, a home-based Maldivian business in Kuala Lumpur, Malaysia which caters traditional Maldivian food. Established just Septem-

As such, an impressive 33 varieties of hedhika are available – tasty savoury offerings like bis cutlets, mas keemiya and havaadhulee bis to the quintessentially Maldivian desserts such as paan boakiba, dhandialuvi boakiba and dhonkeyo kajuru. The breakfast menu consists of 6 different sets which includes disku, mashuni, huni sambol and kukulhu riha, amongst other things. She is also aiming to introduce new items for the hedhika menu such as huni hakuru and fehi boakiba as well as lunch sets soon.

The process of ordering is extremely easy. All you have to do is fill an online



During this total lockdown in Malaysia with only deliveries and takeaway food orders allowed, why not enjoy a taste of home by ordering hedhika from GureyzKitchen? For more information, check out @gureyzkitchen on Facebook and Instagram!

solutions

Chaandhanee Magu, Male'



Maskula – Dazzling Underwater Designs

By Iyath Adam Shareef

Biz Times sat down with **Ms Khathoon Rasheed**, founder of 'Maskula', a Maldivian brand which sells handcrafted beach-wear essentials in tropical fish designs.

Iyath: Can you tell us a little bit about the concept behind Maskula?

Khathoon: Maskula celebrates the envision of tropical underwater life and is inspired by the passion for the sea, nurtured by snorkeling and diving. The concept of Maskula is all based on underwater beauty, patterns and colours. It represents a story of your underwater experience.

Iyath: How do you think Maskula differs from other brands in the market?

Khathoon: The concept of fish inspired clothing is very new. Maskula currently has 12 designs of tropical fishes, and each one represents a different story. So it's very unique, especially if you've vacationed in a tropical country, gone

snorkelling or diving and encountered one of these fishes. It's something tourists will want to talk about when they go back home, and our products can be kept as Maldivian souvenirs.

Iyath: Do you think your products are well-received received in Maldives, or is there a better demand for them in other countries?

Khathoon: When I first started making beach bags in 2005, it was very hard for me to reach the market. The bags were hand-drawn, sequined and stitched with pockets inside. It is a long process and takes a lot of time to make just one piece. I still see the same thing when it comes to handmade products in Maldivian souvenir shops. There are so many Maldivian artists with unique

talents whose products aren't appreciated here. But the demand for handmade products are very high in other parts of the world.

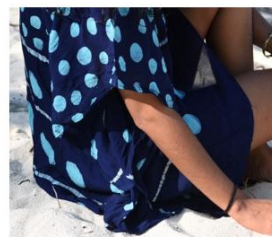
Iyath: How has the pandemic had affected your sales and production process?

Khathoon: Most of our supplier resorts and boutiques have been closed down due to lockdowns since last year. Although we received a few orders earlier this year when resorts started, our existing stock ran out and we were unable to restock due to unavailability of fabrics and colours. Also, the production factory closed down. Even so, we did manage to complete some designs at home. We also had plans to introduce a new range of products and new designs, but we haven't been able to launch them yet. Hopefully, you'll see some new products by the end of this year.

This article is based on an interview conducted via email. Answers have been edited for better clarification and flow.



Lion Fish Tail design by Maskula



Whale Shark design by Maskula

Ooredoo Introduces First-Ever Unlimited Data Rollover Services in the Maldives

Ooredoo Maldives has introduced the first-ever unlimited data rollover services in the Maldives. This service, along with upgraded SuperNet Plans for fibre broadband services and larger data allowances for existing customers, was launched by the company on 1st July.

"As the role of internet services becomes increasingly critical for everyday life, we continue to enhance our products and services to enrich the digital lives of our customers. In support of the government's efforts to create a Digital Maldives, we are pleased to unveil major changes to our SuperNet Fiber Broadband Portfolio with increased data benefits, market firsts

such as unlimited data rollover services and added improvements to our customer journey on home broadband, that enable our customers to truly enjoy the internet with Ooredoo" said Managing Director & Chief Executive Officer of Ooredoo Maldives, Najib Khan.

The new SuperNet Plans come in four packages:

- SuperNet 5M: 30GB at MVR 250 at 2Mbps throttled speed
- SuperNet 10M: 65GB at MVR 400 at 5Mbps throttled speed
- SuperNet 20M: 130GB at MVR 500 at 5Mbps throttled speed
- SuperNet 30M: 210GB at

MVR 700 at 5Mbps throttled speed

The data rollover service is available for all SuperNet Plans and add-ons and allows leftover data at the end of the month to be carried forward to the following month's data allowance, enabling customers to enjoy their broadband services to its fullest. Additionally, Ooredoo has also extended membership of their Club Premier Loyalty Programme and "Ooredoo Club Premier" reward scheme benefits to all SuperNet broadband and voice customers, allowing them access to member-exclusive deals as well as different services from their Club Premier Lounge.