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## **Bangladesh Regional Connectivity Project-1**

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Policy Review/Policy Study/Policy Paper Preparation  
on  
SME Policy, 2019



# **Policy Review/Policy Study/Policy Paper Preparation**

**on**

## **SME Policy, 2019**

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**Submitted to**

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## Preface

The final report intends to respond to the requirement according to the provision of the contract agreement signed between Bangladesh Regional Connectivity Project-1 (BRCP 1) and South Asian Network on Economic Modeling (SANEM) for conducting **“Policy Review/Policy Study/Policy Paper Preparation under the Bangladesh Regional Connectivity Project 1)”** in collaboration with International Development Association (IDA), The World Bank. The objective of this technical assistance project is to review the existing government policies related to trade to strengthen cooperation in trade, transport, and transit facilities and facilitate the economic empowerment of women traders. The ongoing context and challenges are compared with the existing policies. It has also analyzed the best practices of regional comparators to promote and improve trade-related activities as well as the relevance of SHE trade with the existing policies. Finally, based on the findings, the recommendation for future policy has been identified.

Consultancy services for conducting the **“Policy Review/Policy Study/Policy Paper Preparation under the Bangladesh Regional Connectivity Project 1)”** was provided by the South Asian Network on Economic Modeling (SANEM), Bangladesh. The study team consists of four senior-level experts. The major objective of the study is to depict a clear picture of the current state of the implementation of the policies, and challenges and to provide suggestions for future policies. Furthermore, Reviewing and identifying the gaps in the existing policies were also aimed to be found for this study.

The review of the **SME Policy, 2019** has identified some specific areas including the overview of the SME sector of Bangladesh, the current state of the implementation of the policy, challenges after LDC graduation, SME promotion, ensuring access to finance to the SME entrepreneurs, e-commerce and the prospect of SMEs, COVID-19 and the context of SMEs, incentives and infrastructural development for existing SMEs, supporting existing exporters, promoting potential exporters, capacity building, skill development, and legal enforcement.

We are enthusiastic about the policy recommendations, which would support policymakers and other stakeholders to improve SME performance.

**Md. Mijanur Rahman**

Project Director (Joint Secretary)

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## Acknowledgements

It is indeed a great pleasure that Bangladesh Regional Connectivity Project 1 (BRCP-1), Ministry of Commerce has entrusted International Development Association (IDA), and the World Bank to carry out “**Policy Review/Policy Study/Policy Paper Preparation**”. The report of the study has been prepared based on a mixed methodology. The studies are 1) SME Policy 2019 2) Trademark Act 2009, and 3) Geographical Indication of Goods (Registration & Protection) Act 2013.

The policy papers contain the objective, scope, and methodology for the studies, current context, and challenges, deviation from the international practices, and the relevance of the policies to the SHE trade. The consultants also described the best practices of regional countries adapted to facilitate trade-related activities. In the end, the findings from the analysis and recommendations for the upcoming policy papers are portrayed.

The authors wish to thank Md Mijanur Rahman, Project Director, Bangladesh Regional Connectivity Project 1, and Md Munir Chowdhury, National trade expert, BRCP-1 for their valuable comments and continuous support in undertaking the study.

We are also thankful to all the officials and participants who took part in the consultation meetings, both online and in-person, for helping us with their constructive criticism and valuable suggestions during the study period.

This work would not have been possible without the participation of the relevant stakeholders in the Key Informant Interviews (KIIs) as well as in the Focus Group Discussion (FGD). Thanks are also due to all respondents of interviews, FGDS, and KIIs who helped us by providing their information during the data collection period.

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**Dr Selim Raihan**  
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## List of Acronyms

<i>BAPA</i>	<i>Bangladesh Agro-Processing Association</i>
<i>BB</i>	<i>Bangladesh Bank</i>
<i>BBS</i>	<i>Bangladesh Bureau of Statistics</i>
<i>BIDS</i>	<i>Bangladesh Institute of Development Studies</i>
<i>BRCP-1</i>	<i>Bangladesh Regional Connectivity Project-1</i>
<i>BSCIC</i>	<i>Bangladesh Small and Cottage Industries Corporation</i>
<i>BSTI</i>	<i>Bangladesh Standards &amp; Testing Institution</i>
<i>BUILD</i>	<i>Business Initiative Leading Development</i>
<i>CCCI</i>	<i>Chittagong Chamber of Commerce and Industry</i>
<i>COVID-19</i>	<i>Coronavirus disease of the year 2019</i>
<i>CMSE</i>	<i>Cottage, Micro and Small Enterprise</i>
<i>CMSMEs</i>	<i>Cottage, Micro, Small and Medium Enterprise</i>
<i>DCCI</i>	<i>Dhaka Chamber of Commerce and Industries</i>
<i>EPB</i>	<i>Export Promotion Bureau</i>
<i>FBCCI</i>	<i>Federation of Bangladesh Chamber of Commerce and Industries</i>
<i>FI</i>	<i>Financial Institution</i>
<i>FIR</i>	<i>Fourth Industrial Revolution</i>
<i>FGD</i>	<i>Focused Group Discussion</i>
<i>FYP</i>	<i>Five-Year Plans</i>
<i>GDP</i>	<i>Gross Domestic Product</i>
<i>GEI</i>	<i>Global Entrepreneurship Index</i>
<i>GoB</i>	<i>Government of Bangladesh</i>
<i>ICT</i>	<i>Information and Communication Technology</i>
<i>IDA</i>	<i>International Development Association</i>
<i>KII</i>	<i>Key Informants Interview</i>
<i>LDCs</i>	<i>Least Developed Countries</i>
<i>LGD</i>	<i>Local Government Division</i>
<i>LGED</i>	<i>Local Government Engineering Department</i>
<i>MCCI</i>	<i>Metropolitan Chamber of Commerce and Industries</i>
<i>MCO</i>	<i>Movement Control Order</i>
<i>MoC</i>	<i>Ministry of Commerce</i>
<i>Mol</i>	<i>Ministry of Industries</i>
<i>MSME</i>	<i>Micro, Small, and Medium Enterprise</i>
<i>MSMED</i>	<i>Micro, Small, and Medium Enterprise Development</i>
<i>NASCIB</i>	<i>National Association of Small and Cottage Industries Bangladesh</i>
<i>NBFI</i>	<i>Non Bank Financial Institution</i>
<i>NSDC</i>	<i>National Skills Development Council</i>
<i>NGO</i>	<i>Non-Government Organisation</i>
<i>PPPs</i>	<i>Public-Private Partnerships</i>
<i>R&amp;D</i>	<i>Research and Development</i>
<i>SANEM</i>	<i>South Asian Network on Economic Modeling</i>
<i>SBA</i>	<i>Small Business Agency</i>
<i>SMEs</i>	<i>Small and Medium Enterprises</i>
<i>SMI</i>	<i>Survey of Manufacturing Industries</i>
<i>SMEF</i>	<i>SME Foundation</i>



<i>SMEDA</i>	<i>Small and Medium Enterprise Development Authority</i>
<i>TPE</i>	<i>Total Persons Engaged</i>
<i>TVET</i>	<i>Technical &amp; Vocational Education &amp; Training</i>
<i>UDC</i>	<i>Union Digital Center</i>
<i>WB</i>	<i>World Bank</i>
<i>WEAB</i>	<i>Women Entrepreneur Association of Bangladesh</i>
<i>WTO</i>	<i>World Trade Organization</i>
<i>4IR</i>	<i>Fourth Industrial Revolution</i>
<i>8FYP</i>	<i>8<sup>th</sup> Five-Year Plans</i>

## Executive Summary

Bangladesh's government has initiated several policies to support trade and business and trade-related procedures. Both domestically and worldwide, the circumstances have changed considerably. Improvement of existing trade-related policies has become indispensable for the country to stay up with the global setting. Also, Bangladesh is expected to graduate from the LDC category by 2026, making it crucial for the government of Bangladesh to evaluate its existing policies to keep up with the rest of the world. The Bangladesh Regional Connectivity Project 1 (BRCP-1) was formed in partnership with the International Development Association (IDA), and the report has been widely disseminated as a consequence. The improvement of institutional capacity connected to trade activities, ensuring active and sustainable cooperation among trade-related stakeholders, and enabling the economic empowerment of women entrepreneurs are the main concerns of this technical assistance project. To maintain unimpeded performance in the post-graduation stage, competent trade-related policies should be developed and implemented.

This policy review on the SME Policy, 2019 has been prepared by SANEM using a mixed research methodology comprising desk research, KIIs, and focus group discussions. This policy review paper acknowledges an array of subjects, including the complications of policy implementation, the current state of prospective sectors, and their relative importance in the wider perspective of the current scenario, along with bottlenecks. This paper also compared Bangladesh's SME policy with some of the most prominent success stories in developing and executing SME-related policies/acts in South- and East-Asian countries. Also, India, the Philippines, and Korea's policies and acts are compared with the current policy. This research also examines the SHE trade's compatibility with existing policy.

Preparing and enforcing a policy is an extremely challenging task that involves thorough research and frequent consultation with stakeholders. The provisions of the existing policy are well thought out, according to our major findings. However, there is a lack of coordination, enforcement proficiency, and surveillance, which together limit the policy's effectiveness. In addition, the current policy does not address current trade and business dynamics (COVID-19 recovery, 4IR, patent and trademark issues, LDC graduation). Several key issues are not covered in the policy, which should be addressed considering Bangladesh's impending graduation from the LDC bracket in 2026.

The second chapter of this paper examines a series of facts, including an overview of the SME sector in Bangladesh, a synthesis of the existing policy paper, its current setting, constraints, and downfalls. The shifting trade situation in the foreseeable future, as well as the policy's divergence from international practices, are also briefly explained. The current policy's background, challenges, general overviews, and trade-related provisions are addressed in chapter two of this paper. The implications of the SME Policy 2019 in the current rapidly changing economic scenario, as well as the policy provision's deviation from regional comparators, are investigated.

The relevance of the stated policy with the SHE trade is discussed in detail in chapter three, which unveils the information concerning mainstreaming women entrepreneurs in international trade and global value chains. Several approaches were used to learn more

about the current circumstances in this field. The findings of this study are illustrated in chapter four, which has provided several fascinating concerns based on primary data (in-person meetings, KIIs).

Even though the SME Policy 2019 is a comparatively recent policy, various concerns were uncovered while undertaking this research, including the failure to keep product quality competitive, problems in access to finance, shortage of qualified technicians and workers, entrepreneurs with poor management skills, lack of market access and awareness of the need of marketing tools, absences of commitment to innovation and customer satisfaction, problems are the definitions of micro, small, medium enterprises, high-interest rates, lack of research and development, absence of inter-ministerial cooperation, implementation challenges, inadequate human resources in the SME foundation, physical infrastructure constraints and so on.

In chapter five, a comprehensive recommendation matrix is presented with possible recommendations/action plans for the forthcoming future policy. Priority should be given to SME promotion, the use of modern technology in SMEs, and capacity building for this purpose. Moreover, governmental and non-governmental organisations should work together for financial help in rural areas. Also, the focus should be given to the development of SME clusters, investment in R&D, appropriate implementation of the SME policy, ensuring access to finance for the SME entrepreneurs, specification of the source of funds for the better implementation of the action plans mentioned in the policy, and rethinking the definition of the SMEs that are mentioned in the industrial policy. Finally, in chapter six, the policy review's conclusions are conveyed.

# 1. Introduction

## 1.1 Background and Objectives

Small and medium industries (SMEs) are making significant contributions to the economic growth of our country. The development of (SMEs) is considered to be a vital instrument for poverty alleviation and acts as a catalyst toward rapid industrialization. Small and Medium enterprises are specifically well suited for densely populated countries like Bangladesh where the SME sector can offer a large number of employment opportunities for a relatively cheap investment.

At present, small, micro, and medium (MSME) enterprises comprise around 7.8 million and they contribute about 25% (ADB 2015) to our GDP.<sup>1</sup> Most governments of the world have acknowledged the need of having effective & productive SMEs in achieving sustainable economic development. Thus, the governments have contributed to creating an SME-friendly environment by framing policies, laws & regulations, providing adequate fiscal & environmental support, infrastructure support, and administrative support for the rapid growth and development of SMEs.

In consonance with other countries, Bangladesh has also taken several activities to promote the SME sector. The government declared the SME sector as the major pillar of industrial development in the National Industrial Policy 2016 to achieve balanced development through economic, social, and environmental sustainability.<sup>2</sup> The development of the SME sector is expected to be essential in accomplishing the goals outlined in national and international policy and planning documents such as the National Industrial Policy 2016, the Seventh Five-Year Plan, Vision 2021, and LDC graduation by 2024, SDG 2030, and Vision 2041.<sup>3</sup>

Furthermore, the government for the first time supported the SME Strategy Framework in 2005 to establish a favourable atmosphere for the country's SME sector's development. The National Industrial Policy of 2016 included a commitment to producing a precise and time-bound SME development strategy to properly implement the SME Policy. In addition, SME policy 2019 has been formulated as an appropriate action plan for removing the barriers in this sector and expediting the development of the SME sector.<sup>4</sup>

The period from July 2019 to June 2024 has been defined as the implementation period of the current policy based on the vision; mission; targets and objectives of SME Policy 2019.<sup>5</sup> The overall responsibility of monitoring the implementation of SME Policy 2019 will be the responsibility of the Ministry of Industries. The contribution of the SME sector to the GDP is to be increased from 25 % to 32% to implement the development projections of the government.

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<sup>1</sup>SME Policy 2019, Ministry of Industries Government of the People's Republic of Bangladesh, page 4

<sup>2</sup>Ibid

<sup>3</sup>Ibid

<sup>4</sup>Ibid

<sup>5</sup>SME Policy 2019, Chapter 3, 3.1.3

However, due to key constraints such as a lack of fiscal incentives, access to funding, and policy inconsistency, SMEs in Bangladesh are unable to prosper. The contribution of SMEs to Bangladesh's gross domestic product (GDP) is now barely 20.25 percent. According to a recent survey, SMEs account for 80 percent of all businesses in Bangladesh, compared to 97.60 percent in India, 99 percent in China, 99.70 percent in Japan, and 60 percent in Pakistan.<sup>6</sup> Even the latest SME policy is silent on the elimination of the existing impediments, without the elimination of which the goal and vision of the policy can hardly be achieved.

The Ministry of Industries is committed to formulating and carrying out policies and strategies and providing necessary facilities and support to set up and expand SMEs for growth, employment generation, and improvement in living standards. Hence, it is necessary to review the manufacturing-related policies adopted in the SME Policy (2019). The important and underlying objectives of the SME Policy 2019 include sustainable and inclusive development of the SME sector through the generation of productive employment to create new entrepreneurs, mainstreaming of women entrepreneurs, and international market linkage creation. Against this backdrop, the SME Policy 2019 needs to be further reviewed to ensure the country's sustainable growth and brave the international competitive market after LDC graduation.

## **1.2 Research Questions**

The research team will primarily dig into the following research questions.

1. How can the policy ensure sustainable development of the SME sector within the country and prepare Bangladesh to face foreign competition post-graduation?
2. How can the policy be updated for mainstream women in the SME sector?
3. What can be the possible implementation/institutional challenges to achieve the objectives?
4. What can be the changes in objectives/measures of the SME Policy 2019 to mainstream women in trade-related activities?

## **1.3 Methodology**

Intently deeming the aforementioned objectives and the key research questions of this study, the research team will primarily use mixed methodologies to present the deliverables. In general, the methodology will be based on two significant tasks:

- (i) Rigorous desk research of all pertinent policy documents, literature, and secondary data, and
- (ii) Primary data collection and analysis by managing Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs) with stakeholders apt for the study.

Therefore, the research methodology can be categorised as follows:

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<sup>6</sup>[Making SMEs more active and vibrant \(thefinancialexpress.com.bd\)](https://www.thefinancialexpress.com.bd)

### **1.3.1 Desk research**

The research team has conducted in-depth desk research on the germane elements of the study. The task will comprise different activities. Chiefly, reviewing relevant documents and existing literature on the issues, examining and analysing the available secondary data, and identifying potential policy gaps and differences related to industrial development, trade, SME development, and women entrepreneurship between Bangladesh and the prevailing universal best practices. The research team has focused on reviewing documents such as

- SME Policy, 2019
- Industrial policy documents
- Micro, Small and Medium Enterprises Development Act, 2006 (India)
- Act for the development of SMEs in the Philippines
- Framework Act on Small And Medium Enterprises (South Korea)
- National SME Policy 2021, Pakistan
- Existing literature reviews, etc.

During the desk research, the research team followed the following steps-

- Examining the policy documents which include all related and existing acts, ordinances, legislation, agreements, treaty, and literature, provides a broader view and understanding of the gaps, coherence, and discriminatory provision if there is any.
- Formulating the KII and FGD checklists by scanning the stated documents.
- Adding the preliminary analysis with the findings from the primary data.
- Evaluating the current trade scenarios of various industries of Bangladesh using data from other appurtenant sources, such as the World Bank, IMF, Export Promotion Bureau, BSCIC, etc.
- Weighing Bangladesh's trade and industry and SME-related policies with global comparators such as Vietnam, China, Germany, Japan, South Korea, etc., to comprehend why these countries are performing better in achieving industrial growth, diversified trade basket, and decent employment as well as ensuring more access to female entrepreneurship.

### **1.3.2 Primary data collection**

In collecting primary data, the research team has followed a qualitative approach. Social aspects that are mostly unrepresented in the quantitative data can be addressed through qualitative data, which are expected to provide in-depth information on social dimensions and characteristics. As part of the qualitative data, the team has conducted Focus Group Discussions (FGD) and Key Informant Interviews (KIIs).

#### ***Focus Group Discussion (FGD)***

For this study, the research team has conducted one FGD in the SME Foundation.

The FGDs should focus on answering the prior-stated research questions,

- How can the policy ensure sustainable growth in the SME sector within the country and prepare Bangladesh to face foreign competition post-graduation?
- How can the policy be updated to mainstream women in the industrialization process?

#### ***Key Informant Interview (KII)***

The KIIs are helpful for an in-depth understanding of the policies, assessment of projects, and identifying gaps. For this particular study, the research team has carried out a total of seven KIIs. The mode of the KIIs was face-to-face interviews, virtual meetings, and telephone interviews, depending on the situation. A detailed list of the interviewees is provided in the annexe section of this report.

#### ***1.4 Evaluation and analysis***

All the gathered data and information has been evaluated and analysed at this stage. This process includes:

- Finding the gaps in existing information through rigorous desk research.
- Investigating the potential provisions of the existing policy for mainstream women entrepreneurs.
- Analysis of primary data through FGDs and KIIs to evaluate the actual activities of the organization and its actors in the present trade scenario.
- Identifying the weaknesses and implementation challenges of the existing policy from stakeholders' experiences, through FGDs and KIIs.
- Comparing international best practices with the current provision of the policy.
- Providing possible legal recommendations about changes, alterations, exclusion, and extension of the current policy through consultation with legal experts, and recommendations of key informants and FGD participants.

#### ***1.5 Organisation of the Study***

The policy review paper follows the later-mentioned structure. The context and current challenges of the policy are discussed in Chapter Two. This chapter briefs the scenario of the existing policy, trade-related provisions, and bottlenecks of existing provisions. The chapter also focuses on the SME policies/Acts/laws of different countries and how our policy deviates from that. In Chapter Three, the relevance of this policy to SHE trade is depicted. This chapter also illustrates whether the current provisions of the existing policy support gender inclusiveness in trade or not. The findings based on the KIIs and FGDs are depicted in chapter Four. Chapter Five suggests necessary recommendations and ways forwards to make it a compatible and strong policy considering several issues such as LDC graduation of Bangladesh, changing global trade patterns, WTO guidelines, etc. Finally, this paper marks its end with a concluding remark in Chapter Six.

## **2. The SME Policy 2019- Context and Challenges**

### ***2.1 Overview of the SME Sector in Bangladesh<sup>7</sup>***

In most economies, particularly in developing nations, small and medium enterprises (SMEs) play a prominent part. Small and medium-sized enterprises (SMEs) constitute the majority of businesses globally and are critical contributors to employment generation and world economic development. They account for almost 90% of enterprises and more than half of all jobs around the globe. In emerging economies, formal SMEs account for up to 40% of national income (GDP). When informal SMEs are included, the numbers are significantly greater (World Bank, 2022).<sup>8</sup>

Bangladesh has an immense possibility for developing the SME sector similar to other developing countries. In 2005, the government of Bangladesh took the first initiative for the development of the SME sector of our country to ensure a conducive environment in the SME sector.

The SME Policy (2019) aims of creating a dynamic SME sector in Bangladesh to raise the contribution of the SME sector to the GDP from 25% to 32%. Different objectives and implementation strategies are taken for improving this particular sector. In the policy, six factors are much needed for the sustainable development of this sector which is access to finance, technology and innovation, market, education and training and education, business support services, and information. Based on these factors the key objectives of this policy are formulated which are the creation of a sustainable SME sector, infrastructure, and cluster development, support policy for both financial and non-financial services related to SMEs, development of women entrepreneurship, initiatives for new SME start-ups, promoting the policies rules, and regulations of the government for business development, emphasizing the R& D activities.

#### **2.1.1 Distribution of Manufacturing Establishments**

Over the recent year, there has been significant growth in the SME sector in Bangladesh which is making a great impact on the GDP growth. Growth has been observed in terms of the number of establishments and total persons engaged (TPE). Between the number of establishments and total persons engaged (TPE), more than 50% of new small firms have been established and about 36.4% are Micro industries (Figure 1 and Figure 2). But among all four manufacturing establishments, the percentage of the total person engaged (TPE) is 67.2 (Figure-1).

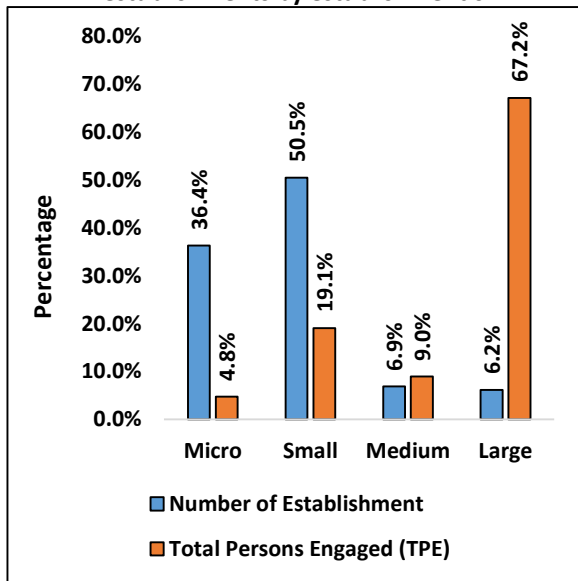
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<sup>7</sup>SME Survey 2019

<sup>8</sup>*SME Finance: Development news, research, data.* (2022). World Bank. Retrieved May 30, 2022, from <https://www.worldbank.org/en/topic/sme/finance>

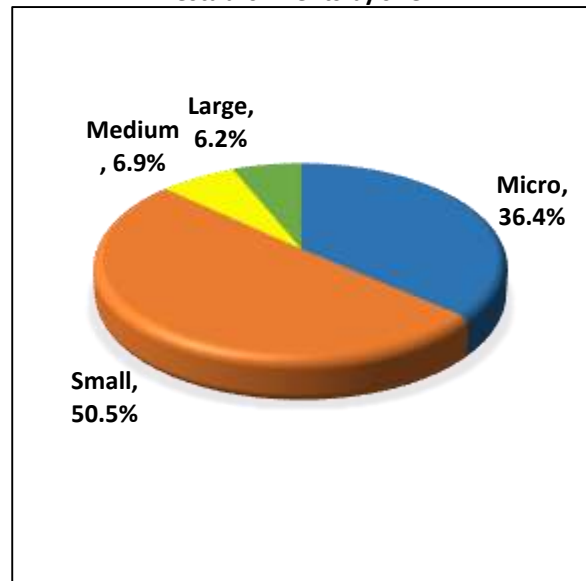


**Figure 1 Percentage distribution of manufacturing establishments by establishment's**



Source: SMI Survey, 2019

**Figure 2 Percentage of manufacturing establishments by size**

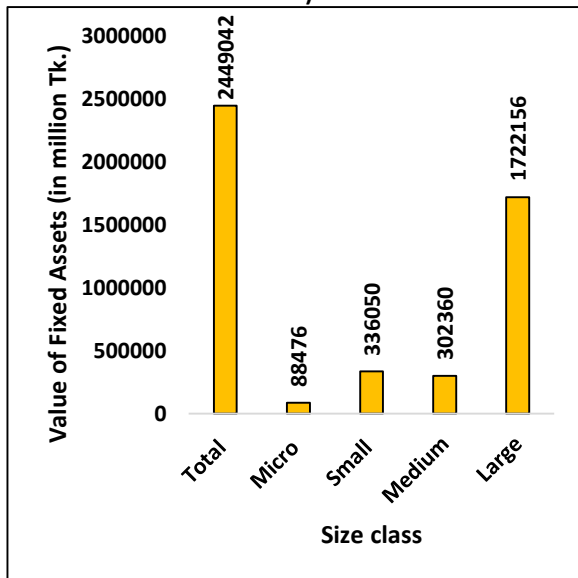


Source: SMI Survey, 2019

### 2.1.2 Value of Fixed Assets by Size

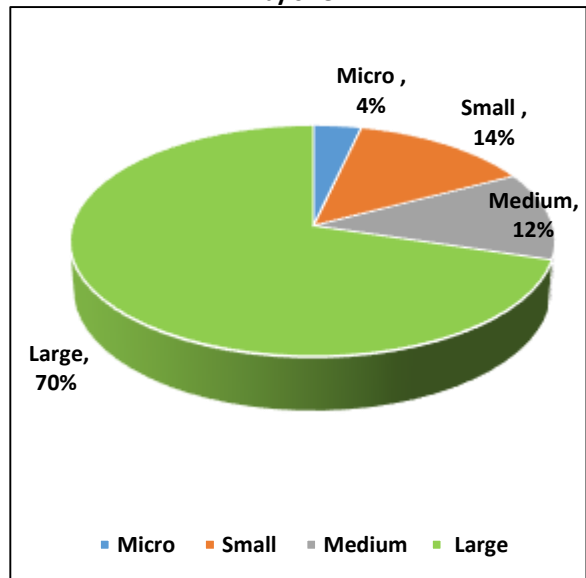
The value of the fixed assets in terms of distribution is pretty much higher for large industries, about 70% of the net fixed assets are occupied by the large industries, micro, small, and medium manufacturing industries take 4%, 14%, and 12% respectively (Figure-3 and Figure-4).

**Figure 3 Value of Fixed Assets by size (In Million Tk.)**



Source: SMI Survey, 2019

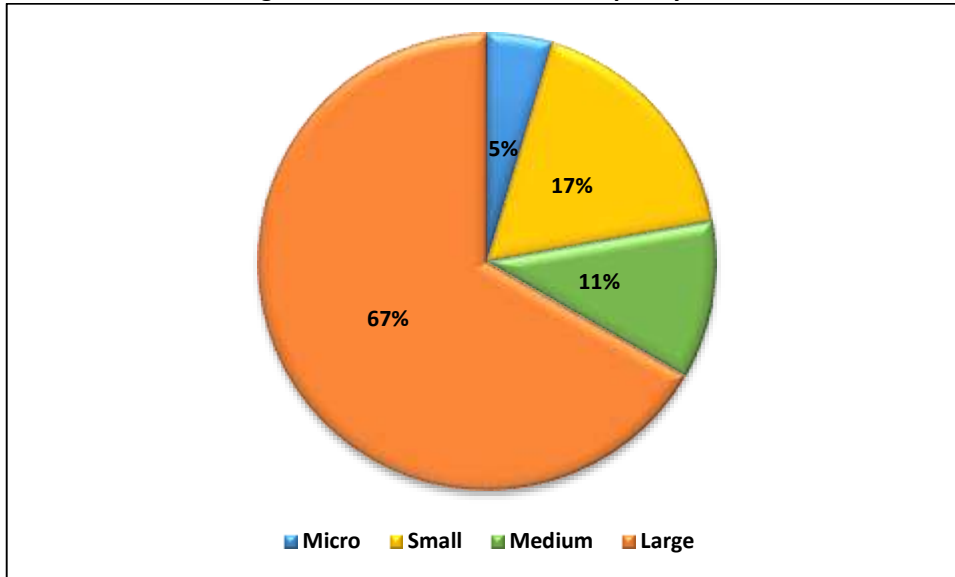
**Figure 4 Percentage distribution of Net Fixed Assets by size**



Source: SMI Survey, 2019

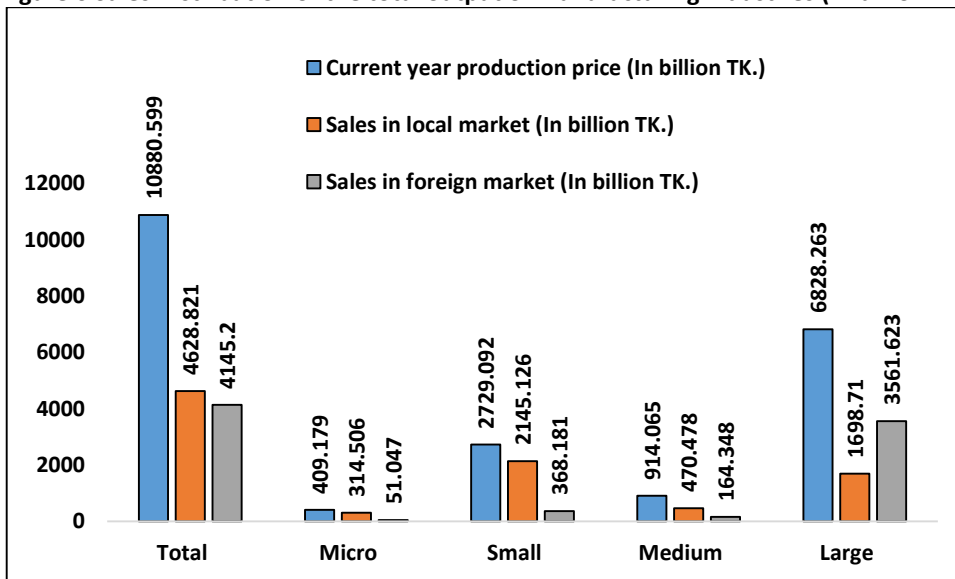
Most of the gross output comes from the large industries, the second most contributing sector is the small enterprises (Figure-5). In terms of sales in the local market, the monetary amount is higher than the large industries (Figure-6).

Figure 5 Distribution of Gross Output by size



Source: SMI Survey, 2019

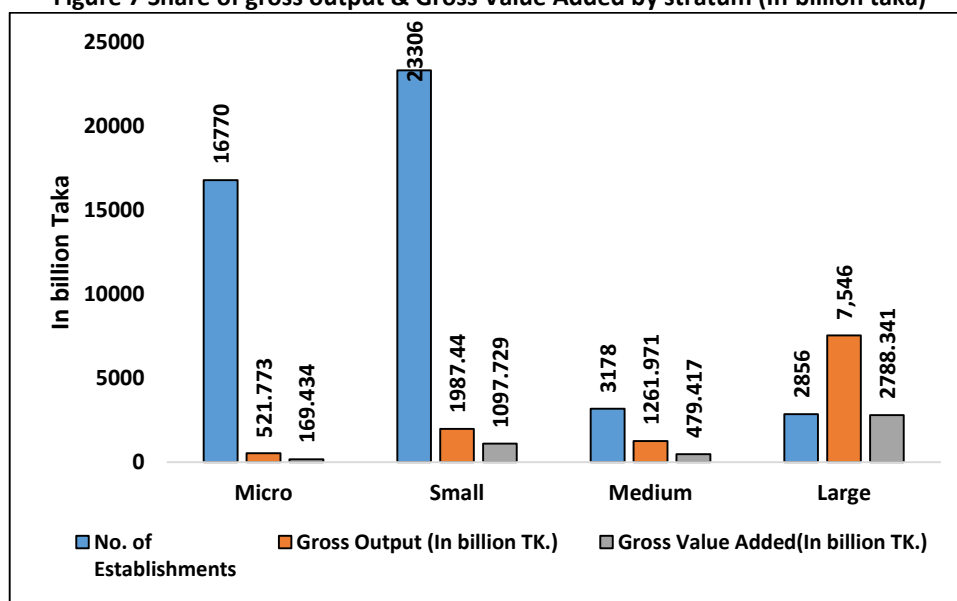
Figure 6 Sales Distribution of the total output of manufacturing industries (In billion Tk.)



Source: SMI Survey, 2019

The number of establishments in small enterprises (according to the SMI survey 2019) is much higher than the other enterprises. The gross share of gross output and gross value addition is higher in the larger industries (Figure 7).

Figure 7 Share of gross output & Gross Value Added by stratum (In billion taka)



Source: SMI Survey, 2019

## 2.2 Brief Overview of the Legislation

Bangladesh implemented SME policy 2019 to enhance the SME sector by increasing efficiency, improving the business environment, providing simple access to finance, expanding marketing facilities, updating technology and inventive capabilities, and creating job possibilities. It is intended that it be implemented between 2019 and June 2024. It has focused on six main types of services for SMEs: (1) access to funds; (2) access to technology and innovation; (3) access to the market; (4) access to education and training; (5) access to business support services; and (6) access to information. The female entrepreneurs requested that they be provided with similar services to run their SME businesses.<sup>9</sup>

The SME policy, 2019 is a very recent policy that covers several aspects and indeed the policy paper is a very well thought and crafted one. The whole policy consists of six chapters with a detailed mechanism. Chapter one discusses the overall SME sector and effective SME strategies based on some factors. Moreover, for maintaining the growth and overall development in the SME sector three elements for SME development are also added in chapter one. In chapter two the vision, mission, target/ goal, and implementation strategies are mentioned. Table 1 contains the brief of chapter two regarding the vision, mission, target, and goal.

Table 1 Vision, Mission, Target/Goal, and Objectives of the SME Policy, 2019

Issues	Remark
Vision	Establishment of a thriving SME sector in Bangladesh
Mission	Improving efficiency, the business climate, offering simple access to funding, assuring improved marketing facilities, upgrading technology, and innovative capabilities, and creating job chances are all ways to strengthen the SME sector.
Target/Goal	To implement the government's development forecasts, the contribution of the SME sector to GDP should be increased from 25 to 32 percent.

<sup>9</sup> SME Policy 2019

Issues	Remark
Objectives	Identify the significance of crucial sectors in the development of a sustainable, environmentally friendly SME sector, as well as SME-related policy implementation techniques
	Create the required infrastructure and cluster development, promote women's entrepreneurship, and support policies for financial and non-financial services to help the SME sector grow and expand.
	Increase the breadth of institutional investment in the SME sector, implement ICT-based technologies, develop product strategy, sell products, connect SMEs with large enterprises, and reinforce legal and institutional structures to create a more SME-friendly environment.
	Establish a public-private collaboration and a new SME initiative for the development of the SME sector, and improve government policies and regulations that obstruct the smooth operation of businesses and their development.
	Increase and strengthen R&D activities to help SMEs become more competitive and innovative.
	To handle existing and growing challenges in the SME sector, make effective coordinated arrangements to put all ministries, government organizations, and trade groups under a single platform and strengthen key institutions.

Source: Compiled by authors from SME Policy, 2019

The application and the scope are narrated in chapter three of the policy. For successful outcomes in the forthcoming future, the implementation strategy is discussed in chapter four of the policy with 11 strategic goals and strategic tools specifically. The 11 strategic goals are discussed in the table below:

**Table 2 Strategic Goals of SME Policy, 2019**

S.L.	Remarks
Strategic Goal 1	Strengthening the business and investment climate, as well as the institutional structure
Strategic Goal 2	Broadening Access to Finance in the SME sector
Strategic Goal 3	Enhance competitiveness and facilitate the entry of SME products into the market.
Strategic Goal 4	Small-to-medium-sized enterprises (SMEs) business support services Support for establishing a new firm in a short length of time and at a reasonable cost.
Strategic Goal 5	Development and expansion of SME Cluster-based Enterprises Network
Strategic Goal 6	Raising the use of information, communication, and other technologies
Strategic Goal 7	Extension of SME Entrepreneurs' skill development education and training programs
Strategic Goal 8	Expand women's business development initiatives and provide specialized services
Strategic Goal 9	Establishing SMEs as a viable link between large industries and ensuring the protection of SMEs' products
Strategic Goal 10	Capacity building for the establishment of environmentally sustainable SME industries and the management of industrial waste
Strategic Goal 11	The institutionalisation of SME Statistics and carrying out research and development

Source: Compiled by authors from SME Policy, 2019

Chapter five contains the implementation of strategies with the role of core organisations by specifying the role of government, the ministry of industries in monitoring, BSCIC, SME Foundation, relevant trade bodies (implementing agency), and coordination with other industries. In chapter six monitoring and evaluation of the policy strategies are mentioned. For the effective implementation of the SME Policy, 2019 development of two policy coordination committees is mentioned herewith narrating the scopes also. At last, in chapter seven, the time-bound action plans with a detailed matrix mentioning the strategic goals, activities, principal implementer ministries/ division/ agencies, implementation period, and associate implementer.

### **2.3 Current State and Bottlenecks**

SME characteristics, modes of operation, and types of SME goods and processes are all different. As a result, broad generalisations about the constraints that SME entrepreneurs face are difficult to establish. The next sections go over some of the significant restrictions.

Some loopholes mentioned below are the main challenges faced by entrepreneurs while establishing and developing an SME in our country. These drawbacks also contribute to Bangladesh's poor ranking on the Global Entrepreneurship Index (GEI).

As per the Global Entrepreneurship Index (GEI), Bangladesh ranks 134 among 137 countries.<sup>10</sup> The GEI is an annual index that measures the health of entrepreneurship ecosystems. These statistics are based on a country's entrepreneurial ecosystem which comprises a mix of attitudes, resources, and infrastructure known as the entrepreneurship ecosystem'.<sup>11</sup> This process creates 14 'pillars' that GEDI uses to measure the health of the regional ecosystem. These 14 pillars are Opportunity Perception, Start-up Skills, Risk Acceptance, Networking, Cultural Support, Opportunity Start-up, Technology Absorption, Human Capital, Competition, Product Innovation, Process Innovation, Internationalization, and Risk Capital.<sup>12</sup> Bangladesh scores very poorly in most of these pillars. Thus, to compete with other countries, the lacunas which are discussed below should be cured in light of the policy of the high-ranking countries.

#### **2.3.1 Problem to access to finance**

The devil is in the details when it comes to SME financing, which calls for a long list of licenses, registration documents, VAT Identification Numbers, TAX Identification Numbers, clearance certificates, and other paperwork. Traditional financial mechanisms and products also call for banking transactions, credit ratings, liaison with banks, rapport with the bank or NBF loan officials, properly managed books, and annual financial statements. Unfortunately, while having outstanding entrepreneurs and expanding businesses, the majority of SMEs do not meet the minimal hygiene requirements to qualify for a conventional loan from a bank or an NBF.<sup>13</sup>

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<sup>10</sup>GEDI, The Global Entrepreneurship and Development Institute, [Entrepreneurship & Business Statistics | GEDI \(thegeedi.org\)](https://thegeedi.org)

<sup>11</sup>Ibid

<sup>12</sup>Countries Data explorer, GEDI, The Global Entrepreneurship and Development Institute, [Entrepreneurship & Business Statistics | GEDI \(thegeedi.org\)](https://thegeedi.org)

<sup>13</sup>*Why Are SMEs in Bangladesh Deprived of Access to Finance? - LCP.* (2022, August).

<https://www.lightcastlebd.com/insights/2022/08/why-are-smes-in-bangladesh-deprived-of-access-to-finance/>

Also, for the initial setup and the purchase of raw materials, the majority of SMEs are found to have borrowed money. Additionally, it has been discovered that the initial waiting period for receiving funding for these activities is the longest, lasting between 3 and 4 months (average). This continues to be a significant barrier for SMEs.<sup>14</sup>

The major impediment that entrepreneurs face towards establishing an SME is a lack of finance. Therefore, most of them opt for taking loans from banks. The present policy in its Strategic Goal 2 promises for establishing a sustainable SME financing system to meet up credit needs in the SME sector.

To achieve this goal, as per the Bangladesh Bank's (BB's) instructions, 20 per cent of all bank loans must go to SMEs.<sup>15</sup> But in reality, the entrepreneurs do not receive that amount of funding.

Although banks are claimed to distribute millions of taka in SME loans each year, SME businesses maintain that just a few of them have received such loans. Furthermore, many of the borrowers who receive loans are not genuine small businesses. It is a typical difficulty for small business owners, according to them. Bangladesh Bank should take steps to ensure that the targeted amount reaches SME owners.<sup>16</sup> The government should take part in these initiatives by creating special money for them. Given this, the sector would benefit from a government-sponsored fund to assist SMEs with starting their first business.

### **2.3.2 Adverse Tax policy**

Initial tax relief is one of the components which further encourages entrepreneurs to establish a new start-up. The SME Policy 2019 also contains the provision for simplification of SME tax policy.<sup>17</sup> However, no step has yet been taken for the implementation of this policy.

At present, there is no tax holiday facility for SMEs. It is urged that a tax holiday is needed for at least 10 years so that the entrepreneurs can grow up.<sup>18</sup>

Moreover, there is a contradiction of laws regarding VAT regulations. As the new VAT act relieved businesses having annual turnover up to Tk 50 lakh from VAT and imposes 4% VAT on the next Tk 3 lakh turnover. On the contrary, NBR in the meantime made VAT registration mandatory for 78 sector businesses including them resulting in depriving these businesses of enjoying the privileges.<sup>19</sup>

Thus, it suggested that the revenue board clarifies the contradictory rules while placing the SME Foundation's budget proposal.

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<sup>14</sup>Chowdhury, Md & Golam Azam, Kazi & Islam, Serajul. (2015). Problems and Prospects of SME Financing in Bangladesh. *Asian Business Review*. 2. 51. 10.18034/abr.v2i2.304.

<sup>15</sup>Ibid

<sup>16</sup>Ibid

<sup>17</sup>Chapter Four, clause 4.1.3.2, page 7

<sup>18</sup>[Tax holiday sought for new SMEs, land developers outside Dhaka \(tbsnews.net\)](http://tbsnews.net)

<sup>19</sup>Ibid

In a pre-budget talk organized by the National Board of Revenue (NBR), the SME foundation raised its demands. In addition to tax holidays, the foundation sought some other tax facilities for small-scale entrepreneurs such as increasing the income-tax-free threshold from Tk 5 lakh for women entrepreneurs, to Tk 10 lakh for third-gender entrepreneurs.<sup>20</sup>

Other demands of the organization are cutting corporate tax for agricultural machinery producers to half and withdrawing tax deducted at source for them, reducing corporate tax for frozen food producers, and lifting tax on cash incentives and advance income tax on locally produced goods. For exporters, the SME Foundation sought a reduction in source tax to 0.25% and corporate tax to 10%.<sup>21</sup>

It is observed that tax policy is one of the main constraints on the growth of SMEs. Countries with a minimum tax on SMEs have seen significant growth in the national economy.<sup>22</sup> For the flourishing of SMEs in Bangladesh, the Ministry of Industries in coordination with the NBR and SME foundation shall eliminate these barriers by enacting SME friendly tax policy.

### **2.3.3 No provision for handicapped, third-gender, or ethnic community**

Although the SME policy has made special provisions for women entrepreneurs it is silent on the facilities which shall be provided to other vulnerable communities such as physically challenged, third gender, and ethnic communities.

In the absence of any favourable provision for these communities, it is very difficult for them to explore the SME sector by overcoming the existing impediments. Therefore, special provisions shall be formulated for encouraging these vulnerable sectors in the SME field.

### **2.3.4 Inability to maintain the quality of products**

The inability to maintain the quality of SME products is one of the main barriers to the long-term viability of SME expansion in Bangladesh. Bangladesh now manufactures primarily basic consumer goods that are labour-intensive and require very simple technologies. However, due to their poor quality, these products cannot compete with international goods. Bangladesh's current challenge is not to compete with high-tech items from industrialized countries, but to ensure that its SME sector survives competition from its competitors.<sup>23</sup>

In the absence of a national quality policy, SMEs in Bangladesh have failed to ensure the quality of their products and services both in the local and international markets.

The SME Policy in Chapter 4 has provided provisions to protect the quality and standards of SME products, creating new markets by taking necessary measures through identifying proper marketing strategies.<sup>24</sup>

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<sup>20</sup>Ibid

<sup>21</sup>Ibid

<sup>22</sup>Business Climate | Which country is the best in class for SMEs? Allianz SE | Munich | Nov 14, 2019  
[Which country is the best in class for SMEs? \(allianz.com\)](https://www.allianz.com/en/insights/business-climate/which-country-is-the-best-in-class-for-smes)

<sup>23</sup>Md. Alauddin & Mustafa Manir Chowdhury, Global Journal of Management and Business Research: C Finance Volume 15 Issue 7 Version 1.0 Year 2015, Global Journals Inc. (USA) | Online ISSN: 2249-4588 & Print ISSN: 0975-5853

<sup>24</sup>4.3.2 of Chapter 4, SME Policy, 2019

Poor product quality is a major hindrance to the expansion of a small business. As a result, procedures for improving quality and standardizing SME products must be implemented. In this aspect, the BSTI should be made more effective at checking product quality for both the home and export markets.

#### **2.3.4 Shortage of qualified technicians and workers**

In Bangladesh, a shortage of skilled labour is a recurrent issue. This issue is especially significant for small and medium-sized export-oriented businesses. Bangladesh's impressive success in the RMG sector has allowed it to make significant inroads into the global garment market. The product's value contribution, on the other hand, is minimal. Despite considerable demand, Bangladesh is unable to make significant inroads into high-value fashion wear exports due to a scarcity of skilled labour. As a result, supply capacity is limited due to a scarcity of skilled people.

#### **2.3.5 Entrepreneurs with poor management skills**

Managerial abilities for undertaking planning, marketing, and cash-flow management are critical for the survival of any industry, large or small, in today's environment. In Bangladesh, small business owners lack managerial skills and are unfamiliar with strategic planning. It's only logical that they can't withstand market failures. In Bangladesh, the concept of managerial training for SME enterprises has yet to take hold.

#### **2.3.6 Lack of market access and awareness of the need for the marketing tools**

In Bangladesh's main cities, holding a shop space is too costly for small businesses. As a result, many consumers are reluctant to purchase goods and services from small firms. Because they can't always tell the product's quality unless they see it in person. SMEs in Bangladesh are more often unable to use integrated marketing communication (IMC) techniques. However, these instruments act as a significant stimulus for attracting and keeping customers. The system lacks the marketing capability and resources necessary to invest in marketing.

#### **2.3.7 Absence of commitment to innovation and customer satisfaction**

Firms of all sizes are continually challenged to enhance and reinvent their production processes to keep up with international competition. However, SMEs in Bangladesh continue to overlook the significance of pleasing and maintaining customers by providing unique and desired advantages.

#### **2.3.8 High-Interest Rates**

The majority of our SME entrepreneurs start their businesses with a bank loan. However, such loans have a hefty interest rate. It is difficult to obtain fixed and working capital from banks, as banks are reluctant to issue small loans with high monitoring costs.

#### **2.3.9 Absence of Entrepreneurial Competences**

A conservative mindset toward risk, a lack of vision, and the ability to plan and implement are all elements that stifle SME growth in Bangladesh. The majority of those working in this industry lack the requisite innovative skills.



## **2.4 Changing Nature of the World Trade and Relevance of the SME Policy 2019**

### **2.4.1 Patent and SMEs**

The influence of the patent system on SMEs and their involvement in innovation is economically significant. Small and medium-sized businesses are seen as active innovators, particularly in items that are more radical and pose a threat to the dominant position of giant corporations. In this setting, SMEs should have a higher ability to influence structural change and threaten incumbent and dominating enterprises' positions, resulting in consumer gains. Second, it is argued that they are more resource-efficient users in the innovation process (Mina, 2010).

In Bangladesh, SMEs with assets of BDT 5 to 100 million in the manufacturing sector and employing 25 to 99 people in the service sector can brainstorm through research and development or licensing contracts, convert them into IP assets, and commercialize them through direct sales or licensing. IP adds value to a company's assets and enhances its create value and competitive advantage. If four factors are present in a country: licensing, monetization, finance, and value, that jurisdiction is suitable for IP commercialization.

Intellectual property protection is a concern not just for the right holder, but also for society and the country. It motivates entrepreneurs and corporations to invest in new ideas and technology. Intellectual property protection will aid corporate development in the manufacturing industry. This will significantly help the process of economic development. Its complete protection ensures a higher level of foreign investment since foreign investors will be safe. IP protection will ensure that huge firms cannot unjustly usurp the intellectual property of SMEs, notably in the manufacturing sector. It also assures improved competition by encouraging inventions that are superior to those currently available.

### **2.4.2 4IR and SMEs**

The Fourth Industrial Revolution, also known as Industry 4.0, is a levelling-up change towards a more connected ecosystem that easily helps connect, processes, machines, big data, and intelligence. Industry 4.0 is distinct in terms of its scope, speed, and depth, along with its total influence on systems. Industry 4.0 has the potential to bring significant positive change in terms of efficiency for manufacturing, supply chain, omnichannel customer engagement, retailing, and other industries with the modernization of high-speed internet access, IoT devices and sensors, Cloud Storage, and Computing Infrastructure to crunch Big Data with AI and Machine learning.<sup>25</sup>

In all realms of life, the FIR is adding major dimensions. In the future decade, it is anticipated that the FIR stream would be the most prominent in Bangladesh. The major impact will be dropped on national politics and economics. Bangladesh appears to be somewhat equipped to confront the revolution's changes and difficulties, according to this analysis. For a Graduating LDC like us, the obstacles of FIR include a lack of talented personnel, competence, and better cloud networking, weak infrastructure, a largely uneducated population, an absence of adequate governmental assistance, and so on. FIR, on the other hand, will have

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<sup>25</sup>Hassan |, K. M. (2021). 4IR & levelling the playing field for SMEs. *The Financial Express*. <https://thefinancialexpress.com.bd/views/4ir-levelling-the-playing-field-for-smes-1618238738>

some beneficial consequences, such as increased productivity, long-term ICT advancement, women's empowerment, citizen empowerment, and so on. In our country, the implementation of FIR would result in major complications. Inequality, gender discrimination, unemployment, cybercrime, and MNC influence over SMEs will all rise, according to this study. The most essential point is that the FIR stream will have an impact on our country's political system during the coming decade. To minimize issues and reap the benefits of FIR, the government should implement efficient policies with well-defined objectives now. Despite these findings, this study, like all others, has constraints that prevented it from producing an impartial, practical, and qualitative outcome. (Rumi, Rashid, Makhdum, & Nahid, 2020).

#### **2.4.3 Competition Law literacy for the SME owners**

As mentioned earlier, a major challenge faced by the SMEs in Bangladesh is that due to their inconsistency in maintaining product quality by using simple machinery, it is unable to compete much with the market giants. But the rare few SMEs which can compete in the market, are often overshadowed by the market giants who engage with anti-competitive agreements, both vertical and horizontal, abuse their market domination, and attempt to hostile take over the SMEs. The Competition Act 2012 provides SMEs respite. But in the absence of competition law literacy, such a platform for legal protection rarely comes to any benefit. Also, SME owners feel shy in filing a complaint against big corporations considering the hassle and cost involved. The existing legal aid facilities in the state should extend to the SMEs to file complaints against market dominants if situations arise. The SME Foundation, the Bangladesh Competition Commission, and the National Legal Aid Service Organization should be brought on board to make Rules for their collaboration.

A major function of the Bangladesh Competition Commission, according to the mandate of the Competition Act 2012, is to engage in effective competition advocacy. Within the existing framework of the competition law in Bangladesh, such a literacy program may be run for SMEs in particular. It is recommended that the revised version of the SME policy should incorporate this agenda.

#### **2.4.4 COVID-19 and Context of SME**

According to the findings of a study,<sup>26</sup> it has been found that the largest shock of Covid-19 on SMEs was a cash flow constraint or a lack of operating capital. The major causes of the cash issue were a decline in sales and a decrease in demand. Another deleterious impact of Covid-19 on SMEs was supply chain disturbances. Raw materials are typically imported or acquired from local sources for SMEs. Because of import limitations and the country's MCO, both sides were interrupted. The supply chain in SMEs was affected in two stages. At the start of the pandemic, SMEs were unable to foresee future conditions. SME owners anticipated a raw material shortfall and placed orders with suppliers, but due to the spread of covid-19, those suppliers were unable to supply raw materials to Bangladeshi SME owners on time.

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<sup>26</sup>Hossain, M. R., Akhter, F., & Sultana, M. M. (2022). SMEs in Covid-19 Crisis and Combating strategies: A Systematic Literature Review (SLR) and A Case from Emerging Economy. *Operations Research Perspectives*, 100222.

Furthermore, during the pandemic, MSMEs faced great pressure due to the scarcity of working capital, sales declines, supply-demand discrepancies, operational setbacks, and noncooperative distributor conduct. Also, the stakeholders generally are on the verge of bankruptcy since they rely solely on sales and customer service, which are both at an all-time low in this epidemic. As a consequence, they will be unable to pay the loan payment within a few months.<sup>27</sup>

#### **2.4.5 Trademark and SME**

Bangladesh's economy is dominated by small and medium-sized businesses. Light engineering, plastics and rubber, ceramics and glassware, electrical and electronics, leather and leather goods, cosmetics and toiletries, craft and giftware, crockery, frozen foods, furniture, handicrafts, herbal products, horticulture, jute and jute goods, motorcycle, silk and silk cloths, textile and clothing, motor parts, medicine, software, cement, cargo are among the products produced by our SMEs. However, most firms operate without official registration, and also they don't have a registered trademark.

Some SMEs start producing world-class commodities, but their products lack brand recognition due to a lack of registered trademarks. Because the items or manufacturing techniques are not copyrighted, rival firms duplicate them, and product quality suffers the consequences. Many items gain appeal as a result of their unique style and shape, yet these designs are not protected as registered industrial ideas. Many businesses have a promising start but lose market share as a result of unfair competition and duplication. As a result, the SME sector's brand image is not strengthening. To begin with, every company organisation needs to use a trademark. We give our businesses a name, and if that name and logo are registered as my trademark, no one else will be permitted to use them in their products. As a result, there is the opportunity to create a brand image for that entity's qualified products. It enables a single entity's goodwill to be fully used for its creative items & services. When it comes to invention, the question of how to safeguard such innovation through patent registration emerges. As a result, we can claim that trademarks and patents are for every firm in each industry. This is true for all SME sectors in the nation that produce excellent items but are ignorant of the importance of establishing their brands to capitalise on their products' market reputation in terms of attracting loyal consumers and branding the country. As a result, SME Foundation / Branding Bangladesh activists can take the lead in raising awareness among SME owners in various sectors about basic issues of IPR and the strict enforcement of IP laws (except in the education and healthcare sectors) to promote Branding in Bangladesh at home and abroad.<sup>28</sup>

In Bangladesh, the trademark issue is not as spread as it should have been. It can be beneficial for small firms in terms of revenue generation. But the registration fee is comparatively high for small business owners.<sup>29</sup>

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<sup>27</sup>Hossain, M. R., Akhter, F., & Sultana, M. M. (2022). SMEs in Covid-19 Crisis and Combating strategies: A Systematic Literature Review (SLR) and A Case from Emerging Economy. *Operations Research Perspectives*, 100222.

<sup>28</sup>Abdin, MD. Joynal, SMEs and Branding Bangladesh (July 3, 2010). The Daily Independent, July 2010, Available at SSRN: <https://ssrn.com/abstract=2308296>

<sup>29</sup>Information from KILs with stakeholders

#### **2.4.6 E-commerce and the prospect of SMEs**

E-Commerce is a great support to the SME sector, yet there are certain obstacles to overcome. Poor internal communications infrastructure within SME firms, as well as a lack of ICT awareness and knowledge, inadequacy of ICT capable and literate managers and workers, insufficient financial resources, and perception of ICTs' lack of relevance or value-added to their business, are all internal barriers. Technical (increase in effectiveness, customer happiness, and productivity), organisational, environmental, and strategical issues, these elements can influence e-Commerce adoption.<sup>30</sup>

#### **2.4.7 8<sup>th</sup> Five-Year Plan**

The most promising sector for job growth in both urban and rural regions is the cottage, micro, and small business (CMSE) sectors. According to the data that is currently available, these businesses account for 83 percent of all non-farm employment and 99.8 percent of all non-farm firms (estimated at 34 million in 2019). However, findings indicate that these businesses lack mobility and are typical of an informal type. They deal with several hurdles that are distinctive to CMSEs and distinct from those faced by medium-sized and big businesses (MLEs). Regulatory obstacles stem from a lack of registration and tax identification, poor access to institutional financing, excessive interest rates, low investment levels, insufficient technology, inadequate skills, and poor market access are a few of these.

The significant and versatile mechanism of CMSEs for exports, growth, and employment is observed by international experience from Japan, Taiwan, and Korea. By working diligently to eliminate these restrictions, the 8FYP will focus a special focus on dynamising these CMSEs. In particular, the conversion of the SME Foundation into the Small Business Agency (SBA) as in the USA will serve as a one-stop-shop to promote CMSEs and work closely with the Bangladesh Bank on the financing side, simplifying regulatory barriers and greatly enhance institutional and financial support to CMSEs. Through low-cost methods for loan applications, approvals, and supervision, innovative financial solutions utilising ICT will be employed to increase access to commercial bank credit.

### ***2.5 Deviation from the International Practices (By Comparators)***

In this segment, we'll look at the SME policies/Acts of a few competitors who have had a lot of success. Bangladesh is about to transition from LDC classification and has a goal of becoming a UMIC by 2031, therefore a timely SME policy is essential to the country's economic development. Amending a law involves various legal procedures while also being time-intensive, well-crafted legislation, on the other hand, can have a significant impact on the regulatory process. A careful examination of India, the Philippines, South Korea and Pakistan's legislation on SMEs are compared here.

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<sup>30</sup>Billal, H. M., Shin, H. K., & Sim, W. J. (2019). Critical success factors (CSF) on e-commerce adoption in Bangladesh SMEs. *Management Review: An International Journal*, 14(1), 51-81.

### 2.5.1 India

The Micro, Small, and Medium Enterprises Development Act of India was formulated in 2006. The major highlights and takeaways are illustrated in the following table.

**Table 3 the Micro, Small and Medium Enterprises Development Act, 2006**

Topic	Highlights	Takeaway
<b>Definitions</b>	The Micro, Small, and Medium Enterprises Development Act contain some additional definitions such as Advisory committee, appointed day, board, buyer, goods, enterprise, and notification. Supplier etc.	<ul style="list-style-type: none"> <li>Updating the specific definition of micro, small, and medium enterprises in terms of manufacturing and services.</li> </ul>
<b>National Board for Micro, Small, and Medium Enterprises</b>	<ul style="list-style-type: none"> <li>Specific mention for the place head office of the board.</li> </ul> <p>The board consists of members comprising</p> <ol style="list-style-type: none"> <li>the minister in charge of the respective ministry/department of the central government who has administrative control of the MSMEs and he shall be the ex officio chairperson of the board</li> <li>the Minister of State or a Deputy Minister, if any, in the Ministry or Department of the Central Government having administrative control of the micro, small and medium enterprises who shall be ex officio Vice-Chairperson of the Board, and where there is no such Minister of State or Deputy Minister, such person as may be appointed by the Central Government to be the Vice-Chairperson of the Board.</li> <li>six Ministers of the State Governments having administrative control of the departments of small-scale industries or, as the case may be, micro, small and medium enterprises, to be appointed by the Central Government to represent such regions of the country as may be notified by the Central Government in this behalf, ex officio;</li> <li>three Members of Parliament of whom two shall be elected by the House of the People and one by the Council of States</li> <li>the Administrator of a Union territory to be appointed by the Central Government, ex officio</li> <li>the Secretary to the Government of India in charge of the Ministry or Department of the Central Government having administrative control of the micro, small and medium enterprises, ex Officio</li> </ol>	<ul style="list-style-type: none"> <li>Specification of the meeting procedure such as The Board shall meet at least once every three months a year.</li> <li>Mentioning the removal measures of a board member by specifying the probable valid reasons.</li> <li>Inclusion of provisions regarding the procedure for</li> </ul>

Topic	Highlights	Takeaway
	<p>vii. four Secretaries to the Government of India, to represent the Ministries of the Central Government dealing with commerce and industry, finance, food processing industries, labour, and planning to be appointed by the Central Government, ex officio</p> <p>viii. the Chairman of the Board of Directors of the National Bank, ex officio</p> <p>ix. the chairman and managing director of the Board of Directors of the Small Industries Bank, ex officio;</p> <p>x. the chairman, Indian Banks Association, ex officio;</p> <p>xi. one officer of the Reserve Bank, not below the rank of an Executive Director, to be appointed by the Central Government to represent the Reserve Bank;</p> <p>xii. Twenty persons to represent the associations of micro, small and medium enterprises, including not less than three persons representing associations of women's enterprises and not less than three persons representing associations of micro-enterprises, to be appointed by the Central Government</p> <p>xiii. three persons of eminence, one each from the fields of economics, industry and science and technology, not less than one of whom shall be a woman, to be appointed by the Central Government</p> <p>xiv. three persons of eminence, one each from the fields of economics, industry and science and technology, not less than one of whom shall be a woman, to be appointed by the Central Government;</p> <ul style="list-style-type: none"> <li>• The Board shall meet at least once every three months a year</li> <li>• The Central Government may remove a member of the Board from it if he— <ul style="list-style-type: none"> <li>(a) is, or at any time has been, adjudged as insolvent; or</li> <li>(b) is, or becomes, of unsound mind and stands so declared by a competent court; or</li> <li>(c) refuses to act or becomes incapable of acting as a member of the Board; or</li> <li>(d) has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude; or</li> <li>(e) has so abused, in the opinion of the Central Government, his position as a member of the Board as to render his continuance in the Board detrimental to the interests of the general public.</li> </ul> </li> </ul> <p>(2) Notwithstanding anything contained in sub-section (1), no member shall be removed from his office on the grounds specified in clauses (c) to (e) of that sub-section unless he has been given a reasonable opportunity of being heard in the matter.</p>	<p>Appointment of officers and other employees, Penalty for contravention.</p> <ul style="list-style-type: none"> <li>• Specifying provisions for the liability of the buyer to make payment</li> </ul>

Topic	Highlights	Takeaway
<b>Classification of Enterprises, Advisory Committee, and Memorandum of Micro, Small, and Medium Enterprises</b>	<ul style="list-style-type: none"> <li>• In this chapter classification of enterprises is mentioned such as micro, small and medium in terms of manufacture and production of goods as well as services.</li> <li>• Moreover, the Constitution of an Advisory Committee consists of members ( e.g. secretary to the government of India in the Ministry or Department of the Central Government having administrative control of the small and medium enterprises, officers having expertise in issues relating to micro, and small and medium enterprises, members, representatives from State governments, one representative each of the associations of micro, small and medium enterprises, members)</li> <li>• Responsibilities of the Advisory Committee</li> <li>• Memorandum of micro, small and medium enterprises</li> </ul>	
<b>Measures for the Promotion, Development, and Enhancement of Competitiveness of Micro, Small, and Medium Enterprises</b>	<ul style="list-style-type: none"> <li>• This chapter includes provisions on Measures for promotion and development, credit facilities, procurement preference policy, funds, grants by the central government, and administration and utilization of funds or funds.</li> </ul>	
<b>Delayed Payments to Micro and Small Enterprises</b>	<ul style="list-style-type: none"> <li>• Chapter five discusses the provision of liability of the buyer to make payment, the date from which and the rate at which interest is payable, recovery of the amount due, reference to micro and small enterprises facilitation council, application for setting aside the decree, award, or order, Establishment of Micro and Small Enterprises Facilitation Council, Composition of Micro and Small Enterprises Facilitation Council Requirement to specify unpaid amount with interest in the annual statement of accounts, Interest not to be allowed as a deduction from income, Overriding effect, Scheme for closure of business of micro, small and medium enterprises.</li> </ul>	
<b>Miscellaneous</b>	<ul style="list-style-type: none"> <li>• This part covers the procedure and provisions for the Appointment of officers and other employees, Penalty for contravention of section 8 or section 22 or section 26, Jurisdiction of courts, Power to make rules, Power to make rules by the State Government, Power to remove difficulties, etc.</li> </ul>	

Source: Compiled by authors from <https://legislative.gov.in/sites/default/files/A2006-27.pdf>

## 2.5.2 The Philippines

The Act for the development of SMEs in the Philippines was designed and published in 2013 and contains several important factors that are described in the following table.

**Table 4 Act for the development of SMEs in the Philippines**

Topic	Highlights	Takeaway
<p><b>Establishment of business centres</b></p>	<ul style="list-style-type: none"> <li>• In section three of the act, it is mentioned that a “Negosyo Centre” (business centre) should be established under the supervision of the Micro, Small and Medium Enterprise Development (MSMED) Council in all the provinces, cities, and municipalities</li> <li>• The establishment and management of Public-private partnerships should be encouraged by the centre</li> <li>• With the help of regional offices of the Department of Trade and Industry (DTI), the MSMED council performs oversight functions.</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusion of the provision of the establishment of business centres under the supervision of the SME development council.</li> <li>• Establishment of a Micro, Small, and Medium Enterprise Development (MSMED) Council.</li> <li>• Introduction to a unified business registration form comprising essential information for the business application process of the MSMEs.</li> </ul>
<p><b>Registration process</b></p>	<ul style="list-style-type: none"> <li>• the unified and simplified business registration form shall be developed by the DTI and shall be made available in all Negosyo Centers. The unified business registration form shall contain all necessary information for the business application process of MSMEs. The DTI shall be responsible for regularly updating and maintaining the unified business registration forms</li> <li>• Philippine Business Registry Databank - A Philippine Business Registry Databank (PBRD) shall be established. under the DTI to serve as a repository of information for all business enterprises in the Philippines</li> </ul>	<ul style="list-style-type: none"> <li>• Making the Ministry of Industries (MOI) the regulatory body for the update and maintenance of the unified registration form.</li> <li>• Establishment of Bangladesh Business Registry Databank (BBRD) under the MOI to serve as a repository of information for all enterprises of business in Bangladesh.</li> </ul>

Source: Compiled by authors Go Negosyo Act, 10644 U.S.C. § Section number (2013).<https://www.officialgazette.gov.ph/2014/07/15/republic-act-no-10644/>



### 2.5.3 South Korea

The main purpose of the Framework Act on Small and Medium Enterprises of South Korea is to provide for basic matters involving small and medium enterprise orientation as well as measures to foster small and medium enterprises to support their creative and independent growth, improving their industrial structure, and facilitating the national economy's balanced development.

Table 5 comprises the specific highlights of the act and takeaways for Bangladesh.

**Table 5 Framework Act on Small And Medium Enterprises (South Korea)**

Topic	Highlights	Takeaway
<b>Duties of Small and Medium Entrepreneurs, etc.</b>	(1) Small and medium entrepreneurs shall secure competitiveness through technical development and management innovation and commit themselves to management transparency and corporate social responsibility, thereby contributing to the national economic development and increase in national welfare. (2) Small and medium entrepreneurs and persons who have relations with any small and medium enterprise in connection with their business activities shall cooperate with the Government and local governments in implementing the policies for small and medium enterprises	<ul style="list-style-type: none"> <li>• Provisions on distribution efficiency, such as updating distribution systems and fostering distribution industry collaboration.</li> <li>• Emphasising Fair competition and mutual growth.</li> <li>• Initiatives from the government by encouraging small and medium-sized businesses to export and import goods, as well as collaborate with</li> </ul>
<b>Securing Markets</b>	The Government shall take measures necessary to improve efficiency in distribution, such as modernizing distribution systems, encouraging cooperation in the distribution industry, etc. to expand markets for the products manufactured by small and medium enterprises.	
<b>Conversion of Business Structure</b>	The Government shall take measures necessary to facilitate the incorporation of small and medium enterprises, business conversion, mergers between small and medium enterprises, etc. so that small and medium enterprises can have a more advanced corporate structure.	
<b>Encouragement of Fair Competition and Mutual Growth</b>	The Government shall take measures necessary to ensure that small and medium enterprises can cooperate, fairly compete with businesses other than the small and medium enterprises, and pursue mutual growth.	
<b>Establishment of a Mutual Aid System</b>	The Government shall take measures necessary to establish a mutual aid system through which small and medium entrepreneurs may be able to help each other to prevent insolvency and lay the foundation for common purchasing, sales activities, etc.	
<b>Facilitation of Internationalization</b>	(1) The Government shall take measures necessary to promote the exportation and importation by small and medium enterprises, cooperate with foreign companies, etc. to encourage them to go global.	

Topic	Highlights	Takeaway
	(2) The Government shall take such necessary measures as furnishing information about small and medium enterprises so that they may be able to cope actively with changes in the domestic and overseas economic environment.	international industries.
<b>Support for Securing Workforce</b>	The Government shall take measures necessary for small and medium enterprises to stably secure a skilled workforce by supplying and training them, improving their working environment and welfare, raising awareness of small and medium enterprises, etc.	<ul style="list-style-type: none"> <li>• Conduction of survey to evaluate the progress.</li> </ul>
<b>Establishment and Operation of an Integrated Management System for Small and Medium Enterprise Aid Programs</b>	<p>(1) The Administrator of the Small and Medium Business Administration may establish and operate an integrated management system for small and medium enterprise aid programs to integrate and manage the data or information on the status of applications filed by small and medium enterprises, receipt thereof, and records of applications for the small and medium enterprise aid programs (hereinafter referred to as “integrated management system”).</p> <p>(2) Where deemed necessary for establishing and operating the integrated management system, the Administrator of the Small and Medium Business Administration may request the heads of central administrative agencies, local governments, credit information collection agencies, or other relevant agencies and groups (hereinafter referred to as “heads of central administrative agencies, etc.”) to provide each of the following data and information and may possess and use the said data and information to the necessary to achieve the intended purpose of such provision:</p> <ol style="list-style-type: none"> <li>1. Resident registration number according to Article 7 (3) of the Resident Registration Act for identifying and confirming the small and medium enterprises under Article 2;</li> <li>2. Credit information as prescribed in the Credit Information Use and Protection Act;</li> <li>3. Any of the following taxation information referred to in Article 81-13 of the Framework Act on National Taxes, which is necessary to analyze the effectiveness of support for the enterprises eligible for the policies for small and medium enterprises and whose possession and use are consented to by the person concerned: <ul style="list-style-type: none"> <li>(a) Total sales;</li> <li>(b) Business start date, date of temporary business closure, date of permanent business closure;</li> </ul> </li> <li>4. Other data and information deemed by the Administrator of the Small and Medium Business Administration to be necessary for the establishment and operation of an integrated management system.</li> </ol> <p>(3) The heads of central administrative agencies, etc. who are requested to provide data or information according to paragraph (2) shall cooperate therewith, except under extenuating circumstances.</p>	<ul style="list-style-type: none"> <li>• Integrated Management System for Small and Medium Enterprise Aid Programs Establishment and Operation and their registration procedure</li> <li>• Monitoring for overlap across small and medium-sized business assistance programs and planning improvements</li> <li>• Establishment of a research institute</li> </ul>

Topic	Highlights	Takeaway
	<p>(4) The Administrator of the Small and Medium Business Administration may provide the data and information concerning the integrated management system to the heads of central administrative agencies, etc. who carry out the small and medium enterprise aid programs.</p> <p>(5) The Administrator of the Small and Medium Business Administration shall formulate the policy measures necessary for protecting the data and information possessed and used under paragraph (2).</p> <p>(6) The Administrator of the Small and Medium Business Administration may establish and operate an organization dedicated to establishing and operating the integrated management system as prescribed by Presidential Decree</p> <p>(7) Other matters that are necessary for establishing and operating the integrated management system shall be prescribed by Presidential Decree.</p>	
<p><b>Analysis and Efficiency of Small and Medium Enterprise Aid Programs</b></p>	<p>(1) For the analysis and efficiency of small and medium enterprise aid programs managed through the integrated management system under Article 20-2 (1) (hereafter referred to as “analysis and efficiency”), the Administrator of the Small and Medium Business Administration shall implement the following:</p> <ol style="list-style-type: none"> <li>1. Setting the scope, classification, and analysis standards of small and medium enterprise aid programs;</li> <li>2. Strengthening the role-sharing and interconnectivity among small and medium enterprise aid programs;</li> <li>3. Offering opinions about the system improvement and budget reflection following analysis and efficiency;</li> <li>4. Checking redundancy among small and medium enterprise aid programs and preparing measures for the improvement thereof;</li> <li>5. Analyzing the performance of institutions or organizations operating small and medium enterprise aid programs upon entrustment;</li> <li>6. Conducting surveys on satisfaction with small and medium enterprise aid programs;</li> <li>7. Other matters necessary for the analysis and efficiency.</li> </ol> <p>(2) For the analysis and efficiency, the Administrator of the Small and Medium Business Administration shall make the most of the data and information of the integrated management system and, if necessary, may request the submission of data and information from the head of a central administrative agency, etc. In such cases, the head of a central administrative agency, etc. shall comply with such request unless there is a compelling reason not to do so.</p>	

Topic	Highlights	Takeaway
	<p>(3) The Administrator of the Small and Medium Business Administration shall prepare measures for the analysis and efficiency upon consultation with the head of a central administrative agency, etc., and the head of a central administrative agency, etc. shall reflect such measures in the small and medium enterprise aid programs.</p>	
<p><b>Survey on State of Small and Medium Enterprises</b></p>	<p>(1) The Government shall conduct an annual survey to understand the current status of small and medium enterprises, in terms of their activities, funds, human resources, and management, and shall publicly announce the results thereof. In such cases, the Government shall, if necessary to deal with an issue that is similar or related to the status survey in question, carry out an integrated survey by combining each of the following surveys: &lt;Amended by Act No. 13086, Jan. 28, 2015,</p> <ol style="list-style-type: none"> <li>1. Survey on the current state of human resources at small and medium enterprises under Article 7 of the Special Act on Support for Human Resources of Small and Medium Enterprises</li> <li>2. Status survey under Article 7 of the Act on Support for Female-Owned Businesses;</li> <li>3. Status state survey under Article 7 of the Promotion of Disabled Persons' Enterprise Activities Act;</li> <li>4. Status survey under Article 7 of the Act on the Protection of and Support for Micro Enterprises;</li> <li>5. Other status surveys prescribed by Presidential Decree.</li> </ol> <p>(2) The Government may entrust the Korea Federation of SMEs, or any organization or institution related to small and medium enterprises, with the task of conducting such status surveys referred to in paragraph (1).</p> <p>(3) The Government may, if necessary for the status survey under paragraph (1), request small and medium entrepreneurs or related organizations to cooperate by submitting data or stating their opinions, etc. In such cases, small and medium entrepreneurs or related organizations so requested shall comply therewith, unless any special ground exists otherwise.</p> <p>(4) Matters regarding the methods and procedures of the status surveys under paragraph (1) shall be prescribed by Presidential Decree</p>	
<p><b>Establishment of Ombudsman Program for Small and Medium Enterprises</b></p>	<p>1) The Ombudsman program for small and medium enterprises shall be established under the Administrator of the Small and Medium Business Administration to improve existing regulations that affect the management of small and medium enterprises and to address the difficulties facing small and medium enterprises.</p> <p>(2) The Ombudsman for small and medium enterprises shall independently carry out each of the following: &lt;Newly Inserted by Act No. 12007, Aug. 6, 2013,</p> <ol style="list-style-type: none"> <li>1. Discovering and improving regulations that affect small and medium enterprises;</li> </ol>	

Topic	Highlights	Takeaway
	<p>2. Resolving difficulties arising in connection with the central and local governments, public institutes as prescribed in Article 4 of the Act on the Management of Public Institutions, and the policy funds management institutes for small and medium enterprises (hereinafter referred to as “administrative institute”);</p> <p>3. Other affairs prescribed by Presidential Decree are required to improve related regulations and resolve the difficulties facing small and medium enterprises</p> <p>(3) The Ombudsman for small and medium enterprises shall be commissioned by the Prime Minister, upon recommendation of the Administrator of the Small and Medium Business Administration from among persons with extensive knowledge and experience in the fields of small and medium enterprises and regulations and deliberation by the Regulatory Reform Committee under Article 23 of the Framework Act on Administrative Regulations (hereinafter referred to as "Regulatory Reform Committee").</p> <p>(4) The Ombudsman for small and medium enterprises shall prepare a report on his/her activities as an ombudsman and present it to the Regulatory Reform Committee, the State Council, and the National Assembly, by the end of every January. &lt;Amended by Act No. 12007, Aug. 6, 2013,&gt;</p> <p>(5) The provisions of Articles 30 and 32 of the Framework Act on Administrative Regulations shall apply mutatis mutandis to investigations related to the execution of duties by the Ombudsman for small and medium enterprises, opinion hearings, legal status, etc. In such cases, "committee" or "committee members" shall be respectively construed as "Ombudsman for small and medium enterprises."</p> <p>(6) Where it is found necessary after carrying out the affairs under paragraph (2), the Ombudsman for small and medium enterprises may recommend that the head of the relevant administrative institute improve the matters at issue. &lt;Newly Inserted by Act No. 12007, Aug. 6, 2013,&gt;</p> <p>(7) The Ombudsman for small and medium enterprises may review the execution status of the improvements following the recommendation made under paragraph (6), and where an administrative institute fails to implement the recommendation without good cause, the Ombudsman may publicly announce the details, etc. of such non-compliance. &lt;Newly Inserted by Act No. 12007, Aug. 6, 2013,&gt;</p> <p>(8) To assist the Ombudsman for small and medium enterprises in handling his/her duties and performing activities, a secretariat office shall be established within the Small and Medium Business Administration. &lt;Newly Inserted by Act No. 12007, Aug. 6, 2013,&gt;</p>	

Topic	Highlights	Takeaway
	(9) Matters necessary for the establishment and operation of the Ombudsman program shall be prescribed by Presidential Decree.	
<b>Designation of Specialized Research Institutes</b>	(1) The Administrator of the Small and Medium Business Administration may designate and operate a research institute specialising in research and investigation necessary to formulate, etc. policies for small and medium enterprises (hereinafter referred to as “specialised research institute”). (2) The Administrator of the Small and Medium Business Administration may contribute to or subsidize the specialized research institute, within budgetary limits, to help the institute cover expenses incurred in conducting the research and investigation. (3) Details regarding standards and procedures for designating specialized research institutes, and the operation, etc. thereof shall be prescribed by Presidential Decree.	
<b>Small and Medium Enterprises Week</b>	For the purpose of encouraging pride among small and medium entrepreneurs and increasing national awareness of their role and importance to the national economy, one week each year shall be designated as a week for small and medium enterprises	
<b>Administrative Fines</b>	(1) A person who is not a small and medium entrepreneur prescribed in Article 2 but benefitted from the policy for small and medium enterprises by submitting false documents under Article 27 (1) shall be punished by an administrative fine of up to five million won. (2) The administrative fine under paragraph (1) shall be imposed and collected by the head of the Administration of the Policy for Small and Medium Businesses, as prescribed by the Presidential Decree	

Source: Ministry of SMEs and Startups. (2016). <https://www.mss.go.kr/>. Retrieved April 28, 2022, from <https://www.mss.go.kr/site/eng/02/20203000000002019110618.jsp>

#### 2.5.4 Pakistan

Pakistan’s National SME policy, 2021 is one of the recent policies which was published in the year 2022. This policy has addressed various diversified and updated provisions which can be followed. Table 6 comprises the key features and takeaways for Bangladesh.

**Table 6 National SME Policy 2021, Pakistan**

Topics	Highlights	Takeaways
<b>Preamble</b>	Pakistan's government has developed a deliberate effort to boost the country's industry, innovation, growth of business, and export growth. This initiative enables the government to meet its vision of making employment and accelerating economic growth. Pakistan has the required characteristics to improve its role as a regional hub for investment, industry, and	<ul style="list-style-type: none"> <li>Inclusion of a preamble in the policy paper.</li> </ul>

Topics	Highlights	Takeaways
	business, thanks to its vast and increasing population, natural resource reserves, geo-strategic location, and improving global connections.	<ul style="list-style-type: none"> <li>• Launching of the SME registration portal and a quality database with the available information.</li> </ul>
<b>Policy formulation process</b>	A field survey comprising data collecting and interviews with more than 200 SMEs dispersed across 11 locations served as the foundation for the National SME Policy 2021. In-depth consultations with public sector stakeholders and representatives of other financial and non-financial organizations that work with SMEs were also executed as part of the study. Last but not least, the Policy is also constructed on collaborative efforts with academics and think tanks, a thorough analysis of recent policy literature, and an examination of global best practices and how well they may be adapted to local circumstances.	<ul style="list-style-type: none"> <li>• Information collection system based on tax filing cases.</li> </ul>
<b>Vision and mission</b>	<ul style="list-style-type: none"> <li>• A competitive and inventive SME sector that exports value-added products, generates high-paying employment and enhances the development of SMEs.</li> <li>• Develop a plausible business and investment climate with simple tax and regulatory compliance, equal and ongoing access to credit, business services, effective human capital, cutting-edge technology, and infrastructure, all of which are indispensable for cross-sector SME growth.</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusion of SME facilitation desk in terms of registered complaints.</li> </ul>
<b>Policy framework</b>	<ul style="list-style-type: none"> <li>• To assist the government in carrying out the vision and mission of the policy, the National SME Policy 2021 is organized in a thorough framework. The framework separates the Policy recommendations into four important categories which are Macro-Policy &amp; Regulatory Environment, Supply Side Challenges, Demand Side Challenges, and Institutional Mechanisms.</li> </ul>	<ul style="list-style-type: none"> <li>• Initiatives for formulating a consultation forum (Creation of an online forum with the option to provide feedback on regulatory issues)</li> </ul>
<b>Targets of the policy</b>	<ul style="list-style-type: none"> <li>• Amplifying SMEs' Economic Contribution</li> <li>• Escalating the Competitiveness &amp; Productivity of SMEs</li> <li>• Intensifying Formalization &amp; the Overall number of SMEs</li> <li>• Strengthening SMEs' Networking</li> <li>• Expanding the number of new establishments</li> </ul>	<ul style="list-style-type: none"> <li>• Introduction of the lease-based access to plug-and-play infrastructure for the SMEs</li> </ul>
<b>Regulatory and tax environment</b>	<ul style="list-style-type: none"> <li>• Taxation: <ul style="list-style-type: none"> <li>○ Number of SMEs filing taxes</li> <li>○ Value of taxes collected from SMEs</li> <li>○ Frequency and extent of complaints registered at the SME facilitation desk at FBR / Federal Tax Ombudsman's Office</li> <li>○ Time of compliance with regulations</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Developing a detailed module and design of a</li> </ul>

Topics	Highlights	Takeaways
	<ul style="list-style-type: none"> <li>○ Cost of compliance with regulations <ul style="list-style-type: none"> <li>● Regulatory guillotine:</li> </ul> </li> <li>○ Number of regulations eliminated (Net)</li> <li>○ Number of regulations modified</li> <li>○ Reduction in fees and regulatory charges</li> <li>○ Approximate cost savings to businesses</li> <li>● Formation of a forum for consultation</li> <li>○ Number of meetings of the forum on the specific topic of regulation and follow-ups with relevant departments</li> <li>○ Creation of an online forum with the option to provide feedback on regulatory issues</li> </ul>	<ul style="list-style-type: none"> <li>● 'soft skills training program by SMEF</li> <li>● Formulation of Incubators such as the National Incubation Centre to evaluate and scale up and reservation of positions for women in incubators and accelerators.</li> </ul>
<p><b>Addressing SME Supply-Side Challenges</b></p>	<ul style="list-style-type: none"> <li>● Under the SAAF scheme, SBP would also encourage banks to lend to SMEs to distribute funds fairly across SMEs depending on their size, sector, location, and gender.</li> <li>● SECP may attempt to modify the VC regime to assist SMEs' advancement in the IT and ITES sector.</li> <li>● Periodically, the State Bank will examine fundamental laws regarding SME financing and make improvements to streamline procedures and lower the cost of obtaining and disbursing funds.</li> <li>● To acquire the firm- and industry-level data needed for credit ratings and risk assessment, initiated by SMEDA for data collecting efforts for SMEs. SMEDA will support the submission of correct data through its outreach.</li> <li>● To encourage expanding projects and training programs that focus on women all over the country, power has been given to SMEDA.</li> <li>● Developing a detailed module and design of a 'soft skills training program will be initiated by SMEDA</li> <li>● Collaborating with relevant institutions, assistance will be provided by SMEDA for SMEs in the deployment of appropriate technology to raise productivity, quality, and competitiveness.</li> <li>● lease-based access to plug-and-play infrastructure for the SMEs</li> </ul>	<ul style="list-style-type: none"> <li>● Addition of provision on Simplification of taxation procedures &amp; reduced tax rates for women-owned SMEs.</li> <li>● Establishment of relationships with both domestic and foreign markets through aggregation models</li> <li>● Creation of particular programs to assist women in launching and running</li> </ul>



Topics	Highlights	Takeaways
	<ul style="list-style-type: none"> <li>• Incubators such as National Incubation Centre will be evaluated and scaled up accordingly, including in second-tier cities and reserved positions for women in incubators and accelerators will be there.</li> <li>• As a specialized stream in high schools and universities, in collaboration with the National Incubation Centre, the Higher Education Commission, and the provincial departments for education initiatives on programs for entrepreneurship skills in schools and support the teaching of entrepreneurship.</li> <li>• The ecosystem of entrepreneurship monitoring based on the outcome indicators are as follows: <ul style="list-style-type: none"> <li>i. Number of registered start-ups</li> <li>ii. Number of incubated start-ups</li> <li>iii. Number of incubators, accelerators, and co-working spaces</li> <li>iv. The volume of venture capital finance disbursed</li> <li>v. Number of Venture Capital Funds registered onshore</li> <li>vi. Number of limited liability partnerships registered</li> </ul> </li> <li>• Initiatives regarding entrepreneurship boot camps to train youth for accessing the government’s youth entrepreneurship schemes/programs</li> <li>• Provisions on Business Development Services</li> <li>• For Women Entrepreneurship Development <ul style="list-style-type: none"> <li>i. provision on Simplification of taxation procedures &amp; reduced tax rates for women-owned SMEs</li> <li>ii. Develop a one-window virtual facility for women entrepreneurs for enhanced access to information</li> <li>iii. Provide a women-friendly work environment by establishing women's business centres, display facilities, emporiums, etc.</li> <li>iv. Create particular programs to assist women in launching and running businesses, accounting and bookkeeping, paying taxes, marketing and digitalization, among other things.</li> <li>v. Through aggregation models, establish relationships with both domestic and foreign markets.</li> </ul> </li> </ul>	<p>businesses, accounting and bookkeeping, paying taxes, marketing and digitalization, among other things.</p> <ul style="list-style-type: none"> <li>• In the case of the development of SMEs in the country, setting SMEF will be the pioneer organization.</li> <li>• Quality assurance programs for development of the product quality.</li> <li>• Specifying funds for SMEs under the SMEF so that it can be ensured that the SMEF would have enough funding for the operational activities and SME development initiatives. And the Ministry of Finance will make the proper allocation of the budget for the funding. Funds may be also</li> </ul>
<b>Addressing Demand Side Challenges - Increasing</b>	<ul style="list-style-type: none"> <li>• National Product Standards will be formed, standardized upon, and put into practice.</li> <li>• Raising participation in the international e-commerce</li> </ul>	

Topics	Highlights	Takeaways
<b>Market Opportunities for SMEs</b>	<ul style="list-style-type: none"> <li>Provisions on public procurement to the formalization of the economic activities, growth, and development of SMEs, resolving access to finance issues of SMEs, and assistance and guidance for innovation for the small enterprises.</li> </ul>	<p>collected from the bilateral and multilateral donors.</p>
<b>Institutional Framework</b>	<ul style="list-style-type: none"> <li>The National SME Policy 2021's implementation is cross-cutting in character since it involves several organizations and agencies from the public sector's framework for business assistance. The following method has been put in place to guarantee a solid and well-integrated deployment of the Policy.               <ol style="list-style-type: none"> <li>National Coordination Committee (NCC) on SMEs Development</li> <li>SMEDA Institutional Strengthening, Capability Enhancement &amp; Reform</li> </ol> </li> <li>SMEDA must be significantly enhanced via institutional capacity development measures and expanded available resources by the Government of Pakistan to guarantee the implementation of the National SME Policy 2021 and to fulfil its aims.</li> <li>To restructure its organizational capacity to incorporate, among other things, SMEDA will undertake an institutional reform process such as Fund Management Capacity, Policy and strategy management, business development services, entrepreneurship, and skills expertise, emerging technologies, high growth sectors (such as IT &amp; ITES) &amp; knowledge economy, monitoring and evaluation</li> <li>Initiatives regarding the SME registration portal which will be integrated by data-gathering agencies to develop a high-quality database of the SME sector</li> <li>Issuance of SME size certificate</li> <li>Specific funds for SMEs will be established under the SMEDA so that it can be ensured that the SMEDA would have enough funding for operational activities and SME development initiatives. And the Ministry of Finance will make the proper allocation of the budget for the funding. Funds may be also collected from bilateral and multilateral donors.</li> </ul>	<ul style="list-style-type: none"> <li>Development of a one-window virtual facility for women entrepreneurs for enhanced access to information.</li> <li>Providing a women-friendly work environment by establishing women's business centres, display facilities, and emporiums.</li> <li>Initiatives regarding the SME registration portal which will be integrated by data-gathering agencies to develop a high-quality database of the SME sector.</li> <li>Enabling the system of providing Information regarding SMEs that are collected through</li> </ul>

Topics	Highlights	Takeaways
	<ul style="list-style-type: none"> <li>• Information regarding SMEs will be collected through the SME portal and this will provide relevant data to the Bureau of Statistics.</li> <li>• In the case of the development of SMEs in the country, SMEDA will be the pioneer organization.</li> </ul>	<p>the SME portal and providing relevant data to the Bureau of Statistics.</p>

*Source: Compiled by authors from National SME Policy 2021, Pakistan*

### 3. SME Policy 2019 and its Relevance to the 'SHE' Trade

Women entrepreneurs were predominantly young, married, literate, and had ten to twenty years of experience, according to the study. Rather than manufacturing, they were largely involved in sole proprietorships of small trades and services. The majority of them were inadequate in start-up cash, capital market access, collateral financing, theoretical knowledge, ICT competent staff, and organizational assistance. Environmental variables were shown to have a detrimental effect on their entrepreneurial success, with the majority of women entrepreneurs being apprehensive about the political situation, legislation, and tax concerns. Despite their struggles to juggle commercial, social, and personal lives, women entrepreneurs were shown to make a significant contribution and a substantial influence in reducing poverty and unemployment (Rahman, Chakma, Khondkar, & Muzareba, 2020).

#### 3.1 Barriers faced by women

The Strategic Goal 8 of the present SME policy provides for extended programs for women's entrepreneurship development. Despite the national policy of 2010 which had set the goal of improving financial institutions' loan disbursement rate to women-run SMEs to 15% by 2024 as part of the country's aspiration to become a developing country by that year, the percentage of women in SMEs loans has remained below 4% since 2010.<sup>31</sup>

The Bangladesh Bank has launched the "Small Enterprise Refinancing Scheme,"<sup>32</sup> which offers women entrepreneurs loans with a maximum interest rate of 5%. This scheme provides that the central bank will finance banks and non-bank financial institutions at a rate of 0.5 per cent interest rate, afterwards the banks will lend the money at a maximum of 5% interest to the customers.<sup>33</sup>

Moreover, as previously in the Small and Medium Enterprise (SME) Credit Policies & Programmes, under the refinancing scheme, financial institutions can grant a woman entrepreneur a loan of a maximum of Tk 25 lakh if they can consider a third-party personal guarantee as alternative collateral.<sup>34</sup>

According to the new scheme, Banks and financial institutions must provide at least 10% of the credit guarantee to women entrepreneurs.<sup>35</sup> The central bank has also instructed commercial banks to set up separate dedicated desks for women entrepreneurs in each branch.<sup>36</sup> In addition, under the Tk 20,000 crore incentive, the Bangladesh Bank has directed

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<sup>31</sup>[Jebun Nesa Alo & Sakhawat Prince](#), Loans elude growing women entrepreneurs, The Business Standard, 7 March, 2022 | [Loans elude growing women entrepreneurs \(tbsnews.net\)](#)

<sup>32</sup> [Mahmuda Shaolin](#), Low-cost loan for women, Bangladesh Post, [Low-cost loan for women - Bangladesh Post](#), 2 October, 2021

<sup>33</sup>[Women Entrepreneur Refinancing Scheme | Small & Medium Enterprise Foundation-Established by the Government of Bangladesh \(smef.gov.bd\)](#)

<sup>34</sup>Small and Medium Enterprise (SME) Credit Policies & Programmes, Bangladesh Bank page 8

<sup>35</sup>[Jebun Nesa Alo & Sakhawat Prince](#), Loans elude growing women entrepreneurs, The Business Standard, 7 March, 2022 | [Loans elude growing women entrepreneurs \(tbsnews.net\)](#)

<sup>36</sup>Ibid

financial institutions to grant a minimum of 8% loans to women entrepreneurs.<sup>37</sup> However, the reality reveals that several public and private banks are making the loan harder as they are suspicious of the repayment.<sup>38</sup> Moreover, a study<sup>39</sup> reveals that even though most of the women entrepreneurs fulfilled most of the criteria to get bank loans, there were several complaints from women, saying they were not getting loans. Although it is observed that women are better at repaying the loan as the rate of loan default by women is only between 1% and 2% in most financial institutions, banks are reluctant to provide loans to women entrepreneurs.<sup>40</sup>

**Table 7 Women's Entrepreneurial Development Challenges**

Issues	Remarks
<b>Barriers to Rural Female SME Entrepreneurs in Bangladesh Acquiring Loans from Financial Institutions<sup>41</sup></b>	<ul style="list-style-type: none"> <li>• complicated loan process, high-interest rates, a lack of bank officer support, the biases of officers, negative preconceptions about women, and high bank account maintenance costs are the major barriers to accessing financial institutions in Bangladesh</li> </ul>
<b>Stigmatization in society</b>	<ul style="list-style-type: none"> <li>• Women entrepreneurs often cannot operate their business after evening due to social outlooks.</li> <li>• Harassments in the banks and various registration processes are constantly faced by women entrepreneurs.</li> <li>• For women traders engaged in export and import the condition of the land ports is not gender-friendly.</li> </ul>
<b>Information gap</b>	<ul style="list-style-type: none"> <li>• Women entrepreneurs often cannot access the special incentives provided to them due to a lack of proper information mediums.</li> <li>• Lack of information on how to avail of SME loans, mortgage requirements, document requirements, and appropriate authorities to seek assistance often makes it difficult for women entrepreneurs to start a business.</li> </ul>
<b>Absence of assistance</b>	<ul style="list-style-type: none"> <li>• Women entrepreneurs mostly face difficulties in business processes due to the absence of appropriate support staff and the lack of a women-friendly business and banking environment.</li> <li>• Often women entrepreneurs have to take assistance from their male counterparts in the financing and business-starting process</li> <li>• Dedicated help desks in the banks for women entrepreneurs are seldom seen.</li> </ul>
<b>Coordination failure</b>	<ul style="list-style-type: none"> <li>• Coordination failure among authorities in charge of the promotion of women's entrepreneurship is another significant bottleneck to mainstreaming women in entrepreneurial activities.</li> <li>• The officials in charge of implementing the provisions of the policies often lack capacity which makes the provisions inefficient.</li> </ul>

Source: Authors' compilation from various sources

<sup>37</sup>Ibid

<sup>38</sup>Jebun Nesa Alo & Sakhawat Prince, Loans elude growing women entrepreneurs, The Business Standard, 7 March, 2022 | [Loans elude growing women entrepreneurs \(tbsnews.net\)](https://www.tbsnews.net)

<sup>39</sup>[Making SMEs more active and vibrant \(thefinancialexpress.com.bd\)](https://www.thefinancialexpress.com.bd)

<sup>40</sup>Ibid

<sup>41</sup>Hossain, M. S. (2019). Barriers faced by rural female entrepreneurs of SMEs in accessing financial institutions for loans in Bangladesh. *Journal of International Business and Management*, 2(4), 1-9.

### 3.2 Women-focused Basic business orientation and skill development programs<sup>42</sup>

Multiple organisations should develop initiatives that cater to the requirements of female entrepreneurs. According to the findings of this survey, Women entrepreneurs believe that the SME foundation is attempting to empower women by:

- Arranging vocational training
- offering details about the Bangladesh Bank's SME loan
- Establishing a business platform for women, according to the findings of this survey.
- Assisting women in the improvement of business leadership
- Strengthening women's fortitude through various training and seminars
- Assisting women entrepreneurs in the management of loans
- Providing a business platform for women
- Providing training to help women become self-sufficient and self-assured
- Assisting women in exhibiting their businesses through SME fairs

The eleven booster sectors comprising women's enterprises are listed in the following table:

**Table 8 Number of women enterprises of 11 booster sectors, 2015**

Sectors	Number of enterprises	%
Electronics and Electrical	186	2.6
Software development	30	0.4
Light engineering and metalworking	98	1.4
Agro-processing/agri-business/plantation agriculture/specialist farming/tissue culture and related business	726	10.3
Leather-making and leather goods	84	1.2
Knitwear and ready-made garments	447	6.3
Plastic and other synthetics	24	0.3
Healthcare and diagnostics	123	1.7
Educational services	10	0.1
Pharmaceuticals/cosmetics/toiletries	237	3.4
Fashion-rich personal effects, wear and consumption goods	2241	31.8
Other sectors	2841	40.3
<b>Total</b>	<b>7047</b>	<b>100.0</b>

Source: SME Women Enterprise Directory, 2015

## 4. Findings of the Study

Based on the KIIs, FGDs, and PCs, this chapter discloses some findings on this issue:

<sup>42</sup>Ahmed, N., Monzur, H., & Iqbal, H. (2017). Women Entrepreneurs in SMEs: Bangladesh Perspective 2017 '. Bangladesh Institute of Development Studies.

#### ***4.1 Problems in the definitions of Small, and Medium Enterprises<sup>43</sup>***

For a long time, the definition of SMEs has been a subject of debate in Bangladesh, because multiple definitions are used by various organisations, and it changes with each Industrial Policy. As a result, a unified definition of SMEs has been deemed essential to harmonize SMEs' operations and quantify their economic contribution. The new Strategy also emphasizes the significance of sticking to a single definition for a longer time, which will make assessing the contribution of SMEs to the economy easier.

#### ***4.2 Lack of Research and Development Facilities***

Usually, advanced economies spend a substantial proportion of their GDP in this field to develop their industries, but we do not invest nearly as much in this sector to expand ours.

#### ***4.5 Physical Infrastructure Constraints***

The SME sector's growth is impeded by an insufficient supply of essential services such as electricity, water, roads, and motorways. In addition, adverse geographic conditions elevate transportation costs.

#### ***4.6 Failure to Keep Product Quality Competitive***

The failure to maintain the quality of SME products is a major stumbling block to SME growth in Bangladesh. Bangladesh now produces primarily ordinary consumer goods that are labour-intensive and require only basic technologies. However, due to their poor quality, these products cannot compete with international goods. Bangladesh's current task is to ensure that its SME sector survives competition from its rivals, rather than competing with high-tech items from industrialized countries.

#### ***4.7 Inadequate human resources in the SME foundation***

SME foundation plays a key role and actively works for the development of SME sectors of Bangladesh. To implement and achieve the goals and targets of the policy, a lot of human resources are needed to smooth the procedure. But the number of people at the SMEF is inadequate in the present context.

#### ***4.8 No mention of Source of funds***

In the SME policy of 2019, a detailed action plan with specified ministries and government bodies. But to implement the action plans funding is the prior and main issue to make all the plans become a reality.

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<sup>43</sup>Hossain, M. (2021, June 27). *SME sector in Bangladesh and policy priorities*. The Business Standard. <https://www.tbsnews.net/economy/sme-sector-bangladeshand-policy-priorities-266821>

#### **4.9 Problems with Follow-Up and Monitoring Issues**

The SME policy is a much-updated policy which was formulated back in 2019, the provisions mentioned in the policy document are very time relevant. Although it has been found that there are several constraints in follow-up and monitoring, it is very crucial for the development of action plans.

#### **4.10 SME Cluster Development and Registration**

The majority of SMEs have limited funds to run their businesses. Thus it creates difficulties for small entrepreneurs to invest in equipment and machinery. SME cluster development will reduce their cost and help them to sustain themselves in the market. Though the SME cluster development is not up to the mark. Moreover, there is no online registration process for SMEs.

#### **4.11 Access to finance**

The development of SMEs in Bangladesh has predominantly been slowed by a lack of access to financing. This is especially true when it comes to the growth of female entrepreneurs. In this context, it is appropriate to assess the institutional support options for SMEs and the challenges faced by female business owners. Studies on SMEs have shown that while SME loans are primarily intended to address working capital needs, they only satisfy about a third of the demand. The remainder is covered by individual resources, along with some help from friends, relatives, and nonprofit organizations.<sup>44</sup>

### **5. Recommendations**

It is indisputable that Bangladesh's policies are phenomenal in terms of quality. And the SME policy for 2019 is no exception. Driven by many factors, interlocution, and perspectives from important stakeholders were taken into consideration when designing the policy. This policy was established in the year 2019.

Different economic developments have been seen in these years since the policy was formed, therefore a follow-up by assessing the current policy has become the requirement of the moment. Various problems and anomalies have been uncovered. With technical breakthroughs such as 4IR, the entire globe is moving forward, posing new problems for Bangladesh.

With comprehensive desk research, meetings, and engagement with important stakeholders, a wide range of concerns have been revealed through comprehensive desk research, in-person interviews, meetings, and interlocution. Through the issues that lie in the evolution and execution, the policy's purpose and target are suitable for the present period.

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<sup>44</sup>Uz Zaman, A. H., & Islam, M. J. (2011). Small and medium enterprises development in Bangladesh: Problems and prospects. *ASA University Review*, 5(1), 145-160.



This chapter will highlight some recommendations for the upcoming SME Policy 2019 based on the findings from the KIIs and FGDs.

### ***5.1 Involvement of think tanks and stakeholders before Formulation of Policy***

Before the formulation of any kind of policies or acts, from the initial stage, the involvement of think tanks, resource persons, and representatives from relevant sectors and businesses is of great importance.

### ***5.2 Promoting Local Products***

The SME policy provides several provisions for enhancing competitive capability and supporting the access of SME products into the market.<sup>45</sup>

However, one provision which may be incorporated in the present policy is that to promote SME products at the national level, a high tax rate may be imposed on similar foreign products. But for taking such action too, the quality of the local products shall be ensured. If this initiative is taken, then local customers will prefer similar local products over foreign ones. Thus, it will expand the local market.

### ***5.2 Expanding Exportation***

The policy is silent on the action plan on the Least Developed Country (LDC) status. Bangladesh will no longer be eligible for tax-free market access after 2029 since the country will graduate from the LDC membership in 2026, however, its exports will be eligible for a three-year extension until 2029.

To make the most of the available facilities within this time frame the SME products shall be so developed to match international quality. For this purpose, SME products shall be displayed on international platforms such as international trade fairs and available for online exposure on renowned shopping sites such as Amazon, Alibaba, etc.

### ***5.3 Development of SME Cluster***

The development of SME clusters is of great significance to securing small start-ups, especially in rural areas. As it took a high cost for supply chain management issues. For this purpose and the advancement of the SME clusters, an autonomous governing body can be established.

### ***5.4 Setting Help Desks in Banks and Business Promotion Bodies with Internet Facilities***

A Help Desk with computer and internet facilities should be comprised in all bank branches dealing with SME funding, as well as in all chambers of commerce and industry and other

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<sup>45</sup>Strategic Goal 3, 4.3, SME Policy, 2019

trade promotional organisations, to enhance the reach of SME growth, notably for women entrepreneurs.

### ***5.5 Role of NGO***

Governments, financial institutions, and non-governmental organizations (NGOs) may take steps to ensure that prospective SMEs in Bangladesh receive continuous financial support. To promote women's entrepreneurship, the government may include female entrepreneurs in policy development and execution. Set up a fund for female entrepreneurs. Women entrepreneurs in Bangladesh's rural and urban areas should receive the appropriate training.

### ***5.6 Organizing Trade Fairs, Symposiums, and Workshops on SMEs regularly***

Various organizations and think tanks now arrange workshops and symposiums on SMEs, however, they are organized irregularly and not in any comprehensive manner. A work plan for organizing seminars, workshops, trade shows, and other events regularly should be conceived.

### ***5.7 Development of SME Infrastructure***

Infrastructure development is a requirement for the effective growth and financing of small and medium-sized businesses. The absence of infrastructure (e.g., roads, gas, and electricity), as well as restricted access to market possibilities, technology, experience, and business information and communication, are currently the most serious constraints impeding the development of SMEs. The development of adequate infrastructure for SME growth should be taken into account.

### ***5.8 Quality of SME Products***

Poor product quality is a major hurdle to the expansion of SME businesses and the SME sector as a whole. One of the objectives must be to enhance the quality and uniformity of SME products. The BSTI might be made more effective at regulating and monitoring product quality for both the home and international markets.

### ***5.9 Use of Modern Technology***

SME development is heavily reliant on product design and technology. The majority of SMEs use indigenous technology and are working to improve their current production techniques and procedures. Enterprises become uncompetitive if contemporary technology is not used and innovation is not carried out in an indigenous sector.

### ***5.10 Implementation of SME policy in an Appropriate Manner***

The government established an SME policy that identifies SMEs as critical players in accelerating growth and reducing poverty. For this purpose, the government has

implemented different policies and provided facilities and incentives to help SMEs flourish and develop. As a result, this policy should be effectively implemented.

### ***5.11 Making SME Law***

Bangladesh has an SME policy to regulate the sectors. A zone that generates most of the employment opportunities in the country, and makes a balanced development through economic, social, and environmental protection needs a separate law of its own for better implementation. As we know, Policies aren't binding on the people. A well-balanced, profit-generating SME sector requires a proper strategy to thrive. The thrust of the urgency of an SME law could be perceived now much stronger than ever with the government depending on the SME sector to achieve its goal. The Government can play a striking role in formulating and enacting the much-needed SME law as per international standards. The further responsibility that follows up the enactment of a new law is the proper implementation of the provisions. The Government needs to take necessary measures in making people aware of the existing laws, rules, and regulations of the country. An institutional mechanism can be introduced that will effectively coordinate and implement SME-related laws and policies.

### ***5.12 Simplifying the existing rules and regulations***

It is suggested to increase the VAT-free turnover limits so that SMEs fall into the VAT zone. In general, a straightforward tax structure is considered to be conducive to the success of small businesses. The present Tax and VAT law with too many provisions is only complicating the matter further. Many studies have suggested simplifying tax-related rules and regulations could encourage the entry of more small firms into a formal business. Additional facilities could also be included for the new businesses. For example, A tax-free facility for new SME entrepreneurs of all sectors for 10 years can be included.

### ***5.13 Access to Information***

One common constraint SMEs suffers is less access to relevant business-related information. Before the start-up of any business, an entrepreneur needs to go through multiple stages, such as registration, loan documentation, etc. Often entrepreneurs are in the dark due to a lack of sources for correct information. The vulnerable society faces the problem the most. Information booths, helplines, and offices at the local government's initiative can be set up in every local area, and miking, leaflets, and banners can also be distributed periodically among the people. A platform for the dissemination of knowledge may be made at the district if not the Upazila level. Most entrepreneurs aren't informed regarding the existing mechanism for their business and the twigs and branches that come along with it. They tend to do business informally which they find hassle-free thus depriving themselves of the benefits the system has to provide. The lack of an intermediate medium to collaborate the work of the government and the entrepreneurs is one of the reasons for such ignorance. The attempt to disseminate legal knowledge can be done by establishing an information desk or direct person-to-person communication or program focusing on a legal area or through leaflets posters, banners etc.

### ***5.14 Gradual Movement towards Paperless loan documentation for SMEs***

Entrepreneurs find loan documentation the most challenging in conducting business. The requirements of the huge number of papers and Banks' reluctance to provide loan to small enterprises often acts as a shield to the application for the loan. This problem could be solved to a large extent by substituting the documentation with paperless documentation. A central database containing all the information of the entrepreneurs could be linked with the information desk of the bank. The client will be provided with a code, the insertion of which will autogenerate the information of the client. A system as such will be hassle-free, time effective, less administrative and most importantly this easy procedure will encourage the entrepreneurs. Although people are not that much comfortable with the fully paperless documentation process, this recommendation may be added to the future SME Policy by gradually implementing this system.

### ***5.15 Internationalization of SMEs products***

The two diversified concepts of National Policy order and SME internationalization are interweaved. SME Internationalization means engaging in global commerce through exporting, importing, investing abroad, cooperating internationally, or having international subcontractor relationships. Improving existing policy orders and enhancing information technology services could ease the internationalization of local products.

In the present context though the government has implemented initiatives to help entrepreneurs in exporting their products the success so far is mostly brought by the entrepreneurs on their initiative. The Government can arrange for a joint initiative of EPB and UDC (union digital centre) to ensure the spread of information regarding export matters. Bangladesh National Skills Development Council (NSDC) can play an important role in training entrepreneurs to enhance export skills. The managers of international business need skills and knowledge to manage international marketing activities in overseas markets.

### ***5.16 Easing the trade licence process for entrepreneurs***

Easing the trade license procedure will help entrepreneurs, especially women entrepreneurs. Entrepreneurs who are involved in e-commerce face problems in attaining a trade licence for the business. So the licensing procedure should be smooth who are involved in e-commerce.

### ***5.17 Private-public partnership and SME***

Public-private sector partnerships (PPPs) can play an important role in ensuring sustainable growth by establishing a linkage between local producers and global supply chains. Among the many benefits that PPPs can bring, PPPs can build local capacity and expertise, cost efficiencies, open up a platform for more competition, and expand room for economic growth. Usually, Bangladesh's trade bodies and chambers of commerce are generally populated by heavyweights in the private sector, with little or no representation from small and medium enterprises (SMEs). Hence, SMEs requires more advocacy in Public-private

partnership. The PPP agreement can have a certain percentage of its program allocated only to SMEs.

### ***5.18 Ensuring Access to Finance for the SME Entrepreneurs***

Small and medium-sized businesses still have very little access to institutional financing. Within the next five years, it may be possible to increase access to institutional financing for at least 50% of SME entrepreneurs by facilitating the SME foundation and encouraging institutional sources of funding to extend credit to qualified borrowers. The CMSME sector's policies and regulations on financing for female entrepreneurs might be properly implemented by BB. The delivery of loans to female entrepreneurs in the SME sector should be BB's explicit, ambitious goal for banks and FIs.

### ***5.19 Thinking about the definitions once again***

The definitions of micro, small, medium and large industries need to revise to facilitate budding entrepreneurs.

#### **Cottage industries**

Those industries that are dominated by family members in which the value of fixed assets excluding land and factory buildings is less than 10 lakh takas including replacement cost and which are composed of family members and other members and the total workforce is not more than 15 may be considered as cottage industries.

#### **Micro industries**

Those industries in which the cost of fixed assets excluding land and factory buildings is between Tk 10 lakh to Tk 75 lakh with replacement cost or those establishments employ 1-25 workers or less may be considered as Micro industries.

In the case of the **service industry**, the industry may be referred to as those industries in which the value of fixed assets excluding land and factory buildings is less than 10 lakh taka with replacement cost or in which a maximum of 15 workers are employed in the industries.

#### **Small Industries**

In the case of **manufacturing**, those industrial establishments in which the value of fixed assets excluding land and factory buildings with replacement cost is between 75 lakh to 1 crore taka or in which a maximum of 26-120 workers are employed in industrial establishments may be considered as the small-scale industry.

In the case of the **service industry**, those industrial establishments in which the cost of fixed assets excluding land and factory buildings is between 10 lakh to 2 crore taka with replacement cost or in which a maximum of 16-50 workers are employed in the industrial establishments may be referred to as a small-scale industry.

#### **Medium industries**

In the case of **manufacturing**, the medium industry may be referred to those industrial establishments in which the cost of fixed assets excluding land and factory buildings is

between 15 to 50 crore taka with replacement cost or in which industrial establishments employ a maximum of 121-300 workers. However, in the case of ready-made garments/labour-intensive industrial establishments, the maximum number of workers in medium industries maybe 1000.

In the case of the **service industry**, the medium industry may be those industrial establishments in which the value of fixed assets excluding land and factory buildings with replacement cost is Tk 2 crore to 30 crores or in which industrial establishments employ a maximum of 51-120 workers.

### **Large industries**

In the case of **manufacturing**, those industries in which the value of fixed assets excluding land and factory buildings is more than 50 crore taka with replacement cost or in which more than 300 workers are employed except ready-made garments/labour-intensive industries may be considered as large industries. Only those garment/labour-intensive industries employing more than 1000 workers may be included in large industries.

In the case of the **service industry**, a large-scale industry may mean those industrial establishments in which the cost of fixed assets excluding land and factory buildings is more than 30 crore taka with replacement cost or in which more than 120 workers are employed in industrial establishments.

The following table provides a specific suggestion on the definition of the above mention industries in terms of manufacturing, service and trade.

**Table 9 Suggested definitions for future**

Type of the Industry		Fixed Assets (in Taka)	Annual Turnover (in Taka)	Employed Manpower (not above)	Subsidiary financing policy	Subsidiary duties and tax benefits	Various supporting mechanisms	Allotment of land to entrepreneurs in industrial areas
Micro Industries	Cottage	Less than 10 lacs	-	15	30% interest-free loan without collateral and the remaining 2% simple interest loan	Income tax holidays and special concessions up to 8 tax periods Turnover tax at the rate of 1% Minimum duty (1-3) Import facility of raw materials, machinery and equipment	Other support measures include free technology supply and training	Allotment of land with nominal leases, interest-free long-term loans and subsidies
	Manufacturing	10-75 lacs	-	1-25				
	Service	Less than 10 lacs	-	15				
	Trading	Maximum 15 lacs	Maximum 2 Crore	10				
Small industries	Manufacturing	Minimum 75 lacs - Maximum 1 crore	-	26-120	10% interest-free loan without collateral and the remaining 4% simple interest loan	3% in the goods sector and 5% in the services sector at a subsidized rate of Musak and minimum duty (1-3) on raw materials, machinery and equipment.	Other support costs, including technology and training, are tax-free and 70% subsidized	Allotment of land with nominal leases, interest-free long-term loans and subsidies
	Service	Minimum 10 lacs - Maximum 2 crore	-	16-50				
	Trading	Minimum 15 lacs- Maximum 2 crore	Minimum 2 crore- maximum 20 crore	11-30				
Medium industries	Manufacturing	15 crore to 50 crore	-	121-300	Simple interest loan without collateral 5% simple interest	4% in the goods sector and 6% in the services sector at a subsidized rate of Musak and minimum duty (1-3) on raw materials, machinery and equipment.	Other support costs, including technology and training, are tax-free and 70% subsidized	Allotment of land with nominal leases, interest-free long-term loans and subsidies
	Service	Minimum 2 crore- Maximum 30 crore	-	51-120				
	Trading	Minimum 2 crore- Maximum 15 crore	Minimum 20 crore- maximum 50 crore	31-100				

Type of the Industry		Fixed Assets (in Taka)	Annual Turnover (in Taka)	Employed Manpower (not above)	Subsidiary financing policy	Subsidiary duties and tax benefits	Various supporting mechanisms	Allotment of land to entrepreneurs in industrial areas
Large industries	Manufacturing	More than 50 crore	-	More than 300	Generally applicable rates	Facilitation of importation of raw materials, materials, machinery and equipment at generally applicable Muscat rates and lowest duty (1-3) rates.	Other support costs, including technology and training, are tax-free and 50% subsidized	Allotment of land at an affordable cost
	Service	More than 30 crore	-	More than 120				
	Trading	More than 15 crore	More than 50 crore	More than 100				
Industries in underdeveloped areas	-	-	-	-	Collateral-free special concessional interest rate by category	Collateral-wise special concessional interest rate	Other support measures include free technology supply and training	Allotment of land with nominal leases, interest-free long-term loans and subsidies

Source: Compiled by authors from different sources, KIIs and FGDs

The following table provides a recommendation matrix for the upcoming future.



**Table 10 Recommendation Matrix for future SME Policy**

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
<b>Chapter one Introduction</b>	This chapter includes an overview of the SMEs and their performance as well as the contribution of SMEs to the growth and development of the sector.	N/A	N/A	<ul style="list-style-type: none"> <li>Update the definitions of the micro, small, medium, and large industries which are currently being in use from industrial policy 2016.</li> </ul>
<b>Chapter two Vision, Mission, Goal, Objective, and Implementation Strategy</b>	<b>2.1 Vision</b> Creating a vibrant SME sector in Bangladesh.	Yes	N/A	N/A
	<b>2.2 Mission</b> Strengthening the SME sector by enhancing efficiency, improving the business environment, providing easy access to finance, ensuring better marketing facilities, upgrading technology, and innovative capabilities, and creating employment opportunities.	N/A	<ul style="list-style-type: none"> <li>Mentioning provisions on distribution efficiency, such as updating distribution systems and fostering distribution industry collaboration.</li> </ul>	N/A
	<b>2.3 Target/Goal</b> The contribution of the SME sector to the GDP is to be increased from 25 % to 32% to implement the development projections of the government.	Yes	N/A	N/A
	<b>Objectives</b>	2.4.1 Identify the role of important sectors related to the development of a sustainable environment-friendly SME sector and implementation strategies for SME-related policies;	Yes	N/A
	2.4.2 Create necessary infrastructure and cluster development, women entrepreneurship development, and support policies for financial and non-	Yes	<ul style="list-style-type: none"> <li>Setting up a monitoring cell for the development of SME cluster</li> </ul>	N/A

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	financial services for the development and expansion of the SME sector;			
	2.4.3 Improve SME-friendly environment by increasing the scope of institutional funding in the SME sector, adopting of ICT based technology, developing product strategy, marketing products, linking SMEs with large industries, and strengthening legal and institutional structures;	Yes	N/A	N/A
	2.4.4 Establish public-private partnership (PPP) and create a new SME initiative (start-up) for SME sector development; upgrade government policies and rules/regulations that create hindrances to the smooth running of the business and its development.	Yes	N/A	N/A
	2.4.5 Increase and strengthen R & D activities to increase SME competitiveness and innovative capability.	N/A	N/A	Establishment of an R & D institute
	2.4.6 Make effective coordinated arrangements to bring all the ministries, government organizations, and trade bodies under a single platform and strengthen core institutions to solve existing and emerging problems in the SME sector.	Yes	N/A	N/A

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	<p><b>Implementation Strategies</b></p> <p>2.5.1 Improving the business environment and institutional framework;</p> <p>2.5.2 Increasing scope of the SME sector to receive institutional funding facility;</p> <p>2.5.3 Support to increase competitiveness capability and access to the SME products market;</p> <p>2.5.4 Support short-term, low-cost SME business support services to start-ups;</p> <p>2.5.5 Develop and expand SME Cluster-based Business Network</p> <p>2.5.6 Increase use of ICT and other technologies;</p> <p>2.5.7 Expansion of skill-developing education and training programs for entrepreneurs;</p> <p>2.5.7 Expansion of skill-developing education and training programs for entrepreneurs;</p> <p>2.5.8 Expanding women's entrepreneurship development programs and providing specialized services;</p> <p>2.5.9 Establishing SME as a backward and forward linkage enterprise to the large industries and ensuring the protection of SME products;</p> <p>2.5.10 Establish environment-friendly SME industries and develop better capacity for waste management;</p> <p>2.5.11 Institutionalize SME statistics and conduct research and development activities.</p>	Yes	N/A	N/A
	3.1.1 In the 'SME Policy 2019', emphasis has been given to undertaking extensive SME development activities for	Yes	N/A	N/A

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
<b>Chapter three Application and Scope</b>	increasing the desired contribution of the SME sector to the GDP and reducing poverty through coordinating efforts of the government and private sector.			
	3.1.2 Definition of Cottage, Micro, Small, and Medium Industries as described in 'National Industrial Policy 2016' and subsequent industrial policies will be followed and acknowledged in this 'SME Policy 2019	N/A	N/A	Modification of the definitions of the cottage, micro, small and medium enterprises mentioned in the policy.
	3.1.3 The effectiveness of this policy will continue until the next SME policy is adopted. However, the Time-Bound Action Plan of 'SME Policy 2019' will be subject to change from time to time and can be extended.	Yes	N/A	N/A
<b>Chapter four Implementation Strategy</b>	<p><b>4.1 Strategic Goal 1: Improving Investment and business environment and institutional framework</b></p> <p>4.1.1 The administrative procedures of SME entrepreneurship will be simplified to improve the SME-related business environment and to protect the rights of investors. Necessary steps will be taken to attract domestic and foreign investment to ensure desired development of SMEs, especially export-oriented SME industries and their capacity building.</p> <p>4.1.2 The coordination between the representatives and other support providers will be strengthened for the development of the SME sector. A central monitoring system will be introduced for taking substantial SME development activities through the coordinated efforts of government and private sector actions.</p> <p>4.1.3 The following strategic tools will be utilized in line with the above-mentioned goals:</p> <p><b>Strategic Tools</b></p> <p>4.1.3.1 Simplification of legal and administrative procedures for enhancing SME business;</p> <p>4.1.3.2 Simplification and rationalization of SME tax policy;</p>	N/A	<ul style="list-style-type: none"> <li>For the implementation of subparagraph 4.1.3.1 Main implementer agencies: LGRD and the Ministry of Commerce and Associate implementer: BSCIC, SMEF, Ministry of Industries, EPB, CCI&amp;E, Ministry of Environment, Forest and Climate Change.</li> <li>For the implementation of subparagraph 4.1.3.2 Main implementer agencies: NBR and Ministry of Commerce and Associate implementer SMEF, BSCIC, Ministry of Industries, Finance Division, Bangladesh Trade, and Tariff Commission, and relevant SME Associations/trade bodies</li> </ul>	N/A

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	<p>4.1.3.3 Investment and revenue incentives for export-oriented SME sector;</p> <p>4.1.3.4 Strengthening of coordination among institutional structures;</p> <p>4.1.3.5 Strengthening capacity-building activities of BSCIC, SME Foundation, and other SME-related trade bodies</p>		<ul style="list-style-type: none"> <li>For the implementation of subparagraph 4.1.3.3 Main implementer agencies: Ministry of Commerce and Bangladesh Bank and associate implementer: SMEF, BSCIC, Ministry of Industries, Finance Division, Bangladesh Trade, and Tariff Commission, and relevant SME Associations/trade bodies</li> <li>For the implementation of subparagraph 4.1.3.4(2) Main implementer agencies: Prime Minister's Office, Ministry of Commerce and Finance Division; Associate implementer: SMEF</li> </ul>	
	<p><b>4.2 Strategic Goal 2: Increasing Scope of Access to Finance in the SME sector</b></p> <p>4.2.1 A sustainable SME financing system will be established to meet up credit needs in the SME sector;</p> <p>4.2.2. To increase the scope of institutional funding in the SME sector, the following strategic tools will be adopted: <b>Strategic Tools</b></p> <p>4.2.2.1 Create a sustainable and effective institutional system for enhancing access to finance for SMEs.</p> <p>4.2.2.2 Increase the amount of credit flow to the SME sector;</p> <p>4.2.2.3 Support access to finance in SME-related innovations and introduce 'SME Bank' in the country;</p> <p>4.2.2.4 Strengthen existing refinancing scheme to provide SME loans at a reduced interest rate to the SMEs;</p>	N/A	<ul style="list-style-type: none"> <li>For the implementation of subparagraph 4.2.2.5 Main implementer agencies: Ministry of Industries and Finance Division and associate implementer: Bangladesh Bank and SMEF</li> </ul>	Implementation of the establishment of SME banks to facilitate SME entrepreneurs.

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	<p>4.2.2.5 Ensure easy access to credit and low-interest Wholesaling (CWS) programs.</p> <p>4.2.2.6 Launch SME Credit Guarantee Fund.</p>			
	<p><b>4.3 Strategic Goal 3: Enhance competitive capability and support the access of SME products into the market</b></p> <p>4.3.1. To make the SME sector the main driving force for economic growth, necessary measures for capacity building will be taken to increase SME competitiveness at the domestic and international levels;</p> <p>4.3.2 To protect the quality and standards of SME products, and create new markets, necessary measures will be taken by identifying proper marketing strategies.</p> <p>4.3.3 The following strategic tools will be adopted in line with the above-mentioned goals:</p> <p><b>Strategic Tools</b></p> <p>4.3.3.1 Conduct effective activities to ensure the quality of SME products;</p> <p>4.3.3.2 Arrange capacity-building training for SMEs to increase competency;</p> <p>4.3.3.3 Provide advice and information services on the analysis of access to new market;</p> <p>4.3.3.4 Enhance scope of entry of SME products in the export market;</p> <p>4.3.3.5 Organize SME Product Fair at Upazila, district, divisional and national levels;</p> <p>4.3.3.6 Establish Regional SME Product Exhibition Centres;</p> <p>4.3.3.7 Arrange the National SME Entrepreneur Award.</p>	N/A	<ul style="list-style-type: none"> <li>• For the implementation of subparagraph 4.3.3.1 Main implementer agencies: BSCIC, NPO, and SMEF, and associate implementers: BSTI, BAB, BITAC, BIM, Relevant SME Association/trade bodies, NGO and NASCIB</li> <li>• For the implementation of subparagraph 4.3.3.2 Main implementer agencies: SCITI, BSCIC, and SMEF and associate implementers: BSTI, BITAC, BIM, Relevant SME Association/trade bodies, NGO and NASCIB</li> <li>• For the implementation of subparagraph 4.3.3.4 Main implementer agencies: BSCIC and SMEF associate implementers: Ministry of Foreign Affairs, Ministry of Cultural Affairs, EPB, Relevant SME Association/trade bodies</li> </ul>	<ul style="list-style-type: none"> <li>• To promote SME products at the national level, a high tax rate may be imposed on similar foreign products</li> </ul>
	<p><b>4.4 Strategic Goal 4: SME business support services, Support to start-up business set up in a short period and with low cost</b></p> <p>4.4.1 Necessary measures will be taken to simplify procedures to receive trade licenses and expedite the provision of start-up support services with easy access to SMEs' online registration</p>	N/A	<ul style="list-style-type: none"> <li>• For the implementation of subparagraph 4.4.4.2 Main implementer agencies: Local Government Division, Ministry of Commerce, ICT division, and associate implementer: BSCIC,</li> </ul>	<ul style="list-style-type: none"> <li>• The unified business number for the SME entrepreneurs</li> </ul>

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	<p>facilities, one-stop service centres, and other types of financial and non-financial support for SMEs.</p> <p>4.4.2 The following strategic tools will be adopted in line with the above-mentioned goals:</p> <p><b>Strategic Tools</b></p> <p>4.4.2.1 Support to set up SME start-up/new business within a short time and with low costs;</p> <p>4.4.2.2 Make the start-up process easily accessible through the introduction of an online/digital system;</p> <p>4.4.2.3 Ensure easy start-up business by establishing a one-stop service centre;</p> <p>4.4.2.4 Provide information services through an advisory services centre;</p> <p>4.4.2.5 Increase business support services for SME entrepreneurs through the development of an SME web page/website;</p> <p>4.4.2.6 Arrange collateral-free loans to potential entrepreneurs.</p>		<p>SMEF, Ministry of Industries, RJSC, EPB, and Ministry of Environment, Forest and Climate Change</p> <ul style="list-style-type: none"> <li>For the implementation of subparagraph 4.4.2.5 Main implementer agencies: ICT Division, SMEF, Ministry of Industries</li> </ul> <p>Associate implementer: BSCIS and SME Association/trade bodies</p>	
	<p><b>4.5 Strategic Goal 5: SME Cluster-based Enterprises Network development and expansion</b></p> <p>4.5.1 Special programs will be undertaken for the development of weak infrastructures like roads, power, gas, water, and communication of existing BSCIC industrial estates and other SME clusters;</p> <p>4.5.2 Considering the importance of SME clusters in the national economy, the following strategic tools will be adopted:</p> <p><b>Strategic Tools</b></p> <p>4.5.2.1 Improve infrastructural facilities at BSCIC industrial estates and SME clusters;</p> <p>4.5.2.2 Establish Incubation Centre and Common Facilitation Centres (CFC) in industrial estates/ clusters;</p>	N/A	<ul style="list-style-type: none"> <li>For the implementation of subparagraph 4.5.2.1 Main implementer agencies: Local Administration and LGED</li> <li>Associate implementer: BSCIS, SMEF, Ministry of Industries, and local SME Association/trade bodies</li> <li>For the implementation of subparagraph 4.5.2.2(2) Main implementer agencies: SMEF, BSCIC, Rural Development, and Cooperative Division</li> </ul>	<ul style="list-style-type: none"> <li>Assigning a monitoring body for the cluster development initiative</li> </ul>

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	<p>4.5.2.3 Arrange collateral-free loans at the single-digit rate of interest for the potential entrepreneurs of industrial estates/clusters;</p> <p>4.5.2.4 Increase efficiency and capacity of the entrepreneurs and employees;</p> <p>4.5.2.5 Expand cluster development and business network to meet the developmental needs of clusters.</p>		Associate implementer: Ministry of Industries, Local Association, and NASCIB	
	<p><b>4.6 Strategic Goal 6: Increase the use of information, communication, and other technologies</b></p> <p>4.6.1 Steps will be taken to help SMEs through e-commerce, online support, outsourcing, and IT-based applications to make them efficient in accounting and the use of financial reporting software;</p> <p>4.6.2 Appropriate and relevant strategies will be taken to increase innovative capability, adopting new technology and technology transfer of SMEs;</p> <p>4.6.3 The following strategic tools will be adopted in line with the above-mentioned goals:</p> <p><b>Strategic Tools</b></p> <p>4.6.3.1 Promotion and use of modern, environment-friendly, and energy-efficient technology for the development of SMEs;</p> <p>4.6.3.2 Support SMEs to expand through e-commerce business;</p> <p>4.6.3.3 Provide necessary ICT-based support services for enabling them to adopt new technologies and to use them efficiently and innovatively;</p> <p>4.6.3.4 Establish technology and innovation incubators;</p> <p>4.6.3.5 Usage of automation whenever necessary.</p>	Yes	N/A	N/A
	<p><b>4.7 Strategic Goal 7: Expansion of Skill Development Education and Training Programs for SME Entrepreneurs</b></p> <p>4.7.1 Appropriate entrepreneurial education and training programs will be introduced in the TVET and higher education system of the country to develop skilled human resources in the</p>	N/A	<ul style="list-style-type: none"> <li>For the implementation of subparagraph 4.7.2.9 Main implementer agencies: NSDA, BSCIC, and SMEF</li> </ul>	N/A



Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	<p>SME sector. Effective communication and cooperation with the private sector will be increased through SME-related training and curricula, research work, demand-based training, internship, etc.</p> <p>4.7.2. The following strategic tools will be adopted to build a favourable environment in the development of human resources and the promotion of entrepreneurship;</p> <p><b>Strategic Tools</b></p> <p>4.7.2.1 Develop and implement appropriate business training programs for the SME sector;</p> <p>4.7.2.2 Program on creating new entrepreneurs and entrepreneurial business development;</p> <p>4.7.2.3 Develop standardized training modules and curricula;</p> <p>4.7.2.4 Enhance capacity and performance of SME training institutions;</p> <p>4.7.2.5 Forming steering committee on training programs;</p> <p>4.7.2.6 Develop online training content and its management;</p> <p>4.7.2.7 Assess training programs;</p> <p>4.7.2.8 Create a database on all SME-related training institutes;</p> <p>4.7.2.9 Enhance effective communication and cooperation among the training institutions.</p>		<p>Associate implementer: Ministry of Industries, Ministry of Labor, BIM, BMET, BTEB, BRAC, NASCIB, and business organizations</p>	
	<p><b>4.8 Strategic Goal 8: Extend programs for women's entrepreneurship development and provide specialized services</b></p> <p>4.8.1 Information will be made available to women entrepreneurs to start a business, obtain finance for running the business, and create opportunities for relevant education and training and business-related information;</p> <p>4.8.2. Following strategic tools will be adopted to ensure the participation of women entrepreneurs in mainstream development:</p> <p><b>Strategic Tools</b></p> <p>4.8.2.1 Organize special training programs for women entrepreneurs to enhance efficiency and skills;</p>	<p>Yes</p>	<ul style="list-style-type: none"> <li>For the implementation of subparagraph 4.8.2.9 Main implementer agencies: SMEF and BSCIC</li> <li>Associate implementer: Ministry of Industries, FBCCI, SME Women Association, NASCIB, and chambers</li> </ul>	<p>N/A</p>

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	<p>4.8.2.2 Increase the flow of financial loans for women entrepreneurs and arrange specialized loans;</p> <p>4.8.2.3 Launch a Women Entrepreneur Development Fund;</p> <p>4.8.2.4 Increase the institutional capacity of the Woman Chambers and the associated trade bodies;</p> <p>4.8.2.5 Encourage women entrepreneurs through awards and scholarships;</p> <p>4.8.2.6 Increase market networking connectivity.</p>			
	<p><b>4.9 Strategic Goal 9: Establishing SMEs as effective linkage to large industries and protection of SME products</b></p> <p>4.9.1. Steps will be taken to facilitate setting up Forward Linkage and Backward Linkage Industries to maintain the balance of demand and supply to ensure a sustainable SME sector, as well as SMEs, can intake easily and utilise the technological know-how and production process of large industries.</p> <p>4.9.2. Special opportunities will be created for SMEs to cope with the new and modern method of the free-market economy and necessary rules/regulations will be formulated to protect the SMEs.</p> <p>4.9.3 The following strategic tools will be adopted in line with the above-mentioned targets:</p> <p><b>Strategic Tools</b></p> <p>4.9.3.1 Develop SME as a linkage to the large industry;</p> <p>4.9.3.2 Develop the SME sector through sub-contracting to large industries;</p> <p>4.9.3.3 Support SMEs to get international certification;</p> <p>4.9.3.4 Provide support and encouragement to protect SME products.</p>	N/A	<ul style="list-style-type: none"> <li>For the implementation of subparagraph 4.9.3.1 Main implementer agencies: BEZA, BEPZA, BIDA, SMEF, and BSCIC Associate implementer: Ministry of Industries</li> <li>For the implementation of subparagraph 4.9.3.3 Main implementer agencies: BSTI, SMEF, and BSCIC Associate implementer: Ministry of Industries and BCSIR</li> </ul>	N/A
	<p><b>4.10 Strategic Goal 10: Development of Capacity for establishing environment-friendly SME industries and industrial waste management</b></p> <p>4.10.1. To ensure sustainable development of environment-friendly SME industries, awareness-building programs, as well as</p>	N/A	<ul style="list-style-type: none"> <li>For the implementation of subparagraph 4.10.3.4 Main implementer agencies: Bangladesh Bank, SMEF and BSCIC</li> </ul>	<ul style="list-style-type: none"> <li>Inclusion of the special loan for the startups of waste management and recycled products</li> </ul>

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	<p>environment-friendly SME industry management practices, will be introduced;</p> <p>4.10.2 SMEs will be linked to large industries concerning industrial waste management and waste recycling;</p> <p>4.10.3. The following strategic tools will be adopted for the establishment of environment-friendly SME industries and industrial waste management:</p> <p><b>Strategic Tools</b></p> <p>4.10.3.1 Develop SME database;</p> <p>4.10.3.2 Encourage SMEs to establish environment-friendly industries and provide necessary training;</p> <p>4.10.3.3 Provide training and incentives to increase the capacity of the SMEs for industrial waste management;</p> <p>4.10.3.4 Improve and increase the use of environment-friendly industrial technologies;</p> <p>4.10.3.5 Support SMEs in establishing waste recycling industries.</p>		<p>Associate implementer: BGMEA, BKMEA, and Ministry of Industries</p>	
	<p>4.11 <b>Strategic Goal 11: Institutionalize SME Statistics and conduct research and development</b></p> <p>4.11.1 To institutionalize the important contribution of the SME sector to the achievement of economic growth, necessary measures will be taken to ensure authentic statistics of the SME sector;</p> <p>4.11.2 SME-related research activities, technology-related research, and SME development activities will be more expedited. Publications on different types of technological know-how and research activities in the SME sector will be strengthened through the increase in funding and substantial research initiatives.</p> <p>4.11.3 The following strategic tools will be adopted in line with the above-mentioned goals:</p> <p><b>Strategic Tools</b></p> <p>4.11.3.1 Determine the accurate contribution of SMEs to the national economy;</p>	<p>N/A</p>	<ul style="list-style-type: none"> <li>• For the implementation of subparagraph 4.11.3.2 Main implementer agencies: SMED and BBS Associate implementer: EPB, BSCIC, and SME Wing-Ministry of Industries</li> <li>• For the implementation of subparagraph 4.11.3.3(2) Main implementer agencies: SMEF, BSCIC, and BIDS Associate implementer: SME Wing-Ministry of Industries</li> </ul>	<p>N/A</p>

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	<p>4.11.3.2 Update SME related various indicators/statistics time-to-time;</p> <p>4.11.3.3 Conduct research activities on various issues related to the SME sector;</p> <p>4.11.3.4 Publish books and directories on SMEs through research activities.</p>			
<b>Chapter Five Implementation of Strategies: The Role of Core Organizations</b>	<p>5.1 As different ministries, organizations, local authorities, non-government organizations, development partners, and NGOs are involved in the formulation and implementation of the SME Policy 2019, to make concerted efforts for implementation of the policy the role and responsibilities of the various organizations including the government have to be clarified.</p>	Yes	N/A	N/A
	<p><b>5.2 Role of Government</b></p> <p>5.2.1 The government will provide the necessary assistance to the concerned organizations/institutions to create a favourable environment and increase necessary infrastructures for the development of the SME sector.</p> <p>5.2.2 To increase the scope of institutional funding facilities in the SME sector, the government will take necessary steps to increase loans, credit risk reduction, and credit transactions through Bangladesh Bank, commercial banks, and SMEF.</p> <p>5.2.3 Based on the partnership with the private sector, the government will create opportunities for strengthening the training programs in the SME sector as well as expanding nonfinancial business development services.</p> <p>5.2.4 SME Development Fund will be allocated in favour of major and important organizations for the implementation of their action plans included in the SME Policy 2019.</p> <p>5.2.5 The government will take the lead role in the implementation of this policy through the above-mentioned activities and will continue to promote SME development activities in association with concerned national and international partners.</p>	N/A	N/A	<ul style="list-style-type: none"> <li>• Specification of the source of funds for the time-bound implementation of the action plans.</li> </ul>

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	<p><b>5.3 Role of the Ministry of Industries in monitoring</b></p> <p>5.3.1 The overall responsibility of monitoring the implementation of SME Policy 2019 will be the responsibility of the Ministry of Industries.</p> <p>5.3.2 Ministry of Industries will establish an SME data bank. This bank will work as a research and data centre and will be associated with the main stakeholders. The Ministry of Industries will also coordinate the activities of all SME-related organizations.</p>	N/A	N/A	<ul style="list-style-type: none"> <li>• Establishment of Bangladesh Business Registry Databank (BBRD) under the MOI to serve as a repository of information for all enterprises of business in Bangladesh.</li> <li>• Inclusion of the provision of the establishment of business centres under the supervision of the SME development council.</li> <li>• Establishment of a Micro, Small, and Medium Enterprise Development (MSMED) Council.</li> <li>•</li> </ul>
	<p><b>5.4 BSCIC, SME Foundation, and relevant Trade Bodies: Implementing Agency</b></p> <p>5.4.1 Responsibility for the overall implementation of strategic goals and action plans described in the SME Policy 2019 will be entrusted to BSCIC and the SME Foundation.</p>	Yes	N/A	N/A

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	<p>5.4.2 BSCIC will implement its strategic action plans in collaboration with other implementing agencies subject to the approval of the Ministry of Industries.</p> <p>5.4.3 The SME Foundation will inform the Ministry of Industries about its yearly strategic action plan and implement it in collaboration with implementing agencies.</p> <p>5.4.4 The Ministry of Industries will regularly monitor and evaluate the progress and implementation of the action plans/activities of BSCIC and SME Foundation and will provide necessary financial and other support.</p>			
	<p><b>5.5 Coordination with other agencies</b></p> <p>5.5.1 BSCIC and SME Foundation will create an effective supportive environment to accelerate the development of the SME sector. To avoid redundancy and reduce costs, they will coordinate with the other relevant government organizations including:</p> <ul style="list-style-type: none"> <li>• Bangladesh Bank;</li> <li>• Bangladesh Investment Development Authority (BIDA);</li> <li>• Bangladesh Economic Zones Authority (BEZA);</li> <li>• Investment Promotion Agency (IPA);</li> <li>• Bangladesh Industrial Technical Assistance Centre (BITAC);</li> <li>• Bangladesh Council of Scientific and Industrial Research (BCSIR);</li> <li>• National Productivity Organization (NPO);</li> <li>• Bangladesh Institute of Management (BIM)</li> </ul> <p>5.5.2 Effective collaborative activities with different non-government organizations, associations, and chambers related to SME development will be ensured, these are:</p> <ul style="list-style-type: none"> <li>• Federation of Bangladesh Chamber of Commerce and Industries (FBCCI);</li> <li>• National Association of Small and Cottage Industries Bangladesh (NASCIB);</li> </ul>	N/A	N/A	<ul style="list-style-type: none"> <li>• Separate monitoring body comprising both authorities of BSCIC and SME foundation.</li> </ul>

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	<ul style="list-style-type: none"> <li>Bangladesh Agro-Processing Association (BAPA);</li> <li>Metropolitan Chamber of Commerce and Industries (MCCI);</li> <li>Dhaka Chamber of Commerce and Industries (DCCI);</li> <li>Chittagong Chamber of Commerce and Industry (CCCI);</li> <li>Bangla Craft;</li> <li>Business Initiative Leading Development (BUILD);</li> <li>Women Entrepreneurs Association of Bangladesh (WEAB)</li> </ul>			
<b>Chapter Six Monitoring and evaluation of policy strategies</b>	<p>6.1 To implement the SME Policy 2019 effectively and to accelerate the development of the SME sector; two important policy-coordination committees will be formed:</p> <ol style="list-style-type: none"> <li>National SME Development Council, and</li> <li>National SME Task Force.</li> </ol> <p>In addition to the Council and the Task Force; a technical committee and some subject-specific working committees will be constituted.</p> <p>6.2 National SME Development Council</p> <p>6.2.1 The National SME Development Council (NSDC) will be the highest policy-making body to implement the government's commitment to the development of the SME sector.</p> <p>6.2.2 The Honourable Minister of the Ministry of Industries will be the Chairman and the Council will be comprised of the following members:</p> <p>6.2.3 The SME Section of the Ministry of Industries will serve as the Secretariat for implementing activities of the National SME Development Council (NSDC). The NSDC meeting will be held at least once every six months.</p> <p>6.2.4 The main objective of the NSDC meeting is to provide strategic policy guidelines to the concerned ministries and agencies in the development of SMEs and ensure the overall coordinated development of the SME sector.</p>	N/A	<ul style="list-style-type: none"> <li>The NSDC meeting will be held at least three times a year.</li> <li>Mentioning the removal measures of a board member by specifying the probable valid reasons.</li> <li>Inclusion of provisions regarding the procedure for Appointment of officers and other employees, Penalty for contravention.</li> </ul>	N/A

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	<p>6.2.5 The Council will be able to co-opt any competent person as a member or invite him/her to participate in the meeting.</p> <p><b>6.2.6 Scope of NSDC</b></p> <p>6.2.6.1 Review and approve the policies and strategies made by the SME task force for the overall development of SME sectors;</p> <p>6.2.6.2 Review the role and responsibility of the SME Taskforce for better implementation of Time bound Action Plan or adopted actions;</p> <p>6.2.6.3 Increase cooperation between the Ministry of Industries and public-private enterprises to ensure effective implementation of SME development policies and action plans;</p> <p>6.2.6.4 Establish necessary institutional and organizational mechanisms for reconstruction and integration of all SME development activities for achieving efficiency of performance and economy of scale.</p> <p>6.2.6.5 Develop strategies to allocate funds for SME development and all activities related to the sponsorship and support to a single organization responsible for providing the necessary services for SME development in the country</p> <p><b>6.3 National SME Task Force</b></p> <p>6.3.1 The effective SME Task Force is the executive committee to identify the priorities of the proposed initiatives in the SME Policy 2019 and reviews the action plan.</p> <p>6.3.2 The Senior Secretary/Secretary of the Ministry of Industries will be the Chairman of the Task Force, and it will be comprised of the following members:</p> <p>6.3.3 The SME Wing under the auspices of the Ministry of Industries will be the Secretariat of the SME Task Force. The Task Force meetings will be held every three months.</p> <p>6.3.4 The search for the current and future needs of the SME sector and the responsibility of updating the SME policies every five years will be the major responsibility of this Task Force. In addition, it will also decide on how to coordinate or adapt</p>			



Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	<p>existing steps to continuously improve or development of this sector through regular review and evaluate the implementation of the SME policy.</p> <p>6.3.5 The Task Force will be able to co-opt necessary persons or chiefs of the organization as a member or invite them to participate in the meeting.</p> <p><b>6.3.6 Work Scope of Task Force</b></p> <p>6.3.6.1 Review the recommendations given by the Working Committee and take necessary steps and provide specific advice to NSDC based on the SME action plan;</p> <p>6.3.6.2 Review and evaluate the activities under the Ministry of Industries; BSCIC; Bangladesh Bank; SME Foundation and other related organizations;</p> <p>6.3.6.3 In addition to the SME database and census progress; review the contribution of the SME sector to Bangladesh's economy;</p> <p>6.3.6.4 Recommend institutional reforms necessary for the implementation of SME policy and identify sources of funds and budget allocation for SME sector development;</p> <p>6.3.6.5 Work as a means of coordination among partners and resolve discrepancies among the parties;</p> <p>6.3.6.6 One SME Focal Point Officer will be appointed in different government and non-government organizations related to SME development. This Focal Point Officer will be responsible to provide all information related to SMEs.</p> <p><b>6.4 Working Committees</b></p> <p>6.4.1 Some Working Committees will be constituted on various important issues in the SME sector. Members of the Working Committees will be appointed based on the decisions of the SME task force.</p> <p>6.4.2 The important Working Committees will include:</p> <ul style="list-style-type: none"> <li>• Committee on Business Environment Development;</li> </ul>			

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	<ul style="list-style-type: none"> <li>• Committee on SME Funding;</li> <li>• Committee on SME Skills Development;</li> <li>• Committee on ICT and Technology Development;</li> <li>• Committee on Marketing of SME Products</li> <li>• Committee on Women Entrepreneur Development and</li> <li>• Committee on Policy Advocacy, Research, and SME Database.</li> </ul> <p><b>6.5 Technical Committee</b> 6.5.1. Under the leadership of the Additional Secretary (SME Wing) of the Ministry of Industries one or more technical committees can be constituted by the Ministry of Industries to review specific proposals/recommendations.</p>			
<b>Chapter Seven Time-Bound Action Plan</b>	<p>7.1 The period from July 2019 to June 2024 has been defined as the implementation period of that policy based on the vision; mission; targets and objectives of SME Policy 2019. In this context; a Time-bound Action Plan as described in this policy has been formulated; which will be supportive of the implementation of the policy.</p> <p>7.2 In this policy, emphasis has been laid on strengthening national-level institutions. The performance regarding SME implementation activities of these institutions will be evaluated regularly so that they can identify their weakness or delays in implementation and can take corrective measures.</p> <p>7.3 The Ministry of Industries will monitor the overall implementation progress of strategies. The action plan covers eleven strategic goals and the scopes within each goal. Implementing agencies, and associate implementing agencies have been identified under each strategic goal.</p> <p>7.4 Based on the complexity of the implementation process of these strategies, the SME strategies have been categorised as follows:</p> <ul style="list-style-type: none"> <li>• Short-term (implementable in 1 year);</li> </ul>	N/A	N/A	<ul style="list-style-type: none"> <li>• Inclusion of surveying follow-up and monitoring of the time-bound action plan</li> </ul>

Chapter	Provisions Stated in SME Policy 2019	Unchanged	New Addition	Inclusion
	<ul style="list-style-type: none"> <li>• Medium-term (enforceable in 2-3 years) and</li> <li>• Long-term (4-5 years inclusive).</li> </ul> <p>In addition, some strategies have been designated as short-to-medium and some strategies have been designated as short-to-long level because of the continuous process needed to implement such strategies.</p>			

*Source: Compiled by Authors from different sources, KIIs and FGDs.*

## 6. Conclusion

SMEs are responsible for a significant proportion of a country's economic viability and GDP contribution. As a result, SMEs are widely regarded as the major driver of global economic growth and large-scale industrialization (Muriithi, 2017). The importance of SMEs in reviving and expanding the national economy is widely acknowledged, particularly in emerging economies like Bangladesh where industries are in a downturn or when unemployment is rampant. It promotes the growth of SMEs and the role that the SME sector can play in fostering economic and social development by generating employment opportunities (Islam & Nasira, 2017). Small and medium enterprises are especially well suited to populous areas like Bangladesh, where the SME sector can provide a large number of job employment options for a comparatively small investment. They are anticipated to generate jobs, alleviate poverty, and enable the country's economy to be more sustainable (Alauddin & Chowdhury, 2015).

Small and medium-sized enterprises have piqued the enthusiasm of many people, including academics, businesspeople, and policymakers. There is broad agreement that one of the key factors propelling Bangladesh's economy forward is a thriving SME sector. SMEs encourage private ownership and entrepreneurial abilities can quickly adjust to changing market conditions, create jobs, aid in the diversification of economic activity, and significantly increase exports and trade. Bangladesh, therefore, places a high priority on policies and programs that would help SMEs grow and become more competitive (Zaman & Islam, 2011).

A comprehensive overview of the SME Policy 2019 is conveyed by leveraging a mixed-methods approach. From desk review, KIIs, and FGDs, a variety of aspects have been explored, including obstacles in execution, topicality with the current global setting, and trade circumstances. Insights from global policies (India, the Philippines, and Korea) are contrasted with our country's policies. The gender element of mainstreaming women traders by existing provisions of the SME Policy 2019 was also addressed in the study.

Since its inception in 2019, the SME Policy 2019 has remained an up-to-date and relevant policy for the SME sector. This policy was announced in 2019 to promote the SME sector's growth and expansion. Furthermore, since it is a more up-to-date policy in Bangladesh, many conflicts have already been resolved in the policy, and it has been well thought out and constructed accordingly. For implementing the policy, the major drawbacks that have been revealed are the absence of maintaining consistency in the product quality in the SMEs, poor managerial skills of the entrepreneurs, insufficient market access and awareness about marketing tools, lack of qualified technicians, deficiency in the commitment of innovation and consumers satisfaction, etc.

Furthermore, the policy was designed in the context of LDC graduation; nevertheless, the existing policy does not address current evolving economic and trade dynamics, such as the situation of covid recoveries, patent and trademark issues, challenges for SMEs, e-commerce, and prospects of SMEs, etc. Moreover, problems lie in the definition. Hence, more research and discussion should be held to formulate a more effective and accurate definition. Also, the shortage of manpower in the SME foundation hurdles the acceleration of the definite implementation of the policy. Also, there is an absence of research and development to

flourish this sector. If Bangladesh wants to create significant progress, entrepreneurs should develop and maintain product quality. Although it has been found that, entrepreneurs cannot maintain product quality. Furthermore, the action plans are very well defined following the strategic goals and tools. Though some more activities need to be performed for the betterment of the policy such as the involvement of the think tanks while formulating the policy, promotion of local products, expanding exportation, the active role of NGOs, quality assurance of SME products, use of modern technology, development of SME infrastructure, appropriate implementation of the policy in all aspects, setting up a special help desk for women in the banks, easy access to finance for SME entrepreneurs especially for women entrepreneurs, gradually moving towards the system of paperless loan documentation for the SME loans, simplifying the regulations, rethinking about the definitions of the SMEs etc.

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## Annex

### List of KIIs

Organisation/Association	Key informant
Personnel from the Ministry of Industries	<ul style="list-style-type: none"> <li>• Sheikh Faezul Amin [Additional Secretary (Policy, Law and International Co-operation)]</li> <li>• Dr A F M Amir Hussain [Deputy Secretary (Law)]</li> <li>• Md. Salim Ullah [Senior Assistant Secretary (Policy)]</li> </ul>
Representatives from EPB	<ul style="list-style-type: none"> <li>• Kumkum Sultana (Deputy Director (Policy &amp; Planning Division))</li> <li>• Mohammad Abdul Halim (Assistant Director, Admin)</li> </ul>
Representatives from BTTC	<ul style="list-style-type: none"> <li>• Md. Mamun-Ur-Rashid Askari, (Deputy Chief, BTTC)</li> <li>• S.M Sumaiya Zabeen, (Assistant Chief, BTTC)</li> </ul>
Representatives from the Private Sector	<ul style="list-style-type: none"> <li>• Manzur Ahmed, Advisor, FBCCI</li> <li>• Md Mahfuzul Haque, Secretary General, FBCCI</li> </ul>
Representatives from MCCI	<ul style="list-style-type: none"> <li>• Md. Saidul Islam, Additional Secretary-General</li> <li>• M. Abdur Rahman, Deputy Chief</li> </ul>
Women Entrepreneur	<ul style="list-style-type: none"> <li>• Fahima Supria, Owner of Shororitu</li> </ul>

### Team Composition

Name of staff	Area of expertise relevant to the assignment	Designation for this assignment	Assigned tasks or deliverables
Dr. Bazlul Haque Khondker	Economist, Institutional analysis expert, Survey expert, FGD and KII expert	Team Leader	Finalize questionnaire, FGD, and KII checklists, Evaluation, and analysis, Draft synthesizing summary, Draft short summaries Finalizing reports
Dr. Selim Raihan	Economist, Political economy and institutional analysis expert, Survey expert, FGD and KII expert	Co-Team Leader, Trade Expert	Coordinating and monitoring the team, monitoring all the activities performed by the team members, finalizing questionnaire, FGD, and KII checklists, Evaluation, and analysis Draft synthesizing summary, Finalising reports.
Mahtab Uddin	Policy analysis and evaluation, Survey expert, FGD and KII expert	Policy Analyst	Monitoring all the activities performed by the team members, finalizing the questionnaire, Coordinating FGDs and KIIs, Evaluation and analysis, and Drafting synthesizing summary.
Mohammad Golam Sarwar	Legislative consultant, development law practitioner	Legal Expert	Analysing the legal terms and provisions of the study, identifying the possible grounds for alterations, extensions, and exclusion of current legal provisions, and providing legal recommendations.
Mir Ashrafun Nahar	Data analyst, Survey Experts	Senior Research Associate	Desk review, analysing secondary data, designing survey questionnaires for KIIs, supervising the survey, conducting FGDs, analysing primary data, and drafting the reports.
Afia Mubasshira Tiasha	Data collection and Supervision	Research Associate	Desk Review, developing KII questionnaire, assisting in



Name of staff	Area of expertise relevant to the assignment	Designation for this assignment	Assigned tasks or deliverables
			conducting the KIIs, conducting FGDs.
Samantha Rahman	Data collection and Supervision	Research Associate	Desk Review, developing KII questionnaire, assisting in conducting the KIIs, conducting FGDs.
Farhin Islam	Data collection and drafting	Research Associate	Conducting KIIs and FGDs, and transcribing
Md Nadim Uddin	Data collection and drafting	Research Associate	Conducting KIIs and FGDs, and transcribing



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