

An Analysis of SME Development Framework of Bangladesh

Md. Alamgir

Assistant Professor,

Bangladesh Institute of Bank Management, Bangladesh.

CITATION: Alamgir, Md. (2015), "An Analysis of SME Development Framework of Bangladesh", *MERC Global's International Journal of Social Science & Management*, Vol. 2, Issue 3, pp. 148-164.

ARTICLE HISTORY: Submitted: January 30, 2015, Revision received: February 28, 2015, Accepted: March 07, 2015

ARTICLE TYPE: Research paper

ABSTRACT

A greater interest has emerged in understanding firm's access to finance, in particular financing SMEs, considering the importance of SMEs in economic growth and development of a country. It is understood that to reap maximum benefits from SME financing it should be accompanied by parallel efforts to improve the investment climate and to develop other related SME support services. This paper attempts to analyse the present regulatory framework of SMEs in Bangladesh for developing SMEs with a view to provide an understanding of the issue in the context of the country. The study is supported by data on the current SME financing status of Bangladesh and constraints therein. The findings of this paper are certain issues and options explaining mechanisms and supports related to the SME financing and development with an emphasis on replicating the best practices of the SME-enriched countries which could be a better mode of learning for Bangladesh. Subsequently, practical suggestions and recommendations are presented, which can promote greater access to finance and efficient use of funds thereby ensure the sustainability of SMEs.

KEYWORDS: Access to finance, SMES, Development framework.

REFERENCES

1. Ahmed, K. and Chowdhury, T. A. (2009), "Performance Evaluation of SMEs of Bangladesh", *International Journal of Business Management*, Vol. 4, No. 7.
2. Ahmed, M. U. (1999), "Financing Small-scale and cottage Industries in Bangladesh", *Journal of Finance and Banking*, Vol. 5, No. 1 and 2.
3. Ahmed, M. U. (2008), "Report of the PRSP-2 Thematic Study on Small and Medium Enterprise Development in Bangladesh", *Final Report*, March.
4. Ahmed, Q. M. (1999), "Selected Issues in Small and Cottage Industries Sector: Bangladesh and Some Asian Countries' Context", *Bank Parikrama*, Vol. XVIII, No. 3 and 4.
5. Asian Development Bank (2009), "Bangladesh Financial Sector: An Agenda for Further Reforms", Manila.
6. Bahar, H. and Uddin, M. J. (2007), "Financing Small and Medium Enterprises in Bangladesh". *Proshkhyan*, Vol. 15, No. 1, January-June, Dhaka.
7. Bangladesh Bank (2004), "Prudential Regulations for Small Enterprises Financing", Bangladesh Bank, 1st Edition.

8. Bangladesh Bank (2006), "Access to Finance by Small and Medium Enterprises (SMEs)", *Financial Sector Review*, Vol. 2, No. 1, December.
9. Bangladesh Bank (2007), "Institutional Lending and Financing Policy for SMEs in Bangladesh", Policy Note Series PN 0804, Policy Analysis Unit, Bangladesh Bank.
10. Bangladesh Bank (2008), "A Note on the Contribution of Small and Medium Enterprises to GDP in Bangladesh", Policy Paper 0806, Policy Analysis Unit, Bangladesh Bank.
11. Bangladesh Bureau of Statistics (2011), *Report on Labour Force Survey, 2005-06*, BBS, April.
12. Bangladesh Bureau of Statistics (2012), "Economic Census 2010 and 2011", *National Report*, Dhaka.
13. Bangladesh Economic Review (2013), Economic Adviser's Wing, Finance Division, Ministry of Finance, Dhaka.
14. Bangladesh Small and Cottage Industries Corporation, Various Publications.
15. Centre for Policy Dialogue (CPD) (2006). "Emerging Issues in Bangladesh Economy: A Review of Bangladesh's Development 2005-06". The University Press Limited.
16. Chowdhury, Farzana (2008), Factors Affecting Women Entrepreneurs Access to Finance in Bangladesh, Paper Presented at the Second National SME Women Entrepreneurs Conference, SME Foundation.
17. Chowdhury, Nuimuddin (2007), "SME Development in Bangladesh", Ministry of Industries, Dhaka.
18. Dhaka Chambers of Commerce and Industries (2004), "Access to Finance for SMEs: Problems and Remedies."
19. Giesen and Lincing (2006), "Enterprise Structure in Bangladesh".
20. Government of Bangladesh (GoB) (2007), "Policy Strategies for Development of Small and Medium Enterprises".
21. Rahman, A. (2009), "Atiur Sees Factoring as Ideal Financial Solution for SMEs", *The Financial Express*, July 26, Dhaka.
22. World Bank (1993), "Industrial Strategy Study: A Nationwide Industrial Survey", 1993-94.

ABOUT THE AUTHOR (S)

Md. Alamgir is an Assistant Professor of Bangladesh Institute of Bank Management (BIBM), Bangladesh and can be reached at alamgirtipu@bibm.org.bd.