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TRADE WINDS OF CHANGE

WOMEN ENTREPRENEURS ON THE RISE IN SOUTH ASIA

Background country study-Bangladesh

United Nations Development Programme



TRADE WINDS OF CHANGE - WOMEN ENTREPRENEURS ON THE RISE IN SOUTH ASIA
Background country study – Bangladesh

By Selim Raihan, Bazlul Haque Khondker, Shaquib Quoreshi and Abdur Rahim, South Asian Network on Economic Modelling (SANEM).

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Abbreviations and acronyms

| | |
|--------|--|
| ADB | Asian Development Bank |
| BBS | Bangladesh Bureau of Statistics |
| BGMEA | Bangladesh Garment Manufacturers and Exporters Association |
| CIDA | Canadian International Development Agency |
| CUTS | Consumer Unity & Trust Society |
| DCCI | Dhaka Chamber of Commerce and Industry |
| EU | European Union |
| FGD | focus-group discussion |
| GDP | Gross Domestic Product |
| HS | Harmonized System |
| IDA | International Development Association |
| JICA | Japan International Cooperation Agency |
| KII | key informant interview |
| MCCI | Metropolitan Chamber of Commerce and Industry |
| MFN | most-favoured nation |
| MIDAS | Micro Industries Development Assistance and Services |
| MSME | micro, small, and medium enterprises |
| NBFI | non-bank financial institution |
| NTB | non-tariff barrier |
| NTM | non-tariff measure |
| SAFTA | South Asian Free Trade Area |
| SANEM | South Asian Network on Economic Modelling |
| SD | supplementary duty |
| SME | small and medium enterprises |
| SPS | sanitary and phytosanitary measures |
| TBT | technical barriers to trade |
| UN | United Nations |
| UNCTAD | United Nations Conference on Trade and Development |
| UNDP | United Nations Development Programme |
| WMSME | women-owned and led micro, small and medium enterprises |

Note: US\$1 was equal to Bangladesh Taka (Tk.) 78, as of 10 March 2015.

Executive Summary

The fact that regional trade being overwhelmingly dominated by factors other than tariffs has a significance for South Asian Free Trade Area (SAFTA). Studies have demonstrated huge gains in South Asia arising from removal of non-tariff barriers (NTBs) and improved trade facilitation measures.

In Bangladesh, it is recognized that micro, small and medium enterprises (MSME) play an important role in the country's industrial and economic development. The sector provides the largest number of employment and constitutes the foundation of the private sector.

The objective of this study is to identify the constraints faced by women-owned and led micro, small and medium enterprises (WMSME) in Bangladesh in operating and expanding their businesses. The study particularly aims to look at the issues related to access to South Asian markets such as NTBs and trade facilitation linked barriers.

Based on the concentration of WMSME and trade potential in South Asia and discussion with key informants and focus group discussions, the production of woven and knit apparels, clothing, and fabrics and agro-food processing sector were selected for the field-survey. Fifty enterprises from the textiles and apparel industry and 50 enterprises from the agro-food processing industry were interviewed based on a structured questionnaire developed for the purpose. The 100 enterprises are either owned or operated by women. They control the business operations. They are the decision makers at their enterprises.

In both textiles and apparel and agro-food industries, having their enterprises registered and being members of trade bodies, most of the survey respondents positively responded about being familiar with the various benefits and incentive schemes designed for small and medium enterprises (SME) provided by the government. These include training and capacity building opportunities and easier access to finances. However, the majority of them expressed that such schemes were not adequate, and terms and conditions of such benefits need to be expanded. For example, complex forms needed to be filled in for bank loan packages designed for SME. Training opportunities designed and offered by the SME Foundation had been often too academic and did not focus on practical issues.

The survey findings suggest that none of the WMSME are directly involved in cross-border trade. The surveyed WMSME are engaged at production and wholesale and retail domestic trade. In a way, they are indirectly involved in the regional trade by either supplying to the small-scale exporters or using imported raw materials. Some entrepreneurs in the textiles and apparel have an occasional engagement in informal trading. Despite their minimal engagement in cross-border trade, women entrepreneurs interviewed are very much aware in which South Asian countries their products are exported to, and where their raw materials come from in the case of imports.

The small size of WMSME is mentioned as the main reasons for their current inability to capture the export orders directly, particularly in the textiles and apparel sector. The considerable high margin and the high growth prospects they enjoy in the domestic market is another major reason that they are not interested in overseas trade.

The insufficient capital amount and difficulties in obtaining bank loans are the main challenges to export in both industries. Although Bangladesh Bank ensured that every commercial venture should have SME loan window, most of the SME loan remains unutilized due to the cumbersome process of obtaining the SME loan.

The procedural and administrative barriers in doing business that women entrepreneurs mentioned include too many forms and documents required to run the business or to request a loan from the SME section of the commercial banks. Being women, they confronted negative attitude at every stage of the business. Significant share of the respondents reported experiences of being harassed at their business establishments. Moreover, they expressed a difficulty in hiring an employee according to their own

demand, as male counterparts are not always intent to be employed under a female supervisor. Women raised an absence of women friendly transportation system in Dhaka vicinity as a pressing concern. Moreover, women entrepreneurs acknowledged that support from their families is very important for women to do business.

As for the NTBs, in the case of import of textiles and apparel in Bangladesh, apart from customs-duty of 5 to 25 percent on various intermediary raw materials and finished products, there are para-tariffs in form of supplementary duty (SD) and regulatory duty. In the case of the agro-processed goods, certain fertilizer is not permitted in the processed food in Indian market (e.g., urea fertilizer for puffed rice). Moreover, the price restriction in India makes Bangladeshi exports of beetle nuts uncompetitive through regular export channels.

Many of the surveyed women were aware of various policies and programmes that the government offers in terms of access to finance, product promotion and market promotion to flourish SME business, particularly women's entrepreneurship. However, not many were not availing those benefit for various reasons. Women entrepreneurs wish to have more flexibility and easier terms in the various schemes.

Therefore, the recommendations are to provide pre-investment advice and assistance to women entrepreneurs, preferential treatment for micro and small enterprises, more flexible approach for credit access for women entrepreneurs, and more effective capacity building programmes based on the needs of women entrepreneurs and the product sectors that WMSME concentrate.

Moreover, better integration of SME in the global value chain in a gender-sensitive manner would help the growth of WMSME as well as the industry as a whole. Development of the supply chain information and supply chain finance systems, an effective education and skills training for WMSME, provision of information about trade and investment agreements, and a one-stop shop for SME seeking to expand abroad can be some of the critical steps to integrate SME in the value chain.

As for NTBs, Bangladesh government should lower or eliminate SD rates on raw materials like fabrics and clothing accessories to promote WMSME in the textiles and apparel industry. There is also a need to raise the awareness among WMSME with respect to the SPS and TBT related challenges their exporters face and how to comply with these issues at the producer's level. In the case of price restriction faced by the exporters of betel nuts, the policy suggestion would be to eliminate the minimum requirement of price of betel nuts in India.

1. Introduction

Intraregional trade between the South Asian Countries is lowest in the world. Trade among South Asian countries accounts for less than 5 percent of the region's total trade, in contrast to 70 percent for the European Union (EU), 49 percent for North America, 25 percent for Association of Southeast Asian Nations, 16 percent for the Caribbean Community, and 10 percent for Common Market for Eastern and Southern Africa.¹

During the past 20 years or so, individual South Asian economies have opened up with the rapid rise of their exports and overall trade. Nevertheless, the relative significance of intraregional trade remains appallingly low. Despite the growing regionalism and increasing significance of intraregional trade amongst many different regional trading blocs, it is important to recognize that not all trade taking place among the countries belonging to the regional arrangements is actually preferential in nature. Indeed, only a very small proportion of such trade can be attributed to the preferences exchanged under their regional integration initiatives. It is estimated that just about 16 percent of regional trade is preferential in nature (World Trade Organization, 2011). That is, more than four-fifths of the trade amongst preferential trading arrangement partner countries tend to take place not because of preferences but on the basis of the most-favoured nation (MFN) principle. In other words, the growth of intraregional trade has been dominated by exports and imports of goods under partner countries' MFN trade regimes.

The fact that regional trade being overwhelmingly dominated by factors other than tariffs has a significance for South Asian Free Trade Area (SAFTA). Many analysts now think that abolishing all tariffs on regional partners will not be of much help in expanding intraregional trade. Some studies have demonstrated huge gains arising from removal of non-tariff barriers (NTBs) and improved trade facilitation measures (De, Raihan and Kathuria, 2012; Rahman and Razzaque, 2014), while others have advocated for building supply chains based on industrial units located in different countries within the region (e.g., Banga and Razzaque, 2014).

In the current scenario, a more pragmatic approach has been taken in the UNDP project titled "South Asia country study on products with regional trade potential and associated NTBs, with a special focus on women-owned and led micro, small, and medium enterprises (WMSME)." The project has correctly provided an emphasis on NTBs and better integration of WMSME in regional trade as WMSME are important pillars of South Asian economies and a major source of formal and informal sector employment for women in the region.

The objective of this study is to identify the constraints faced by WMSME in Bangladesh in operating and expanding their businesses. The study particularly aims to look at the issues related to access to South Asian markets such as NTBs and trade facilitation linked barriers. Based on the identified problems, policy recommendations have been suggested to address the constraints. The Terms of Reference specifies the need for including women traders and informal traders in the efforts to achieve the objective of the study.

The scope of the work has four components. First, there is the need for identifying and selecting at least two products for the study. These products should have regional trade potential. In addition, the product sector has relatively high share of women entrepreneurs - women owners or managers - so that an increase in intraregional trade would benefit women's businesses. The goods selected can be either for exports or for imported inputs to be used in WMSME. Second, conduct field surveys amongst women entrepreneurs to identify barriers. The barriers should be related to both policy issues as well as operational issues in running and managing the businesses. Third, the next element in the scope of the

¹ Calculation based on figures from the Director of Trade Statistics Database, IMF (De, Raihan and Kathuria, 2012).

work is to draft a research paper analysing the findings and providing a set of recommendations to overcome the identified barriers. Finally, the scope of the project also includes conducting a national consultation meeting involving all the key stakeholders, including WMSME, officials from the relevant ministries, and experts. The consultation exercise would review and validate the study findings. Any comments, suggestions, and feedback received from the consultation will help finalise the study.

The final products demanded as part of the Terms of Reference are; (i) a database to include information on WMSME surveyed along with a list of WMSME interviewed as part of the project, (ii) photos taken during the field research about women in business, products that women produce and their lifestyle for knowledge products such as relevant publications and advocacy materials, (iii) a final draft of the research paper, and (iv) a project completion report including reporting of the national consultation workshop.

1.1. Methodology

A modified Delphi approach was followed to determine the products and the target groups. This involved focus-group discussions (FGDs), key informant interviews (KIIs) and analysis of trade data from the literature review. Two FGDs were held as part of the study. The first FGD was held in September 2014 with the executive members of Women Entrepreneurs Forum of Bangladesh. The second FGD was held also in September 2014 with the key officials of the SME Foundation of Bangladesh. Additionally, KIIs were conducted with two office bearers of Women Chamber of Commerce and Industry and one official of the SME Foundation during September 2014.

During the FGDs and KIIs, the respondents were asked to provide specific information on WMSME with products of regional trade potentials. Information available from the secondary studies and Harmonized System (HS) trade database were shared with them to improve their responses.

The findings of the FGDs and KIIs have been used to prepare the draft questionnaire. Pre-testing with the draft questionnaire was carried out in the first half of October 2014. The draft questionnaire has subsequently been revised incorporating the findings of the pre-testing. The literature review of secondary information has been completed during the last half of October 2014 and submitted in November 2014. The field survey commenced in November and continued until the mid-December 2014. Published databases available from the Women Entrepreneurs Forum of Bangladesh and SME Foundation were used as the basis of identifying the target respondents for the field survey.

1.2. Defining MSME in the context of Bangladesh Economy

Due consideration has been given to the national policy and regulatory framework in Bangladesh on fostering the MSME. The government and policy makers recognize the MSME as the major drivers of the economy, and their development is prioritized in all national policy documents and regulatory schemes. Two basic criteria, in terms of assets and employment, have been adopted to define the MSME in Bangladesh, and further categorization of MSME has also been made with regard to types of activities such as manufacturing and services (table 1.1).

Enterprises are deemed to comprise either the criterion in the value of fixed assets or the number of workers. If an enterprise falls into the microenterprise category in one criterion while it falls into a small enterprise category based on the other criterion, the firm will be deemed as in the small enterprise category. The same applies for medium and large industry classification. A cottage industry in manufacturing means the industry with the value or the number of workers that is smaller than microenterprise category.

Development of small, medium, micro, cottage and IT industries, including IT enabled services, has been two cornerstones of government's industrialization strategy, which complements the SME Policy 2005. Both the *National Industrial Policy 2010* (Ministry of Industries, 2010) and *Policy Strategies for SME Development in Bangladesh* (Ministry of Industries, 2005) commit to developing women's entrepreneurship ensuring access to land and finance and business support services.

Table 1.1 Definition of micro, small and medium industry

| Types of Industry | Manufacturing | | Services | |
|-------------------|---|-------------------|---|-------------------|
| | Value | Number of workers | Value | Number of workers |
| Micro Industry | Between Bangladesh Taka (Tk.) 0.5 million and 5 million | 10-24 | | |
| Small Industry | Between Tk. 5 million and 100 million | 25-99 | Between Tk. 0.5 million and 10 million | 10-25 |
| Medium Industry | Between Tk. 100 million and 300 million | 100-250 | Between Tk. 10 million and 150 million, | 50-100 |

Note: Value means the value (replacement cost) of fixed assets excluding land and building.

Source: Ministry of Industries, 2010.

2. Literature review

2.1. A brief overview of MSME sector in Bangladesh

In Bangladesh, it is recognized that micro, small and medium enterprises (MSME) play an important role in the country's industrial and economic development. The sector provides the largest number of employment and constitutes the foundation of the private sector. According to Abdin (2010), there are about 6 million small and medium enterprises (SME) in Bangladesh, which contribute about 50 percent of the country's industrial output and employing about 80 percent of the industrial labour force. According to more updated data of the *Economic Census 2013*, the total number of economic units or establishments are 7,818,565, of which 859,318 are small enterprises and 7,108 are medium enterprises (Bangladesh Bureau of Statistics (BBS), 2013).

The Asian Development Bank (ADB) conducted a more comprehensive study to assess SME sector's contribution to Bangladesh Economy. The sector accounts for 90 percent of total industrial units, 45 percent of manufacturing value added, 80 percent of industrial employment, about 25 percent of the total labour force, and 25 percent of the Gross Domestic Product (GDP) (ADB, 2002). SME's contribution to export earnings varies between 75 and 80 percent, and 60-65 percent of SME are located outside the metropolitan areas of Dhaka and Chittagong (ADB, 2002). SME have easy access to labour in these non-urban areas, where the business environment is better than in the congested urban centres (Metropolitan Chamber of Commerce and Industry (MCCI), 2013). Business costs are also low.

The Government is committed to promote MSME as vehicles for enhancing inclusive economic growth, the quality of life, and poverty reduction of the common people (Ministry of Industries, 2010). To that end, the primary role of the government has been, first, that of a facilitator, removing policy obstacles and neutralizing market failures and, secondly, that of providing necessary promotional support. The *SME Policy 2005* was formulated to assist achieving Millennium Development Goals and targets (MCCI, 2013). The Government constituted a National Taskforce on SME development to draw up a realistic strategy for promoting rapid growth and vigorous competitiveness among SME, for accelerating the growth of the economy and reducing poverty in the country. The Government also constituted an SME Advisory Panel and an SME Foundation. Experienced specialists and entrepreneurs have been working together with the SME cell of the Ministry of Industries (MCCI, 2013)

Yet, Miah (2007) identified a number of impediments to SME growth. They are lack of adequate investment, lack of modern technology, high rate of interest on bank loans, irregular/inadequate supply of power, poor physical infrastructure and high transportation cost, poor information about market opportunities and requirements, inadequate availability of raw materials, lack of skilled technicians and workers, lack of research and development facilities, fierce competition, absence of effective and transparent legal system, difficulties in accessing technology, credit constraints, low access to business services, lack of quality human resources, low awareness, low lobbying capacity, rapid changes in policy environment etc. It is prudent to take note that these obstacles are general in nature and may not necessarily apply to all industrial sectors in the same manner.

2.1.1. SME Finance

Ahmed (2006) argued that the lack of timely availability of the required finance is a major constraint to the formation and growth of SME in Bangladesh. Banks are reluctant to expand their SME credit portfolio because they do not consider SME lending an attractive and profitable undertaking. This is because SME are regarded as high-risk borrowers because of their low capitalization, insufficient assets and their inability to comply with collateral requirements of the banks. Administrative costs are also high because of close monitoring and supervision of the SME operation. The predominant sources of finance for SME were informal sectors (41 percent) and family members without interest (20 percent), followed by banks (18 percent), non-governmental organizations (17 percent), and family members with interest (4 percent) (Micro Industries Development Assistance and Services (MIDAS), 2009). The country's central bank, the Bangladesh Bank released a *SME Credit Policies & Programmes* with a disbursement target of around Tk. 240 billion or US\$ 3 billion for the first time in 2010 (Bangladesh Bank, 2010).

A special focus of the Bangladesh Bank policy was to encourage more women entrepreneurs at micro, small and medium scales. To encourage participation and empowerment of women entrepreneurs, about Tk. 18 billion SME loans were disbursed among 13,723 women entrepreneurs in 2010 (MCCI, 2013). Moreover, some women-friendly policies were adopted. These were: 15 percent of total Bangladesh Bank SME refinance fund to be allocated for women entrepreneurs; provision of loan facility of up to Tk. 2.5 million against personal guarantee; limiting interest rate to a maximum of 10 percent per annum; all types of loan applications of SME women entrepreneurs to be dealt with the highest priority; establishment of 'women entrepreneurs dedicated desk' by banks and financial institutions; and ensuring service friendly approach towards women entrepreneurs (MCCI, 2013). The Bangladesh Bank also announced setting up a three-tier monitoring system to ensure the growth of the MSME sector in the country.

Since then there has been a significant increase in MSME loans. Total SME loans stood at Tk. 725 billion at the end of June 2011, increased by 28 percent from Tk. 567 billion one year ago (Bangladesh Bank, 2010). Almost all types of financial institutions reported an increase in SME credit disbursement between 2010 and 2011.² Banks and the non-bank financial institutions (NBFIs) are currently responding favourably to the government initiatives towards channelling more funds to the SME sector as conduits for raising employment and reducing poverty.

2.1.2. Definitional Issue and paucity of data

Data on the number of SME in Bangladesh available from different sources vary widely. For example, according to the data from Bangladesh Small and Cottage Industries Corporation that covers manufacturing units, there are 55,916 small industries and 511,612 cottage industries excluding handlooms or 600,000 cottage units if the handloom sector is included (Dhaka Chamber of Commerce and Industry (DCCI), 2000). According to Bangladesh Planning Commission, the number of medium enterprises (undefined) in the country is around 20,000 and that of small and cottage industries between 100,000 and 150,000 (DCCI, 2000). The wide variation in estimates of the number of SME might be due to at least two reasons - different definitions of the SME and different coverage of the SME sector (DCCI, 2000).

The wide variation in the number of SME as indicated by different sources strongly suggests the need for adopting and using a uniform set of definitions for SME by all government agencies to help the formulation of pro-active SME promotion policies. As new definitions have been adopted in the *National*

² More specifically, a 46.5 percent increase has been reported for NBFIs, 43.5 percent increase for specialized banks, 34.2 percent for private banks, 14.8 percent for state owned banks, and 10.0 percent for foreign banks (Bangladesh Bank, 2014).

Industrial Policy 2010, it would be necessary and appropriate to harmonize the definitions followed by all relevant institutions, viz., BBS, Finance Division of the Ministry of Finance, Planning Commission, Bangladesh Bank and all financial institutions, Export Promotion Bureau, the Ministry of Commerce, and of course, the Ministry of Industries (MCCI, 2013).

MSME stimulate private ownership and entrepreneurial skills, are flexible and can adapt quickly to changing market demand and significant contribution to exports in addition to meeting local demand (DCCI, 2000). MSME in Bangladesh are labour-intensive and have a low capital base. This twin characteristic of MSME encourages individual entrepreneurs to invest mainly in manufacturing products that appeal to the general public but are also significant contributors to backward linkage to heavy industries.

2.1.3. Women's labour force participation

Vila and MacDonald (2013) found that the average size of a Bangladeshi manufacturing SME is 52.5 full-time workers including employees and managers; on average, micro, small and medium enterprises have 14.6, 47.3 and 176.7 full-time workers respectively. Only 18 percent of the full-time employees were women, with most of them production workers, and the presence of women among non-production tasks, such as managerial and administrative, is very low (Vila and MacDonald, 2013).

There has been no recent study on women-led SME in Bangladesh. A survey conducted in Bangladesh in 2003 showed that only around 6 percent of the small enterprises were owned by women (Daniels, 2003). A newer study shows that women entrepreneurs constitute less than 10 percent of the total entrepreneurs in Bangladesh (SME Foundation, 2009). Overall, SME employ about 31 million people, equivalent to 40 percent of the total labour force in Bangladesh (SME Foundation, 2009).

For the purpose of this study, according to the agreement reached among the project researchers in Kathmandu in August 2014, WMSME will mean enterprises owned or led by women, or otherwise dominated by women stakeholders, such as female workers and females engaged in the value chain of the products.

2.1.4. Prevailing policy and incentive framework for SME

The important and underlying objectives of the *National Industrial Policy 2010* include generation of productive employment, mainstreaming women in the industrialization process, and poverty alleviation. To this end, consistent with the imperative that labour-intensive industries are more suited than capital-intensive ones, the policy document spells out measures for the promotion of cottage, small and medium industries. In line with the provisions of the SME policy, special measures will also be adopted to develop women entrepreneurship ensuring access to land, finance and business support services.

The huge potential of SME has attracted the attention of the policy makers. Accordingly, a range of initiatives has been undertaken for channelling loans to SME. Bangladesh Bank is operating various funds for refinancing the scheduled banks and financial institutions against the disbursed loans as summarized below. These funds are being used as revolving funds. A total amount of Tk. 27.35 billion³ has been placed at the disposal of Bangladesh Bank to refinance as many as 21 banks and 24 NBFIs for providing loans to 33,456 enterprises up to June 2012. Detailed refinancing of SME sector are shown in tables 2.1 and 2.2. Details of the funds that available from Ministry of Finance (2012) were summarized below.

³ Out of this, International Development Association (IDA) and ADB contributed Tk. 3.126 billion and 6.247 billion respectively while Bangladesh Bank contributed the rest (see table 2.1).

- **Bangladesh Bank Fund:** Bangladesh Bank introduced a refinancing scheme named Small Enterprise Fund of Tk. 6 billion out of its own fund for supporting the development of small enterprises. Refinancing facilities under the scheme were extended to the banks and financial institutions at bank rate against their financing to the small entrepreneurs, usually left out by the formal sector financing. The scheme demonstrated a high market demand. Recovery against refinanced loan is being used as a revolving fund for financing SME sector. An amount of Tk. 14 billion has been refinanced to 43 banks and NBFIs under this fund up to end of June 2012 against 15,850 enterprises.
- **Fund for Women Entrepreneurs:** Bangladesh Bank is encouraging all banks and NBFIs to provide loan to women entrepreneurs at 10 percent interest rate; that is, about 8 percent less than the market interest rate. A dedicated Women Entrepreneurs Desk has been established in the SME and Special Programmes Department, Bangladesh Bank. All the banks and NBFIs have been asked to establish the same facility. As much as 15 percent of all SME funds are exclusively reserved for women entrepreneurs. An amount of Tk. 3.81 billion has been refinanced to women entrepreneurs up to end June 2012 against as many as 5,262 enterprises.
- **Refinance Scheme for Agro-based Product Processing:** In order to promote the agro product-processing industries in the areas outside Divisional Headquarters and Narayanganj town, Bangladesh Bank launched a scheme of Tk. 1 billion from November 2001 and refinancing facilities are provided to banks and financial institutions at the bank rate under the scheme. An amount of Tk. 1.54 billion has been disbursed under this scheme until the end of June 2012.
- **Enterprise Growth and Bank Modernization Programme Fund:** In 2004, the IDA Wing of the World Bank provided an additional amount of \$10 million to this fund to reinforce this scheme under a Development Credit Agreement signed with the Government of Bangladesh for financing the development of small enterprise sector of the country. In addition, the Government of Bangladesh also allocated an amount of Tk. 580 million under the said agreement. A total amount of Tk. 1.18 billion has been received combining the IDA credit fund and Government of Bangladesh fund for refinancing. Out of this fund, an amount of Tk. 3.13 billion has been provided to 32 banks and NBFIs up to end June 2012 against 3,160 enterprises. This fund completed its disbursement in June 2011.
- **ADB Fund-1:** A fund called ADB Fund-1 to finance a scheme titled SME Sector Development Project was launched in 2005. ADB initially provided an amount of \$30 million for financing the scheme under a loan agreement with the Government of Bangladesh to strengthen the SME sector in Bangladesh. An amount of Tk. 3.35 billion has been provided to banks and NBFIs under the first ADB fund up to end June 2012 against 3,264 enterprises. This fund completed its disbursement in September 2009.
- **ADB Fund-2:** Then, fund similar to ADB Fund-1 called ADB Fund-2 was established in October 2009. ADB and the Government of Bangladesh jointly provided an additional amount of \$950 million to further broadening the SME refinancing facility.
- **Japan International Cooperation Agency (JICA) Two Step Loan Fund:** A loan agreement was signed between JICA, Japan and the Government of Bangladesh (Bank and Financial Institutions Division of Ministry of Finance as the representative) in 2011 for SME development and financing. According to the loan agreement, Bangladesh Bank is implementing the "Financial Sector Project

for the Development of Small and Medium-Sized Enterprise” project. The fund size of \$41.23 million including a technical assistance component was provided, and the principal component of the fund is Two Step Loan of \$39.47 million. A separate Project Implementation Unit has been established under SME and Special Programmes Department of Bangladesh Bank to implement this project. As many as 21 banks and 18 NBFIs signed Participating Agreements with Bangladesh Bank on 11 June 2012. Refinancing or pre-financing facilities are being provided to participating financial institutions at the bank rate for lending to SME sub-projects of productive investment for medium- to long-term duration at the market rate. So far, an amount of Tk. 140 million has been approved as refinances to 38 enterprises, of which 21 are manufacturing concerns and 17 are service concerns.

Table 2.1 Summary information on SME refinancing (up to June 2012)

| Name of Banks/FIs refinanced | Amount refinanced (In million Tk.) | | | | No. of beneficiary enterprises | | | |
|---|------------------------------------|---------------|----------------|----------|--------------------------------|-----------------|---------|--------|
| | Working capital | Mid-term loan | Long-term loan | Total | Industrial loan | Commercial loan | Service | Total |
| (a) Bangladesh Bank | 3,375.9 | 7,557.8 | 3,228.3 | 14,162.5 | 4,713 | 8,696 | 2,441 | 15,850 |
| (b) Bangladesh Bank Women Entrepreneur Fund | 578.8 | 2,234.1 | 1,001.3 | 3,814.2 | 1,784 | 2,741 | 737 | 5,262 |
| (c) IDA | 803.4 | 1,324.7 | 998.0 | 3,126.1 | 1,368 | 1,306 | 486 | 3,160 |
| (d) ADB-1 | 1,444.8 | 1,322.7 | 581.9 | 3,349.4 | 800 | 2,096 | 368 | 3,264 |
| (e) ADB-2 | - | 2,264.7 | 633.3 | 2,897.9 | 1,527 | 3,451 | 942 | 5,920 |
| Total | 6,202.9 | 14,704.0 | 6,442.8 | 27,350.1 | 10,192 | 18,300 | 4,974 | 33,456 |

Source: Ministry of Finance, 2012.

Table 2.2 Summary information on SME refinancing for women entrepreneur fund (up to June 2012)

| Name of banks/FIs refinanced | Amount refinanced (In million Taka) | | | | No. of Beneficiary Enterprises | | | |
|------------------------------|-------------------------------------|---------------|----------------|---------|--------------------------------|-----------------|---------|-------|
| | Working capital | Mid-term loan | Long-term loan | Total | Industrial loan | Commercial loan | Service | Total |
| Banks (20) | 499.8 | 1,547.7 | 504.3 | 2,551.8 | 1,149 | 2,204 | 504 | 3,857 |
| NBFIs (19) | 79.0 | 686.7 | 497.0 | 1,262.7 | 635 | 537 | 233 | 1,405 |
| Total | 578.8 | 2,234.4 | 1,001.3 | 3,814.5 | 1,784 | 2,741 | 737 | 5,262 |

Source: Ministry of Finance, 2012.

2.2. Bangladesh in South Asia trade

Raihan, Khan and Quoreshi (2014) and CUTS International (2013) highlighted the recent situation of regional trade within South Asia. Detailed trade statistics for the region and country-specific trade data were mentioned in these two studies. It is worthwhile to bear in mind that the use of national databases and other official databases available in the public domain (e.g. HS System) can take into consideration only the portion of trade that takes place through formal channels. In the context of South Asia, there is plenty of evidence of informal border trade. It is possible that small/non-traditional items are more often traded using informal routes. Many micro and small enterprises and informal traders would certainly like to avoid the paperwork requiring customs clearances and financial transactions. Therefore, there is a

possibility of more of their trade to take place by by-passing the formal mechanisms. Such trade volumes would, unfortunately, remain outside the purview of this study. However, the field survey would attempt to capture the perspective of MSME about the potential of turning an informal trade into formal trade, if the trade facilitation, tariff structure, NTBs, and other costs and barriers could be reduced to a more tolerable level.

Raihan, Khan and Quoreshi (2014) contained an extensive list of 220 products in 6-digit HS Code that Bangladesh has full supply capacity but zero exports to India. A further synthesis of the list yields a shorter list of top seven items under 2-digit HS Chapter of Goods with corresponding non-tariff measures (NTMs) in India (table 2.3).

Table 2.3 Top seven product categories where Bangladesh has full export capacity but no exports to India

| HS Chapter | HS Code Description | NTM Code |
|-------------------|---|-----------------|
| 03 | Fish and Crustaceans | E11,A14,A84 |
| 07 | Edible Vegetables | A14 |
| 08 | Edible Fruits and Nuts, Peel of Citrus/Melons | A14 |
| 16 | Edible Preparations of Meat, Fish, Crustaceans, etc. | A22, A82 |
| 61 | Articles of Apparel & Clothing Accessories – Knitted or Crocheted | B82, B83 |
| 62 | Articles of Apparel & Clothing Accessories - Not Knitted or Crocheted | B82, B83 |
| 63 | Made up Textile Articles nesoi, Needlecraft Sets, Worn Clothing, Rags | B82, B83 |

Note: NTM code follows the UNCTAD (2012) classification.

Source: Raihan, Khan and Quoreshi (2014).

Furthermore, the same study mentions that at 6-digit HS code level, India exported 4,109 products to world and exports 2,654 products to Bangladesh. A further synthesis of the list of top 50 products that have full supply capacity but zero export to Bangladesh yields a shorter list of top 13 items under 2-digit HS Chapter of Goods (table 2.4).

Table 2.4 Top 13 product categories where India has full export capacity but no exports to Bangladesh

| HS Chapter | HS Code Description | NTM Code |
|-------------------|---|-------------------------|
| 02 | Meat and Meat Offal | A3, A83 |
| 03 | Fish and Crustaceans | A83 |
| 07 | Edible Vegetables | A83 |
| 08 | Edible Fruits and Nuts, Peel of Citrus/Melons | A22, A83, A82 |
| 09 | Coffee, Tea, Mate & Species | A22, A83, A82 |
| 12 | Oil Seeds, Misc. Grains, Medicinal Herbs, Straw etc. | A86, A15 |
| 16 | Edible Preparations of Meat, Fish, Crustaceans, etc. | A22, A83, A31, C1, A82 |
| 20 | Preparations of Fruits, Vegetables, Nuts, etc. | A22, A83, A33, A31, A82 |
| 27 | Mineral Fuels, Oils, Waxes, Bitumen, etc. | E112, H11 |
| 61 | Articles of Apparel & Clothing Accessories – Knitted or Crocheted | F69 |
| 62 | Articles of Apparel & Clothing Accessories - Not Knitted or Crocheted | F69 |
| 63 | Made up Textile Articles nesoi, Needlecraft Sets, Worn Clothing, Rags | F69 |
| 64 | Footwear, Gaiters, & the Likes | F69 |

Note: NTM code follows the UNCTAD (2012) classification

Source: Raihan, Khan and Quoreshi (2014).

It can be noted here that the list above is prepared in the context of Bangladesh-India trade. India has been the largest trading partner of Bangladesh in the region, and in the case of some particular product,

the largest trading partner globally. For the purpose of the study, we propose to adhere to the universally accepted broad definition of NTBs referring to NTMs applied in trade restrictive ways so as to create barriers to trade and procedural obstacles. Particularly, we propose to examine the issues related to regulations and requirements arising from sanitary and phytosanitary issues (SPS), technical barriers to trade (TBT), quantitative restrictions, port entry restrictions, various types of para-tariffs and so forth, and also the way these regulations are applied during the cross-border trade done by WMSME.

2.3. Product identification for survey

According to SME Foundation (2009), about 40 percent of the women-led SME were involved in the production of woven and knit apparels, clothing, and fabrics, that is HS Chapters 58, 59, 61, and 62. Additional 11 percent of women entrepreneurs have been involved in the agro-food processing sector (HS Chapters 07, 08, 19 and 20). It would be interesting to note that products that women entrepreneurs are mostly involved are also common according to the list of products that face NTMs in regional trade (tables 2.3 and 2.4). It may be relevant to note that the CUTS International (2013) also identified these two categories of products with trade potential between India and Bangladesh. Subsequently, the KIs and FGDs endorsed the selection of these two sectors for the field-survey. Woman entrepreneurs who are dealing with the textiles and apparel items and agro-food processing were identified from the extensive lists of women entrepreneurs provided by Women Entrepreneurs Forum of Bangladesh and SME Foundation.

2.4. Overview of the textiles and apparel and agro-food processing industries in Bangladesh

2.4.1. Overview of the textiles and apparel industry in Bangladesh

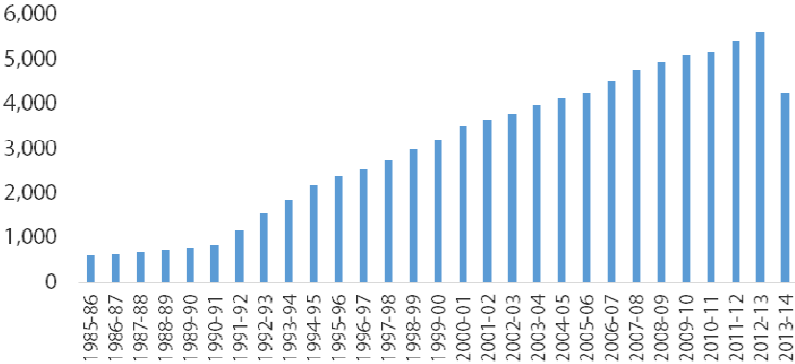
The textiles and apparel industry has been the key export sector and an important contributor to growth and employment generation in Bangladesh. Woven and knitwear products are the two main textiles and apparel industry export items. Over the past two and half decades, the industry has emerged as the flagship product of Bangladesh's export trade. Almost in the late 1970s, the export of the industry climbed to its current position of prominence within a short span of time. In 1985-1986, the numbers of the textiles and apparel factories were only 594, which increased to 5,600 by 2012-2013 (figure 2.1). The figure however, dropped to 4,222 in 2013-2014.

The textiles and apparel exports have been one of Bangladesh's dominant sources of foreign exchange earnings in the last decade. Figure 2.2 shows that from a small base of only \$830.31 million in 1989, the textiles and apparel exports have grown to more than US\$ 29 billion in 2014, accounting for 90 percent of export earnings in 2014.

The textiles and apparel industry highlights the case where the success of the industry in this country has been much influenced by the favourable external environment in terms of quota facilities in the developed countries, especially in the United States and EU markets. For Bangladesh, as a least developed country, this has further been facilitated by the duty-free and quota-free market access in the EU and some other developed countries. Bangladesh has also put in place a number of important export promotion measures, which helped reduce the anti-export bias in the domestic trade regime. An important element of trade policy reform has been the use of a set of generous support and promotional measures for

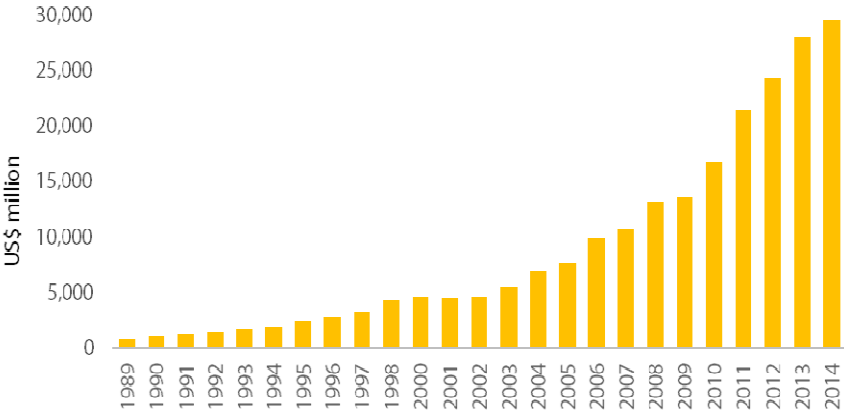
exports. While the import liberalization was meant to correct the domestic incentive structure in the form of reduced protection for import-substituting sectors, export promotion schemes were undertaken to provide the exporters with an environment where the previous bias against export-oriented investment could be reduced significantly. Important export incentive schemes available in Bangladesh include, amongst others, subsidized rates of interest on bank loans, duty-free import of machinery and intermediate inputs, cash subsidy, and exemption from value-added and excise taxes. The textiles and apparel industry has been major beneficiaries of these reforms. All these helped the industry's share in GDP to rise over the last two decades (figure 2.3).

Figure 2.1 Growth in the number of the textiles and apparel firms in Bangladesh



Source: Bangladesh Garment Manufacturers and Exporters Association (BGMEA) website.

Figure 2.2 Growth of Bangladesh textiles and apparel exports



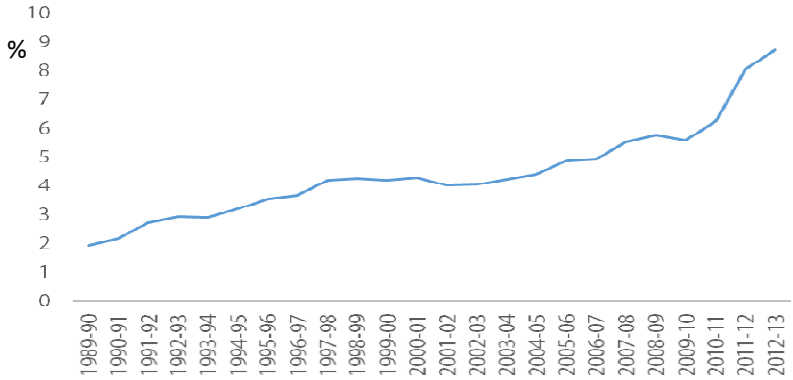
Source: BGMEA website.

Highly labour-intensive nature of production process characterises the garment industry. In 1984 just about 100,000 people were employed in the export-oriented garment sector, but within the next two and half decades, it grew rapidly to about 4 million (figure 2.4). The trend of the growth rate of employment for the period 1983-2011 is estimated to be 115 percent per annum. About 80 percent of the workers employed in the industry are now women.

The growth of textiles and apparel exports has favourable effects on macroeconomic balances. It has helped maintain a sustainable trade deficit, which has declined from around 10 percent of GDP in the early-1980s to less than 5 percent in recent times. The current account deficit also improved. This improvement has been accompanied by declining net external assistance flows (figure 2.5). In fact, the

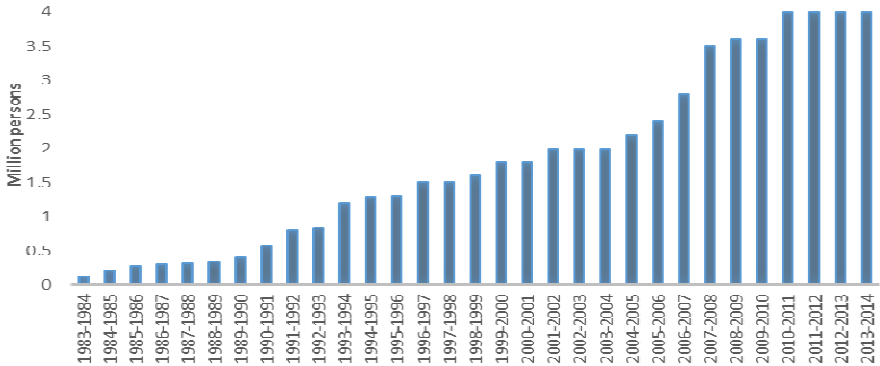
reduced dependence on foreign aid has been a remarkable development for Bangladesh’s economy, which is attributable to the textiles and apparel industry-led robust export growth and the recent surge in remittances. The rising shares of export trade and remittances in the economy substantially contrast the declining significance of foreign aid. In recent times, the ratio of external assistance to GDP has been less than 1 percent as against of 33 percent of exports and remittances taken together. It is in this context, the textiles and apparel industry-led export growth is argued to have transformed Bangladesh from a predominantly aid-dependent country to a largely trade-dependent nation.

Figure 2.3 Textiles and apparel industry’s contribution to GDP at 1996 constant price



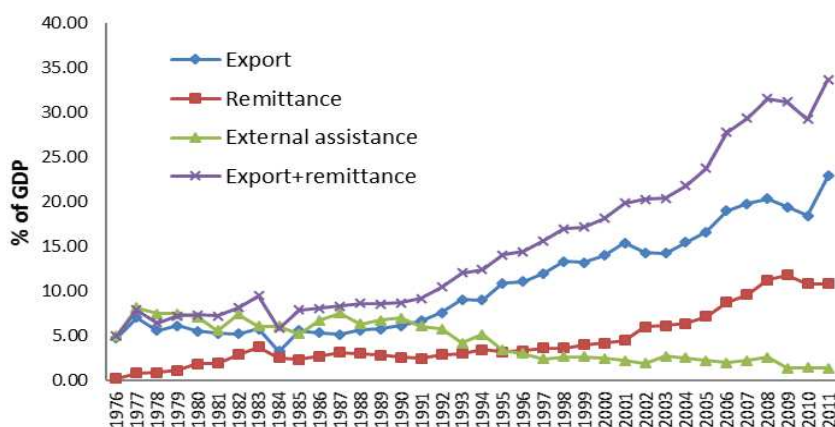
Source: BBS, 2014.

Figure 2.4 Employment in the textiles and apparel industry



Source: BGMEA website.

Figure 2.5 Macroeconomic balance

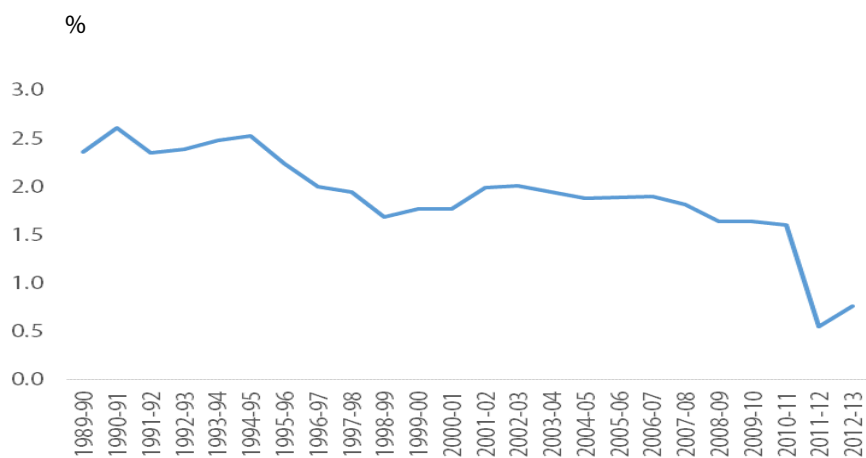


Source: World Bank, 2011.

2.4.2. Overview of the agro-food processing industry in Bangladesh

The food processing industry in Bangladesh represents one of the major emerging sectors within the industrial segments in terms of contribution to value addition and employment. The sector accounts for over 22 percent of all manufacturing production and employs about 20 percent of labour forces (BBS, 2014). The contribution of the agro-food processing industry to the GDP of Bangladesh was above 2 percent up to early-1990s but started declined since then (figure 2.6). The current rate of contribution is less than 1 percent.

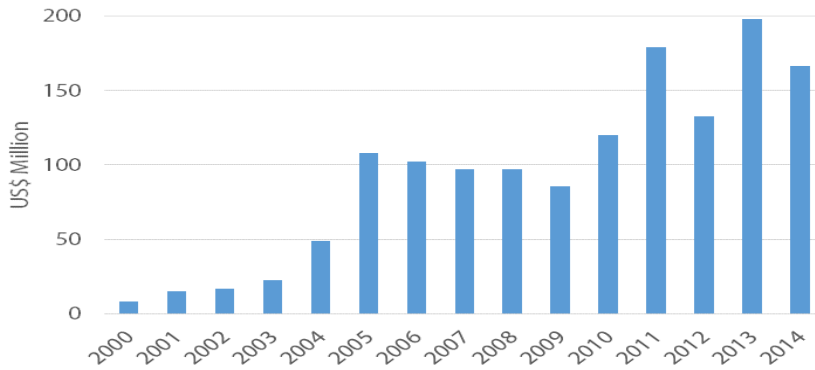
Figure 2.6 Agro-food processing industry's contribution to GDP at 1996 constant price



Source: BBS, 2014.

The growth of the agro-food processing exports shows an upward trend with some fluctuation (figure 2.7). The export of agro-food products experienced fluctuating trend due to some sanitary and phytosanitary measures taken by the major export destination, EU.

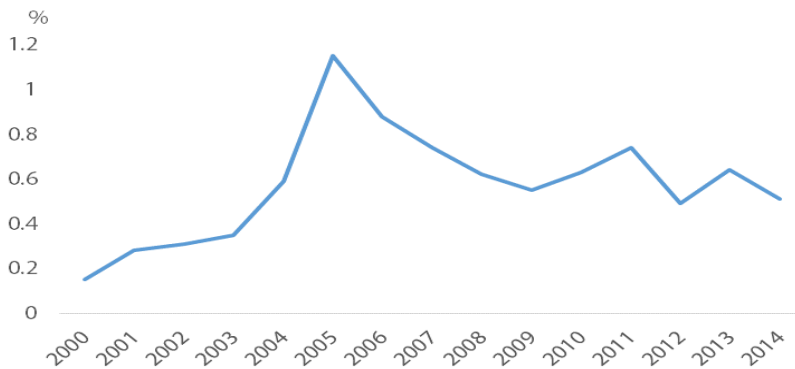
Figure 2.7 Growth of Bangladesh agro-food processing industry's exports



Source: UN COMTRADE, 2014.

As discussed above, exports of Bangladesh have been dominated by non-agro food products such as apparels; therefore, the share of agro-processed food exports has been less than 1 percent of GDP (figure 2.8).

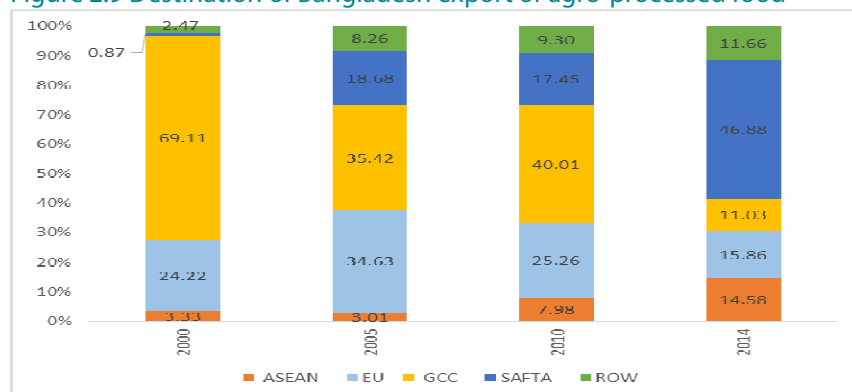
Figure 2.8 Share of agro-food processing export in total export of Bangladesh



Source: UN COMTRADE, 2014.

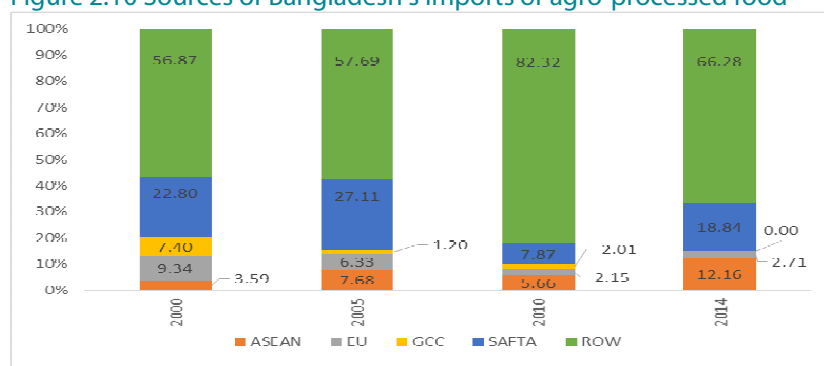
However, export of agro-processed food has a high potential to grow in South Asian market. In 2000, the major destination of agro-food export from Bangladesh were Gulf countries where the majority of Bangladesh migrant workers resided. But the share gradually declined over time and reached from 69 percent in 2000 to 11 percent in 2014. On the other hand, the export of agro-processed food from Bangladesh in SAFTA countries were negligible in 2000. However, the share dramatically increased and reached to 47 percent in 2014. Other major export markets are EU and Southeast Asian countries. As for Bangladesh's imports of agro-processed food, SAFTA countries accounted for less than 20 percent in 2014 (figure 2.10). Additional 12 percent comes from the Southeast Asian countries.

Figure 2.9 Destination of Bangladesh export of agro-processed food



Source: UN COMTRADE, 2014.

Figure 2.10 Sources of Bangladesh's imports of agro-processed food



Source: UN COMTRADE, 2014.

2.5. Investment scenario and profile of the textiles and apparel and agro-processing industries in Bangladesh

An overview of general investment scenario in Bangladesh is necessary for a deeper insight into SME investments in Bangladesh, and it paves the way for linking SME to the mainstream formal sector's *value chain*. The value of projects registered with Board of Investment almost tripled from Tk. 183.703 billion in the fiscal year of 2005/06 to Tk. 534.769 billion in 2011/12 (table 2.5). Among the total investment, the textiles industry was the largest sector, accounted for 49 percent of total investment in 2005/06, and started to decline this share. On the other hand, shares of agro-based and food and allied industries in total investment slightly increased over time.

Table 2.5 Industry distribution of local investment projects

| Industry | 2005/06 | | 2011/12 | |
|--------------------------|----------------|-------|----------------|-------|
| | In million Tk. | % | In million Tk. | % |
| Total Investment | 183,703 | 100.0 | 534,769 | 100.0 |
| Agro-based industry | 9,657 | 5.3 | 61,195 | 11.4 |
| Food and allied industry | 3,137 | 1.7 | 10,822 | 2.0 |
| Textile industry | 89,297 | 48.6 | 105,576 | 19.8 |
| Other industries | 81,612 | 44.4 | 357,176 | 66.8 |

Source: Ministry of Finance (2012) using data from Board of Investment, Bangladesh.

As for the foreign and joint venture investment projects, during 2005/06, the value of projects registered with Board of Investment was \$3.353 billion (table 2.6). Out of which, agro-based and food and allied industry accounted for less than 1 percent share of the total investment. Even the textiles industry accounted for only 3.4 percent of the total investment. In 2011/12, the value of total investment increased to \$4.307 billion, and the shares of the agro-based industry, food and allied industry, and textiles industry slightly increases to 2.3, 2.3, and 5.8 percent respectively.

Table 2.6 Industry distribution of foreign and joint venture investment projects

| Industry | 2005/06 | | 2011/12 | |
|--------------------------|----------------|-------|----------------|-------|
| | In million Tk. | % | In million Tk. | % |
| Total Investment | 3,353 | 100.0 | 4,307 | 100.0 |
| Agro-based industry | 16 | 0.5 | 97 | 2.3 |
| Food and allied industry | 1 | 0.0 | 99 | 2.3 |
| Textile industry | 114 | 3.4 | 250 | 5.8 |
| Other industries | 3,222 | 96.1 | 3,861 | 89.6 |

Source: Ministry of Finance (2012) using data from Jute and Textile Ministry.

3. Survey findings

An attempt was made to interview 50 enterprises from the textiles and apparel industry with an import focus, and 50 enterprises from the agro-food processing industry with an export focus. The survey was conducted by a structured questionnaire developed for the purpose. The 100 enterprises are either owned or operated by female entrepreneurs. They are also the decision makers at their enterprises. Field surveys, which commenced in November 2014, were successfully completed by the 3rd week of December 2014.

All enterprises interviewed in the textiles and apparel industry have their businesses within the metropolitan area of Dhaka City. All enterprises interviewed in the agro-food processing industry have their businesses within the greater Dhaka region. Out of which, 28 respondents have their businesses within the metropolitan area of Dhaka City, 12 respondents are from Savar, Dhaka in the outskirts of the capital, and the rest are from Tongi, Gazipur district. All the 100 enterprises surveyed fall within the Bangladesh specific legal criteria of MSME in terms of a number of employees and assets. Taking the greater Dhaka region for surveys solely because of the cluster of the industries. Most of the textiles and apparel and agro-food process industries are within this region.

There was a wide range of the textiles and apparel products under HS Chapters 58, 59, 61 and 62 that are manufactured and retailed by the respondents. They include finished items of both woven and knit varieties such as men's and boys' and women's and girl's sweaters, t-shirts, sweat-shirts, trousers, dresses, blouses, under-garments, *salwar-kameez-dopatta* sets, laces, crocheted accessories, filigrees, and so forth.

The agro-food industries also comprised a wide range of agro-food products that are manufactured and retailed by the respondents, falling mostly under HS Chapters 07, 08, 19, and 20. They include ethnic snacks such as puffed rice, *chanachur* (a South Asian savory snack consisting of fried and spicy pieces of flour-based chips, nuts, lentils etc.), fried/roasted grams, peas and beans, betel nuts, seasonal vegetables and fruits, pickles, fruit preserves, fruit based beverages, biscuits, cookies and so forth.

In the case of the textiles and apparel industry, having their enterprises registered and being members of trade bodies, 40 women out of 50 responded positively about being familiar with the various benefit and incentive schemes designed for SME provided by the government. These include training and capacity building opportunities, easier access to finances, etc. However, 33 women out of 50 expressed that such schemes were not adequate, and terms and conditions of such benefits need to be expanded. For example, complex forms need to be filled in for bank loan packages designed for SME. Training opportunities designed and offered by the SME Foundation are often too academic and do not focus on practical issues. However, it is important to note that none of the respondents mentioned any specific obstacle or discrimination they face in accessing these benefits, being woman entrepreneurs. Rather, they appreciated the more flexibility and easier terms offered by these schemes for woman entrepreneurs. It is also important to note that they faced general obstacles in accessing the various benefits and opportunities including bank loans meant for SME, and faced general disadvantages and stereotyping being a woman in the society.

In the case of agro-food industries, having their enterprises registered and being members of trade bodies, all the 50 enterprises responded positively about being familiar with the various benefit and incentive schemes designed for SME provided by the government, including training and capacity building opportunities, easier access to finances, etc. However, 32 women out of 50 expressed that such schemes were not adequate, and terms and conditions of such benefits need to be expanded. For example, the respondents noted that the training opportunities designed and offered by the SME Foundation are often too general in nature and do not focus on practical issues of a particular product, the challenges of which are unique and need to be addressed separately.

Similar to women entrepreneurs in the textiles and apparel sector, none of the respondents mentioned any specific obstacle or discrimination they face in accessing these benefits, being woman

entrepreneurs. Rather, they appreciated more flexibility and easier terms offered by these schemes for woman entrepreneurs. In other words, they have the preference to remain in the formal realm of the economy. None of the respondents mentioned any particular gender-related challenge faced at their business operations although there are challenges in the society at large.

None of the WMSME interviewed are directly involved in cross-border trade. They are engaged in production and wholesale and retail trade in the domestic market only. However, WMSME are supplying to the small scale exporters or using imported materials. Some of the entrepreneurs in the textiles and apparel industry have an occasional engagement in informal trading. While the most of women entrepreneurs are not engaging in international trade event at informal level, many of the respondents are very much aware in which countries in the region their products are exported to or where the items of their imported raw materials come from.

The small size of their operations is mentioned as the main reasons for their current inability to capture the export orders directly, particularly for the textiles and apparel entrepreneurs. The considerable high margin and the high growth prospects they enjoy in the domestic market is another reason for not interested in overseas trade. The survey respondents perceive that trade and SME related concerns are gender-neutral. That is, the specific problems and challenges related to trade are same for SME, whether they are owned and operated by females or males.

3.1. Profiles of survey respondents

Among the respondents in the textiles and apparel industry, there was a mix of manufacturers (40 percent), traders (35 percent) and those who sell what they produced (25 percent) (figure 3.1). The textiles and apparel industry uses imported fabrics and other items such as laces and buttons as components or raw materials for their manufactured finished products. Some also sell imported finished apparel products as well.

On the other hand, the agro-food industry uses locally produced agricultural products such as grains, fruits, vegetables and oils as their raw materials to process agro-food products for the domestic, regional or international markets. The majority (85 percent) of the respondents in the agro-food industry were manufacturers. The rest engage in trading or both manufacturing and trading.

The nature of business is also very different between two industries (figure 3.2). Textiles and apparel enterprises are mainly involved in retail trading whereas those in the agro-food business are involved in both wholesale and retail trade. However, none in both industries were directly involved in export and import. Mainly large firms capture export and import business. The WMSME can be at best outsourcing agents of their business.

All the 100 enterprises surveyed were legally registered under the Companies Act 1994 with the Registrar of Joint Stock Companies and Firms. All of them were found to have updated and valid trade licences prominently displayed at their premises. All of them were also members of trade bodies such as chambers of commerce and industry or sectoral line associations.

Figure 3.1 Occupational distributions



Figure 3.2 Nature of business



The majority of WMSME have the legal status of sole proprietorship. The percentage shares are 73 and 90 percent in the textiles and apparel industry and the agro-food industry respectively. The remaining 10 percent have a partnership. In the textiles and apparel industry, 33 respondents or 66 percent are owners while the remaining 17 respondents are managers who responded in absence of female owners. In the agro-food industry, 42 out of 50 respondents or 84 percent are owners while the remaining 8 respondents are managers.

The age of the survey participants varies from 25 to 40 years old. The majority of the firm owners are married while the rest are unmarried or widowed (table 3.1). The respondents have two children on average. As for the level of educational attainment, the owners of the textiles and apparel enterprises are relatively more educated than their counterparts in the agro-food industry (table 3.2). In the textiles and apparel industry, nearly half of the surveyed have tertiary level of education.

The enterprises surveyed had the number of employment, ranging from 5 to 100 employees. An average number of employee per firm was 10 in the textiles and apparel industry, larger than 6 in the agro-food industry. More than 60 percent of the employees were found to be females in both industries. However, males dominate the positions of sales, accounting, and those of supervisors, while the workers in the factory are mostly females.

Table 3.1 Marital status

| Marital status | Textiles and apparels | Agro-food |
|----------------|-----------------------|-----------|
| Married | 43 | 37 |
| Unmarried | 3 | 7 |
| Widowed | 4 | 6 |
| Total | 50 | 50 |

Table 3.2 Educational status

| Level of education | Textiles and apparels | Agro-food |
|--------------------|-----------------------|-----------|
| Primary | 10 | 22 |
| Secondary | 17 | 15 |
| College/ Tertiary | 23 | 13 |
| Total | 50 | 50 |

3.2. Obstacles in doing business and trade

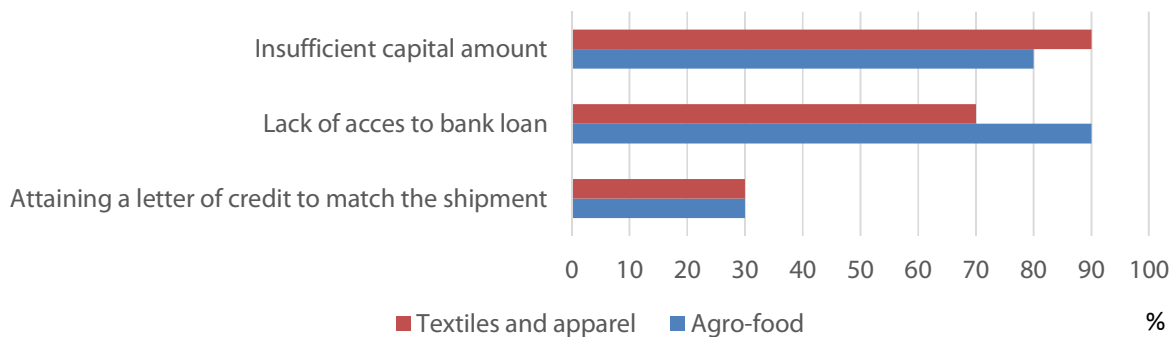
The insufficient capital amount and difficulties in obtaining bank loans were raised as the main challenges to export in both industries (figure 3.3). Since women started their business on a small scale, they cannot afford to meet the export demand for their products. In order to meet the export demand, they need capital, which they get from the bank as a loan. Seventy percent of WMSME in the textiles and apparel

industry and 90 percent in the agro-food industry said that this was a big barrier in obtaining SME loan from a commercial bank.

The agro-food producers requested for more flexibilities in the SME financing guidelines of the banks. For instance, processing mangoes for pickling are seasonal in nature. The mango-pickling SME require financial assistance from the banks only for a short period during the procurement season of green mangoes, which is about one month between April and May. Their working capital requirement for about three months is difficult for the banks to accommodate. SME financing is often designed for a full one-year payback period of 12 monthly instalments. Such long payback period for the mango-pickling SME is expensive. They would prefer a shorter payback period of 3 to 4 months.

Although Bangladesh Bank ensured that every commercial venture should have SME loan window, most of the SME loan remains unutilized. Thirty percent of the WMSME in each industry also mentioned of difficulties in attaining a letter of credit that matches a single consignment.

Figure 3.3 Major challenges to export products



As for the procedural and administrative barriers in doing business, WMSME are facing different types of obstacles. Eighty percent of WMSME in the textiles and apparel industry and 90 percent in the agro-food WMSME believed that too many forms and documents are the major obstacles to run the business (figure 3.4). This includes documentation and paperwork for a loan from the SME section of the commercial banks. Secondly, 75 percent of the respondents in the textiles and apparel industry and 60 percent of the respondents in the agro-food industry said that being women entrepreneurs, they confronted negative attitude at every stage of the business. In addition, 65 percent of WMSME in the textiles and apparel industry and 75 percent of WMSME in the agro-food industry confessed difficulties in obtaining a trade license. Paying a bribe to obtain the licence is one of such difficulties. They also faced problems in opening a new business shop in a commercially viable area. High rent and real estate costs act as obstacles. Moreover, they expressed a difficulty in hiring an employee according to their own demand, as male counterparts are not always intent to be employed under a female supervisor.

Gender specific issues always create a huge problem to run their businesses efficiently. Ninety percent of the surveyed in textiles and apparel industry and 85 percent of them in the agro-food industry identified that absence of a women-friendly transportation system in Dhaka vicinity as a pressing concern (figure 3.5). Only nine seats are designated for women in public bus. Most of the time those seats are occupied by men. Similarly, significant share of the respondents reported experiences of being harassed at their business establishments. One such example involved a woman who had started to receive anonymous phone calls sexually harassing her. She has been circulating her business cards in the early days of her business. After that experience, she now only gives her business card to familiar customers. In addition, 70 percent of the textiles and apparel WMSME and 80 percent of the agro-food WMSME informed that they require support from their families to do the business.

Figure 3.4 Procedural and administrative barriers to WMSME

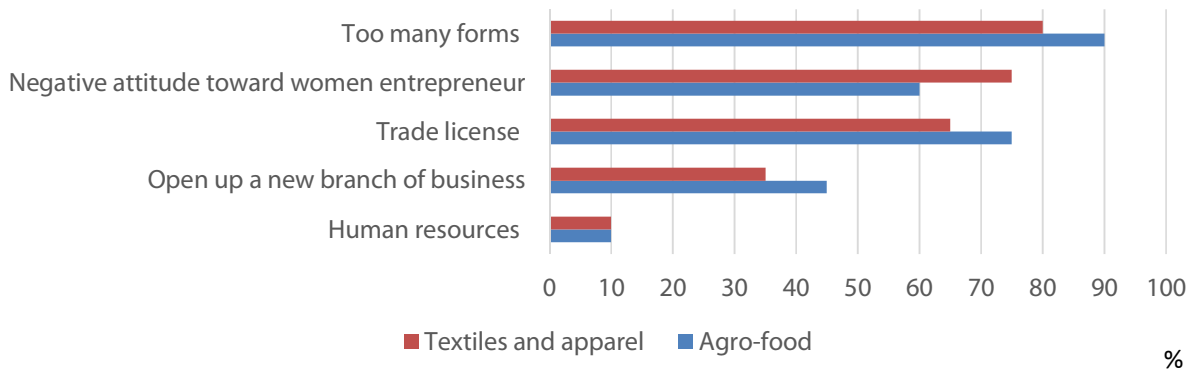
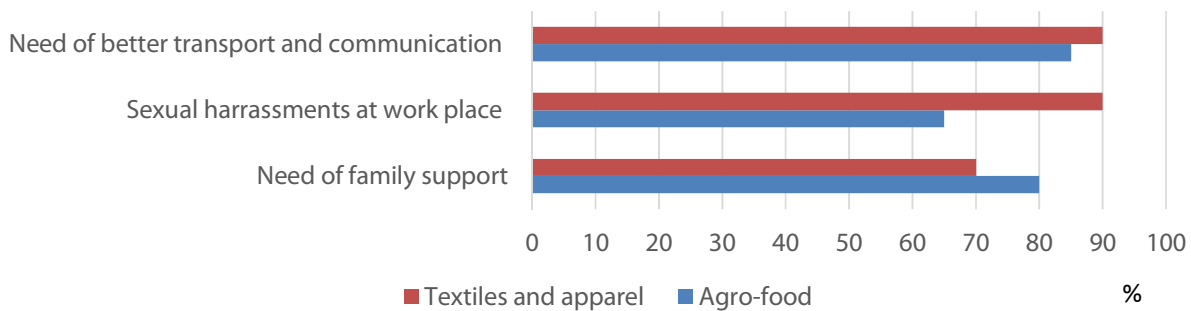


Figure 3.5 Issues the entrepreneurs face being a woman



3.3. Access to information and finance

Eighty-three percent of the surveyed textiles and apparel WMSME and 60 percent of the agro-food WMSME were aware that the government offers them different kinds of policy instruments to flourish their business (figure 3.6). They were aware of government’s promotion of women entrepreneurs’ access to finance. Sixty percent of WMSME in the textiles and apparel industry and 45 percent of WMSME in the agro-food industry also knew that they can get the benefit of product promotion from the government-affiliated agencies. More than half of WMSME in the textiles and apparel industry and 40 percent of WMSME in the agro-food industry also knew about the government support in the market promotion. In contrast, less than 15 percent of the surveyed knew about government support in business services.

While most of the WMSME were aware of the access to financial benefit for their business but they were not availing this benefit (figure 3.7). There were different reasons for this. The majority argued that they cannot get the loan because banks are not interested to disburse the loan to those who has small working capital. Secondly, women entrepreneurs also identified a requirement of two guarantors of the loan, preferably wealthy people as another problem. Thirdly, women entrepreneurs also pointed out that getting a loan is a cumbersome process. Too much paper work and rules and regulations discourage them to avail the loan. This is particulary so when they were requested to follow the cumbersome procecess for the small amount of loans. However, it is important to note that only less than 10 percent of the respondents believed that they were barred from accessing to various benefits because of being women. Rather, they appreciated more flexibility and easier terms offered by these schemes for woman entrepreneurs.

Figure 3.6 Nature of awareness of government incentives towards WMSME

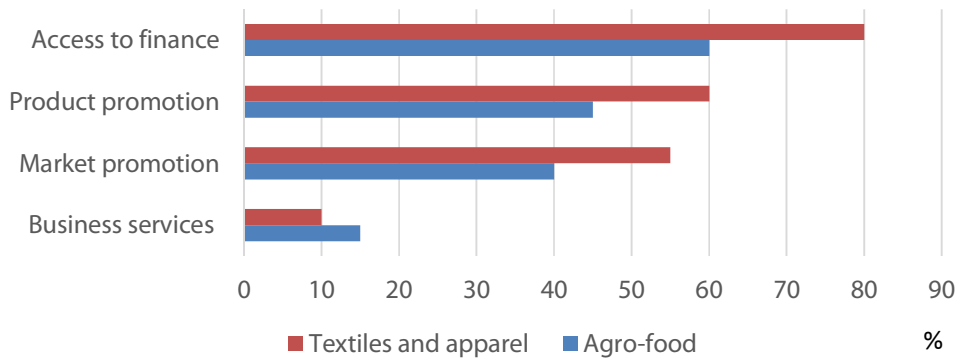
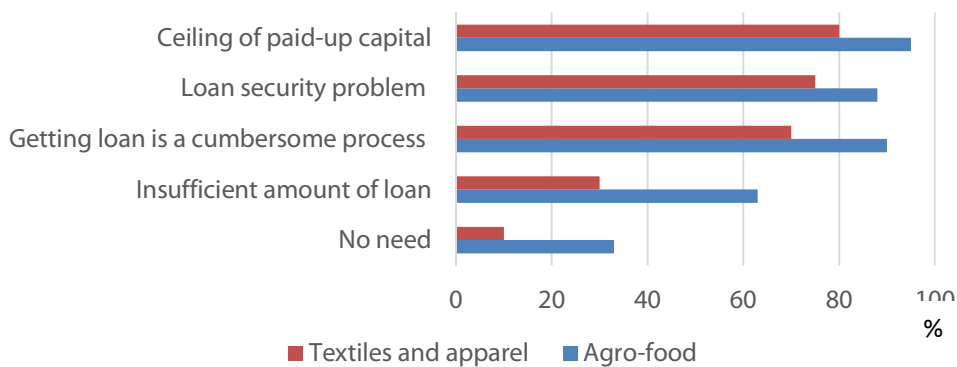


Figure 3.7 Reasons not to avail access to finance benefit



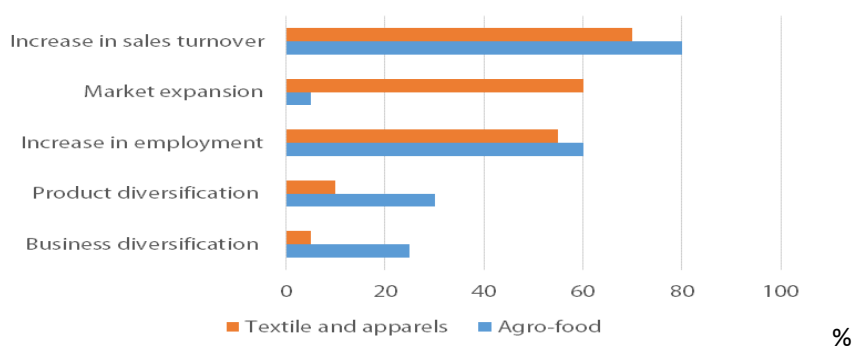
One of the key informants, Mr. Md. Joynal Abdin, an official at SME Foundation and an expert in SME cluster development, said that prevailing financing mechanism for SME follows a blanket approach or one-size-fits-all mode for financing, which is ineffective. Mr. Abdin further gave a number of examples to make his point that SME financing need to be flexible for different products and for different geographical locations. For instance, he cited the example of ‘agar wood’ processing in the Northern part of Bangladesh. During the harvesting time of ‘agar wood’, the processors need a huge amount of cash for a short period to buy the bacteria-infused raw wood from the planters. Yet, smaller processors often do not qualify for loans, against no or limited land-based collateral at their disposal. They resort to local money-lenders who lend to them at a very high interest rate, often at 50 percent or higher, for a period of 2 to 3 months. The processors are able to pay back the loan within that short period, after selling the processed ‘agar wood’ essence to the bulk buyers. It would have been a great help to ‘agar wood’ processors if they could obtain a bank loan at the interest rate of 10-12 percent for a period of 2 to 3 months. Unfortunately the present procedural requirements for bank loans do not allow this. There is a need for reforms in banking regulations.

Another key informant was Ms. Sultana Poppy, who is a renowned consultant and trainer and involved in capacity building of women-led enterprises engaged in manufacturing agro-processed food items. She said that most entrepreneurs lack the level of formalization that calls for properly maintaining the books of accounts and hence cannot furnish the statutory audit reports, a mandatory requirement for applying for bank loans.

3.4. Growth and future plan

Most of the surveyed WMSME are very positive about the prospects of their business. They expressed interest to expand their businesses into different dimensions. Seventy percent of the textiles and apparel WMSME and 80 percent of the agro-food WMSME desired to increase their sales turnover in next three years (figure 3.8). Both industries intend to hire more employees for their future business growth. Sixty percent of the respondents in the textiles and apparel industry wish to expand their markets whereas the agro-food producers who wish the same is almost nil. In other words, women entrepreneurs in the agro-food industry seem to be satisfied with the market opportunities they have now. On the other hand, about 30 and 25 percent of WMSME in agro-food industry are willing to diversify their products and business respectively in near future whereas only 5-10 percent of the respondents in the textiles and apparel industry respondents are willing to do so.

Figure 3.8 Targets for the next three years



When they were asked about their main strengths to achieve their business targets, WMSME in both industries responded that they will achieve their business goals with family support, good amount of capitals, quality products and competitive price of their products but also by working hard and with their strong mentality. Since the majority of WMSME in the textiles and apparel industry are engaging in retail and wholesale trade, they perceived their interpersonal skills as strength. On the other hand, WMSME in the agro-food industry were mostly manufacturers. They identified that their hygienic products and products marketing were their strengths. However, relatively small share of the respondents in both industries thought they could achieve their business goals due to sufficient products demand. Moreover, only 15 percent of WMSME thought that exceptional design of their textiles and apparel products were their strengths.

Most of the surveyed WMSME said that sexual harassment, lack of safe transportation facilities for women, gender discrimination at business, giving time to the family and getting loan from commercial banks are the main challenges for them. On the other hand, getting loan from SME Foundation, low interest rate and information available from SME Foundation are some of the major opportunities for their business.

Figure 3.9 Strengths of business to achieve the targets

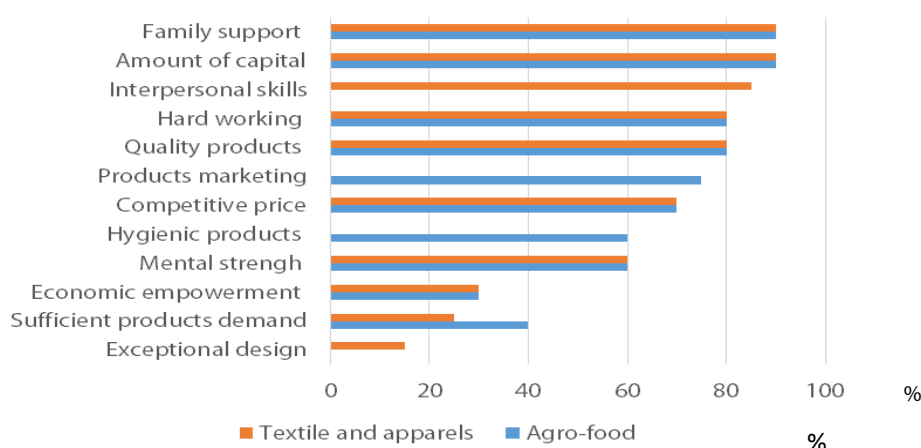
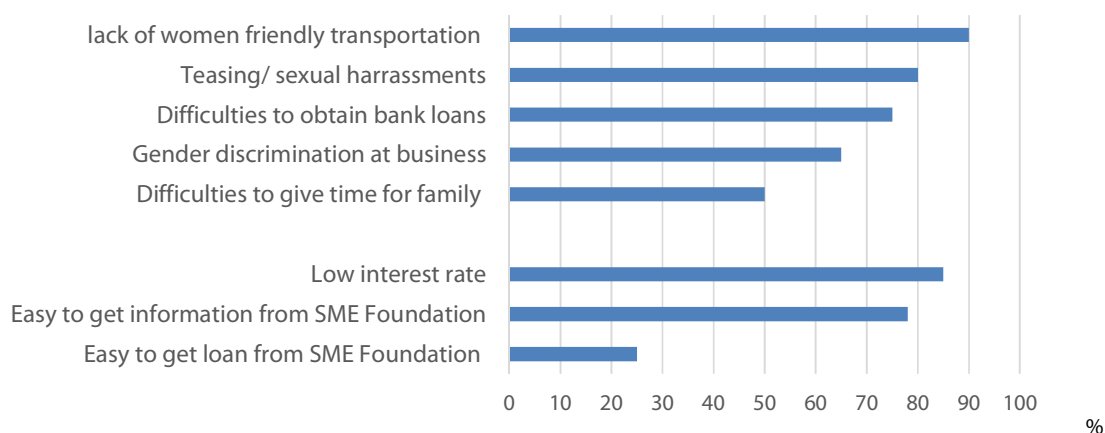


Figure 3.10 Identification of WMSME challenges and opportunities: Textiles and apparel and agro-food industries



3.5. Non-tariff barriers

Since none of the surveyed enterprises were directly involved in international trade, there was no direct response on the trade-related challenges their products face. The survey selected textiles and apparel with potential increase in imports of Indian inputs and agro-processed food with export focus. This section reviews the NTBs that the industry faces based on the literature and information from key informants.

Apart from customs-duty, ranging from 5 to 25 percent on various intermediary raw materials and finished products, there are para-tariffs in form of supplementary duty (SD), and regulatory duty on imported textiles and apparel products and their components. For example, there is 60 percent SD on cotton t-shirts and vests (HS Code 610910) imported from India or elsewhere on MFN basis. This can be classified as F 69 (additional charges) under UNCTAD classification of NTMs. Section 65 of *Finance Act 2014* incorporates the Schedule 3, Section 7 of Value Added Tax Act 1991 requires Bangladesh to impose SD on some textiles and apparel items (table 3.3). Such high para-tariffs certainly create a trade barrier for exports of these items falling under HS Headings 58, 61, and 62. There was no sanitary and phytosanitary measures (SPS) related NTB mentioned by the respondents for textiles and apparels imports. There were no technical barriers to trade (TBT) related NTBs mentioned either.

As for the agro-processed food, WMSME surveyed were found somewhat aware of the SPS and TBT related challenges their exporters face, and knew their own roles in complying with those issues at the

producer's level. For example, one producer of puffed rice mentioned that the popular practice of using a small amount of urea fertilizer while producing puffed rice meant for export markets such as India or EU since residual presence of either ammonia or urea is not permitted in puffed rice in those destination countries. The producers are also required to keep records of their manufacturing dates and inform so to the exporters, in order for the latter to put the date of production on product labels.

In addition, an example provided by the Bangladesh Agro-Processors Association would help identify some NTBs. There is a minimum price requirement in India for certain products. This can be categorized as F11 as per UNCTAD Classification on NTMs, which turns into a NTB for Bangladeshi SME exporters. In the case of betel nuts (HS Code 080290) for example, the minimum requirement of price⁴ in India is 35 Indian Rupees per kg. The price of Betel Nuts in local market is Tk. 35 per kg, which is equivalent to 28 Indian Rupees. Most of the SME as well as large farms in Bangladesh can sell at this price, but the price restriction in India makes Bangladeshi exports not competitive through regular export channels.

⁴ Cost, Insurance and Freight (CIF) price. For more information, see <http://fssai.gov.in/Portals/0/Pdf/ch%2008.pdf>

Table 3.3 Selected imported items facing supplementary duty in Bangladesh

| Heading/ HS code | | Description | SD rate, % |
|------------------|---|--|------------|
| 58.01 | All HS Codes except 58.02 | Woven pile fabrics and chenille fabrics | 30 |
| 61.01 | All HS Codes | Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski jackets), wind-cheaters, wind-jackets and similar articles, knitted or crocheted | 60 |
| 61.02 | All HS Codes | Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski jackets), windcheaters, wind-jackets and similar articles, knitted or crocheted | 60 |
| 61.03 | All HS Codes | Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear) | 60 |
| 61.04 | All HS Codes | Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts (other than swimwear) | 60 |
| 61.05 | All HS Codes | Men's or boys' shirts | 60 |
| 61.06 | All HS Codes | Women's or girls' blouses, shirts, and shirt-blouses | 60 |
| 61.07 | All HS Codes | Men's or boys' underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar articles | 60 |
| 61.08 | All HS Codes | Women's or girls' slips, petticoats, briefs, panties, nightdresses, pyjamas, negligees, bathrobes, dressing gowns and similar articles | 60 |
| 61.09 | All HS Codes | T-shirts, singlets and other vests | 60 |
| 61.10 | All HS Codes except 61110.02.00 and 611019.00 | Jerseys, pullovers, cardigans, waistcoats and similar articles | 60 |
| 61.11 | All HS Codes | Babies' garments and clothing accessories | 60 |
| 61.13 | 6113.00.00 | Garments, made up of knitted or crocheted fabrics of heading 59.03, 59.06 or 59.07 | 60 |
| 61.14 | All HS Codes | Other garments | 60 |
| 61.15 | All HS Codes | Panty hose, tights, stockings, socks and other hosiery, including graduated compression hosiery (for example, stockings for varicose veins) and footwear without applied soles | 60 |
| 61.16 | All HS Codes | Gloves, mittens and mitts | 60 |
| 61.17 | All HS Codes except 61117.80.90 | Other made up clothing accessories, knitted or crocheted; knitted or crocheted parts of garments or of clothing accessories. | 60 |
| 62.01 to 62.10 | All HS Codes | Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski jackets), wind-cheaters, wind-jackets and similar articles, and Garments, made up of fabrics | 60 |
| 62.11 | 6211.32.00 | - Of cotton | 30 |
| | 6211.33.00 | -- Of man-made fibres | |
| | 6211.39.00 | -- Of other textile materials, - Other garments, women's or girls' | |
| | 6211.42.00 | -- Of cotton | |
| | 6211.43.00 | -- Of man-made fibres | |
| | 6211.49.00 | -- Of other textile materials | |
| 62.12 to 62.17 | All HS Codes | Brassieres, girdles, corsets, brace, suspenders, garters and similar articles and parts, Handkerchiefs, Shawls, scarves, mufflers, mantillas, veils and the like | 45 |

Source: Finance Act, 2014.

4. Recommendations

The survey found that very low degree of Bangladeshi women entrepreneur's engagement in cross-border trade. Despite favourable policy and regulatory regime of the country offering preferential treatments for SME, and particularly for women SME entrepreneurs, the involvement of women in business is extremely poor in Bangladesh. There is a need to develop various MSME schemes, including financial access and capacity building programs, which should be more suitable and effective for women entrepreneurs in Bangladesh. The recommendations are:

Provide women entrepreneurs with pre-investment advice and assistance in drawing up and implementing projects. There is a general trend towards rise in women entrepreneurship in Bangladesh, but women trade bodies claim that social acceptability of this trend is not reflected in the attitude of the lending agencies, which discourages them from seeking institutional finance.

Introduce preferential treatment for micro and small enterprises. *SME credit policies and programmes* states that at least 40 percent of the total disbursement target of SME credit should be reserved for small entrepreneurs and the rest for medium enterprises with the same loan requirement. Rather, SME schemes may be designed separately for the two different target groups. That is, one package for micro and small enterprises with more flexibility and another package for medium enterprises, with more competitive terms and conditions.

More flexible approach for credit access to women entrepreneurs. The Bangladesh Bank needs to adopt more flexible approach for allowing the commercial banks provisions to customize their financial products according to the needs of particular SME products or sectors, and for women-led SME, in terms of flexible payback period, risk assessment, interest rates, and so forth.

More effective capacity building programmes. The capacity building programmes should be designed, specific to the needs of particular MSME product, cluster, or target groups, particularly for women entrepreneurs, instead of one-size-fits all approach. The timing and location of the capacity building programmes should also reflect women's needs, given women's household responsibility and lack of safe transportation.

Better integration of SME in the global value chain. If SME can find their appropriate places in the value chain of the mainstream or 'formal' sector enterprises in the same industry, then it would be conducive for the growth of both. Gender-sensitive value chain analysis per product would be useful to examine the current situation and suggest the strategies for the integration. ADB (2015) suggests several steps to integrate SME into the global value chains. Among them, the interventions that are particularly relevant to WMSME are developing supply chain information and supply chain finance systems, creating an effective education and skills training for SME, helping SME develop ties with larger industrial partners, provide information about trade and investment agreements and developing a one-stop shop for SME seeking to expand abroad.

Removal of NTBs. In the context of NTBs at home, Bangladesh government should lower or eliminate SD rates on raw materials like fabrics and input parts to promote WMSME in the textiles and apparel. As for the agro-processed food, there is a need to raise the awareness among WMSME with respect to the SPS and TBT related challenges their exporters face and how to comply with these issues at the producer's level. In the case of price restriction faced by exporters of betel nuts from Bangladesh to India, the policy suggestion would be to eliminate the minimum requirement of price of betel nuts in India.

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Annex: Questionnaire

Questionnaire for WMSME Target Audience

1. Preliminaries (প্রাথমিক তথ্যাবলী):

1.1 Name of the Respondent (উক্তর নাম):

1.2 Name of Business (পেশার নাম):

1.2.1 Established Year: (প্রতিষ্ঠাতার সাল)

1.3 Contact Information যোগাযোগের তথ্যঃ

Address: ঠিকানা

Town/District: (শহর/জেলাঃ)

Phone:(ফোননং)

Email: (ই-মেইল)

1.4 Name of Member of Business Association/Chamber (আপনি যে ব্যবসায়িক সন্থার এর সদস্য)ঃ

1.5 Consent to be interviewed:(ইচ্ছারিত্তি দিতে রাজী আছে কিনা) Signature(স্বাক্ষর).....

Date:

2. Business and Products: (ব্যবসা এবং পণ্য)

2.1 Product HS Chapters/HS Codes (পণ্য সামগ্রীর অধ্যায়/ কোড নম্বর):

2.2 Core Business Process:(মূল ব্যবসার প্রকারী:) 1.Manufacture (উৎপাদন)

2.Trading (ক্রয়/বিক্রয়)

2.2.1 Details of manufacturing and value addition (উৎপাদনের বর্ণনা এবং মূল্য সংযোজন)ঃ

2.2.2 If trading, nature of flow (স্বনিষ্কাশের ধরন) 1.Export (রপ্তানি)

2.Import(আমদানি)

3.Wholesale (পাইকারি)

4.Retail (বুটকা)

2.2.3 Legal Status: 1. Limited

2.Partnership

3. Proprietorship

4. Sole Proprietorship

2.2.4 Ownership Status(মালিকানাধার ধরন):

a. Owner (মালিক) ১. Yes

2. No

if yes, 3.full ownership (মালিক হলে কি পুরাপুরি মালিক)

4. Partial ownership % of ownership (আংশিক মালিক হলে কত শতাংশ)

b. Manager (ব্যবস্থাপক) c. Employee (কর্মচারী)

2.2.5 Total Number of Employees (সর্বমোট কর্মচারীর সংখ্যা): a. Male b. Female

3. Trade Profile (বিনিজের প্রোফাইল)

3.1 Name[s] of the country/countries you trade with the most (সেই দেশের সাথে বেশি বাণিজ্য করা হয়): (Rank, if possible)

Afghanistan India Nepal Sri Lanka Bhutan Maldives Pakistan

Other.....
.....
.....

3.2 Main reasons for trading with the country/ies mentioned above (উপরে উল্লিখিত দেশ ওদের সাথে বাণিজ্য করার মূল কারণ সমূহ)

a. Easy availability (সহজে করা যায়) b. Cost/Price (বরচ বা মূল্য) c. Good contacts (ভাল যোগাযোগ)

d. Transportation (পরিবহন) e. Low tariffs/duties (কম শুল্ক) f. Low trade barriers (বাণিজ্যে কম বাধা)

g. Other reasons (অন্যান্য কারণ):

3.3 Reasons for no trade with the countries except the country/ies mentioned above? উপরে উল্লিখিত দেশ ওদের সাথে অন্য দেশের সাথে বাণিজ্য না করার কারণ সমূহ

a. Supply side constraint (সরবরাহ বাধা) b. High transport cost (উচ্চ যাতায়াত ব্যয়)

c. Non-Tariff Measures (অ-শুল্ক বাধা) d. Lack of adequate demand (পূর্ণাঙ্গ সহিষ্ণার অভাব)

e. High tariffs/duties (উচ্চ শুল্ক) f. Any other reasons (অন্যান্য)

4. NTB Profile (অ-শুল্ক বাধা পর্যালোচনা)

4.1 Quantitative Restrictions (পরিমিত সীমাবদ্ধতা)#

If any, are there any quantitative restrictions (সেখানে কি কোন ধরনের পরিমিত গত সীমাবদ্ধতা আছে)1. Yes 2. No

If yes, what is the maximum limit of Quota (যদি থাকে কোটার সর্বোচ্চ সীমা কত)?

Or what is the Tariff Rate Quota (TRQ) for your product (অথবা আপনার পণ্যর জন্য শুল্ক কোটা (TRQ) কত)?

Check the reasons for quota restrictions, i.e., E 200, E 210, E 211, E 220, E 230, E 240, E 250, E 260, etc.

4.2 Para-Tariffs:

| Serial | Type of Duty (অক্ষয় ধরন) | Ad-Valorem or Specific Rate (মূল্য সহযোগিতা অথবা নির্দিষ্ট শুল্ক মাত্রা) | Same applies to domestic prodn. (সেই উৎপাদিত পণ্ডেও কি সম পরিমাণে শুল্ক) | | NTM Reference Codes | (the interviewer will check for NTM Reference Codes, such as D 100 or D 900 for Regulatory Duty, D 500 for Countervailing Duty, etc. from UNCTAD NTM Reference document) (উত্তরস্বত্ব NTM রেফারেন্স কোড সমূহ চেক করবে) |
|--------|------------------------------|---|--|----|---------------------|--|
| | | | Yes | No | | |
| Duty 1 | Customs | | | | | |
| Duty 2 | | | | | | |
| Duty 3 | | | | | | |
| Duty 4 | | | | | | |
| Duty 5 | | | | | | |
| Duty 6 | | | | | | |

Do you export Under SAFTA, or any FTA?

Do you require C.O from EPB to Export (রপ্তানী করার জন্য ই.পি.বি থেকে C.O নেওয়ার প্রয়োজন আছে কি না)

4.3 Violation of MFN:

4.3.1 Is there any discrimination between the treatments of the same product imported/exported from any other country (একই পণ্য অন্য দেশ থেকে আমদানি/রপ্তানি ক্ষেত্রে কি কোন ধরনের বৈষম্য বিস্তার করে)? 1. Yes 2. No

4.3.2 If yes, has been the discrimination reported (যদি থাকে, তবে কি সেই বৈষম্য নিয়ে রিপোর্ট করা হয়েছে)? 1. Yes 2. No

4.3.3. If reported, to which authorities and when (যদি রিপোর্ট করা হয়ে থাকে, তাহলে কায় কাছে এবং কখন?)

4.4 Restrictive Import Channels and Ports of Entry (সীমিত আমদানি চ্যানেল এবং বন্দর)

4.4.1. Do you require to export your product only through restricted import channels (H 100, H 200 etc.), or ship through only designated ports of entry (C3) (আপনি কি আপনার পণ্য সামগ্রী কে সীমাবদ্ধ আমদানি চ্যানেলের মাধ্যমে রপ্তানি করতে হয় (H100, H200 ইত্যাদি) অথবা নির্ধারিত কিছু বন্দরের মাধ্যমে এ তুলোকে পাঠাতে হয়)? 1. Yes 2. No

4.4.2. If yes, please describe them (যদি তা হয় তবে বর্ণনা করুন)

4.4.3 Which specific law in the importing country designates those specific ports? When it was last updated (আমদানি কারি দেশ কোন নির্দিষ্ট আইন এর মাধ্যমে SPS-তরলকে নির্ধারণ করে? সর্বশেষ কখন এটি স্থাপন/পাশ করা হয়েছিল)

4.5 SPS Measures:

What SPS measures your products are required to comply for entering into a specific country (আপনার পণ্য কোন একটি নির্দিষ্ট দেশের মধ্যে প্রবেশের জন্য কি কি SPS প্রয়োজন আপনাকে মেনে চলতে হয়)?

| Ground for SPS Measures | Specific Requirements | NTM Code (Write down the code from Reference Book) | NTM Reference |
|------------------------------|---|---|---------------------------|
| Regulatory Reasons | Registration <input type="checkbox"/> | | A 150, A 190, etc. |
| Toxic Substance/Contaminants | Tolerance Limits <input type="checkbox"/> | | A 200 |
| SPS Information | Labeling, Marking, & Packaging <input type="checkbox"/> | | A 310, A 320, A 330, etc. |
| Hygiene | Microbes Presence, Production <input type="checkbox"/> | | A 410, A 420, etc. |
| Elimination of Pests | Post-Harvest Treatment <input type="checkbox"/> | | A 510, A 520, A 530, etc. |
| Quality Standards | Testing, Conformity, Certification <input type="checkbox"/> | | A 820, A 830, A 840, etc. |
| Disease Containment | Quarantine <input type="checkbox"/> | | A 860 |
| Other: | Describe: | | |

4.5.1 Please explain the specific requirements and procedural steps that you need to perform the problems associated with those steps if any, cost and time requirements, etc. (আপনার পূর্ববর্তী ব্যাধ অতিক্রম করার জন্য কি কি ধরনের নির্দিষ্ট প্রয়োজনীয়তা এবং পদ্ধতিগত পদক্ষেপ গ্রহণ করেন, যাবা করুন (বরত বা সময়ের প্রয়োজন হলে উল্লেখ করুন)

4.5.2 What could possibly be done to ease the problems/challenges mentioned in 4.5(উল্লিখিত সমস্যা সমাধানে কি কি পদক্ষেপ নেওয়া যেতে পারে)

4.6 TBT Measures:

What TBT measures your products are subjected to for entering into a specific country (নিম্নে সেশে আপনার পণ্য সঞ্চারিত জন্য কি কি ধরনের TBT বাধার সম্মুখীন হন)

| Ground for NTM Measures | Specific Requirements | NTM Code (Write down the code from Reference Book) | NTM Reference |
|--------------------------------|---|---|---------------------------|
| Non-Economic, Non-SPS | Environmental, Security, etc. <input type="checkbox"/> | | B 110, B 140, etc. |
| Regulatory Reasons | Registration <input type="checkbox"/> | | B 150 |
| Toxic Substance/Contaminants | Tolerance Limits <input type="checkbox"/> | | B 210, B220, etc. |
| Information | Labeling, Marking, & Packaging <input type="checkbox"/> | | B 310, B 320, B 330, etc. |
| Labor & Materials Handling | Production & Post-Production <input type="checkbox"/> | | B 410, B 420, B 490, etc. |
| Identity & Contents | Labeling, Certification, etc. <input type="checkbox"/> | | B 600, B 700, etc. |
| Performance, Quality Standards | Testing, Inspection, Certification <input type="checkbox"/> | | B 820, B 830, B 840, etc. |
| Others | Describe: | | |

4.6.1 Please explain the specific requirements and procedural steps that you need to perform, the problems associated with those steps, if any, cost and time requirements, etc. (আপনার পূর্ববর্তী বাধা অতিক্রম করার জন্য কি কি ধরনের নিম্নে প্রয়োজনীয়তা এবং পদ্ধতিগত পদক্ষেপ গ্রহণ করেন, যাবা করেন (বসত বা সময়ের প্রয়োজন হলে উল্লেখ করুন)

4.7 Administrative/Procedural Obstacles (প্রশাসনিক / পদ্ধতিগত বাধা)

4.7.1 Please briefly describe the procedural and administrative barriers you face, and where do they occur? (Example: too many forms, attitude, customs evaluation, port authority, measures by local government authorities, banking and financial restrictions, etc.) (আপনি যে সকল প্রশাসনিক / পদ্ধতিগত বাধার সম্মুখীন হন সে সম্পর্কে অল্প কথায় ব্যাখ্যা করুন এবং আপনি কোথায় বাধাগ্রস্তের সম্মুখীন হন) ?

4.7.1.1 How do you address them? [This is a broad-based open-ended question and the interviewer will check for possible NTM reference codes] আপনি যাঁখাওলো কে কিভাবে মূল্যায়িত করেন । (এই প্রশ্নের কোন উত্তর নেই । তথ্য বিশ্লেষণ NTM reference codes বই থেকে লিখবে)

| SL | Write down the Issues | Respective NTM Code |
|----|-----------------------|---------------------|
| | | |
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4.7.2 What do you consider as the most severe challenge/problem for your product to export? Why? How could this be possibly resolved (আপনি আপনার পণ্য রপ্তানির জন্য কোন সমস্যাগুলোকে সবচেয়ে বেশি কঠিন বলে মনে করেন? কেন মনে করেন? এই সমস্যাগুলো কিভাবে সমাধান করা সম্ভব) ?

4.7.3 Is there any specific issue that you face being a woman? If so, what is the nature of such issues(আপনি মহিলা হওয়ার কারণে কি কোন নির্দিষ্ট সমস্যার সম্মুখীন হয়েছেন? যদি হলে থাকেন তাহলে সমস্যার ধরন কিরূপ ছিল ?)

5. SME and Gender Issues:

5.1 Are you aware of the facilities/incentives provided by the government for SMEs and Women Entrepreneurs/Traders (আপনি এসএমই ও নারী উদ্যোক্তাদের জন্য সরকার কর্তৃক প্রদত্ত সুযোগ - সুবিধা সম্পর্কে কি তাল ধারণা রাখেন? 1. Yes 2.No

5.2 If yes in 5.1, what are those?(যদি হ্যাঁ হয় তাহলে সে তথ্য কি কি) ?

- a. Access to finance b. Business Services
 c. Product Promotion (exhibitions, fairs, information, etc.) d. Market Promotion

e. Others (elaborate :)

5.3 Have you ever availed of any of the above benefits/opportunities (আপনি কি কখনও উপরে সুযোগ / সুবিধা নিয়েছেন?)

1. Yes 2.No

5.3.1 If yes, which one[s] (যদি নিচে থাকেন তাহলে উপরে কোনটি নিরূপণ করুন)?

5.4 If yes in 5.3, how do you rank the benefits/incentives you have received (যদি ৫.৩ হ্যাঁ হয়, কিতাবে আপনি আপনার পাওয়া সুযোগ / সুবিধা কে মূল্যায়িত করবেন?)

a. Very satisfactory b. satisfactory c. Not helpful

(Elaborate :)

5.5 If no in 5.3, what are the reasons you could not avail of those benefits/services (যদি ৫.৩ না হয়, তাহলে কি কারণে আপনি সুযোগ / সুবিধা নেন নি)

5.6 Do you think being a woman barred you from getting the benefits (আপনার কি মনে হয় মহিলা হওয়ার কারণে আপনি সুযোগ / সুবিধা তুলো পাওয়া থেকে বাধা গ্রহণ করেছেন?) : 1. Yes 2. No

(Elaborate)

6. Growth and Future Plan (প্রবৃদ্ধি এবং ভবিষ্যত পরিকল্পনা):

6.1 What is the current volume of your annual sales turnover (আপনার বার্ষিকিক বিক্রির পরিমাণ কত টাকা)?

6.2 What is your target for the next 3 years (আপনার আগামী তিন বছরে ব্যবসার লক্ষ্য কি কি)?

a. Increase in sales turnover (বিক্রির পরিমাণ বাড়ানো) by how much (কি পরিমাণ বাড়ানো)

b. Increase in employment (সংকলনের পরিমাণ বাড়ানো) by how many/much? (কি পরিমাণ বাড়ানো)

c. Product diversification (পণ্য বহুবৈচিত্র্য) which products/how? (কোন পণ্য এবং কিতাবে)

d. Business diversification (ব্যবসা বহুমুখীকরণ) how (কিভাবে)?

e. Market expansion (বাজার সম্প্রসারণ) where, how (কোথায় এবং কিভাবে)?

6.4 What are your main strengths to achieve your target[s]? (আপনার বাস্তবতা পূর্ণাঙ্গ অর্জনে আপনার প্রধান শক্তি কি?)

6.5 As a woman, and as a WMSME, how do you perceive your challenges and opportunities? একজন মহিলা এবং WMSME হিসাবে আপনার বাস্তবতার সুযোগ এবং ঝঁঝা সম্পর্কে আপনার ধারণা কি?

6.6 Would you be interested in carrying out your business in more formal channels (L/Cs, banks etc.) if the challenges in the ports and customs are made easier? (যদি ports এবং customs ঝঁঝা তুলো মুক্ত করা হয় তাহলে কি আপনি আপনার ব্যবসা অধিক বৈধ পথে করতে চান (L/Cs, banks etc.)

a. Definitely yes b. Yes c. Likely d. No (Please explain)

Name of the interviewer (শোকাঙ্ককার গ্রহনকারীর নাম):

Date (তারিখ):

Respondent (শোকাঙ্ককার দানকারী): 1. Individual 2. Focus Group



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