



**Langa Dorji**  
**Dept. of Employment,**  
**MoLHR**

# Outline of Presentation

- MSME Definition
- Overview of Bhutan's SME
- Impediments in SME development
- SME Development
- Advantages for Growth of SME
- Areas of Opportunity for SME growth
- Conclusion

# DEFINITION

Business Type	Employment	Investment
Large Enterprise	100+	> Nu. 100 million
Medium Enterprise	20 to 99	Nu. 10–100 million
Small Enterprise	5 to 19	Nu. 1–10 million
Micro Enterprise	1 to 4	< Nu. 1 million

Nu. 53 = US \$ 1

Note: Employment and investment will apply; where there is conflict, investment will take precedence over employment

## Overview of Bhutan's SME

- First Five Year Plan (FYP) began in 1961
- Privatization began in the 6FYP period (1987-1992)
- Privatization of public sector undertakings
- Corporatization of government agencies
- MSME make-up 98% of enterprises

# Impediments in SME development

- Raw Materials
- Human Resources
- Sales and Market access
- Infrastructures
- Infos on Market & Technology
- Legal Environment
- Technical/Production
- Commercial Space
- Competition
- limited access to financing

# Support mechanism for SME development

- Private sector is the 'engine of growth'
- Government's role is facilitation & regulation
- Private sector to take up all commercial activities

## Government initiatives:

- Establishment of Bhutan Chamber of Commerce & Industries
- Infrastructure development
- Simplification of registration & licensing procedures

## Support mechanism for SME development ...

- Regular interactions and consultations
- Protection of intellectual property rights
- Outsourcing of services to the private sector
- Fiscal incentives
- Access to credit
- HRD support

# Advantages for Growth of SME

- Political Stability
- Peace & Security
- Vibrant & living culture
- Pristine & Natural environment
- Reliable & competitively price energy



# Conclusion