

# Role of Chambers in SME Development

Majid Shabbir

Islamabad Chamber of Commerce & Industry –  
Pakistan

## SME definitions used by various institutions in Pakistan

<b>Institution</b>	<b>Enterprise Category</b>	<b>Employment Size (a)</b>	<b>Paid Up Capital (b)</b>	<b>Annual Sales (c)</b>
SME Policy 2007	Small & Medium Enterprise	Up to 250	Up to Rs. 25 Million	Up to Rs. 250 Million

<b>Institution</b>	<b>Small</b>	<b>Medium</b>
SME Bank	Total Assets of Rs. 20 million	Total Assets of Rs. 100 million
Federal Bureau of Statistics	Less than 10 employees	N/A

# SME definitions used by various institutions in Pakistan

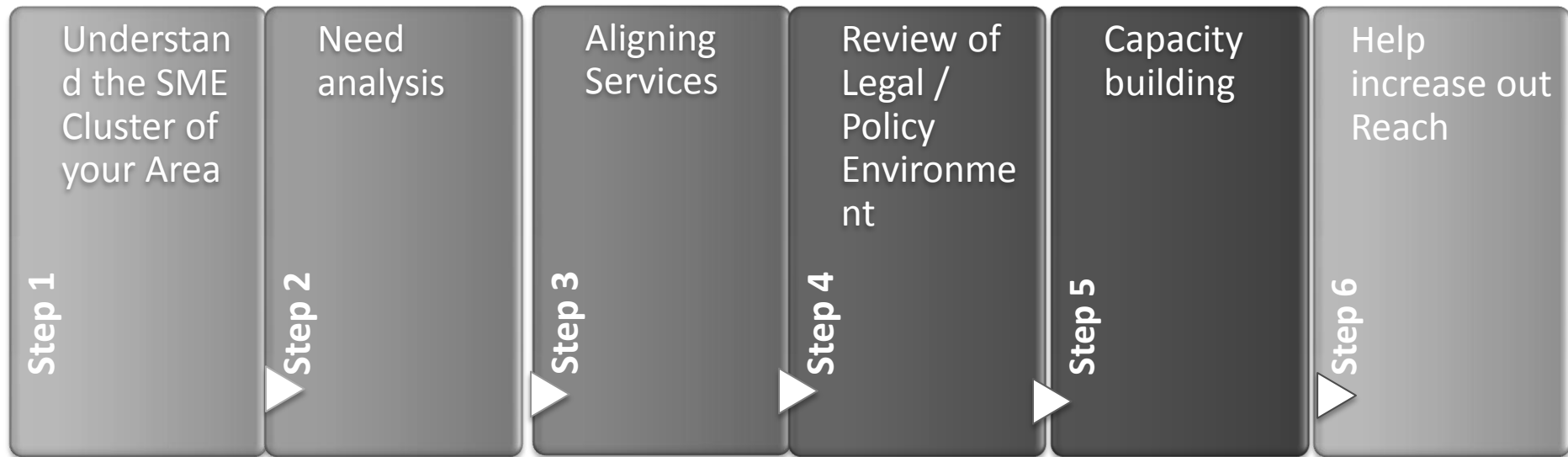
Institution	Definition
State Bank of Pakistan (SME Prudential Regulations)	<p>An entity , ideally not being a public limited company, which does not employ more than 250 persons ( manufacturing) and 50 persons (trade / services) and also fulfills one of the following criteria:</p> <p>(i) A trade / services concern with total assets at cost excluding land and buildings up to Rs 50 million.</p> <p>(ii) A manufacturing concern with total assets at cost excluding land and building up to Rs 100 million.</p> <p>(iii) Any concern (trade, services or manufacturing) with net sales not exceeding Rs 300 million as per latest financial statements.</p>

# Importance of SMEs to large corporations

- SME sector is the key to economic growth and job creation
- Important source of local supply
- Service to larger corporations
- Extensive knowledge of local resources
- By working closely with SMEs, large corporations can develop a new customer base
- Important source of innovation



# How Chambers should help SMEs



# Approach of Business Associations

- Focus on professional development and departmentalization
- Availability of experts on international agreements
- Focused approach – sector wise
- Increased frequency of surveys for need analysis
- Assistance in Technology transfer
- Investment promotion
- Support in Policies for SMEs

# Approach of Business Associations

- Strengthening resources of websites & databases
- Online facilitation
- Management Trainings on Marketing, Finance, Budgeting and Accounting, Quality Management, Trade Promotion, etc.
- Seminars and forums on SME development
- Outward and inward trade missions
- Trade Fairs and Exhibitions participation



# Support by Government

- An enabling regulatory requirement is critical – particularly SME registration and monitoring
- Governments can engage (incentives) to address the need for start-up funds
- Governments play an essential role in capacity building, e.g.

» - Promoting the need for more entrepreneurs  
and SMEs

– - Setting up municipal level agencies for advice and  
training on starting SMEs

# Business Association's Constraints

- Chambers exists in regulatory framework
- Memberships are voluntary
- Non-existence of quality system
- Lack of trust on business association's support
- Members are not used to of using emails – participation in important programs is missed
- Memberships for specific purpose

# Business Association's Constraints

- Lack of visionary leadership
- Shortage of skilled staff
- Inadequate finance
- Non-acceptance as partners by public sector organizations
- Organizational instability and inefficient administration

# Initiatives by Islamabad Chamber

- Establishment of Entrepreneurship Development Center
- Connectivity with the skill development organizations
- Preparation of a report on corruption
- Preparation of Policy/position papers on important sectors
- Analysis of existing policies and formulation of recommendations

## SMEDA Desk at EDC

- SMEDA help desk provides following facilitations:
- Project Identification/ Implementation
- Business development services
- Business Information
- Business Match making
- Assistance in Fund Raising
- Legal and regulatory procedures
- Cluster Profiles development
- pre-feasibility study development

# Business Support Organization's Forum

www.bsoforum.com

← → ×

bsoforum.com

☆

## Business Support Organization's Forum

Search

Home | About | Contact us |



You are welcome at the Business Support Forum – an online interactive platform of business associations

Subscribe

Your email:

Subscribe

RECENT POSTS

OCT 11  
20

### Advocating for Energy Reforms in Pakistan

Pakistan's private sector seeks to diversify the country's energy supply. Pictured is a diesel power plant in Pakistan. Photo: <http://www.power-technology.com/>

Pakistan's inability to generate enough energy is one of the key reasons for slow economic growth in the country. Pakistan generates around 10-12,000 megawatts per day, which is not enough to meet the



FOLLOW / FRIEND ME



Pages

▶ 3rd Secretary Generals Conference

▶ Secretary Generals/CEOs'

▶ Policies & Regulations

▶ Reports & Documents

Search...

Translate

Share

Twitter

twitter

Join Chat

↑

ⓘ

POWERED BY wibiya



Thank You

