About use of locally produced raw-materials by SME subsector he suggested:

- Marketing / diversification of new goods
- Production costs of the goods should be low
- Creating local market
- Production of quality goods
- Developing different entrepreneurs in different areas / regions based on comparative advantage

Mr. Helal mentioned that:

- Bangladesh Bank (BB), IDA, ADB, JICA have undertaken necessary measures for SME financing.
- Mainly the commercial banks do the SME financing. They are more interested in providing large scale loans because of the risks involved in SME financing, monitoring and less profit.
- BB has accelerated in the social and agricultural development of Bangladesh. Still further supports need to be given to finance SME endeavors

About the risk factors the following were mentioned:

- Financial risks
- Commercial / marketing risks
- Coordination risks

5. Md. Golam Sarwar, Seaport Traffic Management Expert

- Md. Golam Sarwar, Seaport Traffic Management Expert has recently retired as Director (Traffic) of Chattogram Port Authority (CPA). A discussion session was held with him on the various issues relating service sector SMEs that are involved in traffic documentation traffic management, clearing and forwarding, loading and unloading etc. which are very important for international trade.
- He said that over the years export and import activities through Chattogram Port have increased many times. According to him while during late 1990s and early years of 21st century less than1000 ship used to come to Chattogram Port, at present over 3000 ships use Chattogram Port. Keeping pace with increase in number of ships, volume of containerized and bulk goods have increased. The arrival and departure of ships increased on an average by 12% per year during last one year. The number of containers handled during last year was 29 lac Twenty feet equivalent units (teu). The total volume of transaction through Chattogram Port is about 80 million tons of which 60 million tons are bulk cargo and 20 millions are containerized cargo.
- Mr. Sarwar has made his career in traffic functions at Chattogram Port. He mentioned that while in 1970s there were less than 300 Clearing and Forwarding (C&F) agents at present there are about 3000 C&F agents. In last year election of C&F agents the number of registered voters of C&F Association was 2600. The clearing and forwarding

activities have increased so much that at present the association owns a multi-storied C&F Tower at Agrabad.

- According to this seaport traffic management expert the port's, facilities such as jetties and terminals cannot cope with the volume of trade. The government has taken up a plan to construct the Bay Terminal which will facilitate ship transaction directly at the seaside.
- Mr. Sarwar pointed out that seaport management functions have been automated in all developed and many developing countries. The seaports have developed fully Operational Port Management Information System (Port MIS). According to him Chattogram Port is lagging behind in computerization of port operation systems. He emphasized the need for large scale application of ICT in management system of this port so that the country can cope with the modern trends in port management.
- He said that the C&F organizations are SMEs in their structure and can be considered as important service based SMEs.

6. Md. Azim Uddin, Secretary, Brahmanbaria, Chamber of Commerce and Industries,

- In order to increase the contribution of SMEs to national income following measures need immediate attention:
  (a) Entrepreneurs should be provided with soft bank loan
  (b) Industrial plots shall have to be given to SMEs. SMEs need special economic zone where they will have every facilities for production
  (c) Technical training must be arranged for potential investors
  (d) Educated people must be motivated to start their own SMEs
  (e) Educated women need special attention while giving loans to potential investors.

- Strict monitoring on the part of government is required to ensure quality of the products produced by SMEs
- BSTI should establish its office in every district
- Intensive promotion is required to familiarize the products both at home and abroad
- Incentives be given to exporters to find export market
- Training on ICT shall have to be provided to our SMEs. Steps must be taken by the government to familiarize our investors about mobile apps. All such facilities must be free of cost to the investors.
- Local resource based industries shall have to be encouraged. Brahmanbaria produces plenty of Lichi, Jackfruit and Guava. If government helps to process such fruits, export is possible.

7. Md. Monowar Hossain, Secretary, Chambers of Commerce and Industry, Kushtia

- To ease SME loan to potential investors
- Identification of loan receivers through Chamber of Commerce

- Getting approval or recommendation from Chamber of Commerce shall be a precondition in case of sanctioning loans to SMEs by banks
- Transparency must be maintained by banks in the event of providing loan
- BSCIC and Chamber of Commerce shall jointly monitor the SMEs matters at the local level
- Maintaining quality of the products is a big challenge. BSTI shall be made responsible to examine the product quality
- One of the very important objectives of industrial policy is to reduce dependence on imports and increasing exports. In meeting that objective following measures are needed:
  (a) Modern equipments must be procured to produce quality products
  (b) Use of ICT to manufacture products
  (c) All SMEs must be brought under the umbrella of ICT training
- Mobile application based entrepreneurship development can play an important role in developing SMEs
- Coordination between BSCIC, bank and Chamber of Commerce in the matters of SMEs is necessary
- We must increase the number of women entrepreneurs in SMEs. They should be provided with enough security measures

8. Md. Mojibur Rahman President, Kishoreganj Chamber of Commerce & Industries

- Banking sector formalities should be made more easy
- Skill development of the entrepreneurs is of utmost importance
- Supply of gas and electricity shall have to be ensured
- We have to raise the quality of products up to international standard in the case of export oriented industry
- Provide assistance and training so that SMEs can use ICT
- More and more SMEs should be established based on local resources
- Initiative must be taken to create awareness among the public about micro, small and medium industries
- Appropriate measures must be taken to reduce the incidence of natural disaster
- Women entrepreneurs must be encouraged to establish micro, small and medium industries.
- Supply of raw-materials for SME products needs to be uninterrupted
- Government must extend all facilities to export-oriented industries
- Government should create awareness among public to establish SMEs
- Storage facilities for raw-materials and finished products are necessary for SMEs. There is a need government support in this regard

9. Mr. Jafar Ahmed, President, Tangail Press Club, Kabi Nazrul Islam Sarani, Tangail

- To make the national economy flourishing the government should provide huge & optimum financial incentive to the potential entrepreneurs who come forward to build micro, small & medium enterprises (MSME). Experiences show the small entrepreneurs create employments leading to the contribution to GDP.
- Though SME sector has been declared as primary vehicle to develop industry; yet the entrepreneurs often decline due to lack of adequate support from the institutions. For the approval of SMEs, there must be one stop service so that they are enormously encouraged to set up enterprises.
- Fraudulent products must be removed from the market. Due to the fake (duplicate) products in the market it cannot sustain in the market competition. Because of low price of fake product, mass people are prone to buy low price commodities.
- Our women contribute to the development in the SME sub sectors. Individually, women have built garments, handlooms, bamboo & cane products making venture, dolls production, shital pati (mat) & pottery. These products are sold in organized & scattered across the country. The women with such entrepreneurial mind must be financially encouraged by public banks because they don't have sufficient money to enhance the production.
- In Tangail, huge pineapple, jackfruit & banana are produced every year. In season, these products sale at very low price. So, preserving these products scientifically agro-based food processing based small industries could be set up.
- It is good step taken by the government to encourage private investment. If the government loan giving methodology includes SME Foundation, then good and genuine entrepreneurs will get loan sanctioned in a better way.
- For the quick and timely loan disbursement through simplified & easy way, the loan should be given to genuine and real SME entrepreneurs so that they don't feel the urge to go to NGOs for loan at high rate interest.

10. Md. Hafizur Rahman Khan Baccu (Nana), President, Chambers of Commerce and Industry, Madaripur

- Initiatives taken so far for micro, small and medium industries are not sufficient
- No more than 5% people are aware of SMEs loan. We are to organize seminar / workshops to create awareness among the potential entrepreneurs.
- Chambers of Commerce and Industries must be involved in identifying the recipient of loan
- Bank authorities do not take any measure to promote SME loan
- Madaripur has got few SMEs. We need to have more SMEs here for which concerned authorities must give extra efforts
- Ensuring quality of the products is a big problem. BSTI does not take active role to monitor quality of the products

- People involved in the business of SMEs do not have modern machineries and skilled workforce.
- We need to develop ICT based entrepreneurs. Nothing has been done so far in this regard
- Mobile application based entrepreneurship development program can play a very vital role in the industrial development
- Participation of women in SMEs is very important. They are to be provided with interest free loan and secured industrial environment
- Technical training is needed for managers and workers
- Cooperation from BSCIC and Chambers is required in the distribution of SME loan

11. Md. Golam Kibria , General Secretary, Chamber of Commerce and Industries, Tangail

- There should be a committee in each district to look after the interest of SMEs. The committee may include DC, SP, representative of Chamber of Commerce and Industries, representative of BSCIC, bank officials and other concerned officials as its members
- Women entrepreneurship development program is needed to attract more women in SMEs.
- Technological support from the government agencies is needed for development of SMEs.
- Production of improved raw-materials and its use in the industry is necessary
- Interest rate on SME loan should be lowered so that potential investors are attracted
- To help SMEs to adopt ICT, one ICT centre may be established in each district.
- Quality of local raw-materials must be improved in order to reduce dependence on foreign raw-materials.
- Government support is needed in marketing management and market extension of SMEs
- Non-cooperation of banks in many cases frustrates potential investors in SMEs
- To promote export, government must provide all necessary facilities to SMEs

12. Md. Faruq, Secretary, Cumilla Chamber of Commerce and Industry

- We have to create opportunity for establishing SMEs in different parts of the country. Emphasis be given to industrially backward regions.
- VAT, Tax and rate of interest imposed on SMEs be reduced.
- Government must strengthen SME Foundation for the development of SMEs
- In order to maintain quality of the products, training must be provided to managers and workers
- Care must be taken to import raw-materials easily. At the same time, attempts are to be made to see whether those raw-materials can be produced at home or not
- Industrial fair both at home and abroad shall have to be organized in the pursuit of promotion of SMEs
- Bangladesh missions abroad can play a very vital role in promoting our products
- Workshop and training programs must be organized on ICT to enhance the skills of SMEs

- To explore the problems and prospects of SMEs, Govt. may engage Chambers of Commerce and Industry at all levels.
- Various programs on mobile based entrepreneurship development shall have to be undertaken
- Banks, insurance and other financial institutions should provide loans on very easy terms and conditions
- Serious steps to be taken to make Government agencies more people oriented.
- Government may lower the interest or can give subsidy to SMEs to reduce the risk

13. Md. Elias Hussain, Secretary, Chamber of Commerce and Industries, Barishal

To provide assistance to SMEs, government should take the following measures:

(a) Uninterrupted electricity supply

(b) Gas connections

(c) Simplification of giving trade license

(d) Reduction of taxes

(e) Easy Bank loan

(f) Water connections to SMEs

(g) Development of road networks

(h) Harassment free BSTI license

- To establish export processing zone in the region
- BSCIC should give more plots to micro and small industries
- To reduce the dependence on imports, measures should be taken to encourage exports
- Income Tax and VAT offices should be made more friendly
- Entrepreneurs should be trained to run their industries efficiently
- Mobile application based entrepreneurship development is the urgent need of the day
- To increase the participation of women, necessary steps must be taken
- To help establish local resource based micro, small and medium industries
- To conduct survey to identify potential subsectors of SMEs.
- SMEs should be established in the less developed regions and districts

14. Mr. Asaduzzaman, Bangladesh Small & Cottage Industries Corporation Karotia, Tangail

- Proving loan on easy & soft terms and conditions, the entrepreneurs are to be amply trained to improve SME operation. The training must be executed by expert trainers.
- Small and medium industrial sector needs flourishment through the increased cooperation of BSCIC at the field level. BSCIC's field level activity to be accelerated & the SME Foundation can be of help in this regard.

- To improve the product quality, special training may be provided by BSCIC's training center. The entrepreneurs must be trained from the same training center.
- Priority must be given to marketing of the local products. Priority also to given to national products by the local consumers.;
- Entrepreneurs be well communicated in the ICT based information workshops awareness programs can be implement across the country to make the consumers aware to use the local products.
- In the development of the SME the participation of women is very much essential.
- Countrywide industrial survey may be done by BSCIC. And real picture of potential of the possibility of setting up industries.
- BSCIC has the vital role of encouraging private investment to SME sector. So, it seems that it would be better to use individual organizations to do this job.
- It is believed that in coming 3, 5 and 10 years the SME would speed up remarkably. Without industrialization the development of a country is not possible. So, to keep pace with the development spree, we have to invest utmost importance energy to SME subsectors.
- By mapping area basis problems of industrially backward districts and after that with the detail discussions at appropriate levels problems can be solved.
- Financial investment can be implemented jointly with BSCIC because at field level BSCIC has been helping the entrepreneurs directly since long back.
- SME sector to be made more strong and pragmatic, So that sustainable production spree prevails year round resulting the increase of GDP.

15. Md. Afazuddin, Secretary, Moulvibazar, Chamber of Commerce and Industries

- Most of the SMEs are located in the village. Hence, entrepreneurs of the villages should be provided loan under easy terms and conditions. Also, they are to be trained on many different activities of SMEs.
- In order to familiarize the public about SMEs activities, govt. may organize workshops, fairs from time to time.
- Promotional activities must be undertaken to motivate people
- Supply of raw-materials of import dependent products must be increased
- If we want to export our products, we shall have to increase the quality
- Government must organize training programs on ICT
- If we want to increase the participation of women in SME sub-sector, we have to make them understand that women's contribution can play a significant role in the economic development of our country.
- Plenty of bamboos and canes grow in this district. Had there been facilities from govt. to process bamboos and canes, industries based on bamboos and canes would be a possibility.
- Soft loans are to be provided to potential entrepreneurs

- SMEs can reduce our imports and increase our exports in the long run.
- Government should come forward to mitigate the risks of natural calamities like drought, excessive rain etc.

16. Mr. Alamgir Khan Menu, Tangail Chamber of Commerce & Industry, Ex-General Secretary

- No Significant observation is available of making machinery components for big / heavy industries by SME, in Bangladesh. In Tangail BSCIC industrial estate, there is no remarkable small industry. For the holistic development in SMEs , sustainable & appropriate steps need to be taken up. For small industries skilled workers sn the prime need.
- To maintain & ensure the standard quality of the products is very essential. BSTI must be effective & workability controlled to help assure quality of products.
- There must be a database of all imported products and as per this source in the country the SME industries can be built. The manufactured product should be free from VAT / Tax so that prevailing unemployment is reduced significantly. In the case of accepted & approved applicants who desire to setup SMEs, for them the government has to make the industry under their own surveillance & after completion of the industry the unit to be handed over to the applicant.
- There is special need for the ICT entrepreneurs both in private & public sector, for this reason in every facet of life ICT development is a necessity.
- As, the mobile application is a part of ICT sector, reasonably this area to be upgraded.
- No nation can prosper socio-economically without the active participation of women folk. So, by bringing them out from the household work and motivating them to proper education & trainings they are to be employed in the development spree of the country.
- In Tangail, huge volume of high quality potato and banana are cultivated at Modhupur, Delduar and Nagarpur areas respectively. By using these agri-products small food processing industries can be set up.
- There should not be any compound interest on loan, the payment installment must be included in principal amount. The collateral security could not be separate. The whole industry itself would be the only security.
- If the above subjects are followed through correct and effective plan to run the industries the SME sector would certainly prosper day by day.
- As our country is extremely riverine so all the waterways to be renovated to help develop SMEs in make the un-communicated and backward districts.
- There is a need to simplify the public incentive disbursement.
- Mismanagement is the remarkable risk in SMEs.

17. Md. Abdul Amanull, Asstt. Director, BSTI, Kanaipur, Faridpur

- In order to prevent people from getting cc loan, SMEs loan should be made easy in terms of terms and conditions

- Bank authority should consult with BSCIC and BSTI before granting loan to individual investors
- Industries should be established based on locally available raw-materials
- To fulfill the objectives of Industrial Policy 2016, we need to introduce modern equipments in the SMEs sector. We also need skilled manpower to operate modern equipments
- One of the challenges of SMEs is to ensure quality of its products. BSTI should come forward to help maintain the product quality.
- Entrepreneurship development is possible through ICT
- Government must help in marketing the products of SMEs
- Mobile application in SMEs can help increase the sales of the products
- Participation of women in SMEs shall have to be encouraged. They need to be trained and provided with SME loans.
- Initiatives are to be taken to help build SMEs in the country's economically backward districts.
- Government should provide incentives to export oriented SMEs
- Cold storage facilities must be made available for raw-materials

18. Md. Rabiul Islam, DGM, Industrial Assistance Centre, BSCIC, Kushtia

- Most of the SMEs do not know that banks provide loan for them. Also, the terms and conditions of the loan are not SME friendly. To aware the entrepreneurs seminars, workshop, rally etc. shall have to be organized.
- Training must be imparted on the relevant trade for which loan has been sanctioned.
- Banks are scarred / skeptic to give loans to SMEs. Moreover, they give loans to their preferred ones.
- BSTI must be involved in testing the quality of the products. The fees for testing must be kept at a minimum level.
- Entrepreneurship development is possible through mobile application. Prior to that training on mobile application is required.
- SMEs should use locally available natural resources as much as possible. This will help in keeping the prices as low as possible.
- Women entrepreneurs in large numbers shall have to be attracted in starting their ventures.
- BSCIC should be involved in the coordination activities of SMEs at the district level. If necessary, BSCIC should be provided with SME loan giving and collection activities.
- Economically backward districts and regions must be given special preference in establishing SMEs in the interest of balanced national development.

19. A.K.M. Sadequr Rahman, Deputy Manager, Industrial Assistance Centre, Khagrachari

- Arrangement of loans under easy terms and conditions and lower rate of interest is necessary
- Appropriate policy formulation for SMEs is required
- Introduction of Technical Assistance Program will help ensure quality products
- Incentive must be given to private investors in the economically backward regions.
- BSCIC shall have to be strengthened to help SMEs.
- Strong vigilance of BSTI is required to ensure quality of products
- Providing technical training would increase exports
- Import dependency could be minimized if skilled workers are made available and spare parts of machineries are produced locally.
- To alleviate poverty and for socio-economic development of the country women's participation in SMEs in large number is a perquisite.
- Mobile Application based entrepreneurship development must be popular. This will help reduce unemployment problem of the educated youth.
- SMEs based on local raw-materials shall lower the price of the finished product.
- Government must stop unplanned industrialization through appropriate policy measures.
- SMEs need ICT training.

20. Md. Nazrul Islam, Deputy Director (in-charge), District Statistics Office, Jashore

- In order to increase the contribution of SMEs to GDP government should take the initiative to arrange youth entrepreneur summit and adequate training programs. Also, the formalities of getting bank loan must be simplified for new entrepreneurs.
- Since small and medium enterprises are scattered all over the country, all infrastructural facilities like roads, electricity, transportation network etc. shall have to be provided to them. Establishing economic zone on a regional basis would provide business friendly environment.
- To ensure the quality of industrial products, quality of raw-materials along with trained workforce are a must.
- Small and medium enterprises must be encouraged to produce import substitute products. In this regard raw-materials for import substitute products must be made available.
- Information and communication technology plays an important role in entrepreneurship development. Therefore, these facilities are to be provided to the SMEs.
- As the use of smart phone is increasing, mobile application based entrepreneurship development activities need to be initiated.
- Though women's participation in socio-economic activities is increasing, the environment is still not women friendly. If women are provided with the required

facilities, their participation in the SMEs will increase a lot. It needs to be mentioned here that our financial institutions mostly prefer men while giving loan to SMEs.

- The price of the product becomes low when they are made of indigenous raw-materials. Therefore, SMEs must be motivated to use local raw-materials in place of imported ones.
- Government must patronize SMEs in the private sector by giving various incentives.
- Common among the manufacturing units that have been set up here are garments factories, knitting and dyeing factories, wood based factories can also be seen in Keraniganj. Most people male or female are either employed in one job or another. Some embroidery factories have also flourished where a number of females are working. Tailoring units are also common among the women entrepreneurs. People of Keraniganj are moderately well off and have sufficient purchasing power.
- In terms of child labour, while the number could not be ascertained, it is not high in any way.

10. Findings from Focus Group Discussion (FGD) held in Kishoreganj

- As part of fulfillment of the requirement of ToR, an FGD was organized in the office of the President of the Kishoreganj Chamber of Commerce and Industry on 30 March, 2019.. A total of 13 members took part in the discussion.
- People of Kishoreganj has held on to their age old culture and values. Its economic condition has been improving over the last decade or so. As an agriculture based area, over 80% of the people are engaged in agricultural activities. Among the agricultural products that are grown in Kishoreganj, the major crops are paddy, jute and mustard seed. In recent time, fisheries is also developing as an industry.
- In the recent years, new Medium, Small and Micro enterprises are being set up. Very few people of Kishoreganj are now unemployed. They are mostly engaged as agricultural workers and in trade and commerce. A few of them have also set up micro, small and medium enterprises such as psiculture, poultry rearering etc. A number of people of Kishoreganj have gone abroad to work. In short the economic and financial condition of the people of the district is good and improving continuously.
- As regards, rate of literacy, as per the opinion of the participants, literacy rate for male would be around 75% while for female it is around 58%. However, available statistics suggests that literacy rate is 51.4% and 45.4% for the male and female respectively.
- In terms of occupation around 44% of the male population are employed us agricultural workers, around 10% are salaried employees, 7% are employed as Transport workers.
- As regards female population of the area, the vast majority are home makers accounting for around 60%. A few are involved in handicraft manufacturing. That apart a number of female workers are engaged in Garments manufacturing units and shoe manufacturing units.

- Currently about 95% to 96% boys of primary school going age group go to school as against 97% to 98% for girls. While the dropout rate for the boys and girls could not be ascertained it seems that it is not high as 80% to 87% of the boys & 50% to 60% of the girls go to secondary level schools.
- Improvement in socio-economic factors and economic growth has had positive impact on the quality of life of the people of Kishoreganj. People are now relatively more literate than ever before. They have greater disposable income that enables them to spend on outside of basic necessities. Even large manufacturing units are now coming to Kishoreganj viz. TATA assembly plant.

11. Findings from Focus Group Discussion (FGD) held in Kushtia

Socio-economic and financial condition of the people of the area-both local and outsiders have improved significantly during the last 8 to 10 years. In particular, the economic condition of those who were marginalized, have improved the most. As regards working middle class, their condition has not improved that much.

Female literacy is around 53% and male literacy rate is around 47% of the total literate.

In terms of employment, most people are employed. Most people are employed as agricultural workers, non agricultural workers, daily workers in factories, etc. A few are involved in small/micro enterprises while a few are owner of small and medium size factories.

Over 50% of the female of productive age group are homemakers, Amongst women who are employed, 20% work as agricultural workers while some are employed as workers in the different mills and factories. Some are owners of poultry farms.

Though 90% of the boys of primary school going age group attend primary school, not all finish primary level schooling. Of the majority of the boys who complete their primary school and go to secondary level school, a great percentage are forced to dropout because their parents want them to help in the augmentation of family income.

On the other hand, girls are fast advancing in education. While parents encourage their boys to get involved in income augmenting activities, they encourage their daughters to go for higher education, That is why literacy rate among the girls ranges between 90% to 100%

Among the girls who finish primary school, 100% go for secondary school. Parents are more concerned and caring about education of their daughters.

Most people of the area are engaged in one job or another. They are determined to improve the quality of life of their families. Those who are unemployed are more out of their choice as they come from very well to do families and are not bothered about making a living.

Among the manufacturing units that can be found in the area, prominent are Jute Mills. Plastic factories, electrical product manufacturing units, Tobacco and Tobacco based products etc.As a result, unemployment has gone down, number of commercial entities have increased, communication has improved.

However child labour is prevalent here. Though they are of the age group 13-16, through improper ways, they change their age so that they may be employd legally.

Changes that are apparent in the socio economic condition of the area relate to increase in income/earning of the people, better infrastructure, reduction of child marriage, increase in the number of internet users, improvement in environment etc.

Among the recommendations made by the participants, the following are important:

1. Women entrepreneurs should be provided SME loan so as to enable them to operate micro enterprises and small manufacturing units.
2. Banks must be more transparent and honest in providing loans. In providing SME loans, they may take help of BSCIC.

12. Findings from Focus Group Discussion (FGD) held in Noakhali

On 28.03.2019, an FGD was organized at the office of the Uni Food Industries Ltd. A total of 10 participants attended the meeting. After exchange of greeting and self introduction of the participants, the moderator briefed the participants on the objectives of the FGD as well as the project.

Speaking on the socio-economic and financial condition of the people of Noakhali, participants were unanimous that there has been desirable improvement in the socio-economic and financial condition of the people in course of last 8 to 10 years.

In general, most people of Noakhali are NRBs and are employed in different professions in different countries of the world. Amongst those who are staying in the country, some are agriculturists tilling their own land.

Amongst the female, most are home makers. Only the poor or marginalized work as agricultural workers.

During the course of the FGD, entrepreneurs suggested that banks should simplify the process for providing loan to the SMEs, particularly, for women and the rate of interest should be reduced for the SMEs. They were also of the opinion that the government, if required, with the assistance of BSCIC, periodically monitor the recipient of SME loan so as to ensure that it is properly being utilized. Some of the participants also laid importance on the monitoring of quality of the products, particularly, in the food industry.

The, Mayor of Choumohoni emphasized on the need for training, particularly, ICT training to build up new entrepreneur. Mr. Mamunur Rashid, representative of BSCIC to the FGD, felt that Noakhali has great potential to be an industrial hub. He felt, the Government has to come forward to provide low interest, soft loan to the entrepreneurs.

It was gathered that presently child labour is not used in the manufacturing units as the government has taken some strong steps to eliminate child labour altogether.

13. Findings from Focus Group Discussion (FGD) held in Pabna

On 28 March 2019 at 11.30 am, an FGD was held at BSCIC Industrial Estate, Pabna. A total of 14 participants took part in the FGD.

After the exchange of pleasantries and introduction by the participants, the moderator of the session explained the objective of the study as well as of the FGD, to the participants.

Amongst the different districts of Bangladesh the socio-cultural and economic situation of Pabna is relatively disappointing, with very few Industrial units in place.

In terms of occupation of male members, the most common are as agricultural worker, handicraft manufacturer, small business ownership etc. The female on the contrary are mostly housewives, workers/owners of handicraft manufacturing units.

90% of the boys of primary school going age group go to primary school as against 95% of the girls. With regard to secondary school going age group 82% of the boys go to school as against 85% of the girls.

Main manufacturing units of Pabna district are light engineering and handicraft units. The participants pointed to some of the major problems they face in setting up and operation of SMEs. Among them the major are irregular supply of electricity and no supply of gas. These two problems need to be solved at the earliest to encourage industrialization of Pabna. Among other suggestions made by the participants include simplification of government rules and regulations, elimination of harassment faced by the prospective investors while applying for loan to the financial institutions, ensuring continuous supply of energy, simplification of loan sanctioning procedure, etc.

Some of the participants in the FGD were of the opinion that those who are interested in setting up of SMEs should be provided training prior to sanctioning of loans in various aspects of management so that they would be entrepreneurs can run their units efficiently, effectively and profitably. They also suggested that new entrepreneurs should be provided with low cost loan.

There were also suggestions that SMEs should make sure that there is no unfair competition amongst themselves. If there is price cutting by one enterprise other enterprise would suffer and the units may have to be even shut because of incurring continuous loss.

Participants also suggested that the government should provide protection to the domestic manufacturers against imported products. This, they opined could be done by levying higher import duties and reducing AIT and VAT on local products and services.

Some of the participants suggested that procedures and requirements for issuance of trade license. VAT and income Tax registration, environmental clearance certificate, registration at the office of the controller of Joint Stock Companies, should be simplified. Bank loan for setting up and or operation of SMEs should be made hassle free and interest rates on loan should be simple interest and of single digit.

14. Findings from Focus Group Discussion (FGD) held in Phultola, Shiromoni, Khulna

As per requirement of the TOR for the study on Future Direction of SMEs in Bangladesh a Focus Group Discussion (FGD) was organized in BSCIC Industrial Estate in Shiromoni, Phultola, Khulna. A total of 10 participants took part in the FGD.

Socio-economic and financial condition of the people of the area is now much better than ever before. Law and order situation has also demonstrated much improvement in course of last 8 to 10 years.

In short, people are now much well off both financially, as well socially. Income levels are higher and so are consumption. However, the small investors feel that the government should make hassle free, smooth SME loans available to the entrepreneurs who run small business.

Phultola in Khulna, being an industrial belt, people or job seekers from outside the locality come here for job. Today, they outnumber the original, local residents.

On an average 30% of the male residents are literate as against 20% of female residents. However, in terms of rate of literacy, of the local residents are much higher- 50% for male and 60% for female residents.

Most of the male residents of the locality work in different mills and factories. Some work as day labourers, rickshaw pullers, rickshaw van pullers, etc. Most of the female residents of the locality are home workers. Some work as maids, factory workers, breaking bricks for construction sites collection of used and discarded plastic product to sale for recycling, handicrafts, etc.

In Phultola school attendance by boys in the primary school is good. However, as soon as they pass class 4, they dropout. Their parents, by using unfair means, superficially increase the age of the boys so that they can find employment to augment family income. For this reason, literacy for boys is 55%.

As regards girls, about 90% of the girls of primary school going age go to school and their dropout rate is also pretty low.

In the locality, between 60% to 70% of the girls of secondary school going age group go to school as against 27% of the boys. Then again boys dropout of school.

Most of the factories here are private Jute Mills. Number of workers are also high. That apart there are other factories as well. The participants were of the opinion, that the area being in close proximity to industrial area, socio-economic condition of the people are good and unemployment is low. In general, people live in good houses and have tendency to save.

The participants opined that there are very few child labour, if at all. Even if there are child labourer, their age have been inflated so that they can be legally employed. However, child labour is not listed and as such the number of such child labour can never be ascertained.

15. Findings from Focus Group Discussion (FGD) held in Rangamati

On 06.03.2019 at 12 noon an FGD was organized in the office room of Burmese Market. A total of 10 participants took part in the FGD.

Overall socio-economic condition of Rangamati is reasonably good. Residents are involved in all kinds of professions like medical Practitioners, engineers, agriculturists, weavers, etc. However, there are very few SMEs in Rangamati, with most manufacturing units being cottage and a few being micro in size. Literacy rate of the people of Rangamati ranges between 60% and 63% for male and female respectively. While females are involved in great number in terrace farming, male members also assist their female members.

Another unique agro-product of the area is Teak wood. There are a number of plantations of Teak wood plants based upon which furniture industry has developed. However, being far away from the nearest city of Chattogram, entrepreneurs are reluctant in setting up of wood based SMEs in Rangamati.

If provided with sufficient financial assistance and encouragement, there is immense potential for tea plantation in Rangamati.

Some participants mentioned that there was discrimination in pay of male and female workers which, they feel, should be eliminated. That would encourage women entrepreneurship.

It was revealed that most people of Rangamati were not familiar with loan facilities that were provided by the government, let alone special, low cost loans for women. The participants suggested that the government should take steps to make people aware of SME loans.

16. Findings from Focus Group Discussion (FGD) held in Tangail

Currently the socio-economic condition of the people of Tangail district is much better than that of most other districts. People of the district are much advanced in both education and employment as compared to other districts. Around 65% of the people of the area are well to do. There are a number of industrialist from this area. There has been proliferation of weaving based SMEs in Tangail which has resulted in economic development of the area. Some of the people of Tangail, both male and female are working as expatriates in the different countries of the world.

In the recent years, a number of small and medium enterprises in Textiles, Jute, Bakery & Confectionary, ICT, Garments, Edible Oil, Pharmaceuticals etc. have been set up. This industrial development have created immense potential for employment generation. This has a multiplier effect on trade and commerce in the area.

Infrastructural development in the form of development of Roads & Highways, Rail roads, Bridges, Culverts are encouraging investors to come forward to invest in setting up of small, medium and even large manufacturing units. literacy rate amongst both the male and the female have gone up. There has been transformation of socio-economic condition of the people of Tangail. It is expected that within a short time, Tangail will become one of the Industrial hubs of Bangladesh.

Among the profession of the male members, the commonest are agricultural worker 52%, salaried employees 10%. Other professions that are common are transport worker, handicrafts manufacturing, fisheries, poultry rearing, etc.

On the other hand women are mostly housewives. The different professions they are involved in include garment factories, leather and leather product manufacturing, maids, etc.

Between 95% to 99% of the boys of the primary school going age group attend school. On the other hand 93% to 96% of the girls go to primary school.

In Tangail, child labour is virtually absent. Most of the children - boys or girls are going to school rather than to work.

Annex-2(C): Case Studies

Case Studies:

A total of 15 Case Studies conducted in different districts that have either large concentration of SMEs and other ones that have new type of SMEs. Among these 11 (Eleven) Case Studies are success stories and 4 are failure cases.

Success Case Studies:

1. Case Study on Bogura Motors (Pvt) Limited, BSCIC Industrial Estate Bogura

Long before our Liberation two graduate friends of same age Mr. Aminul Islam, Managing Director and Mr. Ahmed Rezaur Rahman having the degrees Master's in economics & masters in LLB respectively, started Transport business with eight numbers of passenger buses. Those buses were made in different countries mainly England & Germany.

That time during their business they had to import all the repair & replacement parts or components for the operational & routine maintenance of their transport vehicles from the manufacturing countries. One day they began thinking how to reduce this dependency on the import. Any way they started importing & trading of spare parts for themselves & others. Then, something flashed in their mind to manufacture the parts they need by using reverse engineering in our country as India had done long before. Firstly, they began repairing & making the small water in the cooling system of the engines of different type and models. In the year 1977, they formed Limited Company in the name of Bogura Motors (Pvt.) Limited. Since then they started to manufacture spare parts with their own technical expertise by setting up a mechanical workshop. This whole venture was engineered by a graduate engineer however, they were somehow able to service staggeringly. In 1989 they switched over to manufacturing engine filters instead of making spares & engine components.

Now, they have been continuing the fuel filter, oil filter and air filter of 300 different sizes for many types of automobile & other IC (Internal combustion) engines. They successfully met the national demand.

raw-materials used in the industry are filter papers, adhesives & plain iron sheets. All are imported from mainly Germany, Korea & sometimes India. Body of organization comprises with 230 male workers along with 6 six directors (son & wife) with 33 male officers & staffs. Though it is limited company yet it is a family enterprise in reality.

This organization is environmentally friendly because the wastage is small quantity during manufacturing process and those wastages are used as fuel by the working people in their residents.

The overturn of the industry is satisfactory. It is running profitably. This industry has been running with Tk. 1.15 crore paid up capital bank loan Tk. 6 crore & LC for raw-materials Tk. 10 crore. The bank interest on loan is 11-15%. This organization has no training system. As & when required seniors are engaged to train the employee on job to enhance their skills.

Right now, they are running the production section with four mechanical engineers & one electrical engineer (all of them have diploma engineer certificates) along with the skilled mechanic, technician & workers.

Furthermore, they have a plan to export their products to different countries if industrial plot is available to them for meeting the compliances of overseas clients

2. Bijoypur Pottery Centre Bijoypur, Cumilla Sadar, Cumilla

In 1961, it was established. Later since inception it was run by fuel wood up to 1991. Around 1980, use of coal was tried. Coal was tried for up to maximum of one year. Then, furnace oil was brought and experimentally it was used for about a year up to1982-1983. Side by side use of firewood continued. Then, gas was introduced in 1991. It was piloted for a year. Gas based production was successful. It continued up to 2015. During the period of use of gas as fuel, use of firewood as fuel was completing stopped. At the end of 2015 gradually pressure of gas started to decline. In 2017, supply of gas completing stopped. Then, again use of fire wood started which is continuing up to now.

For large scale production and for maintaining product variety firewood is not at all an appropriate fuel. To produce quality product and to satisfy needs of customers, it is absolutely essential to use gas as fuel for productions.





When there was full time gas from 1991 to 2015 there was 120 workers of whom 20 were female. After that with reduction of production, number of workers has come down to 45 of whom women are 25.

The pottery association has a membership strength of 230 manufacturers. Besides 700 small scale potters sell their product to this organization. In addition, throughout the country 3000 organizations are involved in selling the products produced by the members of the association.

The organization has also a training centre in the premises where training on different skills in production of pottery products are imparted to trainees from across the country. Among the persons, who got training at this centre, 40 are working in different countries particularly, Middle Eastern countries.

The organization produces aesthetic products. The products are made of natural input like clay. The products are in high demand in NORDIC countries. Some NGOs take advantage of exporting these products to these countries.

This organization is a pride of not only Cumilla but whole of Bangladesh too. The gas line that was installed in 1991 was dedicated line for production purpose of this organization. But when in 2015 connection of gas was given to domestic users pressure continued to reduce and gradually the present situation has cropped up. For continuity of this industry producing aesthetic products, gas connection with adequate pressure should be ensured.

3. PPS Plastic Pipe Industries Limited, Satkhamair Sripur, Gazipur

Here is a case study on how the PPS Plastic Pipe Industry emerged out and has been prospering till now. Initially, the individual entrepreneur Ms. Shaila Sabrin Poly started an advertising firm under her ownership which was earning huge profit for her. She generated an idea of manufacturing some products. She took up food processing industry to be set up immediately, she started food processing activities industrially but within few months she abandoned this poly due to unknown reasons & dislikes as well because the food processing systems involve perishable items. Then, she started thinking on manufacturing items for the benefit & welfare of the people & country, Then, with the view to setting up such industry, she traveled many countries of the world viz, USA, UK, Japan, China, Singapore, India & so on. Before, she also did extensive market study and discovered that the existing manufacturers have the ability to meet the 60% domestic demand of irrigation items still 40% demand remains unfed. As Bangladesh is agricultural country, so she targeted to manufacture agro-based items to be used in irrigation systems across the country. In 2015, PPS Plastic Pipe Industries Ltd. has started the it's journey to manufacturing UPVc pipes & fittings with the paid up capital BDT 5.56 crores. The present capital status stands like below:

Working Capital	= 15.5 Crores BDT	[Interest 14%]
Project Loan	= 9.5 Crores BDT	[Interest 14.5%]
Paid up Capital	= 5.56 Crores BDT	

The main raw-materials used in manufacturing UPVc & fittings are :

1. Resin
2. Calcium Carbonate (CaCo3)
3. Stabilizer (chemical) imported item (from Malaysia) bought from local importer.
4. Steric Acid
5. Paraffin wax
6. Titinium dioxide
7. DOP (Dioctail Phalate)
8. Hustlux
9. Black carbon
10. Pigment green, yellow & pink

The above raw-materials & associated manufacturing items all are imported from different countries around the world.

- The said products are sold locally & PPS now manufacturing water grade pipes for the use in domestic plumbing system.
- The existing permanent workforce is as below:

Worker

Male = 110 Female = 40

Officers & staffs

Male = 40 Female = 0

The company has been running profitably with 7-8% growth.

- The troubles faced by the company --- sometimes the production line starves for raw-materials due to delayed procurement of imported items because the government department and LC opening system are not that much efficient & faster.
- The employer & employees relationship is very good & amicable. But sometimes the faulty employees is orally admonished & fault overly corrosive to the management of the industry is to be corrected by warning letter to fault-maker so that he or she can have the opportunity to get rectified. Otherwise, the sense of ownership among the employees is probable because of efficient amicable but rigid management.
- This Industry has no pollution over surrounding cultivating land areas. Except, some very utterly flyable & unsalable dust is diffused in to the atmosphere. Regarding the perception of atmospheric pollution that is within acceptable range. On the other hand, the solid wastage out of process is 100% recyclable to the process.

4. Case Study of Bhai Bhai Stone Crusher, Village-Dopagul Union Khadimnagar, Sylhet Sadar, Sylhet

Stone is a natural resource found in abundance in different parts of Sylhet and Sunamganj. Large size stone/boulders are crushed in to smaller ones of different sizes. These are used in heavy construction works like construction of roads, bridges and rail lines. Also, those are used in construction of buildings. They are also used as clinker in cement industries.

Bhai Bhai stone crusher was established in 2009. It is a proprietary organization. It is situated at Dopagul Village under Khadimnagar Union in Sylhet Sadar Upazila of Sylhet District. The organization has a manpower strength of 38, Among them 1 is manager, 3 are employees, 1 machine man and 33 laborers. Among 33 laborers 7 are women, As an industry such an enterprise play very important role in development of infrastructure.

A serious drawback of the crushing industries is that they generate large volume of dust which pollutes the environment. Nearby houses and establishments are worst affected. The crushing units do not have any wall around it. Four crushing units at Dhopagul in Khadimnagar Union are located beside the Union Health & Family Welfare Centre. The normal work of hospital is seriously threatened.

The stone crushing units are also beside the wall of Usmani International Airport, Sylhet. These are also a threat to the airport. It is strongly suggested walls are constructed around the stone crushing units so that such enterprises of immense benefit for the development work can operate without disturbing normal work of other types of enterprises.

5. Case Study on Native Wears – a Small sized industry in Dinajpur

Native wears is a small sized industry of Dinajpur. It is established in the year 2010 at Maldahpatti, Dinajpur Sadar, Dinajpur on 4000 sq.ft. area by Mrs. Nelufar Yeasmin, a woman

entrepreneur. It produces low end three quarter Jeans pants and Jeans jackets . It uses the low end fabrics and accessories and the leftover of the garments industries of Dhaka, Narayanganj, Chattogram. Such type of industry is called local garments in our economy. Around 200 such types of enterprises have grown up in Dinajpur, Thakurgaon, Nilphamari, Saidpur, Rangpur. Their products are exported to Siliguri, Darjeeling, and adjacent areas like Nepal, Bhutan. But Native Wears doesn't export its product directly. Some exporters of Saidpur and Rangpur collect their products and export them. There is a huge market for these low end product in seven sisters states of India especially among the poor people and workers of tea gardens.

The story behind establishing 'Native Wears' is interesting. The owner of the enterprise, Mrs. Nilufar Yeasmin observed that many female garment workers of Dinajpur, who had been working for a few years in Dhaka, left their job and became jobless in Dinajpur.

The reasons behind leaving their job are manifolds like marriage, social security, pollution, health hazard etc. She was thinking of how these efficient and semi-efficient female workers could be employed. At that time, many micro and cottage level garments industries were at Saidpur, Nilphamari. Manual Machineries were used for production in those industries. Some exporters were trying to export their products to India through Siliguri. But due to high cost, it wasn't very easy marketing in Siliguri. Knowing this, Mrs. Nilufar thought differently. She formed 'Native Wears' as a sole proprietorship firm and established a garment factory. But instead of manual machine, she bought reconditioned and old machines of big garments industries from Dhaka, Gazipur. She has now sewing machines, cutting machines, button hole machine, Local washing machine, kancha machine, etc in her factory. 29 workers have been employed there. Out of them women workers are 26. She herself manages the production. Her husband also helps her in business. The initial cost to establish ''Native Wears' was Tk. 10.00 lac.

She didn't take any financial facility from any bank due to high interest rate. The annual turnover of the enterprise is Tk. 48.00 lac, Tk. 50.00 lac and Tk. 45.00 lac respectively in the years of 2018, 2017 and 2016 respectively. But there is a great opportunity to expand the project. A huge demand is there. But without financial support from banks, expansion is not possible. The owners of the factory think that if government takes positive steps, such type of factories will grow in northern districts and will help to create job, alleviate poverty and contribute to the national growth. She gives emphasis on following steps to be taken:

- to create an industrial zone for low end garments industry
- to arrange financial support by way of reducing rate of interest, easing up terms and conditions for availing loans and credit facilities from banks
- help to enhance capacity building of the entrepreneurs
- to make arrangement to train up workers
- to provide legal support to export

6. Case Study of Farzana and Fahim Sports, Village-Binna, Union: Baldia, Upazila: Nesarabad, District: Pirojpur

Md. Faizul Haque, the founder of this organization joined as a worker in a Cricket bat workshop in the neighborhood in 1990. The owner of that workshop Mr. Kalam was pioneer in starting a

cricket bat workshop in the area. Before starting his own workshop in Nesarabad, he had worked for eight years in a bat workshop named Sathi Sports at Dholaikhal, Dhaka. He learned in detail the technology and art of making bat, Then he established his own bat factory at Binna. Before starting his own factory Faizul Haque worked as a worker for 2 years and within those two years, he learned the details of making bat. Then he took initiative to establish a bat factory of his own.

At first, he started the factory with a capital of only tk. 20,000/- and that was in 1991. At present capital of this organization is Tk.4500000/-. With earning from this factory he bought 40 decimal of land and constructed a building worth taka 28 lac.

At the beginning, there were only two workers in the factory and now there are 34 workers. This area has been recognized as a cricket bat making cluster by SME Foundation. There are about 100 factories of this type in this area.

The main reason for developing this area as a bat manufacturing area is that appropriate type and quality of wood is available in the area.

The growth of this organization is very encouraging. There is an yearly profit of Tk. 6 to 7 Lac. Yearly production value stands at about Tk. 90 Lac. The factory has at present an SME loan of Tk. 8 Lac at annual interest rate of 9%. Besides there is a loan of Tk. 2 Lac taken from a friend. Since the raw-material is a locally produced natural product i.e wood and the processes are craftsmanship, there is no pollution from this industry

The entrepreneurs face following problems in running this organization :

- There is warehouse where the bats can be stored after those are brought to Sadarghat in Dhaka. As a result, they have to sell the products at cheap price;
- Transportation system is not very good;
- Lack of support from appropriate government establishment;
- Inability to get sanction of land at BSCIC Industrial Estate.
- Import of low quality products
- Loan is not easily available

Conclusion

Cricket is becoming very popular. So, demand for cricket bat is also increasing. This industry is contributing positively in employment generations. Loan should be made available at low interest. It is also possible to export the locally product cricket bats.

7. Case Study, Jamalpur Charcoal Limited, Charpolisha, Melandah, Jamalpur

There are numerous carbonaceous products in use across the whole world. In manufacturing pure carbon is one of the vital ingredients of the products viz, fireworks, tyre. Iron, photocopy / Printer machine ink and hundreds of by-product including those of medical science.

The carbon manufacturing is not that much old in Bangladesh. In the study on Future Direction of SMEs in Bangladesh, study on Jamalpur Charcoal Industry has explored very amazing story.

Around the year 2012 China had been starving for the raw-material Carbon for the production of carbonaceous products namely, carbon rod or pencil used in arc-lamp, carbon plate as elements of voltic battery, printing ink, firework etc. The Chinese people used to know that Bangladesh grows huge quantity of Jute every year. As the Chemical analysis showed the Jute sticks has very good carbon% (Over 80% or so). At that time a Chinese gentleman Mr. Wang Fei set up a factory unit with the cooperation of local people to produce Carbon black destructive distillation (incomplete Combustion) of Jute sticks. In the very 2012 the Charcoal entered the commercial arena & its exporting to China started. After that, until December 2014 in Faridpur, Magura, Jamalpur, Shariatpur, Pabna, Kurigram, Rajbari, Narayanganj & different places across the country almost 30 Charcoal Factories were established. In the year 2014 four of same age group friends Mirza Zillur Rahman, B.Com., Mostafizur Rahman Talukder Advocate, Showkat Rana, Marine Engineer and Abu Hena, MBA put their heads together thinking of setting up similiar Charcoal manufacturing in their place Charpushulia, Melandah in Jamalpur district. So, in the connection with their thinking they made extensive tours to existing Charcoal factories in Bangladesh and they even visited China the importing country. At the end, they formed the company the Jamalpur Charcoal Limited in 14 December 2014 and started producing Carbon black from Jute Sticks.

At first they followed the Chinese consultancy to use some machines such as cutting washing, blower, conveyor etc. bought from China which cost them a lot. Immediate after system looked very unproductive and in appropriate to reach breakeven . Then the four friends applied, modified and customized the production systems with local appropriate technique to increase the productions. Since then it has been running well and exporting the products but still today they have not been able to offset the bad investment initially under the Chinese Consultancy. Recently, the entrepreneurs have another similar factory which is profiting enormously but very recently the profit margin is declining a bit due to high competition in the international market.

- Presently, the raw-material and Carbon (Black) ratio is 1:4 that means 1 kg Carbon production needs 4 kg, Jute sticks the price of Jute sticks is Tk. 320/40 kg. Due to the reluctance of cultivators to cultivate Jute the supply of raw-material is decreasing day by day. The product is being exported to some Asian countries especially China, Cambodia and Taiwan.
- As the destructive distillation retains more or less the whole Carbon contents in the raw-material evolving only Hydrogen, Methane and other gases into the surrounding atmosphere, so there is no chance of carbon pollution as it happens in Coal fired Power Plant & Industries. On the other hand evolved gases are diffused in atmosphere which is not determental to human health.
- The employees are quite happy with their salary, incentives & work environment and the cares taken by the owners. So, there is no problem in smooth running of the factory. If raw-material is amply available the factory run 6-7 month every year. The organogram flow chart is:

