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'Neobanks will play major role in realizing India's aspirations to be small business capital of the world'

Credit and Finance for MSMEs: The one-stop-shop model used by neobanks through apps and websites provides SMEs access to a spectrum of financial services - from banking to remittances, money transfers to utility payments, and personal finance.



By providing a differentiated experience to India's small business owners, neobanks have witnessed a surge in user adoption. (Image: pixabay)

Credit and Finance for MSMEs: India has established a reputation globally for being the breeding ground for startups and small businesses. There are more than 89 lakh micro, small, and medium enterprises (MSMEs) registered on the government of India's?

Udyam portal. However, despite accounting for 30 per cent of the country's GDP, the banking needs of MSMEs have been underserved.

Entrepreneurs lose a significant amount of time in paperwork, manual banking operations, and customer support. A recent survey among SMEs in the UK found that an average enterprise chases five outstanding invoices worth an average of £8,500 (around Rs 8.18 lakh) at any given time. This also equals an average of 1.5 hours per day per SME or 900,000 hours across all SMEs. Manual admin tasks, such as accounting and invoicing, among others amount to a lot of lost time for small businesses. It can be inferred that when it comes to small business banking, 'what you see' is not 'what you get'. This sentiment was also echoed by the Finance Minister of India, after announcing the budget, wherein she had urged banks to be more supportive of entrepreneurs.

Today, SMEs need fintech-powered solutions to cater to their needs like a smart business account, payment services, accounting, lending, and round-the-clock customer support, to name a few. This is where neobanks fill in the void/step in. They provide highly customized banking solutions, among other features, based on the existing and emerging needs in today's dynamic business environment. As the third-largest fintech ecosystem in the world after the US and China, the Indian fintech market is likely to further mature with the emergence of neobanks.

Why neobanking

It is no news that traditional banking is lengthy and time-consuming. Every step - from opening a bank account to availing credit - is tedious. Applicants are expected to bear considerable paperwork, extensive verification, multiple reference checks, and a long turnaround time for accessing credit. As a result, small business owners have to wait for a long time before they open shop, as their banking needs are yet to be met.

To add to their woes, there is little scope for customization. While tailor-made services can be easily availed by large-scale businesses that bring a high volume of transactions, small business owners often get the shorter end of the stick. As a result, SMEs are often easily lured by informal lenders and end up accepting unfavorable deals at high-interest rates. This, in turn, affects their credit score which is often cited as a reason by traditional financial institutions for rejecting loan applications. Eventually, this results in a catch-22 situation for small businesses.

Entrepreneurs need fast, easy, and seamless access to financial services, and this is where neobanks are stepping up. They are becoming increasingly popular amongst small businesses

due to many reasons. Neobanks provide digital and mobile-first financial solutions to SMEs helping them save time and money. This essentially translates to a completely paperless and virtual banking experience. SMEs can generally register with neobanks for free, and easily open an account within minutes! This is backed by dedicated 24X7 customer support that helps them throughout the process.

Data-enabled benefits

Neobanks leverage data powered by emerging tech like AI, data analytics, and machine learning. As a result, they provide small businesses access to dashboards on their apps or websites that help them get constant insights on their business and help them plan their cash flow better. These dashboards also highlight information about accounting, payments, accounts receivable, etc. This provides entrepreneurs greater transparency about their financial requirements and also helps in eliminating unnecessary business expenses.

Being data-driven, neobanks also can customize their offerings to provide seamless services to entrepreneurs. They can tailor their products to businesses depending upon their size, scale, and expenses. Neobanks also use data to help small businesses create a digitized credit history. This helps to improve their credit score, which further enables them to get seamless access to credit.

The whole nine yards of financial services

The one-stop-shop model used by neobanks through apps and websites provides SMEs access to a spectrum of financial services - from banking to remittances, money transfers to utility payments, and personal finance. Additionally, small business owners can also get access to features like company registration, accounting, invoicing, GST filing, expense management, cash flow management, virtual receipts, etc.

By providing a differentiated experience to India's small business owners, neobanks have witnessed a surge in user adoption. They are playing a significant role in addressing the unique needs of SMEs that traditional players might have fallen short of. As the regulatory framework in the country evolves, neobanks will have a major role in realizing India's aspirations of being the small business capital of the world.

Source: <https://www.financialexpress.com/industry/sme/cafesme/msme-fin-neobanks-will-play-major-role-in-realizing-indias-aspirations-to-be-small-business-capital-of-the-world/2557918/>

'Time is ripe for SMEs to focus on foreign markets via e-commerce and then quickly move to direct exports'



Trade, import and export for MSMEs: It is a timely opportunity for the Indian government to pivot SME exports through e-commerce. Our e-commerce policy framework needs to provide a level-playing field to benefit the SMEs and put them on a new growth trajectory.

For SMEs aspiring for global expansion, joining some well-established e-commerce platforms can be the first easy step for testing the foreign waters before starting an

Trade, import and export for MSMEs: The Covid-19 pandemic impacted the SMEs that contribute significantly to the Indian economy as the backbone. Before the advent of online market platforms, SME exporters needed a significant investment of their time and money to participate and promote their business abroad. They needed participation in international trade fairs and exhibitions to connect with prospective buyers and generate inquiries (leads) from the importers and book orders. Then, they struggled to arrange logistics, receive payments, and handle sales returns and customer services. Now, e-commerce helps them accomplish this seamlessly.

The online opportunity

The pandemic led to consumers shifting to online shopping for contactless payments and deliveries, accelerating the usage of e-commerce worldwide. The internet penetration, the increasing number of connected devices, and the surge in the search by the 80 per cent of the population living outside India prompted the Indian SMEs to go online. Negative consumer reviews for made-in-China products too made a solid case of 'made-in-India' ethnic brands breakout by the SMEs to the Indian diaspora and other consumers abroad. Further, the US-China trade war also fueled the entry of Indian SMEs into international marketplaces due to their recognition and image for offering quality products meeting global standards at competitive prices. With the government's push for 'Make-in-India' products through 'Atmanirbhar Bharat,' the world has a keen interest in offerings from India.

The rise of e-commerce

The e-commerce platforms are an indirect route to exporting, enabling the SMEs to transcend boundaries and sell to customers worldwide who usually search for products they wish to buy. Small enterprises with no footprint in the host country markets find e-commerce easy to adopt and scale-up. They reduce dependence on traditional overseas buyers, whose buying practices are much less transparent due to their negotiation tactics. Online marketplaces make the SME export cycle seamless. The time is ripe to concentrate on exploring the foreign markets through e-commerce and then quickly move to direct exports.

Several Indian direct-to-consumer (D2C) brands explore their global reach with inbound marketing, lead generation, booking orders, invoicing, receiving payments, dispatching finished goods, and service support. They are witnessing significant demand in international markets across products and service categories. Certain products from India are competitive and still meet global standards, which works towards getting SMEs access to international marketplaces.

E-commerce has democratized international business opening the doors for SME exports without any restriction on location. SME's target market is no more only the domestic customers. E-commerce offers a robust platform for conducting business and entering into transactions at a national and international level. With the help of e-commerce, SMEs can reorganize, cut expenses, and even explore expansion opportunities for achieving higher growth and profits through optimal utilization of resources. They can access a broader market for promoting their products and services since e-commerce offers technological advancements and a broader customer base through the internet.

E-commerce affects the growth of SMEs as well as their internationalization. Although e-commerce fetches billions of dollars every year, it has many drawbacks that impact SMEs. While e-commerce sales are growing faster than physical ones, physical stores account for at

least 90% of total retail sales in India. The main benefit of physical stores is the see, touch, and try aspect, which is not always possible in the case of online shopping.

E-commerce platforms: An evaluation

Prima facie, compared to e-commerce platforms, traditional SME exporters will have a stronger connection and relationship with their customers. However, e-commerce websites can attract more customers and transactions even though the operational costs and profits could be lower due to the commoditization of brands.

E-commerce is proving to be a boon. It brings the buyers and sellers together by acting as a mediator or facilitator between the two. Further, online retailers can take care of the payments and logistics. Even service-based SMEs have a level playing field with large service providers in telemedicine, consultation, psychotherapy, yoga, wellness, and others. The benefits include wider reach, enhanced revenue, and reduced hassles.

India is home to several well-established foreign-origin and Indian-origin e-commerce players, including Amazon, Flipkart, Myntra, Shopclues, etc. operating in the B2C markets apart from the likes of India Mart Alibaba, and several other trade portals in the B2B markets. With several small SMEs lacking knowledge about foreign customers, their culture, skills to promote their businesses abroad, and the staying power to bear losses due to the risks related to payments and logistics, e-commerce comes to their rescue.

Even the SMEs who lack funds to set up their online store for such expansion can gain an initial experience in the international markets.

The way forward

It is a timely opportunity for the Indian government to pivot SME exports through e-commerce. Our e-commerce policy framework needs to provide a level-playing field to benefit the SMEs and put them on a new growth trajectory. To accelerate the e-commerce exports by Indian SMEs further, the government needs to support the SMEs with some significant policy changes to get more competitive in quality and prices. Availability of finance and logistics support is equally crucial for SMEs to adopt the D2C route.

Usually, there arises a question about the best way for a small business to sell online in the international markets. For SMEs aspiring for global expansion, joining some well-established e-commerce platforms can be the first easy step for testing the foreign waters before starting an independent D2C presence for deeper engagement in the chosen markets.

In short, SMEs need a 360-degree hand-holding by the government and online business facilitation. Educating SMEs on global value chains and quality compliance would further help them leverage the e-commerce platforms to grow their business. Besides this,

SMEs without sound technological expertise need protection against cyber malpractices. States can set up Export Facilitation Cells (EFCs) to identify the products and markets and meet the export compliances by involving the District Industries Centers (DICs).

Source: <https://www.financialexpress.com/industry/sme/caf-sme/msme-exim-time-is-ripe-for-smes-to-focus-on-foreign-markets-via-e-commerce-and-then-quickly-move-to-direct-exports/2557790/>

3 key digital drivers for SMEs in the Gulf

SMEs in the Gulf are lagging behind when it comes to female participation.

- SMEs in the Gulf are lagging behind their global counterparts in terms of economic output.
- A thriving SME sector can create new economic opportunities but it needs government support.
- Digitization can drive the development of a vibrant SME sector in the Gulf region.

Across the Arabian Gulf, countries have made bold plans to diversify and grow the economy. A common thread is the need to nurture small and medium enterprises (SMEs) as an engine of long-term growth, economic diversity, and social stability.

Digitization is critical in achieving these goals to drive the development of a vibrant SME sector in the region. Small businesses and entrepreneurs can't do it alone. Governments and businesses in the region will need to work together closely to create an ecosystem and value chains that allow SMEs to thrive.

Gulf SMEs are lagging behind

SMEs in the Gulf Cooperation Council (GCC) have lagged behind their counterparts in the share of economic output. SMEs in the Arabian Gulf contribute 15-30% of GDP, with their share toward the lower end of that range in most Gulf countries. By contrast, SMEs contribute 40% of national income in emerging markets globally, so the gap is clear.

GCC SMEs are also lagging behind when it comes to female participation - a critical weakness because globally the small business sector generally presents fewer barriers to working women and has a greater share of female business owners. Only 14% of SMEs in the broader Arab world are led by women, compared to the global average of 34%, according to the IMF.

It's all about jobs

At the heart of the issue is diversification from the oil sector and job creation.

A thriving SME sector creates new economic opportunities. Around the world, the vast majority of jobs are to be found in the SME sector. In OECD countries, SMEs account for 70% of employment.

The demographics of the Arabian Gulf are young, with around half of the local population under the age of 25. Job creation in the private sector simply has not kept up with the number of entrants to the workforce, which leaves young people unemployed, underemployed, or joining the ranks of an already bloated public sector. It's a costly problem, as rising public deficits across the region show.

Governments are onboard

Governments across the GCC are conscious of the challenges and have set bold targets to address the issue. For example, Saudi Arabia wants to increase the SME share of GDP from 20% to 35% by 2030, and the UAE is looking to boost non-oil GDP contribution from SMEs from 52% to 60%.

How can digitization act as a change driver

What will it take to get there? There are many reforms that need to occur, but digitization offers us at least some of the answers, in particular:

1. Digital solutions can help close the finance gap

Smaller businesses struggle to get access to capital. The finance gap for SMEs is well-documented around the world, and the GCC is no exception. The SME Finance Forum estimates

that \$123 billion is required for SMEs across the Arab region to realize their full potential, including job creation. Today, Arab SMEs are underfunded by banks and even fintechs. Only one in 20 SMEs makes use of commercial banks in Saudi Arabia today. In Kuwait, SMEs represent only 3.6% of Kuwait's overall loan book, and in the UAE, credit to SMEs is only 5% of total bank lending - all well below the OECD average. Only 5% of regional fintechs finance SMEs in the Arab world more broadly.

Acceleration of digitization in banking and finance could broaden access to capital for smaller businesses by expanding access to banking in rural areas, shortening time-to-credit, and expanding the range of financial products offered. China's MYBank offers a powerful example: lending almost \$300 billion to 16 million small companies with near instant cash dispersal - and a default rate of under 1% - through just a few taps on the smart phone.

2. Building a digital ecosystem can improve cross-border trade

The region's SMEs also require expanded market access to thrive. Outside of Saudi Arabia, many GCC markets are relatively small in terms of population. Giving smaller businesses the ability to sell across the GCC instead of purely locally is an important growth lever. Building a robust ecosystem for trading across borders is important.

The good news is that momentum is growing in this space. E-commerce in the Middle East surged during the pandemic and is expected to be a \$50 billion market by 2022, with CAGR growth of 20% through 2022. Homegrown heroes like Mumzworld have seen a staggering 800% growth during the COVID-19 period, according to A.T. Kearney.

However, to sustain this momentum, it's also important to build the infrastructure and ecosystem for cross-border trade. This includes investing in digital logistics platforms and operations to facilitate e-commerce logistics and last-mile delivery, as well as digitization of customs to further reduce clearance times and complexity.

Agility research has found that customs digitization and reforms are particularly beneficial to smaller businesses, which are disproportionately affected by complex compliance and documentation requirements.

3. Digital skilling leads to digital demand

Finally, and perhaps most importantly, increasingly digitized economies require digital skills and mindsets to make them work. This has the potential to become a future area of competitive advantage for the Arabian Gulf, where we see some of the highest smartphone penetration in the world and a largely young population of true "digital natives." That said, education systems and on-the-job training need to prioritize digital skilling with real-world business applications.

Unfortunately today, that's not happening fast enough. Digital jobs in the GCC are fewer than in advanced economies by three times, and digital professionals in the region simply do not possess the same advanced technical skills as their counterparts elsewhere, according to PwC. Most of the digital jobs in the region are held by expats today, and 93% of digital professionals have degrees from foreign, rather than local universities, according to the same research.

That leads to a double problem: a digital skills deficit, as well as a digital demand problem - as companies in the region, including SMEs, are not adopting technology as quickly or

comprehensively as they should be. Think of these issues as two sides of the same coin: companies that don't have enough digital talent are also slower adopters of technology.

The role of businesses

Helping to build an ecosystem in which start-ups and SMEs thrive will require action from governments, and also from leading businesses in the region. As an example from our own business, Agility is working on: digital skilling and advocacy; financing and incubation; digital trade; community investments.

We want the region's largest businesses to join us in creating value chains that allow SMEs to participate and grow - and to see SME empowerment as a core part of the value we bring to the table as successful companies. This area is one of the most critical levers for future diversification and sustainable economic growth, and we all have a role to play.

Source: <https://www.weforum.org/agenda/2022/05/3-digital-drivers-smes-gulf/>

Revenue outlook bright for electronics SMEs: Crisil SME Tracker

Consumption of electronics in the domestic market is estimated to grow 15-20 per cent to Rs 11-12 trillion, compared with 18-22 per cent growth last fiscal

Buoyant consumption of electronics is expected to boost the top lines of small and medium enterprises (SMEs) in the sector in India in the current fiscal year (Fy23), though rising input costs could limit the growth in their margins.

Consumption of electronics in the domestic market is estimated to grow 15-20 per cent to Rs 11-12 trillion, compared with 18-22 per cent growth last fiscal (Fy22).

A raft of factors support demand for mobile, consumer and industrial electronics, which account for 50-55 per cent of total consumption - rising disposable incomes, faster replacement cycles, easier payment terms, increasing internet penetration, rising temperature, and developments in auto, electric vehicles, and power segments, to name some. Domestic production of electronics is also expected to clock 18-22 per cent growth this fiscal, riding on the Production Linked Incentive scheme for mobile phones, white goods, and information technology hardware.

The outlook, therefore, is bright for SMEs in the sector, which benefit from component outsourcing and account for 25-35 per cent of the industry's consumption. For the record, SMEs play an important assembling role in consumer and industrial electronics.

This fiscal, SMEs are expected to log a revenue growth of 13-16 per cent year-on-year (YoY), driven by mobile phones, consumer and industrial electronics, computer hardware, and strategic electronics. Mobiles are likely to be at the vanguard.

As for margins, after a YoY contraction last fiscal, SMEs are likely to see a subdued expansion of up to 20 basis points this fiscal as higher raw material prices, lack of bargaining power, limited ability to pass-through incremental costs, and shortage of semiconductors offset the benefits of high revenue trajectory.

Source: https://www.business-standard.com/article/sme/revenue-outlook-bright-for-electronics-smes-crisil-sme-tracker-122052500866_1.html

HSBC India to lend \$250 million to high-growth, tech-led startups

Foreign lender HSBC India on Monday announced that it will lend USD 250 million to startups in the country.

Foreign lender HSBC India on Monday announced that it will lend USD 250 million to startups in the country. The bank did not specify the timeframe for disbursement of the amount. The lending will be done to high-growth, tech-led startups in the third largest startup ecosystem in the world, the lender said in a statement. The lending, which comes amid increased focus on startups' debt needs by financial intermediaries locally and a 'funding winter' impacting equity funding to the sector, will be managed by the lender's commercial banking vertical. The commercial banking vertical in India had witnessed a 42 per cent jump in its profit for 2021 at USD 265 million as against USD 187 million in the year ago period. Loans to small and medium enterprises tripled to USD 1 billion in 2021 as against USD 300 million in 2018, the bank said.

"we recognise the need for startups to access finance to support their growth ambitions and scale up their business. This segment is poised for significant growth and we look forward to supporting its growth momentum," its head for commercial banking in the country Rajat Verma said.

The lending will be for growth stage companies, and the bank has carved out a credit model and offerings to suit the specific requirements of a wide spectrum of startups and new-age entities, ranging from growth stage to unicorns, the statement added.

Source: https://www.business-standard.com/article/companies/hsbc-india-to-lend-250-million-to-high-growth-tech-led-startups-122061300567_1.html

London ranked second best startup hub in the world for tech

The capital is now home to at least 80 unicorns – tech businesses worth more than \$1 billion – and has added a further 7 in 2022. (REUTERS) London has been ranked the second best tech startup hub in the world behind Silicon Valley and the top hub globally for fintech according to new research. The capital's startup ecosystem had a value of \$314 billion, more than treble that of Berlin's \$94 billion and Paris' \$89 billion, according to the 2022 Global Startup Ecosystem Report. London shared the second-place spot with New York, with Boston and Beijing coming in fourth and fifth place, while several UK cities including Bristol, Birmingham and Belfast were among top emerging ecosystems.

The capital is now home to at least 80 unicorns – tech businesses worth more than \$1 billion – and has added a further 7 in 2022. Mayor of London Sadiq Khan said: "London is the undisputed tech and innovation capital of Europe, and this independent report demonstrates that our start-up ecosystem is also one of the most diverse and vibrant in the world." "The record levels of investment we've seen so far this year offers further proof that London's tech sector continues to go from strength-to-strength."

London also ranked among the highest for access to early-stage funding, while the capital beat New York on the report's 'connectedness' metric, the ability for a startup to increase its global reach. However, London lagged behind the Big Apple on 'performance' – the economic impact of the ecosystem and the growth of investor exits from startups. Russ Shaw, Founder of Tech London Advocates, said: "It's particularly impressive to see how high London ranks with reference to early-stage investment - I hope that this sends a distinct message to aspiring tech entrepreneurs that the capital is the number one destination to start their business."

Source: <https://finance.yahoo.com/news/london-ranked-second-best-startup-080825222.html>

FEATURE-Women-led startups help family farmers feed Latin America

She sensed a business opportunity: if she could bypass the intermediaries who bought goods such as potatoes and onions from producers and transported them to stores, she could benefit both farmers and consumers. Her idea developed into Muda Meu Mundo, meaning Change My World in Portuguese, a startup that connects small-scale family farmers to big supermarket chains in Brazil by handling logistics, transportation, and offering credit and technical assistance to help growers boost output.

* Female entrepreneurs foster organic, small-scale farming * Smallholders account for a third of the world's food production

* From Brazil to Ecuador, startups focus on sustainability By Fabio Teixeira and Anastasia Moloney

Brazilians are no strangers to bouts of high inflation, but when grocery shopping became a "painful experience", Priscilla Veras decided to find out what was happening to prices on the journey from farm to supermarket. Through her former job at a humanitarian aid nonprofit, Veras got in touch with small-scale farmers across Brazil and elsewhere in Latin America, most of whom blamed middlemen for eating up their modest profits even as consumers paid more.

"And who were the ones suffering most from middlemen? Organic farmers, family farmers," Veras told the Thomson Reuters Foundation. She sensed a business opportunity: if she could bypass the intermediaries who bought goods such as potatoes and onions from producers and transported them to stores, she could benefit both farmers and consumers.

Her idea developed into Muda Meu Mundo, meaning Change My World in Portuguese, a startup that connects small-scale family farmers to big supermarket chains in Brazil by handling logistics, and transportation, and offering credit and technical assistance to help growers boost output. Global food prices <https://www.fao.org/worldfoodsituation/foodpricesindex/en> hit a record high in March as the conflict in Ukraine compounded supply concerns linked to climate worries and the COVID-19 pandemic, according to data from the United Nations' Food and Agriculture Organization (FAO).

Smallholders are responsible for about a third of global food production <https://www.fao.org/family-farming-decade/home/en>, according to the FAO, and they are bearing the brunt of a surge in fertilizer costs as sanctions on leading producers Russia and Belarus cut global supplies. Helping small-scale growers whether the crisis will be vital to ward off a global food crisis <https://news.trust.org/item/20220401051553-syx9h>, experts say, with some calling for a major rethink about social inequalities in farming and the sustainability of mineral and chemical-based fertilizers.

In Veras' case, that means training her network of about 350 family farmers, helping them increase crop production while also using less resources, such as fertilizer and water. FINTECH INNOVATION

Nutritionist Constance Oderich took a different approach to achieve her aim of boosting farmers' income in southern Brazil: instead of cutting out middlemen, she formed a startup that bypasses banks and credit card companies. Papayas, the company she co-founded in 2019, allows customers at the two largest agro-ecological fairs in the southern state of Rio Grande do Sul state to buy produce from organic and small family farms directly, using an app.

Farmers pay less in banking charges and receive a payment within a week, but usually on the same day, instead of having to wait a month, and the company built up its customer base by partnering with local firms who provided their staff with in-app food vouchers. "Nowadays, we are in almost 100% of stalls," said Oderich, adding that about 600 family farmers in the state participate in the two agro-ecological fairs. "We have more than 4,000 people using our app."

More recently, they teamed up with authorities in the southeastern state of Minas Gerais. They hope at least 30% of the food purchased by the state's schools, prisons and hospitals will be bought from family farmers through the app. Latin America's vast agro-industrial sector remains male-dominated. According to a 2019 report by the Inter-American Development Bank (IADB), women are co-founders of just 11% of agricultural startups https://publications.iadb.org/publications/english/document/AGTECH_Agtech_Innovation_Map_in_Latin_America_and_the_Caribbean_en.pdf in the region.

For some, like Veras and Oderich, the primary goal is empowering small-scale growers, but an increasing number of women entrepreneurs are turning startups into major players. In Ecuador's mountainous Amazon rainforest, offering financial and technical support to family farmers is paying off for Maria Del Carmen Narvaez, who co-founded a plantain business, Agroapoyo, with her brother in 2001.

Their company was bought by U.S.-based Barnana last year and Narvaez now leads Barnana Ecuador, the local branch of Barnana in Ecuador, which supports thousands of indigenous plantain and banana farmers, many of them women. "It's a chance to give women some income that goes straight to their kids to help them go to school," Narvaez said.

ORGANIC FARMING Working with more than 1,700 farmers from mainly Kichwa indigenous jungle communities, Narvaez leads initiatives to encourage growers to adopt organic farming methods, which can boost a farmer's monthly income by up to 200%.

Barnana buys plantain directly from farmers at regular intervals offering 30% over the market price, providing farming families a steady income. With grants and loans provided by Agroapoyo five years ago, farmer communities have gained organic certification after a 12 to 18-month process costing about \$10,000, which is renewed annually.

"When we began to buy from the farmers, we deducted one or two cents on the plantain bought to get back (the loan). That's not going to generate a big impact on them," said Narvaez. "This has worked really well, otherwise communities wouldn't have been able to do it."

While few agroindustrial entrepreneurs are female, women make up about a quarter of the agricultural labor force in Latin America and about 40% globally. Yet women farmers often earn less and produce 20% to 30% lower crop yields than men, mainly due to the barriers they face in accessing loans, insurance, and quality seeds, as well as a lack of land rights, equipment, and storage facilities, and training. Research by the United Nations and the World Bank shows that women-focused initiatives like Barnana Ecuador help reduce rural poverty. Narvaez said she had seen first-hand how such projects can improve education and health outcomes because women are more likely to spend their earnings on their children and re-investing in their businesses. "The impact you have with women is bigger because women spread their income and their knowledge better," she said.

Source: <https://www.devdiscourse.com/article/headlines/2072362-feature-women-led-startups-help-family-farmers-feed-latin-america>

Google announces startup accelerator program for women founders



Tech titan Google on Tuesday announced a startup accelerator program for women founders which will help them address challenges such as fundraising and hiring.

India is the world's third largest startup capital, trailing only the US and China: Reuters

Tech titan Google on Tuesday announced a startup accelerator program for women founders which will help them

address challenges such as fundraising and hiring.

The inaugural batch of the 'Google for Startups Accelerator - India Women Founders' will accept up to 20 women-founded / co-founded startups in the country, and support them through a three-month program.

The program is part of a larger effort by Google towards improving the representation of women across different sections of India's digitally-trained workforce -- be it entrepreneurship, professionals looking to upskill or young graduates seeking a headstart on their career, Google said.

The ultimate objective is about making technology universally relevant and helpful, it added.

"...We are pleased to announce the Google for Startups Accelerator - India Women Founders, aimed to help women founders address challenges that are unique to their experience, including fundraising, hiring and many others," Google said in a blogpost.

India is the world's third largest startup capital, trailing only the US and China.

It has over a 100 unicorns, with 22 added to the list just in 2022, spanning verticals such as e-commerce, healthtech, fintech and others.

That said, only 15 per cent of these Indian unicorns have one or more women founders.

"As Indian startups look to reinvent more sectors of the economy through technology, equal representation of women at the helm of this wave is critical to ensure that the promised changes are universally relevant and helpful," Google said.

The program will place special focus on areas like access to networks, capital, hiring challenges, mentorship and other areas which, for a variety of social reasons and low representation, prove challenging for female founders.

In addition to these, the curriculum will include workshops and support around AI/ML (artificial intelligence/machine learning), cloud, android, web, product strategy and growth, as well as access to a global community of women founders.

Source: <https://www.zeebiz.com/small-business/news-google-announces-startup-accelerator-program-for-women-founders-187115>

Learn How to Negotiate Your First Term Sheet at TechCrunch Disrupt – TechCrunch



Most startups have never seen what they desire most – a term sheet that sets out the terms on which an investor will invest financially in their startup. Unlike investors, who are much more familiar with term sheets, novice founders often struggle to understand how to structure the document in a way that provides meaningful value to investors without revealing everything they worked so hard to construct

to have.

Properly preparing your first term sheet is critical to ensuring the financial and financial success of your business, as the terms you agree to early in your startup typically last for the life of the business.

Such an important issue that we've hired a trio of world-class experts – Mandela SH Dixon (CEO, All Raise), Kevin Liu (Director, Techstars Investments) and James Norman (CEO, Pilotly/General Partner, Black Ops) . — to break it down for you during a panel at TechCrunch Disrupt October 18-20 in San Francisco.

Understanding a term sheet is a daunting task and you cannot afford to assume anything about the language since nothing is standard. Who sits on your board and what happens if the company goes into liquidation is nuanced and can influence the structure of future investment rounds.

We'll have questions, and these seasoned investors and serial entrepreneurs will provide the answers. You'll cover essentials like investment amount, valuation, option pool, and liquidation preference — the four main pillars of a term sheet's structure.

Learn about the experts sharing real-world insights you can use to create and negotiate term sheets like a pro.

Mandela SH Dixon is CEO of All Raise, a non-profit organization with a mission to accelerate the success of female and non-binary investors, founders and operators in the technology space. All Raise programs empower women and non-binary leaders to advance their professional growth and work together to create a more equitable future.

At age 25, Dixon dropped out of a PhD program to start her first company and became one of the first black women to raise venture capital from Silicon Valley investors.

Before joining All Raise, Dixon was the founder and CEO of Founder Gym, the leading training program teaching underrepresented founders how to raise venture capital.

She used her strong network to recruit some of the best investors and funded founders in the world to teach underrepresented entrepreneurs how to raise capital to scale their tech

startups.

Dixon was also a founding director of portfolio services at Kapor Capital, managing a portfolio of more than 120 technology startups including Uber and Twilio. There she co-founded the Founders Commitment – the first diversity and inclusion pledge backed by a VC firm – and has co-created 10 workshops teaching startups how to build diversity and inclusion into their companies' DNA.

As global director of Startup Weekend Education (acquired by Techstars), Dixon has scaled its reach from two to six continents in less than 2 years, transforming it into the largest community of edtech entrepreneurs in the world.

Dixon is an active angel investor, limited partner, Sequoia Capital Scout and a founding member of First Round Capital's Angel Track, a program composed of angel investors from the most successful technology companies.

Kevin Liu is a Director at Techstars Investments, where he works with companies across Techstars' portfolio on deal evaluation, fundraising and value creation initiatives. Before joining Techstars, Liu led data science and analytics at Mattermark (sold to FullContact), a data analytics company focused on structuring business information.

An early investor in Culture Biosciences, Retool, Seldo and Bottomless, Liu specializes in product management, data strategy and B2B software companies. He is also a mentor at Google Launchpad and First Round Capital.

At the age of 16, James Norman started his first business – an aftermarket automotive e-commerce website called MJH Sound.com. Norman, a serial entrepreneur known as a visionary in product planning for the automotive industry, has spent the last 7 years in the media and entertainment industry, becoming a thought leader on consumer behavior of over-the-top media and consumer video.

His newest venture, a consumer insights platform called Pilotly, enables content creators to gather feedback from audiences at scale. Norman also serves as a General Partner in Black Operator Ventures (Black Ops). Founded in 2020, it is the first venture capital fund to be managed and led by an all-Black founding team.



Black Ops invests in robust founders who have a unique perspective on their market and the conviction to win their place. Managed by partners with operator experience, extensive networks and the skills needed to help businesses scale, the fund provides more than just capital. Black Ops provides black founders with a roadmap to success and aims to create the largest multi-billion dollar companies ever founded by black people.

TechCrunch Disrupt is back in person in San Francisco October 18-20. Early action means greater savings. Buy your pass now and save up to \$1,300 before prices increase on July 29th. If you're a student or employee of a government or non-profit organization, you can also automatically save 70%.

Source: <https://hitechglitz.com/learn-how-to-negotiate-your-first-term-sheet-at-techcrunch-disrupt-techcrunch/>

THANK YOU HON'BLE PRIME MINISTER

World Association For Small And Medium Enterprises (WASME) thanks Hon'ble Prime Minister for major relief to Indian Industry and citizens



World Association For Small And Medium Enterprises (WASME) thanks Hon'ble Prime Minister







for major relief to Indian Industry and citizens

Shri Narendra Modi
Hon'ble Prime Minister

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WASME AT NITI AAYOG, GOVT. OF INDIA

WASME was invited by Niti Aayog, Govt. of India for stakeholder consultation meeting on District Investment Potentiality . Dr Sanjiv Layek Executive Secretary , represented WASME.



WASME AT BRAND BUSINESS PROMOTIONS & RESEARCH

Dr Sanjiv Layek Executive Secretary, WASME was invited as “GUEST OF Honour & Key Note Speaker” in “Brandscouncil Ratings Best Brands & Business Awards” held on 9TH June 2022 at India International Centre . New Delhi



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Kalaivanar Arangam, Anna Salai,
Chennai

13th - 14th September 2022

About the conference :

HANDLOOM: Bringing all Micro Small Entrepreneurs' (MSEs) and International Experts together to focus on promoting Indian Handloom as Exotic, Natural, Wearable and Sustainable fabric. Along with the artistry of weavers, the handloom industry in India demonstrates the richness and diversity of Indian culture. With over 4.3 million people directly and indirectly involved in the production, the handloom industry is the second-largest employment provider for the rural population in India after agriculture. Indian handloom industry products are known for their unique designs and finesse.

HANDICRAFT: The handicrafts sector is of importance to the Indian economy as it is one of the largest employment generators and account for a significant share in the country's export. The state and regional clusters contribute significantly to handicrafts export. The Indian handicrafts industry is fragmented with more than seven million regional artisans and over 67,000 exporters/export houses promoting regional art and craftsmanship in the domestic and global markets. Recent Developments Government of India increased incentive rates under the merchandise export from India scheme (MEIS) to 7% from 5% for handicraft items which will help exporters to recover the input costs involved in the production of handicrafts and will lead to competitive pricing and boost export. Expected high delegation participation around 200 includes Hon'ble Cabinet Ministers, Minister of State from Ministry of MSME, NSIC, KVIC, Ministry of Business, Enterprise and Cooperatives, Foreign Speakers from reputed countries, textiles, handlooms, handicraft etc.



WASME GLOBAL ICON AWARDS

CHAI PE LOAN





World Association for Small and Medium Enterprises (WASME), a global non-profit organization headquartered at Noida, India, has been spearheading the cause and development of Small and Medium Enterprises (SMEs) worldover since its inception in 1980. Over three decades, WASME has emerged as one of the most representative, effective and leading international organizations, working towards the promotion of SMEs worldwide through policy advocacy, information dissemination, conferences, seminars, events, trainings, publication, network linkages and many more.

WASME enjoys consultative/observer status with concerned agencies in UN system such as UNCTAD, ITC, WIPO, UNIDO, UNESCO, UNCITRAL, UNESCAP and ILO, and several other inter-governmental and international organizations like WCO, OECD, ICSB, APEC, APCTT, etc.

WASME's fortnightly SME e-Bulletin "WORLD SME UPDATE" aims to keep its readers abreast of latest information on various developments taking place in the SME sector around the globe. If you have any news/information on the issues related to Government policies & programmers and latest developments in the SME sector i.e. technology and innovations, success stories, case studies, research and methods, planning and programs, training and developments, finance and management, and marketing that you would like to share with the world SME community, please do send them to us at

editor@wasmeinfo.org.

We always welcome your valuable feedback/comments on the SME e-Bulletin to further enhance our services on information dissemination. Hence, please send us your valuable guidance as well as meaningful articles as a regular contribution to SME e-Bulletin and our website in the larger interests and benefits of SMEs the world over.

Editor, World SME Update

World Association for Small and Medium Enterprises

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WASME

World Association for Small and Medium Enterprises



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- Provide Comprehensive, Useful & Insightful Information Dissemination for world SME community.
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