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# World SME Update

(A Global Update On SME News, Events, Policies & Programs)

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CONNECT WITH US: [editor@wasmeinfo.org](mailto:editor@wasmeinfo.org) | [wasme@wasmeinfo.org](mailto:wasme@wasmeinfo.org) | 91-120-4216283/6284

# General News

## 5 digital transformation challenges SMEs face today and how they can solve them to plan future growth



Technology for MSMEs: Data across the globe shows that the success rate of digital transformation is still at the low 20 per cent. SMEs face very specific problems when it comes to digitisation of their businesses.

Most digital initiatives fail not because of technology but the human element.

Technology for MSMEs: Small and medium enterprises (SMEs) are the backbone of our economy and account for more than 30 per cent of the GDP and 45 per cent of all manufacturing activity. The pandemic has hit them hard and also forced them to innovate and adapt. SMEs, which were once used to the 'physical' model, now experiment with 'digital' methods to run their businesses. A kirana store now uses Google Sheets to maintain inventory and manage receivables. A plastic molds manufacturer has digitised his product brochures and uses Zoom to communicate with his customers. A fertilizer and pesticide distributor uses WhatsApp video and photos to study farmers' crop conditions and suggest the right products.

SMEs have adapted to the situation in some form or the other but they now need to take a more long-term approach to digital transformation. Data across the globe shows that the success rate of digital transformation is still at the low 20 per cent. SMEs face very specific problems when it comes to digitisation of their businesses. In our experience of working with several MNCs and small businesses across the world, we see five specific digital transformation challenges that SMEs face. This article explains the challenges and provides solutions to plan out the journey.

FOMO (Fear of missing out): The first is ironically a social challenge. SME owners are parts of business networks where there is continuous chatter about digital. This creates significant pressure to go digital. However just because the world is going digital does not mean your business should go digital. It's a good idea to ask very specific questions. What are the chances that your product or service can be delivered digitally? How digital are your customers in consuming or buying your products over digital channels? More importantly, are the customers willing to pay for that additional value that digital brings? If the answer to

some or all of these questions is 'no', then it is worth waiting out.

**Go big or go home:** A popular notion amongst SMEs is that if you want to go digital, you invest big and be comprehensive. This creates problems at both ends of the spectrum. Scared about the magnitude of work and investment, many don't even try. The others invest too much and fail to reap the benefits. Going big is a mistake. Digital transformation is an experimental exercise. One needs to try out several small things before solidifying and adopting a specific strategy. Experiment with several digital ideas, launch and collect data, and then subsequently figure out the best ones to keep and invest.

**Where to start?** Not knowing where to start is a common problem. Even though business owners are fully convinced about digital, there is no specific framework to tell them where to start and how to start. Just as a child goes through growth phases, a digital strategy also evolves through three typical stages of maturity: stage 1 where companies just sense digital as an opportunity. One can take small steps. e.g., invest in Facebook or LinkedIn advertising with a concurrent reduction in traditional advertising or make your sales support and customer connect digital.

Stage 2 is where companies use digital to connect stakeholders in the value chain, e.g., automating a raw material ordering system to increase efficiency and reduce wastage. Stage 3 is where companies are able to truly use digital to create new business models or new products/services. e.g., a subscription service or an e-commerce platform. SMEs must map their current stage in this maturity ladder and define the specific activities/resources needed for experimentation.

**Start small but think big:** A good place to start is in two areas: 1) To simply enhance the current digital presence. For instance, how good is your website or do you even have a website? Is the website useful enough to enable business transactions and easy communication with your customers? 2) How much are you spending on marketing and advertising? Is it possible to enhance your current budgets in digital advertising and measure whether it is delivering ROI? These are simple ways to start and provide you with small wins that motivate your digital transformation progress.

**Who will do digital?** Most digital initiatives fail not because of technology but the human element. The biggest mistake that small business owners commit is to control the process. This is a recipe for disaster. Identify and train at least two of your employees who can become your wingmen in the journey. Involve them in the decision-making process, empower them to make decisions based on data and feedback from the customers, and more importantly train them in using and deploying the new technologies that you have adopted. You will see that ultimately these key employees will be the primary drivers of success.

Digital transformation is not easy for SMEs. Remember that digital transformation happens if you are open to possibilities, able to think small and experiment, have a laser-like focus on data related to performance and ROI, and are able to empower your employees to drive the initiative. If done right, it has the power to propel your SME into a sphere that is far above the competition.

**Source:** <https://www.financialexpress.com/industry/sme/cafesme/msme-tech-5-digital-transformation-challenges-smes-face-today-and-how-they-can-solve-them-to-plan-future-growth/2349497/>

# Start up

## How VCs are adapting to meet an increasingly global startup market



Image Credits: Nigel Sussman (opens in a new window)

Good morning my dear friends, I trust you are well. It's the weekend! Here's hoping you are going to consume more sugar in the next few days than your doctor would approve of. After all, we all die in the end. And on that encouraging note, let's get to work!

TechCrunch's recurring coverage of venture capital trends has taken on an increasingly global tilt as the startup

market has expanded to fill every geography. Hence our ramping coverage of India's startup scene, not to mention our increasing focus on the startups coming out of the African continent.

With so many startups raising so very much money, it can be hard to keep it all straight. But we're not the only organization with its eyes on upstart technology companies busy adapting to the new global startup reality. Venture capitalists are as well.

We've seen VCs shake up their operations to better suit a flat world for technology innovation in recent years. Larger funds with more partners to spread focus, for example, or the creation of country- or region-specific funds.

White Star is one such firm with an increasingly broad focus. The venture group recently closed its third fund, a \$360 million vehicle, and TechCrunch caught up with founder Eric Martineau-Fortin a few days back. But instead of chatting about valuations, or sectors, we mostly talked about geographies.

Martineau-Fortin lives in Guernsey, a small island that sits roughly between France and the United Kingdom. Residing between two major landmasses is fitting for the investor, as his firm's first fund focused on the United States and Europe, roughly splitting investments between the two.

White Star's second fund expanded its geographical purview to include a modest Asia focus as well. The group's third fund will split roughly 40/40/20 between America, Europe and Asia, Martineau-Fortin said.

Notably, the group doesn't actively pursue the Indian market. Which stood out, given how much capital is flowing into the country, but White Star keeps its focus more on the South Korean and Japanese markets, so it can invest in Asia more broadly while not putting India atop its list.

I riffed with Martineau-Fortin about other markets. He had rather positive things to say about Brazil's startup scene - not a huge surprise with Nubank's IPO in the offing - and Mexico. More simply, the Latin American venture capital market is respected even by

investors that don't have a focus there.

The world's venture market remains uneven, despite some flattening. The United States saw \$72.3 billion in total VC activity in Q3 2021, per CB Insights data. Asia as a whole saw \$50.2 billion. Europe managed \$24.2 billion, and Latin America just \$5.3 billion. That means that there's likely arbitrage out there for the investor willing to add new time zones to their mix.

Looking ahead, White Star could split its investment focus into thirds among the U.S., Europe and Asia. I wonder if that will become a normal split in time. After all, the internet is everywhere at once - sans North Korea, China and a few other markets - so why not put capital into companies, well, everywhere?

The future of consumer investing

Taking a hard right turn this morning, let's talk about consumer investing in the United Kingdom.

The Exchange caught up with Freetrade this week, auspicious timing as our call came in the wake of Robinhood's poor earnings report. As a reminder, Robinhood shares fell after the company announced a sharp sequential-quarterly revenue decline, falling active users and slim figures on total funded accounts.

The short answer to what happened from Q2 2021 to Q3 2021 at Robinhood is that crypto trading fell off a cliff on its platform, leading to a lackluster revenue result. The company's Q4 is forecasted to be even smaller than its Q3. Not good!

I expected the Robinhood results to prove indicative of what Freetrade was seeing amongst its own user base. But, per the company's CEO Adam Dodds, nothing of the sort. Indeed, the company recently announced that it has reached one million users, but more importantly that it has secured 110,000 new funded accounts thus far in October. That's a huge portion of the company's aggregate user base in a single month!

That hardly bearish fact in hand, Dodds doesn't see Freetrade's core market of the U.K. as nearly tapped out, and the company has expansion plans involving Canada, Australia and more coming in the next few months. Along with, yes, crypto trading.

The other difference of note between Robinhood and Freetrade, apart from their presently disparate user growth figures, is that the latter company doesn't engage in payment for order flow. Instead, Dodds explained, the company makes money from subscriptions, a small slice of FX transactions and interest on held user cash.

The subscription element is key to the company's long-term value, I reckon. Why? Because recurring software revenues are investor catnip, and Dodds said that something akin to a quarter of folks opt to pony up for the paid version of its service.

If that ratio holds up - or merely experiences modest declines - Freetrade could build a huge software business. Given just how much more penetration the startup anticipates in its home market, let alone foreign shores, there's money to be made. More when Freetrade raises again.

Source: <https://techcrunch.com/2021/10/30/how-vcs-are-adapting-to-meet-an-increasingly-global-startup-market/>

## Investment in Brazilian Startups Is Booming



Venture-capital funding in Brazil tops countries including South Korea and Indonesia, even in a slow-growth economy with macroeconomic risks

Venture-capital funding in Brazil this year through Oct. 12 reached a record \$6.4 billion; a Rio de Janeiro shopping district.

Risky investment bets on young technology entrepreneurs in Brazil are starting to pay off. That is spurring a boom in startup financing in

a country long dominated by entrenched corporate giants.

Digital banking startup Nubank, founded in 2013 just before a sharp economic decline, has attracted investors such as Berkshire Hathaway Inc. BRK.B -0.27% and will soon hold an initial public offering in New York. In May, online services marketplace GetNinjas made its debut on Brazil's stock exchange. Two months earlier, enterprise software company RD Station was purchased for \$330 million in one of the country's largest ever software deals.

Meanwhile, venture-capital funding in Brazil this year through Oct. 12 reached a record \$6.4 billion, tripling the amount raised in all of pre-pandemic 2019, according to data firm PitchBook. That exceeded South Korea and Indonesia while surpassing the combined startup investments for Russia, South Africa, Turkey and Nigeria.

What does the future hold for Brazil's startup economy? Join the conversation below.

The boom is happening despite the challenges of navigating Brazil's gargantuan bureaucracy and an economy that grew at an average annual rate of 0.8% between 2011 and 2019, underperforming 172 of 195 countries, according to the World Bank.

In recent years, new regulations in Brazil have promoted competition in industries long dominated by a few giants. Entrepreneurs have greater access to financing from a growing group of venture-capital investors. Internet use skyrocketed in the last decade, with Brazilians becoming prolific users of the mobile apps entrepreneurs were developing. A global surplus of investible funds seeking yield in a superlow interest-rate world is also a boon.

The result: more Brazilians who would otherwise work at multinationals are opening their own businesses-often tech startups. More than 13,000 startups have been founded through October this year, 13 times the number in 2011, according to the Brazilian Association of Startups.

Nubank is emblematic of the new generation of companies. It has amassed 40 million customers, making it one of the world's largest digital banks by number of clients.

The firm started out by offering a credit card, no fees charged, via a smartphone. It then added products like a savings account, loans, insurance, and investing services, taking on traditional banks, which are disparaged in Brazil for high interest rates and fees.

Nubank has amassed 40 million customers, making it one of the world's largest digital banks

by number of clients.

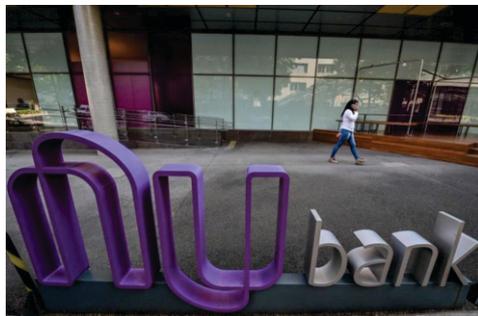


PHOTO: NELSON ALMEIDA/AGENCE FRANCE-PRESSE/GETTY IMAGES

Until last year, Simone Lauer, 43 years old, who lives in a poor neighborhood in Rio de Janeiro, never had a credit card. "Where I live, we don't have banks," said Ms. Lauer, who co-founded a community news site.

A Nubank account permitted her to get a credit card, save money and build a credit history, she said. That allowed her to start paying utility bills digitally and

transferring money to family. "I no longer use cash. It's safer," she said, referring to Brazil's high crime rate.

Nubank benefited from Central Bank changes the last five years that created new licenses allowing qualified financial technology startups to provide lending, payments, and investments, creating competition for a banking sector that was dominated by only a few players.

"These are things that even in the U.S. the regulatory constructs are pretty opaque," said Mike Packer, a partner with Alexandria, Va.-based QED Investors, a Nubank investor. "For fintech and for innovation, Brazil has the most progressive, the most favorable central banking regulations in the world."

The southern Brazilian city of Florianópolis is a budding location for startup headquarters.

PHOTO: EDUARDO VALENTE/AGENCE FRANCE-PRESSE/GETTY IMAGES

Brazil's insurance regulator is trying to follow the central bank's lead in creating more digital competition for that industry. In anticipation, 180° Seguros, a year-old startup looking to make insurance digitally accessible, raised \$8 million in May in its first financing round.



Entrepreneurs who have made it are now reinvesting in other startups. Eduardo L'Hotellier, who co-founded GetNinjas in 2011, this year started investing in venture capital funds after his company's IPO. So, too, is Eric Santos, who co-founded RD Station in 2011 in Florianópolis, helping turn the modest southern Brazilian city into a budding location for startup headquarters.

Strong returns are the draw. The investment of \$2.4 million by São Paulo-based venture-capital firm Monashees into GetNinjas a decade ago turned into \$23 million at the IPO, said Mr. L'Hotellier. The Astella Investments fund in São Paulo that backed RD Station in 2015 has a net annual rate of return of 50%, according to data provided by Astella co-founder Edson Rigonatti.

None of this was a given when they started. Mr. Rigonatti who co-founded Astella with Laura

Constantini, said he struggled getting emails returned from foreign investors. Today, Monashees, Astella and Argentina-based Kaszek Ventures, which invested in Nubank in 2013, have over a dozen funds combined.

Some investors say the venture capital market in Brazil risks overheating. And Brazil's economy is always unpredictable. Inflation has been surging. On Oct. 27, the Central Bank hiked its benchmark interest rate to 7.75%, nearly quadruple what it was in February. In recent days, the currency has weakened, and the stock market has been shaken, reflecting anxiety over the populist government's economic policies.

Kevin Efrusy, a partner with Silicon Valley venture-capital firm Accel and one of the few Americans who has stuck it out in Brazil, acknowledged the risk of wild macro-fluctuations. "When foreign investors see these swings, they can get bucked off the horse," said Mr. Efrusy, who has invested in every Kaszek and Monashees fund since 2011. "Brazilians are used to kind of holding on and going through it."

Source: <https://www.wsj.com/articles/investment-in-brazilian-startups-is-booming-11635692400>

## Women Wing

### 72 countries celebrated the World Business Angel Investors Week

HONG KONG SAR - Media OutReach - 2 November 2021 - WBAW China: The World Business Angel Investors Week (WBAW) 2021 has successfully concluded on 24 October 2021. The Week is a global platform from which to campaign for solutions to critical issues of early-stage equity and capital markets, startup economies, and other worldwide concerns at the United Nations, the European Union, the ASEAN Economic Community, the OECD, and in G20 countries, and regional and local economies. It is celebrated every third week of October, under a global theme. The Week is coordinated globally by the World Business Angels Investment Forum (WBAF) - an affiliated partner of the G20 Global Partnership for Financial Inclusion (GPMI).

This year's global theme is Business Diplomacy for International Entrepreneurship. The event took place over 18-24 October 2021 and hosted more than 80,000 entrepreneurs, startups, investors, innovators, policy makers, and thought leaders from around the world. Baybars Altuntas, Global Chair of the Week and Executive Chairman of the World Business Angels Investment Forum, kicked off the Week with a Grand Opening Ceremony hosting a long list of honorary speakers including H.E. Kolinda Grabar-Kitarovi?, President of the Republic of Croatia (2015-2020) and ministers from Costa Rica, Canada, North Macedonia, Monaco, Mexico, Jamaica, Thailand, and UAE, regional leaders of angel investors, as well as continental chairs of the Week including Derik Kim, Continental Chair Asia.

Mariana Kou, WBAW Country Chair China, highlighted during the 21 October 2021 session for China that innovation and technology advancement were key to social and economic development and encouraged all stakeholders in the public and private sectors to collaborate and contribute to the startup economy in China, Asia, and globally. Raymond Wong, head of Investment at the Hong Kong Science and Technology Parks Corporation, gave a keynote speech sharing the role of Hong Kong in China's entrepreneurial journey.

Keynote speaker Emily Lam-Ho, founder of 8Shades, co-founder of EcoDrive, and managing partner of Empact28 shared how she worked towards building a greener world with an impact investing platform, a NGO, and a startup venture. A roundtable moderated by Roland Yau, managing partner of CoCoon Ignite Ventures invited Lavine Hemlani, founder of Xccelerate, Theodore Ma, founder of MPower, and Lara Wang, co-founder of Link Resources Asia to speak about their views and expectations on the future of work. The WBAW China session concluded with a fireside chat on the East and West venture capital landscape, hosted by Anson Bailey, head of consumer and retail of ASPAC and head of technology of Hong Kong with speaker Kent Ho, founder and general partner of S28 Capital, member of board of directors, Hong Kong Science and Technology Parks Corporation, and Honorary Trustee of Peking University.

### World Business Angels Investment Forum

As an affiliated partner of the G20 Global Partnership for Financial Inclusion (GPFI), the World Business Angels Investment Forum (WBAF) is committed to collaborating globally to empower the economic development of the world by fostering innovative financial instruments for startups, scaleups, innovators, entrepreneurs, and SMEs and to promoting gender equality and women's participation in all sectors of the world economy. WBAF invites you to join our global efforts to ease access to finance, promote financial inclusion, and create more jobs and social justice.

### Strategic Partners of the World Business Angels Investment Forum

Strategic Partners are some of the world's top industry leaders representing diverse regions and industries; they are committed to the idea that interaction between multiple stakeholders can be a positive force in creating change. They work in close cooperation with the Forum to help shape regional and global agendas in the global and regional investment markets. Through this cooperation, Strategic Partners contribute to the global knowledge base and benefit from it as they determine the agenda of Forum meetings and develop the focus of Forum initiatives. WBAF has signed strategic collaborative agreements with global and regional institutions to empower the economic development of the world.

- International Finance Corporation of the World Bank Group (IFC)
- London Stock Exchange Group (LSEG)
- World Association of International Investment Promotion Agencies (WAIPA)
- International Association of Science Parks and Areas of Innovation (IASP)
- The Middle East Business Angels Network (MBAN)
- The African Trade Association for Business Angels (ABAN)
- The World Free & Special Economic Zones Federation (FEMOZA)
- The Association of Chambers of Commerce and Industry of the Mediterranean (ASCAME)
- International Chamber of Commerce (ICC)
- Junior Chamber International (JCI)

Source: <https://www.taiwannews.com.tw/en/news/4332491>

### India ahead of global fintech in having more women leaders, says Lizzie Chapman-Business Journal

Economic Times Startup Awards 2021, believes the time for BNPL in India has arrived. Chapman, who cofounded the firm much before India's ecommerce and digital payments boom kicked in, told ET's Ashwin Manikandan in an interview that these firms will generate



ET tech

more capitalisation in the country than anywhere else in the world. Edited excerpts:

Financial services have unfortunately been male dominated in India. Was it a challenge to crack this space?

It is much better than three years ago. The last

couple of years have been great for women leaders. There is definitely more awareness. In fintech, there are actually some very strong female founders – there is Upasana Taku who is leading Mobikwik's IPO charge; Mabel Chacko and Dina Jacob of Bank Open are strong founders. We have, in fact, a rich history of senior powerful women in India's biggest banks as well. In a very ironic twist, India may be better off than globally in having senior women across companies. We definitely could do better, and we do need more female VCs – but it takes time.

**When you co-founded ZestMoney in 2015, the Indian fintech ecosystem was far smaller compared to now. What made you bet on Indian fintech?**

I started as an equity researcher at Goldman Sachs. Very early in my career, I got interested in India, particularly Indian finance. I was working with a big endowment fund which would invest in Indian banks, and my job was to fly here and meet the CEOs of Indian banks. We also invested in private NBFCs. At the time, I had invested in Muthoot Finance when it was still a family-run private business. I happened to spend a month in Kochi, understanding the gold lending space, visiting small gold shops and dealers on the streets of Kerala. It was just so obvious then that India was about to explode, both from a consumer finance perspective and economically as well. It was apparent that big businesses in the travel, ecommerce, and fintech space would be built; it was all just picking up. I think I was in a club of entrepreneurs who thought like that (Paytm founder Vijay Shekhar Sharma was another), who were thinking this is an opportunity to disrupt.

**Many people in India understand credit cards and zero-cost EMIs but not BNPL, which is still nascent. How is ZestMoney introducing BNPL to customers?**

Tata Digital plans to offer stock options to prospective employees and revamp its organisational structure to attract the best talent around.

In India, we found that EMI is understood very well. People in India also understand the difference between credit and EMI. With credit there is a slightly negative connotation, but EMI doesn't have that. In our outreach, we use the concept of EMIs to explain our product proposition. There is just so much overlap that frankly it's all jargon. What is important is that customers and retailers understand the product.

Bajaj Finance has been providing zero-cost financing solutions for two decades. How are new age BNPL firms differentiating?

In a lot of conversations with investors and VC funds, they would comment – “but BNPL is tiny in India,” and my response to this will always be – “yes, but only if you exclude Bajaj Finance.” A market cap of \$15 billion has been built in India by this company. They were doing digital marketing for firms with a financial product, and they did it before Afterpay and Klarna and others. However, we believe that the BNPL model for the digitally consistent is a different challenge. There are young digital customers coming to the market with high expectations and they are very demanding. And a lot of incumbents find it challenging to offer that experience.

Across the globe, very few BNPL firms are actually making profits. What is the correct business model?

It is a mix of credit, payments and marketing. You're helping brands convert repeat credit. Bajaj cracked it and they cracked it for physical retailers. Just in the last 18 months, the world has woken up to its potential, but we have known this for a decade. I still believe India will be the largest BNPL market in the world. There will be more market cap created in this segment in India than anywhere (else) in the world. It will be an India category.

Do you see BNPL as a challenger to incumbents like banks and NBFCs offering low-cost personal credit?

We actually work with incumbents and most of our credit is not on our books. We work with 22 of the biggest banks and NBFCs – we don't want to beat incumbents, we want to work with them. This sets Indian fintech apart from the world, where globally fintech and banks are competing.

ZestMoney does have an NBFC licence. Do you plan on taking more lending risks on your books going forward?

We don't want to be an NBFC, we want to be a platform for NBFCs which know underwriting and collections much better. We will get whatever licence we need to be compliant – so we have an NBFC licence, but we would prefer to enable a bank which has regulated, capitalized business. Why do double work? Regulatory and political environment in India would push towards this system. In the West, there is a lot of friction and tension between tech, particularly the Big Tech and traditional banks, and that's not good for the consumers ultimately.

Over the last month there has been funding activity in the Indian BNPL space with both ZestMoney and Capital Float raising capital. Do you feel this space is undercapitalized right now?

If this is going to be a multi-billion-dollar market creation in a couple of years, the actual funding going into BNPL currently is still very low. While \$50 million (capital raised by ZestMoney and Capital Float in respective rounds) is fantastic, there are entire categories way more niche than BNPL (that are) raising much more capital. It's such a big market in India but what surprises me is that it still has low competition. There are only a handful of firms including us and Capital Float. In comparison, if you look at the UK, which is a

much smaller market, they have Afterpay, Zip, Klarna, PayPal all fighting it out.

Why are legacy fintech and e-commerce companies in India as well as pure-play firms finding it tough to crack BNPL?

It does require some capital to take off. Even Klarna is not an overnight success; it's a 15-year-old company. Anything that touches credit becomes more complex - there would be unsuccessful stories. And if some don't work out, investors become nervous to fund the space. Because there is not enough capital flooding in, it is becoming harder to build out the market with critical mass. I think we are there now. Klarna, Afterpay and Affirm's success is a catalyst. It is going to be interesting in the coming months. I want to add that BNPL is not an add-on business; it is highly complex and requires specialised focus. I believe there will be five or six big BNPL companies popping up specializing in India soon.

Do you feel any of the big BNPL firms - Klarna, Affirm, Afterpay - would enter India soon?

India is a tough market for global fintech firms. I hope I'm not speaking off-turn, but PayPal struggled here and if PayPal - which is a firm I have idolized - has found it tough in India, then others would be aware that it would be a tough market. Any of the global guys coming here would need to invest heavily, rebrand products, learn about socio-economic diversities, learn about KYCs. It's going to be a big project and I don't think they are there yet.

Was your conviction in BNPL ever challenged?

The reason why BNPL is so clear is that we studied it all over the world. The reason people were turning away from credit cards and jumping to BNPL around the world was because there was a real cynicism about credit cards. In 2011, I was so astounded by the implicit informal credit in the system here. In the UK, you have to pay even to pre-book a hotel. Here the trust is built into the system, and I don't believe India is a low-trust society. My point is that BNPL is a product that people in India already understand. The entire supply and demand chain here works on implicit credit. Like all good business, what BNPL does is to build a product around a disorganized behavior implicit in the system.

How are you mitigating repayment risk involved in lending for the Indian market?

There is a trend in tech business around the world, which is 'growth at all costs.' We believe that anything that touches credit - and BNPL is a credit product - has to be conscious about risk models. We are focused on affordability. In India there aren't many unscrupulous products yet. The Reserve Bank of India may also look at regulations as this market grows and we support that. Indian customers are unique - they are savvy, they are fee conscious, and they don't like to default. In the UK, people are way more complacent about their financial behavior and take much more fee load, just like in the US. Therefore, I feel that it would be more improbable in India to have such a credit bubble like in the western markets. We have a well-regulated financial market and robust banks that are not incentivized to over-leverage customers.

Source: <https://business-journal.in/technology/india-ahead-of-global-fintech-in-having-more-women-leaders-says-lizzie-chapman-business-journal/>

## ICSME 2021

### “SMEs: KEY TO AN INCLUSIVE AND SUSTAINABLE RECOVERY POST PANDEMIC THROUGH ATMANIRBHAR BHARAT”

The COVID-19 crisis has taught us that the pandemic and containment measures do not impact everyone in the same way. Among the private sector, MSMEs, especially those led by women, youth, ethnic minorities and migrants,

WASME ICSME 2021

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MDS IndoCan Connecting Businesses

75 Azadi Ka Amrit Mahotsav

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**25<sup>th</sup> International Conference for Small and Medium Enterprises**

Topic - "SMEs: KEY TO AN INCLUSIVE AND SUSTAINABLE RECOVERY POST PANDEMIC THROUGH ATMANIRBHAR BHARAT"

**CONFERENCE, EXHIBITION AND AWARDS**

**Saturday, December 11, 2021**

**Venue: Scope Complex, New Delhi**

**WORLD ASSOCIATION FOR SMALL AND MEDIUM ENTERPRISES**

suffered the most. An International Trade Centre survey on COVID-19 impact among businesses in 136 countries has shown that nearly 62% of women-led small businesses have been strongly affected by the crisis, compared to just over half of firms led by men, and women-owned are 27% more likely not to survive the pandemic. The COVID-19 crisis also taught us the value and catalytic impact of digital connectivity, particularly for MSMEs.

As governments vaccinate their populations, the world continues to deal with several other challenges that include the ongoing effects of climate change, biodiversity lost, and pollution. If unabated, these three crises are expected to have severe negative implications for economic growth, human health and ecosystems, employment and livelihoods. Much like the pandemic, we know that without concerted global actions, climate change, biodiversity loss and pollution are likely to disrupt growth, undermine food and nutrition security, and reinforce inequalities within and among countries. Among African MSMEs, only 27% of women-led firms reported investing in at least one measure to reduce exposure to environmental risks, while 45% of men-led firms had done the same, according to the SME Competitiveness Outlook 2021. Similarly, smaller and youth-led firms were less likely to make environmental investments compared with larger and adult-led firms. These smaller, women- and youth-led businesses have less capital at their disposal to invest in mitigating measures to prepare for external shocks like a pandemic or climate event.

In order to recover better, efforts and stimulus packages must target those most heavily affected by the pandemic and be aligned with the SDGs and Paris Agreement; supporting MSMEs, especially women, youth, migrants-owned, to be resilient to future shocks. We must seize the opportunity offered by the pandemic to address pre-existing biases and constraints faced by these women and men entrepreneurs and empower them to be the agent of change to achieve the SDGs. Focusing on stories from small business entrepreneurs, including women-led firms and 'ecopreneurs', this event will shed light on challenges they face, showcase solutions, and identify new approaches needed to ensure that MSMEs are change agents in driving a sustainable and inclusive recovery.

Atmanirbhar Bharat Abhiyaan or Self-reliant India campaign is the vision of new India envisaged by the Hon'ble Prime Minister Shri Narendra Modi. On 12 May 2020, our PM raised a clarion call to the nation giving a kick start to the Atmanirbhar Bharat Abhiyaan (Self-reliant India campaign) and announced the Special economic and comprehensive package of INR 20 lakh crores - equivalent to 10% of India's GDP - to fight COVID-19 pandemic in India. The aim is to make the country and its citizens independent and self-reliant in all senses. He further outlined five pillars of Aatma Nirbhar Bharat - Economy, Infrastructure, System, Vibrant Demography and Demand. Finance Minister further announces Government Reforms and Enablers across Seven Sectors under Aatmanirbhar Bharat Abhiyaan.

The government took several bold reforms such as Supply Chain Reforms for Agriculture, Rational Tax Systems, Simple & Clear Laws, Capable Human Resource and Strong Financial System.

**Azadi Ka Amrit Mahotsav** is an initiative of the Government of India to celebrate and commemorate 75 years of progressive India and the glorious history of it's people, culture and achievements.

This **Mahotsav is dedicated to the people of India** who have not only been instrumental in bringing India thus far in it's evolutionary journey but also hold within them the power and potential to enable Prime Minister Modi's vision of activating India 2.0, fuelled by the spirit of **Atmanirbhar Bharat**.

#### Theme

The event will focus on placing MSMEs at the centre of resilient, inclusive and sustainable recovery and growth. Achieving the SDGs, and an economy that is greener and fairer, requires resilient and flourishing MSMEs everywhere through Atmanirbhar Bharat movement.

## Objectives

- Strengthen awareness and capacities of policymakers and micro-, small and medium-sized enterprises in achieving fairer, resilient and sustainable recovery that contributes to achieving the SDGs through Atmanirbhar Bharat campaign.
- Contribute to global debates on MSMEs in the post-pandemic recovery, including through environmental sustainability, and empowerment of youth, women, migrants and refugees.
- Create space for action, recommendations and practical tools that lead to more targeted policies and measures, including stimulus packages, supportive ecosystems and opportunities for MSMEs, especially women and youth owned MSMEs and sustainable MSMEs.

## Target audiences

- All SMEs
- UN entities
- International organizations
- Business support organizations
- Private sector representatives
- Academic institutions
- Expected Chief Guest - PM / HM / MSME Minister / BJP Head

## INVITED EMINENT GUESTS AND SPEAKERS KEY DISCUSSION TOPICS

- \*Chief Guest- Expected Chief Guest - PM / HM / MSME Minister / BJP Head / Top Renowned Personality
- \*Guests of Honour - MSME MoS / Industry MoS / Top Renowned Personality
- Senior Bankers, Professionals and Industry representatives
- Digitalisation helped SMEs gain new customers, increase transactions amid pandemic
- Cross border selling is the only focus for small businesses across Globe
- Building an efficient, low-cost retail export channel can bolster MSMEs
- Pandemic has India scrambling to boost its manufacturing sector
- Nurturing entrepreneurship among MSMEs holds key to India's problems
- Prepack Insolvency Framework for MSMEs
- MSME can be foundation for bigger industries

## How can India build globally competitive MSMEs?

- Downing the shutters, again for MSME
- Strict lockdown, slump may dent Karnataka's SMEs this year too
- Buyer interest in SME space has gone up Post-Covid
- How open data in sub-contracting can help SMEs



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) worldwide 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 & programmes 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](mailto: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

Plot No. 4, Institutional Area, Sector - 16 A,

Noida, Gautam Budh Nagar - 201301, Uttar Pradesh, India

Tel: +91-120- 4216283, Fax: +91-120- 4216284 | Email: [editor@wasmeinfo.org](mailto:editor@wasmeinfo.org)

Website: <http://www.wasmeinfo.org>

# WASME

World Association for Small and Medium Enterprises



## WASME Research & Publication Division

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

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**World Association for Small and Medium Enterprises (WASME)**  
 WASME House, Plot No. 4, Sector- 16-A, Institutional Area, Gautam Budh Nagar – 201301, Uttar Pradesh, India  
 Tel: +91-120-4216283 Fax: +91-120-4216284  
 Email: wasme@wasmeinfo.org, Website: www.wasmeinfo.org