



WORLD ASSOCIATION FOR SMALL & MEDIUM ENTERPRISES

WASME

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**UNION
BUDGET**
Decoding the union budget
2023-24



WASME EDITORIAL

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READERS' REVIEW



“ Dr. Jankhee's deeply intuitive interview on trend in MSME sector is a must read for stakeholder in the sector. He displays his sharp knowledge and experience to tackle the questions. The interview contains many takeaways for the small businesses and policymakers alike to move forwards in an uncertain global climate. ”

Dediu Gheorghe, Caras-Severin, Romania

“ The essay on SAARC economic integration by Mr. Perara is notable article to examine a number of issues relating to the past shared by these nations and what the future holds for them. His key idea for regional SME growth is to concentrate on finance and the formation of data banks is good. It highlights how a strong and coordinated policy move may transform the area. ”

Narengiri Goswami, Rajkot, Gujarat

“ Culture and beauty of south Africa is given a nod in South Africa's country focus. Diversity being a major part of both culture and economy is easily seen in the MSME sector. The challenges faced by the SMEs revolves around accessibility and there exist targeted approach by the government in the region to resolve it. The piece invokes economic potential of the region and its MSME in its undertones. ”

Mogomotsi Nicolas Mokongwa, Botswana

“ WASME's comprehensive and collaborate efforts focusing on SME development through conferences, discussions and advocacy is highly noteworthy. WASME is out to make big changes in discourse surrounding SME sector globally. A strong team spearheading the cause of SME development paves the way for a bright future for SMEs worldwide. ”

Ludovic Bigfarm Belinga, Yaoundé, Cameroon

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Dr. Gyan Prakash Agarwal

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FROM THE DESK OF SECRETARY GENERAL



Dr. Gyan Prakash Agarwal

We welcome our readers to the February edition of WASME newsletter. The month of February has been very significant for India. The last Union Budget was released before India conducts its general elections in 2024. WASME has been instrumental in analysing and making recommendations to the concerned Ministry of UoI to further policy discourse on strengthening MSME ecosystem.

This month's newsletter focuses on the Union Budget 2023-24, where we analyse the budget allocation made to the SME sector. We have conducted comparative study of allocations made to other sectors and highlight some of the existing gaps in the development of the MSME sector. We also bring to you experts' opinion on how we can model growth and financing of MSMEs in the current atmosphere of uncertainty.

For this edition, we undertook a deep analysis of Mauritius' MSME sector to map the contextual challenges, policy initiatives and most importantly the resources available for MSMEs in the country. We have reviewed the development and current status of digital technology in the financial sector and the scope of challenges and opportunities that it entails for the MSMEs. A regular update on the major initiatives of international and transnational organisations have also been incorporated.

This latest issue also features an exclusive interview with Mr J. Pandoo, Managing Director of Development Bank Mauritius where he talks about the role a bank can play in strengthening the MSME sector.

Entrepreneur of the Month Mr. Emmanuel Sofa, Executive Director of SOFER Initiative talked to WASME on how community driven initiatives can help MSMEs achieve blue sustainability and achieve SDG goals. Lastly, some important events and activities conducted by WASME in February 2023 have also been discussed.

We hope that through this edition of the newsletter, the readers have substantial takeaways about critical developments in the MSME sector, update themselves and have a share in the knowledge pool.

Happy reading!

WASME Editorial

Decoding the Union budget 2023-24: MSME edition



Defining of the MSME sector by the Indian government

Prior to 2018 Micro, Small and Medium Enterprises were defined in terms of investment in plant and machinery equipment. To overcome the shortcoming of lack of credible and precise details of investments available to authorities and to align the sector with Goods and Services Tax (GST), the government proposed the annual turnover as the defining factor for MSMEs¹. A notification in this regard has been issued by the Ministry of MSME and the revised definition is applicable from 1st July, 2020. The following sub categorisation has been created within the sector:

Previously: Linked to Investment

	Manufacturing (Plant & machinery investment)	Services (Investment in equipment)
Micro	Up to Rs. 25 lakhs	Up to Rs. 10 lakhs
Small	Over Rs. 25 lakhs to Rs 5 crores	Over Rs 10 lakhs to Rs. 2 crores
Macro	Over Rs. 5 crores to Rs. 10 crores	Over Rs. 2 crores to Rs. 5 crores

Previously: Linked to Investment

Micro: Up to Rs. 5 crores	Small: Over Rs 5 crores to Rs. 75 crores	Medium: Over Rs. 75 crores to Rs. 250 crores
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Share of the MSME sector in the economic & social development of the country

By 2028, it is expected that India's MSME sector will have contributed US\$ 1 trillion to the country's overall exports, accounting for around 33 percent of the country's GDP. There are 7.9 million registered Micro, Small, and Medium Enterprises in India (MSMEs). About 120 million employments across industries and regions are supported by the sector, which amounts for about 33 percent of the nation's overall GDP. The sector also includes often underappreciated and small-scale entrepreneurs like women, marginal entrepreneurs, local craftspeople, etc. who contribute to wealth development at a grassroots level. 8.59 lakhs women-led MSMEs registered on the Udyam platform in FY22, making up 17 percent of all MSMEs. In India, 6.11 percent of the manufacturing GDP and 24.63 percent of the services GDP are produced by around 63.4 million MSMEs.

Data on the export of specific MSME-related products in all India exports was supplied by the Directorate General of Commercial Intelligence & Statistics (DGCIS). Despite a rise in the number of active MSMEs, it showed a YoY fall from 25.03 percent to 42.67 percent in FY 2022-23 (up to August 2022). In FY22, the US (\$54.7 billion), UAE (\$13.4 billion), Hong Kong (\$9.93 billion), UK (\$7.54 billion), Germany (\$7.19 billion), China (\$5.16 billion), and Belgium (\$4.7 billion) were the top export destinations for Indian MSMEs.

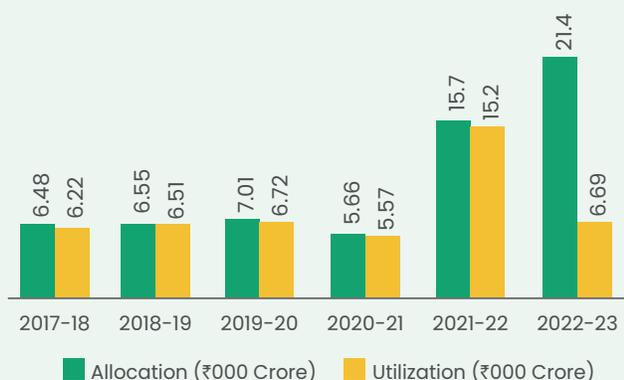
1. <https://indianexpress.com/article/business/economy/covid-impact-67-msmes-temporarily-shut-in-fy21-over-half-lost-25-revenue-7761520/>

Grants allocated to the MSME sector under the Union budget 2023–24

The MSME sector encounters a number of obstacles, including capital limitations, marketing issues, labour-related difficulties, etc. By modernising the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and extending the Emergency Credit Line Guarantee Scheme (ECLGS) until March 2023, the Union Budget 2022 provided some assistance to the pandemic-affected sector.

Increase in budgetary allocation

◆ The budget allocation for the MSME for FY 2021–22 more than doubled to 15,700 crores from 7,000 crores in 2019–20, and the sector will receive a major relief from the 10,000 crores corpus for the provision of borrowing guarantee. To provide much-needed financial assistance and accessibility, provisions have been made for the previously announced Atma Nirbhar initiatives (namely, the Credit Guarantee Scheme for Subordinate Debt to MSMEs and the Fund of Funds). In total, the Union Budget 2023–24 allotted a record amount of 22,138 crores for the MSMEs ministry. According to papers, the allocation for the MSME ministry is lower than its Budget projection of 21,422 crores but higher than the revised estimate of 15,628 crores for the current fiscal year. India's MSME sector, which



contributes 30 percent of the nation's GDP and directly employs around 110 million people, was severely impacted by the global slowdown and the Covid pandemic's knock-on effects.

Budgetary allocation under various union government schemes and programmes

◆ To support the MSME sector, especially in the aftermath of COVID-19 pandemic, under the Atma Nirbhar Bharat Abhiyan, some key allocations have been made: -

Subordinate Debt for MSMEs of **20,000 crores**

\$3 trillion Automatic loans without collateral for businesses, particularly MSMEs

MSME Fund of Funds equity infusion of **50,000 crores**

MSMEs are now being registered using "**Udyam Registration**" for the convenience of doing business

There are no international bids for purchases under **200 crores**

- ◆ With effect from April 1, 2023, a revised credit guarantee scheme for 65 million MSMEs, the foundation of Indian manufacturing, would be implemented. This decision is anticipated to inject some 9,000 crores into the industry.
- ◆ The new credit guarantee programme will reduce the cost of financing for MSMEs by 1 percent and enable them to obtain an additional 2 lakhs crores in collateral-free credit guarantees. The emergency credit line guarantee scheme was extended till March 31, 2023, and a programme called **Raising and Accelerating MSME Performance (RAMP)** with an outlay of 6,000 crores was also announced as part of the budget.
- ◆ According to a recent survey by the Small Industries Development Bank of India, about 65 percent of MSME operators in the nation have benefited from the **Emergency Credit Line Guarantee Scheme (ECLGS)** (SIDBI). The study

used a pool of 1,029 MSMEs from 20 states and two union territories as a random sample. It has been decided to prolong the Emergency Credit Line Guarantee Scheme (ECLGS) until March 2023. 50,000 Crores has increased the scheme's guarantee protection. The scheme's entire coverage would now rise from 4.5 lakhs crores to 5 lakhs crores. The extra money has been set aside specifically for businesses in the hospitality industry and associated industries.

- ◆ The **Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE)** programme will receive more funding. This will provide micro and small businesses access to an additional \$2 billion in finance. The scheme's expanded funding allocation will enable MSMEs to benefit more significantly from interest-free loans.
- ◆ Under the **PM Vishwakarma Kushal Samman (PM VIKAS)**, artisans and craftspeople will be able to integrate their products with the MSME value chain and increase the quality, scope, and reach of their offerings thanks to the new programme. The scheme's components will also include access to advanced skill training, knowledge of cutting-edge digital techniques, familiarity with effective green technologies, brand promotion, integration with regional and international markets, digital payments, and social security in addition to financial support. The Scheduled Castes, Scheduled Tribes, OBCs, women, and members of the disadvantaged classes will all immensely gain from this.
- ◆ Under **Vivad se Vishwas I**, government and government undertakings would reimburse 95 percent of the forfeited sum related to bid or performance security to MSMEs in circumstances where they fail to fulfil contracts during the Covid term. MSMEs will benefit from this. There will be built up an Entity DigiLocker for use by MSMEs, big enterprises, and charity trusts. This will be done in order to securely store and

exchange documents with various authorities, regulators, banks, and other business entities whenever necessary. With the introduction of a unified Skill India Digital portal for connecting with employers, including MSMEs, the digital ecosystem for skilling would be significantly expanded.

Sectoral focus in the Budget

- ◆ **Defence:** 68 percent of the capital procurement budget allotted for domestic industry under the Atma Nirbharta has been set aside in the budget for 2023. A 25 percent allotment of the defence R&D budget was also made available for sectors, start-ups, and universities. This news will provide MSMEs in the defence and aerospace industries with a chance to create goods and innovate in accordance with international standards.

- ◆ **Sunrise sector:** The government will fund R&D in up-and-coming industries such artificial intelligence, green energy, clean mobility systems, genomics, drones, geospatial systems, the semiconductor industry, and its ecosystem. These chances will allow MSMEs to reinvent their products and enter new markets.

- ◆ **Clean energy:** Climate change was a key topic in the Budget. The government announced an additional allocation of 19,500 Crores for Production Linked Incentive for producers of high-efficiency solar modules to fulfil the target of 280 GW of installed solar power by 2030 in keeping with its commitment to net-zero emissions. This announcement will give MSMEs in the module manufacturing sector the crucial boost.



- ◆ **Capital infrastructure:** The PM GatiShakti Master Plan was declared. In accordance with this plan, the National Highways network will be increased by 25,000 km in 2022–2023, which will facilitate the efficient movement of goods through various modes, cut down on logistics time and costs, help with just-in-time inventory management, etc. The Finance Minister has suggested allocating \$1 billion for 2022–2023 to help the states spur overall economic investment. The plethora of infrastructure projects will support MSMEs' expansion, broad-based recovery, and job creation. Proposal for setting up of seven textile parks across the country under the Mega Investment Textile Parks scheme will generate further activities among the MSMEs due to strong forward and backward linkages.



- ◆ **Metal and alloys:** The 2.5 percent Basic Custom Duty (BCD) concession on copper scrap is still in place to guarantee the supply of raw materials for secondary copper producers, the majority of which are MSMEs. The MSME sector will benefit greatly from the decrease of customs tax on semis, flats, and long goods made of non-alloy, alloy, and stainless steel as well as the lowering of duty on steel and copper scraps. Chemical customs duty rates should be calibrated to promote domestic value addition and eliminate inversions. The necessary incentive for MSMEs operating in this area will be provided by the rationalisation of customs duty on gold and silver.



- ◆ **Textile:** The MSME sector's ability to compete on pricing in the export market would also be aided by the rationalisation of levies on the raw materials used in textile manufacture. Reduced BCD rates on caprolactam, nylon chips, nylon fibre, and nylon yarns will benefit MSMEs, the textile industry, and exports.



- ◆ **Training:** One of the key elements in the long-term growth of MSMEs is qualified and trained labour. The National Apprenticeship Training Scheme (NATS) should be reorganised to provide post-education apprenticeships and teach graduates and diploma holders in engineering, which would help meet the demand for labour in the MSME manufacturing sector.
- ◆ **Customs and taxes:** The MSME sector will substantially benefit from the rationalisation of custom duties on steel screws, plastic building products, prawn feed, finished gemstones, and rationalisation of duty-free exemption on goods to encourage exports of apparel, leather goods, and handicraft items.



Easing of regulatory compliance mechanisms

- ◆ For the purpose of consolidating and taking over the current stressed debt, the budget suggests the establishment of Asset Reconstruction Company Limited (ARCs) and Asset Management Companies (AMCs). The ARCs will make sure that these recently acquired assets with stressed debt are monetized. This will improve lending, remove subpar assets from bank books, and allow banks to concentrate on the actual profitability of MSME initiatives.
- ◆ Limit for Tax Audit increased from \$5 million to \$10 million, relieving a significant portion of MSMEs from the burden of compliance. Instead of the previous 6 years, the time period for reopening an IT assessment is now 3 years. The case can only be reopened to include further evidence in significant tax evasion instances (over 50 Lakhs). Instead of the previously prescribed 6 years, the time period for reopening an IT assessment is now 3 years. The case can only be reopened for a maximum of 10 years in the case of major tax evasion crimes (over 50 Lakhs). In the event of previous assessments, this will promote certainty for small industries and reduce litigation. For small taxpayers with taxable incomes up to \$50,000 and any challenged incomes up to \$100,000, there is a Faceless Dispute Resolution Committee. By resolving the matter at the outset, this will lessen ongoing litigation and stop new disputes.

Way forward

The Union budget's vision and financial allocation to the MSME sector is highly appreciated. But there are

some key issues which the Indian government should deal with in order to create a robust MSME sector. To create conducive environment of greater ease of doing business for MSMEs, the NPA categorization term for MSMEs may be raised from 90 to 180 days. To protect the MSMEs, there is a need for enactment of legislation or a law requiring buyers to pay MSMEs within 45 days of the day they accepted their material. Thirdly, MSMEs should be made eligible for a one-time payment from the government if they are willing to close down their current unproductive business (OTS). It is essential to consider raising the GST exemption threshold for microbusiness owners to Rs 2 crores. The upper limit for interest charge for paying GST after the deadline should be lowered to 12 percent. It is essential that we consider exempting micro enterprises from paying income tax in FY23 and FY24. The government of India may establish a special corpus fund to support rural microbusinesses by offering a subsidy of up to Rs. 5.0 lakhs per unit for the purchase of high-tech, non-polluting equipment (machines and equipment). A programme like TREDS should be looked at to address supply chain financing. Under One District One Product (ODOP) the government should encourage SME associations which possess land, to be given preference in selection and 100 percent funding for the construction of the ODOP malls. Moreover, competitive SME associations like WASME should be encouraged or strengthened to open export centres.

WASME has been proactive in reaching out to the Indian government regarding the various concerns of MSMEs. To create a robust environment for SMEs, WASME has submitted its recommendations to the Ministry of Micro, Small and Medium Enterprises which invited feedback from the civil society post the announcement of the Union Budget.

Guest Article

Modelling Growth and Financing of Micro, Small and Medium Enterprises (MSMEs) in Un-Certain Times



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Introduction

Countries worldwide are tasked with responsibly to build sustainable future for all while maintaining appropriate environmental discipline and stable socio-economic growth. The changing structure of global investment, trade, capital flow and the need for deeper integration, strengthening regulatory framework and signaling system is greater (Agarwal, Agarwal and Agarwal, 2006). Globalization has altered the economic frameworks of both developed and developing nations in ways that are difficult to comprehend. Innovation has seeded the need to finance development and growth

in rural regions. Also, the emergence of unregulated global markets appears to have moved towards a more stable and growth oriented economic globe. What is needed today is to develop sensitivity sensor systems to promote technology within the financial framework as an integrated approach to keep markets from busting and causing socio-economic panics.

Financial Trends and Global Scenario

There are over US\$ 8 trillion worth of transactions that take place on a daily basis, which is equivalent to the total world trade every year. The persistent rise in the dispersion of current account balances of the world as a whole, wherein the sum of surpluses matches the sum of deficits has grown substantially since the World War II. Since 1990, the un-regulated financial markets were set to induce growth for emerging and developed economies. However, the economies have been hit one after the other with the fashion and need for market driven capitalist and liberalized economic systems. The emergence of the crisis in the last 20 years since 1982 beginning with USA (1982, 1989, 2007-08), India (1991), Russia (1992, 1998), Mexico (1994), East and South East Asian (1997), Brazil (1999), Argentina (2001) and the most recent financial turbulence observed since 2008 in US and Europe estimating an impact of over US\$ 8 trillion with over US\$ 3.5 trillion already proposed for bail out by the US Treasury in 2009-10 clearly bringing forth the failure of Banking and Financial Institutions which serve as the back bone of an economy or life blood of an organization.

The India, China, Japan and the US Model of Economic Development have brought forth reform process for

the nation's economic stabilization. Several phases of this process brought about miraculous effect in these nations' economy. The main objectives of these models have been to create conscious instrument for purposeful economic development. The GNP growth, wages and the potential resources and sources of economic growth like investment, fuel, financial, energy, crediting, and material resource were the initial areas this model stressed on. Further the aspects related to price, currency, fiscal money and foreign economic policies were also added. The industrial and agricultural sectors are given equal importance for the developmental programmes. The government-led industrialisation and import substitution programs have induced growth with a focus on utilization of (a) cash crops and natural resources (including energy and non-ferrous metals); (b) public capital investment (c) promote growth in small business and entrepreneurship. This has contributed to the economies success in mitigating and reversing the output decline post-independence since 1991 (Zettelmeyer, 1998).

Economic development in Indian context

India has made enormous strides in the last 75 years of India's having regained independence. India enjoys a rich heritage, intense diverse cultural and socially rich setup. Economic growth and development in India, since 1980, has been amongst the fastest in the world; social indicators for literacy, education enrollment, disease and mortality, and gender have steadily improved; and poverty has fallen since the mid-1970s (World Bank, 2000). All this is despite having a population base of around 1.3 billion people, which had been growing at the given Hindu growth rate of 2.3% till 2010 and at 1.7% henceforth. India today stands to be THE Youngest Nation globally with over 742 million people (71% of total population) below 35 years of age and over 65% of young working population (between 15-45 years of age).

India has also developed a diversified industrial base and a relatively large, robust & sophisticated financial sector. India is known in the international spheres for its technical human resource, financial framework,

manufacturing capabilities and the software sector. The FDI Flows on monthly basis in India have increased from US\$ 0.2 billion/month (in 2000-01) to US\$ 1.3 billion/month in 2010-11 to US\$ 7 billion/month in 2021-22. The FDI Flows in 2022-23 are expected to be around US\$ 90 billion (i.e., US\$ 7.5 billion/month). These successes have taken place against a backdrop of India being the largest democracy of the world with a significant degree of political freedom and stability. It is a matter of pride that we have had the successful conduction of election ever since its independence in 1947. The total number of votes in India (671 million i.e. over 62% of population), which far exceeds the total population of America and it also exceeds the total population of the whole of Europe along with a participation of over 200 political parties (largest multi-party system base observed by any democratic country globally).

MSMEs and Start-Ups Empowering Growth and Economic Development

Economic growth is extensively dependent on Employment growth. Many developed economics have shifted these resources to only one segment namely Services. The GDP contribution of services sector is between 60-80% for most developed economies in the last 3 decades. It is important that there is homogenous distribution of other sectors – agriculture and industry to contribute and have sustainable economic growth. This is despite the fact that corporations see economically benefiting externalities in economic havens, low-cost economic zones and developing regions of the world. It is important that the government steps in to create avenues for domestic and foreign participants contribute in the growth of the three sectors to have homogenous contribution to the GDP with small year-on-year variations.

Venturing and adapting economic systems to fast changing market orientations in troubled times in different regions of the world have been observed to play critical role in inducing economic growth and boasting employment. Agarwal (1974, 1988) Goal Program Model for decisions under Risk and Uncertainty and Agarwal, Agarwal & Solojentsev (2008) Human Resource Capacity Building Model in Venture

Capital funded ventures provide solution to enable organizations adapt to fast changing environments.

The production function in any firm requires two critical inputs i.e., Capital and Labour. In a venture capital

funded venture, human capability augmentation takes place at one end with capital provider and on the other hand with the capital receiver. Labour in a venture capital firm includes both office and administrative staff and floor level workers.

Table 1: Genesis of Select few Key Venture Finance Projects

Year	Venture	Venture Finance Provider / Contributor	Country
527 BC	Nalanda University (527BC to 1197)	Kumaragupta	India
518 BC	Takshashila	King Taksha	India
350 BC	Chandragupta Mauryan Empire (350-283 BC)	Chankaya (Kautilya)	India
1492	Christopher Columbus expedition (Colonization)	Isabella, Queen of Spain	Spain
1869	Alexandra Cotton Mill	Jamsetji TATA	India
1906	Xerox	Haloid Corporation	US
1908	General Motors	DuPont (VF in 1920)	US
1915	Banaras Hindu University (Oriental learning and Theology)	Kashi Naresh and Sri RS Bahadur, Maharaja of Darbhanga	India
1919	Yarn and Jute Mill	Ramnath Goenka	India
1924	IBM (Punched Card)	TMC (1896), CSC(1891) and ITRC (1900) merged	US
1926	Bajaj motors (Motor Vehicles)	Seth Bachhraj	India
1938	Eastern Airlines and Douglas Airlines	Laurance Rockefeller funded Venrock	US
1946	Amul	Gujarat Co-operative Milk Marketing Federation Ltd.	India
1950	Share cropping farming institution (Tobacco)	Landlords and farmers	India
1957	Digital Equipment Corp. (now HP)	Georges Doriot, Ralph Flanders and Karl Compton/ ARDC	US
1959	Fairchild Semiconductor (Practical integrated circuit)	Laurance Rockefeller funded Venrock	US
1959	Lijjat Papad	Shri Mahila Griha Udyod	India
1960	Florida Foods Corporation (Nutritional one minute juice)	J.H. Whitney and Company	US
1962	Reliance Commercial Corp.	Dirubhai Ambani	India
1968	Intel (X86 Microprocessors)	Robert Noyce and Gordon Moore	US
1977	Oracle (Database software)	Larry Ellison, Bob Miner & Ed Oates	US
1978	Microsoft, DOS (Disk Operating System)	Bill Gates and Paul Allen	US
1978	Biocon	Biocon Biochemical Ltd. (Ireland) & Kiran Mazumdar Shaw	India
1981	Infosys	Sudha Murthy	India
1984	Cisco (Router)	Len Bosack and Sandy Lerner	US
1987	Business Finance Education in India	Indian Institute of Finance	India
1987	3i Group	Bank of England	UK
1989	VLCC	Vandana Luthur and family	India
1992	MASTEK	ICICI and UTI promoted TDICI	India
1994	Amazon.com (Online Book store)	Jeffrey P. Bezos	US
1994	Yahoo (Search Engine)	Sequoia Capital	US
1996	Hotmail (Free Webmail service)	Draper Fisher Jurvetson	US
1997	Kshema Technologies (Customised IT Services)	Anant Koppar	India

Source: Self Formulated from Historical Archives, Encyclopedias & Wikipedia

Provisions made in the Union Budget 2023-24

The overall policy of the government has been to strengthen the ecosystem for MSME which was initiated with the reduction in corporate taxes. Further strength to the ecosystem has been provided through Skill India programs, digitalisation, financial inclusion, GST and payment banks who have enabled small pocket payments at ease. The GeM portal and Treads has also enabled MSME access to PSU sector for selling the products where 3 % of the purchase is mandatory from women entrepreneurs. There has been a constant credit support to the MSME through the Mandra yojana and financing to the self-help groups. Non recognition of NPA and moratorium provided during Covid period further supported the MSME framework. The budget has also provided for relief for MSMEs who could not perform their contracts during COVID and had their money forfeited. Under the Vivad se Vishwas where MSME could not execute the contracts during COVID, 95 per cent of the forfeited amount relating to bid or performance security, will be returned to them by government and government undertakings.

The credit guarantee scheme for MSME has been revamped with effect from 1 April 2023 with an infusion of Rs. 9000 crores in the corpus. This will enable additional collateral-free guaranteed credit of Rs 2 lakh crores. In addition, the cost of the credit will be reduced by about 1 per cent. The basic customs duty of 2.5% is being continued on copper scrap to help the secondary copper producers which are mainly MSME. The benefit of presumptive taxation limit has been enhanced for Microenterprises from Rs. 2 crores to Rs. 3 crores and certain professionals from a turnover from Rs. 50 lakhs to Rs. 75 lakhs to tax payers whose cash receipts are no more than 5%. Further to support the timely receipts of payments for MSME any expenditure made to them shall only be allowed as deduction only after the payment is actually made to them.

To be able to compete with big players and sell their products competitively in the market the e-commerce

industry and aggregators have played an essential role. Further the traders have also been recognised as MSMEs which provides them the support the MSME ecosystem. The dynamics of marketing, distribution and sale of products together with consumerism have change the platform of MSME support. There is a continuous need to bring them to a competitive level that productively efficient in technology, manpower and capital support jobs in India.

Along the lines the government has recognised the need to support the poor, marginalised, underprivileged and backward groups involved in activities that support the cultural diversity and tradition of India through PM Vishwakarma Kaushal Samman (PM VIKAS) scheme that aims at integrating traditional artisans and craftspeople, who work with their hands using tools with the MSME value chain. The components of the scheme will include not only financial support but also access to advanced skill training, knowledge of modern digital techniques and efficient green technologies, brand promotion, linkage with local and global markets, digital payments, and social security. This will greatly benefit the Scheduled Castes, Scheduled Tribes, OBCs, women and people belonging to the weaker sections.

An Entity Digilocker facility has also been provided in the budget for the MSME to share their documents securely online with authorities, regulators, banks and other business entities. This will provide easy and potential access to the various channels supporting the MSME. The digital Ecosystem of skilling shall also be expanded to with the launch of Skill India Digital platform which would be digitally linked with the MSME employers. Enabling them to see access to skilled labour force which is a key input for all the MSME.

Conclusion

The World Economy is moving towards a new economic order. With the strong presence of US, Europe, Russia, China and India as key role players in the global economic framework, we may see a re-emergence of a multi-polar economic globe. The

difference this time will be that each of these nations will have their edges different from the other. This is unlike the time when it was a bi-polar world with US and Russia being at the helm of affairs based on military might. What seems to be emerging as edges within these nations is US for its high-end technology & military structures, Europe for its financial strengths; Russia for natural resource extraction and military structures; China as a production hub and India as a Market. This would distribute the production centers, the market centers, the financial centers, the military structures to different regions within the World Economy. If we are really looking at a building a stable and growth-oriented future for Nation's in the global village, then we need to free ourselves of barriers and allow the market mechanism to freely flow and be part of this large society.

The efforts by central banks, regulatory bodies, governments and international agencies around the world to increase the availability of liquidity have contributed to tentative improvements in credit market functioning. However, the continuing volatility of markets and recent indicators of economic performance confirm that challenges remain. Hence policymakers need to monitor developments closely, and stand ready to take additional hard steps should conditions warrant. We feel that close working relationships between central banks, governments, international agencies and the academic world considering World Economy as a single entity and rising about country specific selfish interests can help build a Sustainable Financial World tomorrow.

Conservative economists, since Adam Smith, have promoted the idea that a free-market economy that has minimized government regulation and more dependence on the forces of supply and demand, which is considered to be the most reliable and efficient economic system. Yet, the 1990s financial crises (Agarwal & Agarwal, 2001), stock market crashes, scams (corporate/political) and the Global Financial Turmoil of 2007-08 have led to economic

contractions. These events have not only devastated countries around the world but also increased social tension and disparities. The frequency and extent of these financial debacles have led policymakers, regulators, economists, journalists, market operators and the masses to call for reforms in the form of a new "international financial architecture & a self sufficiency model" with improved financial literacy.

Financial literacy has become a more frequently discussed topic, particularly in the United States (Fromlet, 2008). The in-appropriate use of Derivatives and the Global Financial Turmoil supports the view that financial literacy amongst the households, corporate and policy makers has not been appropriate. Hence there is further need have an increased focus on financial literacy which must be regarded as a logical development, since conditions for understanding financial markets have changed quite dramatically in the age of accelerating globalization (Fromlet, 2008; Agarwal, 2008b). Fromlet's survey findings also indicate that markedly better financial literacy has the capacity to improve macroeconomic growth on three grounds. The first is related to modern growth theory and the positive impact of investment in human capital on GDP. The second comes via an improved balance between savings and consumption. The third comes via avoiding bubbles and financial exuberance as a consequence of clearly increased financial literacy, a positive contribution to economic growth.

We feel that regaining lost glory of mutual respect in jointly shouldering towards a peace loving harmonious growing global society is the demand of the hour. While addressing various Parliamentary, Governmental and International Agency forums we have stressed on better ties between India, Europe and the global village. We have also stressed on the need to address some of the key issues before synergising ties to improve confidence, maintaining positive outlook and realign political will for developing a progressive inter-regional focus for business, trade and societal interactions.

COUNTRY FOCUS

MAURITIUS

Population

1,277,299 (2023) with 40.77 percent Urban Population

Ethnic groups

Indo-Mauritians: 66 percent, Mauritian Creoles (descendants of Africans): 28 percent Franco-Mauritians (Mauritians of French ancestry): 2 percent, Sino-Mauritians: 3 percent (2021)

Youth unemployment rate (ages 15-24)

Total: 25.5 percent, Male: 25.1 percent, Female: 26 percent (2021)

GDP - composition, by sector of origin

Agriculture: 3.27 percent (2021)

Industry: 18.29 percent (2021)

Services: 66.87 percent (2021)

Industries

Some small-scale mining included basalt, lime from coral, fertilisers, semi-manufactured steel, sand, clay. Chemicals and pharmaceuticals, precision engineering and metalworking, textiles, tourism, financial and business services, information and communication technology, seafood processing, real estate development and energy

Mauritius at glance

The small island nation of Mauritius is located in the Indian Ocean, around 2,000 kilometres off the southeast coast of Africa. It is also known for its stunning scenery, charming beaches, and extensive cultural heritage. Port Louis, which also serves as the nation's capital, is Mauritius' principal metropolis



and commercial centre. Other notable cities in Mauritius include Beau Bassin-Rose Hill, Curepipe, and Vacoas-Phoenix.

The country is recognised for its political stability and has been a democracy since gaining independence from Britain in 1968. The country has a developed infrastructure and a high standard of living, with a Human Development Index (HDI) that is among the highest in Africa.

Port Louis is Mauritius's most significant port. Approximately 7.5 million tonnes of cargo, or 99 percent of the island nation's external trade, are managed by it each year. It manages the majority of imports, including packaged food imports, fuel imports, and textile sector raw materials.

How does Mauritius define its MSME sector?

Small and Medium Enterprises Development Authority Act (2009) provides for the establishment of the Small and Medium Enterprises Development Authority and to make better provisions for the promotion and development of small and medium enterprises in Mauritius. This act was repealed and replaced by the Small and Medium Enterprises Act (2017) later. Listed below are the categories adopted by the government based on turnover:

Category of Small & Medium Enterprises

Type	SME Act 2017	Statics Mauritius	
	Turnover	Turnover	Employment
Micro Enterprises	< Rs 2 Million	< Rs 2 Million	$\geq 1 \leq 5$
Small Enterprises	> Rs 2 Million \leq Rs 10 Million	> Rs 2 Million \leq Rs 10 Million	
Medium Enterprises	> Rs 10 Million \leq Rs 50 Million	> Rs 10 Million \leq Rs 50 Million	

For statistical purposes, Statistics Mauritius also employs the employment criteria to classify the micro firms.

Status of MSME sector in the country

According to Statistics Mauritius' most recent Census of Economic Activities (CEA), which was conducted in 2018, there were 138,553 SMEs operating across all sectors, with micro-enterprises accounting for 81percent of all businesses, small businesses for 18 percent, and medium-sized businesses making up just 1percent of all SMEs.

Gender wise share in the ownership of MSMES in the country: According to the International Trade Centre's research, men own 73 percent of all formal firms in Mauritius, whilst women own about 27 percent of them.

Contributions of the MSME sector to the country's economy

SMEs, which make up 99 percent of all businesses in Mauritius, are crucial to the development of the nation. Their contribution to Gross Value Added (GVA) for the year 2019 was 35.7 percent. In addition, SMEs have long been seen as a key driver of job creation, and Mauritius is no different. Nearly 50 percent of new jobs are being created by SMEs. Additionally, 12 percent of all exports are made up of SMEs. By 2026, SMEs' exports are expected to expand

to over 18 percent, according to the 10-Year Master Plan for the SME Sector.

Manufacturing, wholesale and retail commerce, construction, tourism, and other industries all have SMEs operating there. SMEs, which employ around 55 percent of the workforce in the nation, play a significant role in the creation of employment possibilities.

Factors affecting the MSME sector in Mauritius

Limited access to finance

- ◆ 47 percent of MSMEs reported having trouble obtaining financing, according to a 2019 poll by the Mauritius Chamber of Commerce and Industry (MCCI). According to the World Bank's Enterprise Survey from 2020, bank loan or line of credit was held by only 23.5 percent of Mauritius' MSMEs, suggesting that many MSMEs may not have access to formal financial services. About 40 percent of the enterprises had trouble obtaining additional funding throughout the development phase.
- ◆ Contrary to large corporations, the majority of SMEs in Mauritius lack the funding required to employ highly qualified personnel to manage their business planning and finance function. Information asymmetries between lenders or investors and SMEs results in SMEs being unable to cross the Valley of Death (VoD), which causes more than 80 percent of new SMEs to fail during the VoD period and about 50 percent of all new SMEs to fail in their first year of operation;

Regulatory compliance cost

- ◆ In Mauritius, MSMEs spend an average of 124 hours per year dealing with regulatory compliance, which places a major strain on their resources, according to a 2019 study by the World Bank. This number is marginally higher than the regional average for all

nations, including South Africa. There may be indirect costs related to lost productivity and missed business opportunities in addition to the direct costs of compliance, such as fees and administrative expenditures.

Tax compliance

- ◆ Tax preparation, filing, and payment in Mauritius require an average of 201 hours annually, according to the World Bank's Doing Business 2022 report. This is greater than the average for high-income OECD nations and might be a major financial burden for startups and small firms with limited funding.
- ◆ With several taxes to be paid and various laws and regulations to go by, Mauritius' tax system can be equally complicated. In particular for those with low financial and administrative means, this might make it challenging for MSMEs to comprehend and comply with tax rules.

Licensing and certification

- ◆ A construction permit can be obtained in Mauritius on average in 112 days, which is longer than the average for high-income economies, according to the World Bank's Doing Business 2022 report. Similarly, obtaining a food safety certificate typically takes 120 days, which is longer than the average time for OECD high-income economies.

Business registration

- ◆ Starting a business in Mauritius requires an average of 5.5 days, according to the Doing Business 2022 report from the World Bank. This comprises the time needed to complete each step in the registration process for a business, such as choosing a name for the business, registering with the Registrar of Companies, and receiving a tax ID number. According to the report's "Starting a Business" ranking, this places Mauritius in 40th place out of 190 economies.

- ◆ The minimum capital needed for a private company in Mauritius is MUR 25,000, making it relatively expensive to launch a business there (approximately USD 630).

Access to credit

- ◆ The loan-to-deposit ratio for SMEs was 35 percent as of December 2020, compared to 61 percent for large businesses, according to the Bank of Mauritius. This reveals a large disparity in the availability of finance for small firms nationwide.
- ◆ Mauritius was ranked 107th out of 190 nations in the World Bank's Doing Business 2020 report for the ease of obtaining financing. According to the survey, Mauritius has a somewhat lengthy loan application process, taking an average of 43 days as opposed to the region's average of 26 days.

Access to markets

- ◆ The average cost to export a container of products from Mauritius is \$1,525, and the average turnaround time for all export procedures is 48 hours, according to the World Bank's Doing Business 2022 report. Cost of a container of products imported into Mauritius is \$1,397, and the entire import process typically takes 54 hours. Mauritius is ranked 99th out of 190 nations in terms of exporting ease in the World Bank's Doing Business 2022 report.
- ◆ In spite of the preferential access provided by the COMESA and SADC accords, 69 percent of SMEs said they had no plans to export their goods to Africa. Approximately 60 percent of SMEs said that finding consumers for exports was a significant obstacle to their business' expansion.

Trade finance

- ◆ 80 percent of SMEs that participated in the SME master plan survey said they were not

exporting at all, despite the fact that Mauritius has signed a number of trade agreements with important markets. The region surrounding the Indian Ocean continues to dominate those few who were exporting. Trade with COMESA and SADC is still modest, and efforts to create regional markets are crucial at this stage of the economy's expansion, which is still characterised by slow growth rates.

Key policies undertaken by Mauritius government to nurture MSME sector

10 - Year SME Master Plan

- ◆ In order to promote the development of a new breed of SMEs that can support market and technology-driven innovations to create more high-skilled jobs across all economic sectors, the government is adopting a "game changer."

Accessing trade finance

- ◆ To provide finances to SMEs involved in international commerce, the Bank of Mauritius launched a Trade Finance Scheme. In order to provide SMEs with services such as access to finance and trade promotion, the government has also formed the Small and Medium Enterprises Development Authority (SMEDA).
- ◆ The Economic Development Board Act of 2017 established the Economic Development Board (EDB) as a corporate entity, which is governed by the Ministry of Finance, Economic Planning & Development. EDB is the top government organisation tasked with promoting Mauritius as a desirable investment and business hub, competitive export platform, and global financial hub. It also has the responsibility of providing strong institutional support for strategic economic planning.

Standards and certifications

- ◆ In order to help the SMEs understand international standards and certification

requirements, the Mauritius Standards Bureau (MSB) offers training and technical support. The MSB additionally provides certification services to assist SMEs in fulfilling the requirements of particular standards and certifications.

- ◆ SME Development Certificate - The programme is only available to businesses that were established after June 2015 and registered with SMEDA, and it is only applicable to businesses in priority industries, which make up an estimated 0.1percent of all SMEs in Mauritius.

Access to markets

- ◆ To aid MSMEs in gaining access to regional and global markets, the Mauritius government has put in place a number of initiatives. The Mauritius Export Development and Investment Authority was established as part of this (MEDIA).

Schemes rolled out by the Mauritius government for the development of MSME sector

- ◆ SME Business Diagnosis Scheme - It is intended to carry out health checks in SMEs to evaluate various business areas and underperforming divisions that require improvement. The programme began running in October 2016.
- ◆ SME Financing Scheme (MauBank) - From December 1, 2011, to June 16, 2016, 30 percent loans worth MUR 210 million, 20 percent overdrafts for MUR 135 million, and 27 percent leasing transactions (MUR 45 million) were provided to SMEs. There are no collateral requirements, but floating costs are imposed.
- ◆ Leasing Equipment Modernisation Scheme (LEMS) - Through the procurement of new equipment, this programme increases access to technology and strengthens procedures that promote competitiveness. While investing

in equipment, SMEs can ease the strain on their cash flow thanks to LEMS.

- ◆ SME Partnership Fund / NRF Equity Investment - The main requirement of this programme is 49 percent equity involvement in enterprises with at least three years of operation. This excludes businesses with great growth potential or prospective start-ups that are currently located in the Valley of Death.
- ◆ Mauritius Business Growth Scheme (MBGS) - The World Bank and the Government of

Mauritius collaborated to create the MBGS Unit, which went into full operation in March 2011. The primary goal of MBGS is to enhance enterprise productivity and competitiveness, particularly in areas of skills and training, technology upgradation, innovation, quality standards, and business development, in order to enable the maximum increase in private sector economic activity. MBGS provides two attractive finance programmes to Mauritian private sector businesses, which may be well-established, presently operating corporations or creative start-ups.

MSME incubators set up in the country

Name of the incubator	Description
Business and Intellectual Property Mauritius	<p>BIP, a government-owned organisation, was established in 2016 to encourage innovation and entrepreneurship in Mauritius. Its main services include:</p> <ul style="list-style-type: none"> • Business Incubation • Business Advisory • Training and Development • Access to Finance • Intellectual Property Protection
National Business Incubator Association (NBIA)	<p>A non-profit association, it was established in 1985, and its members include business incubator developers and managers, corporate joint venture partners, venture capitalists, and economic development specialists.</p> <p>NBIA offers information and training on how to form and manage incubators; conducts statistical research and provides a referral service.</p>
SME Mauritius	<p>Private company SME Mauritius Ltd. was established in 2017 and is entirely owned by the Mauritius government. SME Mauritius' primary responsibility is to promote entrepreneurship at the national level and to carry out assistance and advisory programmes that are meant to increase the competitiveness and adaptability of SMEs.</p>

Useful resources for MSMEs operating in Mauritius

MSME finance providers	Details
Banks	<ul style="list-style-type: none"> • Development Bank of Mauritius, headquarters in Port Louis, Mauritius • Mauritius Commercial Bank (MCB), headquarters in Port Louis, Mauritius • State Bank of Mauritius (SBM), headquarters in Port Louis, Mauritius. • Standard Chartered Bank Mauritius, headquarters in Ebene Cybercity, Mauritius.
MFI	<ul style="list-style-type: none"> • MCB Microfinance, headquarters in Port-Louis, Mauritius
PE/VC	<ul style="list-style-type: none"> • GroFin, headquarters in Port-Louis, Mauritius
Fintech	<ul style="list-style-type: none"> • Mauritius FinTech- Headquarters in Port-Louis, Mauritius
Government	<ul style="list-style-type: none"> • Ministry of Industrial Development, SMEs and Cooperatives, headquarters in Port-Louis, Mauritius • Small and Medium Enterprises Development Authority (SMEDA), headquarters in Ebene, Mauritius • National Empowerment Foundation (NEF), headquarters in Port-Louis, Mauritius • Mauritius Investment Corporation (MIC), headquarters in Port-Louis, Mauritius

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Policy Advocacy

GLOBAL INDUSTRY SECTOR

Digital Technology in Financial Sector



Digital transformation of MSME sector

Digital tools offer several important advantages to businesses. By facilitating better and more rapid information access and communication across personnel, vendors, and networks, digitalization lowers transaction costs. By lowering the costs of border and transportation operations, it can assist small and medium-sized businesses (SMEs) in integrating into international markets. It also vastly expands the potential for service commerce. It makes it easier to access resources like government services, which are increasingly being made available online, as well as financial resources (like peer-to-peer lending), training opportunities, and recruitment channels. The ability for businesses to create data and analyse their own operations in novel ways to improve performance is also supported, as is better access to innovation assets.

In spite of the advantages and opportunities that come with digital technologies, and despite the significant uptake in recent years, many SMEs still lag behind in adoption. For smaller SMEs with 10–49 employees, in particular, digital adoption gaps compared to larger firms have widened over the past decade. These gaps have contributed to greater disparities among people, places, and businesses because digitalization is a key driver of productivity growth and, consequently, wage growth.

Challenges faced by MSMEs in adopting digital technology

- ◆ The majority of SMEs start their digital transformation in general administrative or marketing roles since there are fewer digital differences between SMEs and larger businesses in these areas than in online interactions with the government, electronic invoicing, social media use, and e-commerce.
- ◆ Due to the ease with which larger, more technologically aware businesses are able to transition to more advanced digital processes, technology complementarities can also contribute to significant digital inequalities. In areas where mass matters for implementation, such as enterprise resource planning for back office integration and supply-chain and customer relationship management software for front office and production process integration, the divide between SMEs and larger companies is thus more obvious.
- ◆ Adoption rates are significantly higher in knowledge-intensive industries like information and communication services. High-speed broadband connections, having a website, and employing cloud computing (CC) to store information are the major technologies associated with increased value added and bigger digital gaps in the lodging and food services sector.

E-sales, CC to host databases, and the training of ICT specialists are the important technologies that create gaps in adoption and value added

in the wholesale sector. In contrast, e-sales and CC to manage customer interactions are the essential technologies in retail trade.

SME gaps in adoption are large in many areas

Diffusion rate, median OECD, based on country average percentages of enterprises using the technology over 2015-18



Long term structural barriers

- ◆ A lack of internal skills prohibits managers and employees from identifying the digital solutions they need and from modifying business models and procedures.
- ◆ A funding gap exists because businesses have trouble getting financing for digital investments that aren't tangible and can't be used as collateral to get a loan.
- ◆ Lack of infrastructure - high-speed internet access is necessary for SMEs to undergo a digital transformation. High-speed internet penetration rates have been rising in all nations since 2011, but disparities between businesses in developing nations have dramatically grown.
- ◆ Due to these gaps, some businesses and locations have limited options for adapting their business models and continuing to operate throughout prolonged periods of social isolation, which exacerbates already existing disparities.

Impact of Covid 19 pandemic on the MSME's existing digital gap

Businesses moved operations online or implemented smart working solutions on short notice in order to stay in business and overcome supply chain disruptions as a result of lockdowns and social estrangement. According to preliminary findings from company surveys conducted globally, up to 70% of SMEs have increased their usage of digital technologies as a result of COVID-19. Studies carried out across the globe in recent months support the trend: in the UK, 75% of the enterprises polled have made the switch to remote working, and almost a third have invested in new digital capabilities (Riom and Valero, 2020). Improvements in customer relationships, process agility, and customer acquisition are all cited by 55% of Brazilian SMEs in a survey conducted during COVID-19 as key benefits of digitization (Zdnet, 2020); 72% of Canadian online small business

owners believe that e-commerce is now essential for running a successful company (Paypal, 2020).

Many firms, however, lacked the time and guidance required to properly plan this shift, to choose the best digital tools, upgrade their digital literacy, create the best security and protection measures, and completely customise and comprehend their potential. The change is not yet complete for these businesses, and it is risky.

The increasing chance for hackers to take advantage of MSME's lack of readiness is one serious issue. Since the start of the COVID-19 pandemic, the US Federal Bureau of Investigation has seen a spike in cybercrimes reported to its Internet Crime Complaint Center, with a fourfold increase in cybersecurity complaints. Coronavirus-related scams and phishing campaigns have also been on the rise (OECD, 2020). The costs of a breach to SMEs can be significant, frequently exceeding their typical cash reserves.

Practices from around the globe in facilitating digital transformation in financial sector

Many nations are attempting to address the difficulties faced by MSME in adopting digital technologies by offering funding assistance and advising services, such as Australia's Small Business Advisory Service or Denmark's SME Digital programme. Certain countries, like Chile, Israel, Latvia, or Spain, offer skill training for SMEs. In addition to networking initiatives in Belgium and Germany, infrastructure improvement programmes are in place in Iceland and Costa Rica. These programmes will be crucial in closing the digital divide, but they must be carefully coordinated through multilevel governance that is appropriate and mechanisms that align thematic investments (for instance, making sure that the provision of infrastructure is accompanied by training and advice to enable its use).

Key initiatives by national governments in boosting MSME's digital transformation Scaling up MSME's internal capacity

- ◆ Assisting SMEs with technology through targeted financial support (grants, consulting vouchers), technology extension programmes (diagnostic, self-assessment tools, e-business solutions, guidance, and a package of learning material), or a combination of both.
- ◆ Encourage SME training and upskilling by lowering training costs (e.g., tax incentives, subsidies), promoting workplace training (e.g., via employers networks and associations, or intermediary "brokers," apprenticeships programmes), or by pooling training investments, and enhancing management skills in SMEs (e.g., through training, workshops, coaching programmes, and by increasing demand for these programmes)
- ◆ Fostering a data culture in SMEs by enhancing their knowledge of, and ability to handle and safeguard their data (e.g., through information sharing, financial support, or technical aid)
- ◆ Raising the awareness of SMEs about the need of digital security, or advising them about practical tools, auditing, assurance frameworks, protocols, certification programmes, and training possibilities.

Conclusion

A key lever for a country's robust growth is assisting MSMEs in digitization, and nations all around the world are working towards this objective. Private sector innovators are becoming more crucial in assisting MSMEs with large-scale digitization. Developments are seen not only in the digital products themselves but also in the procedures used to create and deliver them. Cloud computing facilitates remote work. Decentralising work and reviving local communities may be feasible with the right infrastructure and incentives in place. Policymakers may design programmes that help SMEs acquire digital skills, learn about pertinent digital technologies, and make informed decisions about investing in such tools by collaborating closely with private sector players.



Face *to* Face

An exclusive interview with
Mr J Pandoo
Chief Executive Officer,
Development Bank Mauritius Ltd

Intertwined evolutionary history of the country and DBM

The Development Bank of Mauritius Ltd was originally set up as the Mauritius Agricultural Bank at a time when the only economic activity of the country was agriculture. Subsequently, in 1962 with the emergence of new economic sectors, it became the Development Bank of Mauritius Ltd through an Act of Parliament with the objective of providing financial support to entrepreneurs in all fields in Mauritius, at a time where there were not many banks in operation.

Following the independence of Mauritius in 1968, the country had to establish its import and export strategies and to execute this, the DBM was mandated to set up industrial zones to house both import substitution and export-oriented enterprises. Financial assistance was also extended to the burgeoning tourism industry. For quite some time, the core activities of the Bank had been to provide credit facilities and rental of industrial spaces to entrepreneurs to enable them to manufacture their products. With the establishment of many banks and financial institutions, the Bank had to reengineer its operating model and as such started to diversify in other segments such as leasing and granting bank assurance.

Mr Jaywant Pandoo joined the Bank of Mauritius in January 1983 as a Bank Officer and over the years upgraded his academic qualifications to climb up the ladder to reach the Directorate level in 2001. He became the Chief Executive Officer, formerly Managing Director of the Development Bank of Mauritius Ltd (DBM) after he joined it on 20 April 2020. At international level, he was, until March 2020, a member of the Board Audit Committee of the International Islamic Liquidity Management (IILM) Corporation, which is headquartered in Kuala Lumpur, Malaysia. Mr Pandoo is also a Fellow at the Association of Chartered and Certified Accountants (FCCA).

In recent years the Government of Mauritius has set up bold objectives to mitigate the effects of Climate Change, the aim is to produce 60% of our electricity need from renewable sources. In this context, the Bank has, in line with its diversification strategy, set up a new subsidiary with the objective of investing in the production of energy from PV Panels installed on the rooftops of its industrial buildings, as well as Government buildings such as hospitals and schools.

Covid 19 MSME recovery experiences – A Bank's perspective

Mauritius being an open economy has not been spared by the effects of the COVID-19 pandemic. The Bank has formulated loan schemes to satisfy the needs of different sectors of the economy including the agriculture, trade & tourism, transport, construction and industries. In the wake of COVID-19, the Bank had operated some 36 loan schemes to assist the different sectors.

In order to mitigate the immediate impact on the economy, the Government in April 2020 mandated the Bank to implement Support Schemes aimed at helping enterprises which have been affected by the COVID-19 pandemic. The objective of the Support Scheme was to maintain the activities of the enterprises and also to save jobs. Wage Support Loan Scheme for Export Oriented Enterprises was aimed at export-oriented manufacturing enterprises were provided financial assistance for the payment of wages and salaries of the employees. The Bank disbursed Rs 1.6 Billion (USD 38M) to these enterprises which helped to preserve some 14,000 jobs. COVID-19 Working Capital Loan Scheme was meant for enterprises with turnover not exceeding Rs 10M to pay the salaries of their employees, creditors, purchase of raw materials and other related expenses. The beneficiaries were eligible for a maximum loan of Rs 1.0M (USD 23,000). Both loan schemes carried very soft terms with interest rates between 1.5% - 2% p.a.

Following the second outbreak of COVID-19 in 2021 the DBM was once again mandated to operate two new schemes to support SMEs. SME Interest Free Loan of Rs 100,000 with objective of providing immediate cash support to SMEs. Applicants were not requested to provide any security to avail of this loan. COVID-19 Special Support Loan Scheme of Rs 1.0M. Again, the applicants were not requested to provide any security to avail of this loan. The objective of the scheme was to provide working capital support to SMEs. The loan carries

interest at the rate of 0.5% p.a. For both loans no guarantee was required from the loanees as same were provided by the Government.

Bank as a key stakeholder in achieving social security

All of DBM's schemes are aimed at empowering people so that they can create value, thus, reducing poverty. The Bank has been providing financial assistance to women entrepreneurs through a scheme titled the same. Under this scheme, a woman entrepreneur can avail of financial assistance of up to Rs 500,000 (USD11,500) without having the obligation to provide any collateral to set up or expand her business. The Bank has gone a step further in extending this scheme to women who are survivors of gender-based violence (GBV). For this category of applicants, no security is requested by the Bank. Loan to women carries interest at the rate of 0.5% p.a.

In addition, the Bank introduced the Backyard Gardening Loan Scheme carrying interest at the rate of 0.5% p.a. and is repayable over a period of four years. The objective of this scheme is to encourage householders to undertake gardening activities at their residence to produce vegetable for their consumption and even selling surpluses to generate additional income.

Recommendations for securing the MSME sector against vulnerabilities

The MSME sector has been confronted with enormous difficulties which has been intensified with the Covid-19 pandemic. The domestic market is becoming increasingly small for the MSME sector as it expands, hence, they require access to foreign markets. The authorities are participating in foreign fairs and expositions, but the biggest hurdle is the logistics, namely freight costs, availability of ships etc. To address these issues, authorities should engage in discussions with foreign countries to acquire warehousing facilities for companies in the sector to enable them to have easy access to

these foreign countries. The companies can ship their products in bulk and store their goods in the warehouses and distribute from there. Financial institutions can be called upon to structure credit facilities around such type of business. Embassies and consulates should be called upon to play an important role in the marketing and awareness creation of the Mauritian products and the enterprises should adhere to the “Made in Morris” trade mark.

Many enterprises while moving up the ladder from SMEs to MSMEs are facing labour shortages and this could only be addressed through the import of foreign labour. However, the adoption of technology can help in addressing the labour shortage. Authorities should help in modernizing machines and equipment that would help towards reducing cost. In the same vein, subsidized financing to the sector to induce them to adopt green / Renewable energy in the production of their produce should be made available. Energy efficiency schemes should also be promoted.

Youth participation as a key driver of MSME growth

Youths are the drivers of tomorrow. To encourage the youth to move towards entrepreneurship, the Bank has launched different loan products to support the youths to convert their ideas into a start-up. Moreover, 20% of our upcoming SME Parks are reserved for start-ups and these tenants will benefit from a reduced rental for the first three years of operations. The objective of these facilities is to encourage the youths to set up their own businesses. In 2019, the Bank organized a competition, namely, DBM Campus Challenge, targeting tertiary students with the aim of fostering

a culture of entrepreneurship among the students. Prizes were awarded for the three best projects and the DBM provided its financial support to the first ten participants to set up their projects.

In Mauritius, there is also the SME Mauritius, that support the youth to set up their businesses by providing them with the requisite assistance coaching and mentoring.

Vision for DBM-WASME collaboration

WASME has a strong network in different countries that work in close cooperation to promote SMEs in the fast-changing technical landscape. The world is rapidly becoming a global village and DBM will benefit immensely from WASME’s strong network of knowledge partners, alliances with governments, ministries, financial institutes, SME promotion agencies and international organizations in different countries that work in close cooperation to promote SMEs.

WASME provides a platform that enables experience sharing which is very useful in today’s environment. This will help reduce costs in R&D and avoid pitfalls and ensure success in the formulation of schemes with the ultimate objective of making the future of the SMEs successful.



Entrepreneur of the month



**Emmanuel
Matthew
Sofa**

Emmanuel Matthew Sofa is the founder and Executive Director of Stand Out for Environment Restoration (SOFER) Initiative – a non-governmental organisation founded in 2010 and based in Nigeria. The SOFER Initiative is committed to environmental solutions along the coast of West Africa. He has worked with young and vibrant intellectuals that have helped his organization develop diverse strategic solutions to environmental problems in Nigeria and the West Coast of Africa.

Emmanuel also works as an Air Traffic Controller (ATC) at the Murtala Mohammed International Airport, Lagos – Nigeria with specialty in Safety Management Systems. He is also a drone enthusiast with a passion for drone space management. He has a Master's Degree in Air Safety Management from the City University of London, a Diploma in ATC and a Bachelors in Geography.

A personal conviction which birthed an environment conservation enterprise

Emmanuel's personal journey has been defined by the need to be a solution provider rather than the problem or the complainant. He has always wanted to make a difference growing up deprived yet believing that he could help someone else who was in a situation similar to him. This led him to research on some environmental liquid waste that was

discarded into his community by a textile company. He realized that communities did not know their environmental rights. To overcome this, he studied on Environmental Impact Assessment (EIA) so that he could provide legal help for communities going through environmental degradation by big companies that provided little or no support for the negative impact of their activities on the communities.

When he realized that he had limited financial resources in contrast to the challenge at hand, he decided to engage in an idea that required little or no capital. All he needed was to create something fun and get his friends and their friends to participate in the action. That birthed his volunteer organization that spiraled into an NGO. Awareness of environmental rights became his volunteer activity in 2010 where he raised volunteers to engage in clean ups, give backs and sensitization at metropolises and communities. When he got moved from one location to another by virtue of his job as an ATC, he would raise new volunteers and create more innovative no-cash reward activities that got young people involved in helping solve issues of the environment. That was how he kept using his personal funds for monthly activities for 8 years before his organization got their first grant.

Refocusing on community driven actions to achieve blue sustainability

Among SOFER's numerous projects, one of the core works is the Fishing Net Gains (FNG) Project. The FNG Project is a fundamental solution designed and

focused on fishing communities along the West African Coast with the goal to remediate the issues of ghost gears (ALDFG – Abandoned Lost or Discarded Fishing Gears) while developing economic frontiers in impoverished fishing communities.

As a multi-strategic solution, the FNG Project carries out needs assessment of fishing communities to ascertain the presence of end-of-life fishing gears on the shores of the beaches with evidence at sea. In partnership with the communities, we integrate our project by consulting the community stakeholders and engaging with the youths in various workshops.

Design of the stages of a MSME to create a community-based impact

At the commencement of the project, SOFER establishes a facility called the HubNet, where collection of end-of-life fishing gears and collation of data are done to manage the waste gears generated or recovered by the communities. Thereafter, women and girls of the communities are trained on craft making using treated ALDFGs recovered and deposited at the HubNet. The products created by the women are sold and profit used to purchase treated waste fishing nets from the HubNet which is further used as a reward payment to fishermen that recover these nets. This buy-back solution creates a circular and sustainable economy for the communities, keeping their beaches and the oceans clean while making revenue to support their families and businesses.

The impact has been remarkable from 2019 till date with 5 communities in Nigeria and 1 Cameroun. With

6 HubNets constructed, over 1.5 Tonnes of gears recovered, 96 volunteer divers educated on ghost gear diving and 216 Kg of nets upcycled.

Realising a gap in the project model

SOFER have been able to realize that creating impact without a reward to the fisher men or a center for the craft development is a major pitfall in the SME ecosystem. Hence, they soon hope to partner with organisations, businesses and governments to construct HubNets along coastal communities, establish community integrated centers for craft development and set up a robust reward system for fishermen to get involved with the recovery and business of ghost gears. SOFER recognizes the role of support and partnerships in achieving its goals. The Global Ghost Gear Initiative (GGGI) alongside Ocean Conservancy have funded and provided technical support to them. While the Government of Canada through the department of Fisheries and Oceans have tremendously funded the FNG project. In a bid to reduce their dependence on grants and support for other projects, they have engaged in the production of shoes and bags made from fabrics woven with waste fishing nets. This has earned us an award by the World Association of small and Medium Enterprises (WASME) with potentials of expanding our business capacity.

Achieving SDG through a marine ecosystem-based sustainability project

As FNG Project developed, their organisation’s aim of achieving SDGs increased. Their initial target was to focus on SDG 1 and 2 in reduction of hunger and eradication of poverty as they help in improving biodiversity of life under water in SDG 14. As the project ensued, they realized that they



needed to sustain these solutions and improve the communities, they ensured that their solution revolved in circular economy that is sustainable (SDG 12). Since they could not do it all by themselves due to limited resources, they involved partnerships and collaborations (SDG 17). Ultimately as an environmental NGO, SOFER's goal is to join hands with the world to mitigate and adapt to climate change (SDG 13). Their solution is new and has potentials for growth and expansion to industrial level (SDG 9).

Central role of women in the FNG Project

Women are the key focus when it comes to creating SOFER's solutions. They look at the impact of their solutions on women before they engage in the process of development. The FNG Project prioritizes women empowerment as a core component of their project. They have a target number of women they intend to impact when they reach out to their project communities. SOFER has trained and empowered over 278 women thus far and have plans to increase the number. Besides, their organization consists of about 60% female staff. Their recruitment process prioritizes gender balance with higher consideration for women. They are creating Community Integrated Centre which is going to be run and manned by women in coastal communities that would produce ghost gear fabrics through weaving and training.

Recognition of work in the field of Environment conservation and sustainability

For his passionate and selfless service to humanity in the field of environmental awareness since 2010, he was awarded with the UN Photo Contest Prize for



Marine Litter: Problems and Solutions during the 6th International Marine Debris Conference (IMDC) 2018 in California, USA. SOFER's solution has been published as one of the 8 solutions of mitigating marine plastics in the ocean in the GloLitter global partnership sponsored by the International Marine Organisation (IMO), Food and Agriculture Organization (FAO), the Saudi Arabia and Australian Government. There are communities in Peru, Uganda, Fiji and Canada that are considering adopting our FNG Project to solve the issues of ghost gears in their communities.

Things to consider when undertaking any MSME operations

Emmanuel recommends MSMEs to search for solutions to problems before engaging in any kind of business enterprise. This involves studying your market base and carrying out a needs assessment on the target customers while seeking their opinions for what could be the solutions if they were involved in the business. Secondly, creating a sustainable enterprise would require a focus on the problem to be solved rather than the benefits to be made from solving the problem. If you dig into the problem, you will find sustainable solutions but if you dig into the benefits, you might find solutions and benefits but might not be sustainable in the long term. Most importantly, always look at the big picture and engage in projects or ideas that are bigger than you. Something that would constantly keep you on your toes because it is more than your personal convictions but be realistic as well. His advice for people that would like to follow in his footsteps are, know yourself and find conviction in your life's purpose. Secondly, know that for you to create a change, you might not be a beneficiary of that change, so be patient, determined and compassionate enough to develop an idea that does not necessarily have your name as a beneficiary. Thirdly, impossible is nothing, the fact it has not been done does not mean it cannot be done. Focus on the solution and the reward will come naturally. Know that money is the means to an end and not the end, do not focus on means but the end. Lastly, be the change you want to see.

WASME Holds Post Budget Discussion with Experts



On February 2, 2023, the World Association for Small and Medium Enterprise (WASME) organised a post-budget discussion to analyse the union budget, various economic reforms discussed in it, and the role of budget in the economic & industry growth of SMEs.

The Post Budget Discussion was aimed at understanding through in-depth discussion by eminent experts in Finance, Taxation and Economy on the key points announced during budget and sharing their opinion on the impact of the Budget 2023 on SMEs.

The discussion was attended by Dr Aman Agarwal, Professor and Chairman of Indian Institute of Finance(IIF); Mr Afaq Hussain, Director and Ms Nikita Singla, Associate Director, BRIEF; Mr K.P. Singh, President of Laghu Udyog Bharti, Greater Noida; CA H.K. Gupta, CA Dhruv Agarwal, Shri Vijay Kumar, a former director of the Delhi MSME-Di and ODD of the DSIIIDC; Dr. Sanjiv Layek, Executive Secretary WASME, Ms Archana Sharma, Director Planning and Development, WASME and over 30 industry participants.

Several announcements have been made to assist MSMEs, the most important of which is the continuation of the Credit Guarantee Line for MSMEs with an additional allocation to the corpus of INR 90 billion, which is expected to facilitate an

additional collateral-free guaranteed credit of INR 2 trillion. Aid for craftsmen and small businesses has also been announced. The One District One Product Plan will use unity malls to promote and sell items, as well as to support micro-enterprises, and announcements have been made to assist MSMEs in reaching markets.

WASME finds Union Budget 2023-24 promising for MSME sector and highlights key challenges in implementing various reforms and regulatory frameworks. The experts on the panel provided some great advice for new small business entrepreneurs who are looking to grow their businesses. The attendees asked questions about a variety of topics, including infrastructure development, financial requirements, payment delays, resource allocation for entrepreneurs, Udhyam Registration, the Gem Portal, and MSME Certificate and challenges faced by women led SMEs.

WASME has been proactive in reaching out to the Indian government regarding the various concerns of MSMEs. To create a robust environment for SMEs, WASME has submitted its recommendations to the Ministry of Micro, Small and Medium Enterprises which invited feedback from the civil society post the announcement of the Union Budget.

WASME advocates the need for Free Trade Agreement (FTA) between India-Vietnam to promote SMEs in Round Table Discussion with Vietnam Embassy and Industries



On February 22, 2023, World Association for Small and Medium Enterprises (WASME), held a Round Table discussion on the "Need for Free Trade Agreement (FTA) between India and Vietnam" at 10:00 AM at the WASME International Secretariat in Noida, India.

The discussion was a key milestone in the road map for strengthening bilateral relations between two countries culminating into signing of Free Trade Agreement (FTA)/ Comprehensive Economic Partnership Agreement (CEPA) so as to promote small and medium enterprises (SMEs) in both the countries

H.E. Mr. Hai Thanh Nguyen, Ambassador of Vietnam to India was the chief guest at the event. The discussion was attended by WASME leaders including **Dr. Sampa Banerjee, Executive Director, Dr. Sanjiv Layek, Executive Secretary** and WASME Think Tank for SMEs, **Ms. Archana Sharma, Director Planning and Development, WASME** and **Ms. Nikita Singla, Associate Director BRIEF**. Many distinguished leaders of trade and finance joined in this key discussion including **Dr. Prabir De, Professor at Research and Information System for Developing Countries (RIS), Prof Aman Agarwal, IIF Executive Editor FINANCE INDIA, Er. Ramesh Kumar, Chairman, Beltron Green Energy**

In an extremely interactive discussion, His Excellency, while expressing his delight for WASME on undertaking this initiative to hold discussion on the significant topic, appreciated WASMEs activities globally to

support SMEs. He highlighted traditional connect between two countries and statistical logistics "Only 2% of revenue of Vietnam is generated from the export to India and it has scope for further improvement". He also said that there in huge opportunity in tourism, trade investment, port enlargement, and maritime connectivity to promote FDI in both the countries.

While highlighting the geo political status, economic forecasts, cultural and traditional relations between India and Vietnam, the experts stressed the need for making the FTA as the key milestone in order to facilitate trade between two countries and promoting SMEs. The key indicators for the success of FTA shall consider easy visa regime, development partnership with more focus on commodities to be traded rather than export import value, improving market access and inclusive gender equality in trade facilitation policies and agreement for inclusive SME development. Considering GST as one gateway for clearance, he emphasised on incorporating joint study groups, working groups to deep dive the challenges and opportunities to make the comprehensive FTA etc.

The Vietnam embassy and WASME is also charting partnerships for policy advocacy to facilitate discussions with Indian government for early signing of FTA/ CEPA between Vietnam and India to promote SMEs of both the countries. WASME's also reiterated its commitment towards achieving this goal with continual relations between WASME and Vietnam Embassy.

WASME Participated in Workshop to facilitate discussion on zone-wise product identification organised by DSIIDC, Govt. of Delhi

Delhi State Industrial and Infrastructure Development Corporation, Govt of Delhi, India organised a workshop to facilitate discussion on zone-wise product identification on 24th February 2023 at the DSIIDC, Patparganj, Delhi.



The workshop was held under the Chairpersonship of the Special Commissioner- II (Industries) along with WASME, CII, FIICCI, ASSOCHAM, PHDCCI and other association bodies to facilitate discussion

with the Export Promotion Councils and Industry Associations operating in NCT of Delhi

The agenda for the workshop included

- 1) Identifying product/ services in each zone in Delhi
- 2) Deliberation on ecosystem requirements/ preparation of action plan for export promotion
- 3) Discussion on bottlenecks for exporting products/ services from Delhi and
- 4) Deliberation on ways to scale up local exporters in the global value chain

Dr Sanjiv Layek Executive Secretary, WASME represented WASME and raised points on ecosystem requirements at Delhi and suggested handholding support, awareness drive, and outreach activities in empowering MSMEs of Delhi.

UPCOMING WASME EVENTS

INTERNATIONAL WOMEN'S DAY

Leveraging on Innovation and technology for gender equality

17th March, 2023

Awards to woman achievers

WASME in association with SCIENXT

VENUE: WASME International Secretariat, Noida

Register Here

INTERNATIONAL CONFERENCE ON ENVIRONMENT, CLIMATE CHANGE & RENEWABLE ENERGY (ICECR)

WASME WORLD ASSOCIATION FOR SMALL AND MEDIUM ENTERPRISES

BENNETT UNIVERSITY THE TIMES GROUP KNOWLEDGE PARTNER

SCIENXT ASSOCIATE PARTNER

Date: 21st April 2023
Venue: Bennett University, Greater Noida

FOR QUERIES
+91 7428578883
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UN SCAN



UNIDO

UAE, UNIDO reinforce industrial partnership to boost resilience, sustainability

Sultan Al Jaber, Minister of Industry and Advanced Technology (MoIAT) and Gerd Müller, Director General of the United Nations Industrial Development Organization (UNIDO), on 14 February 2023 signed two significant joint declarations at the First Industry and Advanced Technology Forum.

The declaration at the Industry and Advanced Technology Forum, held on the sidelines of the World Government Summit, builds on the longstanding cooperation between UNIDO and the UAE. In 2019, the UAE hosted the 18th session of UNIDO's General Conference resulting in the adoption of the Abu Dhabi Declaration reinforcing the role of industrial development in the 2030 Agenda for Sustainable Development.

With the UAE aiming to become a global hub for future industries, this renewed commitment between UNIDO and the UAE draws on the organization's industrial development expertise, particularly in capacity building, resource efficiency, affordable clean energy, quality infrastructure and industrial policy.

The second joint declaration will establish the UNIDO International Centre for Industry Readiness in the UAE. The center is designed to support the capacity of the industrial sector to react to shocks and emergencies. It is being launched under a partnership between the Ministry of Industry and Advance Technology, the Abu Dhabi Department of Health and the Global MICE Organization Limited (GMOL).

The Centre will leverage the use of Fourth Industrial Revolution applications to upscale industrial capacity and readiness to respond to national and global emergencies. It will primarily focus on providing its expertise and services to the MENA region in the early stages with the aim of expanding its support to the African region and beyond.

Sultan Al Jaber, Minister of Industry and Advanced Technology (MoIAT) said: "The joint declaration aligns with our leadership's directives and MoIAT's drive to promote continuous cooperation with relevant international organizations. It also supports the exchange of expertise and knowledge to help achieve the objectives of the National Strategy for Industry and Advanced Technology."

Director General Müller said: "I would like to take this opportunity to thank the United Arab Emirates for its ongoing cooperation and trust. The two joint declarations that we have signed give a new dynamism to our cooperation. UNIDO has the innovative skills, technical expertise and knowledge. We are pleased to be working with the UAE to be part of the solution for the prosperity of the communities in need. Together we can achieve a lot."

Source: <https://www.unido.org/news/uae-unido-reinforce-industrial-partnership-boost-resilience-sustainability>

IFAD

IFAD and Kingdom of Cambodia sign agreement to promote inclusive and sustainable agricultural growth

The International Fund for Agricultural Development (IFAD), the UN's rural development agency, and the Kingdom of Cambodia on 16 February 2023 signed

a US \$194 million financing agreement to promote inclusive and sustainable agricultural growth in rural Cambodia through the Agriculture Services Programme for an Inclusive Rural Economy and Agricultural Trade (ASPIRE-AT) project. ASPIRE-AT will create an enabling environment to address the barriers faced by small-scale farmers in increasing their productivity and incomes, particularly through priority export and domestic value chains.

While Cambodia has seen a significant reduction in poverty over the last two decades, the poverty rate has climbed to 18 per cent (up from 10 per cent in 2019) as a result of the COVID-19 pandemic. Agriculture based on small-scale farm production is the basis of Cambodia's rural economy and remains essential for employment and rural livelihoods. The sector is also crucial to diversify Cambodia's exports. Yet, small-scale farmers – who make up three-fourths of the country's 1.7 million farming households – struggle to achieve the scale and consistent quality of produce needed by export and domestic markets. Most supplement their incomes with non-farm wage labour.

"Small-scale farmers in Cambodia are highly vulnerable to climate risks," said Frew Behabtu, IFAD Country Director, Cambodia. "To increase their productivity, small-scale farms need resources so they can adopt modern techniques and access adequate supportive infrastructure. ASPIRE-AT aims to ensure that these farmers also benefit from Cambodia's increasing national prosperity," he added.

Barriers to increasing productivity of small-scale farming include access to credit, technology, market information and key inputs. Access to water is another key constraint. ASPIRE-AT will focus on aggregating 125,000 small-scale rural households into strong producer organizations (POs), enabling them to produce at scale, access services, create

value addition, and become attractive partners for agri-businesses. This will be done through investments at both farm level and in PO-owned enterprises and facilities.

The weak competitiveness of Cambodian produce in export markets and key domestic markets and the low number of profitable agribusiness have led to under-investment in value chains for small-scale farmers, particularly women farmers, who often lack a voice in decision-making and have little control over or access to resources. ASPIRE-AT will address market failures and gaps in service provision at all levels of the value chain, assisting small-scale farmers to organise, aggregate and invest through highly effective POs and increase their climate resilience.

IFAD will contribute \$47.9 million over seven years. The Government of Cambodia will provide \$19.2 million, while the European Investment Bank will contribute \$60.6 million. Other domestic financial institutions will provide \$42.9 million, and project participants will themselves contribute \$1.1 million. The local private sector is expected to contribute \$2.2 million.

IFAD has accompanied Cambodia's development journey since the late 1990s, moving from recovery and ensuring food security to building institutions to now focusing on the market economy. Over the next decade, IFAD aims to contribute to a sustainable rural economy and to ensure that benefits reach the most marginalized communities.

Since 1996, IFAD has helped finance 12 rural development programmes and projects in the country for a total investment of US\$950.48 million, of which US\$309.08 million came from IFAD's own resources. These investments have benefited over 1.56 million households in Cambodia.

Source: <https://www.ifad.org/en/web/latest/-/ifad-and-kingdom-of-cambodia-sign-agreement-to-promote-inclusive-and-sustainable-agricultural-growth>

ABOUT WASME

WASME is an International Non-Governmental Organization that has observer and consultative status with many UN agencies, such as UNIDO, UNCTAD, UNICITRAL, WIPO, ILO, ECOSOC, UNESCAP, ITC, and UNESCO. Additionally, WASME has several inter-governmental and international organization affiliations. It has been striving to stimulate, foster, promote, and coordinate international cooperation for the growth & development of MSMEs.

WASME was founded in 1980 with the goal of supporting MSMEs in member countries. We have achieved this through our strong association with local government bodies, regional authorities, international linkages, civil societies, SMEs, etc. We are continuously working to improve our innovative and sustainable framework so that we can better serve MSMEs around the world.

WASME's vision is further realized and advanced with the consistent support of its large base of member representatives in over 100 countries.



WASME's focus is on MSMEs by providing technology transfer and trade promotion through international/regional conferences/workshops/seminars. WASME also organizes programs on various important issues for the growth of MSMEs such as IPRs, Skill Development, Certification & Accreditation, ICT, Marketing, Global Supply Chain, Technology Transfer, Entrepreneurship development, quality control, AI, Machine learning, robotics, etc.

WASME also publishes monthly "World SME News" which features developments in the MSME sector from around the world, as well as a fortnightly e-newsletter called the "SME e-Bulletin". These two organs act as a way to disseminate information among members and advocate for sustainable and regenerative MSME development and growth.

CORE ACTIVITIES



Articulating concerns and interests of MSMEs at various national and international level.



Developing relationship between MSMEs in developed and developing countries by encouraging enterprise-to-enterprise cooperation in the area of skill development, technology transfer and export;



International cooperation by networking with MSME promotion organisation at national and international level.



Enlarging collaboration with UN agencies and international organisations.



Capacity building of MSMEs through seminar, EDP and skill development programmes.



Information dissemination on technology, export, marketing, match making etc. in MSME sector.



Carrying out research and studies on national/international issues confronting MSMEs.

MEMBERSHIP SERVICES

Since its inception, WASME has been rendering quality services to its members. Our membership offers access to all facilities of WASME including right to participate, access to circulars, literature, documents etc.

Our members support WASME's mission to advance, promote and support SMEs in their respective countries through association and collaboration mechanism with local government bodies, regional authorities, international linkages, civil societies and SMEs.

General Members

Any Government Organizations, Small Business Authorities, Authorities bodies, Financial Institutions, Chambers of Commerce and Industry, SME Associations, Training Institutes, Consultancy Organisations, Technology Providers etc.

Branding Opportunity

Any General member of Associate Member who contributes to the funds of the Organization.

Associate Members

Any Individuals, Enterprises, Corporations, Stakeholders, Research Institutions, Large Enterprises, Academicians, Consultants etc. engaged in SME sector.

Associate Membership-Indian Chapter

Indian MSMEs, Entrepreneurs, Corporates, SME Associations, Universities, Training Institute and Individuals who are interested in the growth of SMEs.

Information Assistance

Basic business related laws, business legislation, trade regulation, Public policy, Taxation, Available MSME support by different stakeholders.

Benefits Enterprise Support

Expert guidance and assistance for starting new business, improving existing business, Skill development and empowerment, Business matching, International experts search.

Business Support

Tender information, potential buyer & seller, Marketing linkages, import/export facilitations, financial assistance technology transfer, branding and promotions etc.

Exposure Visit to Global members

Facilitate exposure visit at National & International Organizations, Institutes, Research Centres etc

Participation & Knowledge Support

Participation of WASME National/International conferences and seminars, workshops, training and programmes etc

Branding Opportunity

Sponsorship and volunteering, advertising and programs, newsletters, website, e-bulletins, publications etc.

For more information visit our

Website: www.wasmeinfo.org

Contact: membership@wasmeinfo.org

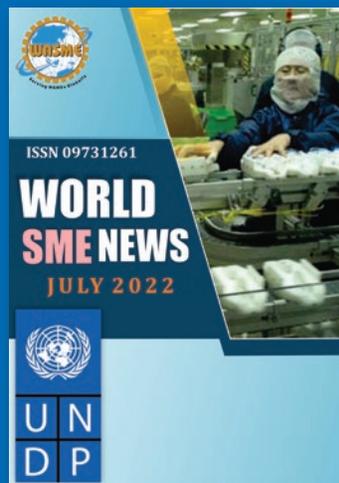
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