

National Seminar on
Promoting Women Entrepreneurship in Bangladesh

National Seminar on Promoting Women Entrepreneurship in Bangladesh was held at Windy Town, Bangabandhu International Conference Center (BICC) on July 29, 2013. The program was arranged by Bangladesh Women Chamber of Commerce and Industries (BWCCI) in cooperation with Asian Development Bank (ADB) and AusAID. Presided over by Ms Sangita Ahmed, President BWCCI, the program was attended by Honorable Minister of Finance **Mr. Abul Mal Abdul Muhith** as chief guest, Honorable State Minister for Women and Children Affairs **Ms. Meher Afroz Chumki, MP** as special guest, Country Director of ADB **Ms. M Teresa Kho** as guest of honor.

Honorable Finance Minister in his speech thanked women entrepreneurs for arranging such a program. Also he reiterated his support towards initiatives of women entrepreneurs.

Mr. Sukamal Sinha Choudhury, Project Director, Promoting Women Entrepreneurs in Bangladesh (PWEB) and General Manager, SME and Special Programs Department of Bangladesh Bank made his speech on different aspects of SME financing and initiatives taken by Bangladesh Bank for women empowerment. Speech of Mr. Choudhury is attached herewith.



Ms. Selima Ahmed, Technical Advisor, PWEB and founder president of BWCCI made presentations on the project learning, sharing and way forward. Her presentation stressed on the following issues:

- a. Continue training and information dissemination for women entrepreneurship
- b. Form and continue District Advocacy Team and enhance their capacity
- c. Regular updating and dissemination of information related to institutional finance
- d. Recommend provisions of local level approval authority to the Bankers
- e. Regular orientation and liaison with bank/PFI officials
- f. Collection of women entrepreneurs' list from different markets in rural area and link with refinance schemes
- g. Facilitate awareness raising on refinancing scheme through using local and national media

Ms. Ferdousi Sultana Begum, Senior Social Development Officer (Gender), ADB Bangladesh Resident Mission shared her project experience.

There was also an open floor discussion on the different findings of the project. Well number of women entrepreneurs, SME Heads and Officers of different Banks and NBFIs, ADB officials, other guests and media representatives attended the program.

Speech of Mr. Sukamal Sinha Choudhury, General Manager SME&SPD

On

National Seminar of BWCCI

Dated: 29 July, 2013

Good afternoon!

Honorable Minister of Finance, State Minister for Women and Children Affairs, Country Director Asian Development Bank, Founder President and President of BWCCI, Senior Social Development Officer ADB, Guests, Women Entrepreneurs and Media Representatives,

I convey my gratitude and good wishes to you all, cordial greetings to all on behalf of SME and Special Programs Department of Bangladesh Bank. Today we are here in a seminar on Promoting Women Entrepreneurship in Bangladesh.

When we speak about women entrepreneurs, obviously we are to give our attention to cottage, micro, small and medium enterprises which in short we mean SME. SME is the most priority sector as announced by the present government of Bangladesh. In line with government initiatives, Bangladesh Bank has given utmost emphasis on SME.

Since 2010, lots of initiatives have been taken by Bangladesh Bank. A separate department named SME and Special Programs Department has been created. All the banks and non-bank financial institutions have been engaged in target based SME financing through separate SME department. Women empowerment being one of our main objectives, lots of incentives have been earmarked for women entrepreneurs. Much emphasis also given to manufacturing, service and cluster based area approach; intensified monitoring and supervision of banks and nbfis; communicating and interacting with all SME focused national and international organizations; performing extensive field level promotional activities, being ready with monitoring cell at Bangladesh Bank head office and branch offices, receiving complaints, delivering suggestions and solutions, having a well-organized database with all sorts of SME information.

All these were absent before 2010. With all our initiatives and performance, SME financing is getting momentum and we are going forward.

If we look at our financing performance in the sector, we observe that the amount of disbursement; number of entrepreneurs is increasing day by day. During January 2010 to March 2013, Total 1 lac 96 thousands 400 Crore Tk has been disbursed as SME credit to more than 13 lac entrepreneurs. During this period, each year, amount of disbursement and number of enterprises have increased at an incremental rate of 15% and 24% respectively.

SME development will not be ensured if we do not prioritize financing to manufacturing sector. Due to our initiatives, 32% of the total SME credit has gone to manufacturing, and disbursement in manufacturing is increasing from year to year.

Now let us look at the disbursement position to women entrepreneurs. Within this three years time, banks and non-bank financial institutions has disbursed Tk 6 thousand 700 Crore to 57 thousand 722 women entrepreneurs from their own sources. In 2010, 13 thousand 831 women entrepreneurs received 1 thousand 800 crore tk, in 2011, 16 thousand 696 women entrepreneurs received 2 thousand crore Tk, and in 2012, 17 thousand 362 women entrepreneurs received 2 thousand 200 crore tk as SME credit. This indicates that disbursement towards women entrepreneurs has been increasing both in amount and numbers.

Besides banks and nbfis' own financing, there are well number of refinance schemes operated by SME department of Bangladesh Bank. Banks and nbfis satisfying the conditions, are receiving refinance from these schemes.

ADB refinance scheme is being implemented since long and we are working very happily with ADB. ADB-1 fund amounting USD 30 million is already over. From that fund 335 Crores Tk has been refinanced.

Now ADB-2 fund amounting USD 95 Million (ADB USD 76 Million + GoB USD 19 Million) is in progress. From ADB-2 fund we have disbursed Tk 614 Crore to 11 thousand 804 enterprises of which women entrepreneurs have received Tk 15 crore 80 lacs. Women entrepreneurs are getting advantage of financing both from ADB fund and Bangladesh Bank fund.

Women are getting credit at concessional rate of 10% interest. 15% refinance fund is reserved for women entrepreneurs. Women are also entitled to SME loan upto Tk 25 lac free of collateral, only against personal guarantee.

Moreover, all banks and nbfis have opened women entrepreneur dedicated desk and SME help desk through which bank officials are providing information and service to women entrepreneurs and SME entrepreneurs.

We have advised all banks and nbfi officials to render cordial and service oriented behavior to the SME entrepreneurs, especially to women entrepreneurs. If there is any incident of non-cooperation, negative attitude, entrepreneurs may report to our monitoring cell and customer interest protection center (CIPC). We are taking appropriate actions and providing solutions to problems.

We have informed all the banks, entrepreneur associations, chambers about our monitoring cell and customer protection center. Moreover, we have circulated our name and telephone numbers through all newspapers and also through SMS.

Every day, well number of SME entrepreneurs and women entrepreneurs are coming to my department and getting suggestions and advice from us.

All the banks and nbfis are also dealing with the complaints through their SME focal officers.

I admit that there may be some officers who do not behave well and may not work with positive mind, equal initiative and drive. But I request all entrepreneurs not to be frustrated. Door of Bangladesh Bank is open to all. You are requested to communicate with our monitoring cell, we shall provide all sorts of cooperation and we are ready to solve any problem.

Genuine entrepreneurs must not be deprived. We are committed to bring them under SME financing. As a result, good environment will prevail in banking sector and at the same time default culture will be diminished. We have advised bank and nbfis to go to the field and select genuine entrepreneurs.

Our experience shows that the main problem is, field level entrepreneurs do not have the opportunity to access to sufficient necessary information. When we go to the field, sometimes we do not get any women entrepreneurs and there is no women entrepreneurs' organization at the field level.

In Bangladesh, we need associations and chambers with dedicated leadership and workforce, working with honesty and integrity. I have seen some associations, chambers in other countries which are rendering excellent leadership.

Honesty and integrity is their main asset. They purchase raw material together, do marketing of products together, they help each other, even I have been charmed to see that they are recommending credit to banks and banks are giving credit on the basis of their recommendations without any hesitation, and in these cases, loan recovery is 100%.

These organizations are giving training, counseling and mentoring. They do not talk about problems, they come with solutions. In our country, we welcome such strong and developed associations and we are obliged to show respects to such organizations.

I congratulate BWCCI in their performance. BWCCI is working with limited manpower and in few selected districts. Their coverage is very minimum in the context of whole Bangladesh. They are helping our women entrepreneurs. But their activities should be extended to other districts so that they may expand their activities to all women entrepreneurs.

We are working to establish very amicable relationship between entrepreneurs and bankers. Therefore, we are arranging discussions, exchange of views, open credit disbursement, product display, finance and entrepreneurs fair all over Bangladesh. Through these programs, we are confident that excellent

relationships are going to be established between bankers and entrepreneurs. Due to behavior of limited number of negative officers, we shall not let tarnish our bank community's goodwill, status and integrity.

Finally, I am grateful to ADB for their continuous support. There is huge demand of ADB-2 fund and after utilization of the present fund; more demand for ADB fund will prevail. So, I request ADB country director to continue his support towards our SME sector.

I request you all to come forward and work together for development of SME sector especially for the development of women entrepreneurs in Bangladesh.

I hereby conclude with regards to honorable Finance Minister, other distinguished guests and thanks to all present.