

## Small Enterprise in Dhaka: Obstacles and Support Service Status

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### Abstract

*Small enterprises are the core of industrial sector in Bangladesh. This study aims at identifying the key factors that creates obstacles for small industry in Dhaka. Other purposes of this study are to understand the need for support service, to find out the awareness level and the status of the assisted firms. This study includes the face to face interview of 330 small enterprises from different parts of Dhaka city. Both assisted and unassisted firms were there. Factor analysis (Principal Component Analysis) has been carried out by taking twelve variables and the result indicates that three factors are creating obstacles for the small enterprises. These are Business Support Factor, Policy & Regulatory Factor, and Production & Competition Factor. The Business Support Factor explains 18.5 percent variance and these three factors collectively explain about 50 percent variance. Among the respondents 60% are aware about the SME support services but only 30 are getting any kind of assistance. Mainly they were getting financial supports from different organizations. Financial, marketing and networking and technological support are the most needed services. Though different organizations were working for small enterprises, a gap still remains between the need of the business and the availability of facilities. By adding different dimensions in support services and by taking proactive initiative, this gap can be reduced.*

**Key words:** small enterprise, support service, obstacles.

### 1. Introduction

Almost in all economies, small enterprises are much higher in number. Small industries make the largest portion of the employment and thus in many developing countries, they work as the base of the local private sector. In all countries of the world, companies start as proprietorships, become small business units and then grow up to medium size units or SMEs, all in the same category (Bhuiya & Uddin, 2007). They are the catalyst for deriving innovation and competition.

In Bangladesh, small enterprise sector is considered as a source of new business creation and employment generation. A significant amount of capital and effort have been devoted to facilitate them in terms of policy advocacy, access to finance, women entrepreneurship development, capacity development, access to information and technology, business support service etc. Agro-processing, wholesaling, retailing, plastic, rubber, chemical, glass, printing and packaging, leather, food-processing,

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software, light engineering and repairing, personal services etc. are the common types of small businesses in our country.

The developing countries define small enterprise as an establishment with a maximum of 49 full-time employees. However, in the Bangladesh Industrial Policy 2005, Small Industries are defined in two ways. For manufacturing sector, “Small Industry” means an industry in which the value/replacement cost of durable resources other than land and factory buildings is under 15 million taka and for non-manufacturing sector, “Small Industry” means an industry in which fewer than 25 workers work. In this research, the definition of Bangladesh Industrial Policy 2005 was followed in both the cases of manufacturing and non-manufacturing firms.

Bangladesh Small and Cottage Industries Corporation (BSCIC) estimates suggested that there were 55,916 small industries and 511,612 cottage industries excluding handlooms (Ahmed, 2001) with an average growth rate of 6.36% between the year 1981 and 2001 (See Appendix 1). According to Bangladesh Economic Review 2006-2007, this growth rate increased to 10.27% in the year 2006-07 (See Appendix 2). Although there are some debates regarding these numbers because of the differences of definitions and coverage of SMEs, still, the SMEs are undoubtedly quite predominant in the industrial structure of Bangladesh comprising over 90% of all industrial units. Together, various categories of SMEs are reported to contribute between 80% to 85% of industrial employment and 23% of total civilian employment (SEDF, 2003), (See Appendix 2). The sectoral contribution of SMEs to the Gross Domestic Product (GDP) showed that 38% of their contribution went to the Manufacturing sector, followed by 24% to the Agriculture sector and 23% to the Wholesale and Retail Trade and Repairs sector (Mintoo, 2006), (See Appendix 3).

Being the capital city of Bangladesh, Dhaka is playing a significant role in the growth of small enterprises and also working as a hub for different support services. The Economic Census 2001 and 2003 of the Bangladesh Bureau of Statistics showed that, the number of permanent business establishments in Dhaka District was 284561. Among which 264859 were micro establishments that means they had 1 to 10 employees, 17146 were small, 914 were medium and 1642 were large establishments (See Appendix 4 & 5). This summarized that around 93% of the businesses in Dhaka were small in size. The category of businesses showed that 70.2% of the total were wholesale and retail trade, 8.8% were community, social and personal services, 7.6% were manufacturing, 3.9% were hotel and restaurant and the rest were transportation, storage, communication, health and social works and other businesses (Appendix 6). In Dhaka, around 744368 people were engaged in business of micro category, 307370 in the small category, which comprises around 60% of the total number of people engaged in business (See Appendix 4 & 5).

Various studies (Ahmed, 2001; ADB 2001; US-AID 2001) identified that the SMEs have undergone significant structural changes in terms of product composition, degree of capitalization and market perpetration in order to adjust to changes in technology,

market demand and market access brought by globalization and market liberalization. The study conducted by Sarder (2001) and Rosa (1997) suggested that, these industries need different kind of assistance in the area of finance, skill and capability building, policy reformation etc. Different government and non government organizations (NGOs), donor agencies and social groups were working for the development of the SME sectors from different directions. Despite such substantial support, the growth and development of the small business appears to be slow and unsatisfactory, raising questions about the effectiveness of the support services offered (Rosa, 1997). The results of these support services were often questionable and the evaluation of support services remained under-researched and often inconclusive.

This study aims at finding out different obstacles that the small enterprises of Dhaka are facing in the current context and extract the major factors that create those obstacles. Through factoring the obstacles can be categorized into broader aspects. This would give a clear understanding of their problems from both theoretical and functional aspects. This study also focuses on the recent status of support services and their effectiveness. This would help to suggest some specific changes that are necessary for the improvement of small industries. This paper has been organized by the following sections: section 2 mentions the objectives of the study, section 3 focuses on the methodology, section 4 deals with the finding and discussions and section 5 the presents concluding discussion.

## **2. Objectives**

The broad objective of this paper is to find out the factors that create obstacles to small enterprises in Dhaka and assess the extent of the existing support services. The specific objectives are – (a) to reveal the specific variables, which are working as the components of the final factors that create obstacles for small enterprise, (b) to assess the type of services available for them and their awareness level regarding those services, (c) to categorize the need of support service among the small enterprise and (d) to find out the extent of use of the support service in the improvement of the business.

## **3. Methodology**

Both primary and secondary data have been used for the research. Primary data were collected by conducting face-to-face interview of small entrepreneurs of different sectors, using a structured questionnaire. The questionnaire started with organization profile and continued towards variable specific questions. The first set of questions was designed to identify the responses regarding the obstacles the small business faced. A 5-point (1 for “Strongly Disagree” and 5 for “Strongly Agree”) Likert scale was used for these questions. The other questions addressed issues like awareness level of the support service, need of support services, and their extent of use. Secondary information was gathered from sources like articles, publications, websites, brochures, and newspapers etc. The research procedure included preparation of questionnaire, pre-testing of questionnaire, survey, data decoding, data analysis, interpretation and findings.

The survey area was Dhaka City only. For face to face interview, the respondents were small enterprise owners and managers of different sectors. All the manufacturing firms had value/replacement cost of durable resources (other than land and factory buildings) under 15 million taka and the non manufacturing firms had fewer than 25 workers. The sample size was 330 and it included both assisted and non-assisted firms. The sample size was purposively controlled in order to facilitate the analysis of the research issues. The non probability convenience sampling technique had been used to collect the primary data from the respondents. The sample was taken from different locations of Dhaka.

Both descriptive and inferential statistics were used to analyze the survey data. Factor analysis has been used in order to identify the factors responsible for creating the obstacle in the small enterprise. The scales used in this research were tested against reliability. One of the most commonly used indicators of internal consistency is Cronbach's alpha coefficient. Ideally, the Cronbach's alpha coefficient of a scale should be above .7 (Pallant 2005). The scale of elements that create obstacle has good internal consistency, with a Cronbach alpha coefficient reported of .772. As this value is above .7, the scale can be considered reliable with the sample.

## **4. Findings and Discussions**

### **4.1 Profile of the Respondents**

This study covered different categories of small enterprises. Among the interviewed organizations, the most common types included wholesaling and retailing, light engineering and repairing, food business and processing, personal service (beauty parlor, catering, laundry etc.), electrical and electronics, printing and publishing, handicrafts and boutique, trading companies and manufacturing business (plastic, ceramics, rubber, glass, chemical). They comprised around 80% of the total respondents. The other types of business included consulting firm & training center, service, IT, agro business, leather and tannery, home-base service, furniture & fixture etc. Most of the SMEs got small number of employees and moderate volume of annual sales. Regarding the employee size, 68% enterprise had 1 to 10 employees, 20% had 11 to 20 employees, 7.6% had 21 to 30 employees, and 3.9% had more than 30 employees. About 75% of the respondents had annual sales between Tk. 5 lacs and Tk. 25 lacs, 9.4% had between Tk. 25 lacs and Tk. 50 lacs, 8.4% had between Tk. 50 lacs and Tk. 1 crore and 7.3% had more than Tk. 1 crore.

### **4.2 Factors Creating the Obstacles for Small Enterprise**

This study performed the principal component analysis (PCA) with Varimax rotation to extract the factors which determine the obstacles of the small industry. PCA is used in those instances when the primary concern is to determine the minimum number of factors that would account for maximum variance in the data (Malhotra 2004). In order

to facilitate the analysis procedure, the variables used in the survey have been abbreviated. In order to measure the appropriateness of the factor analysis, Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was examined. The value of KMO was .794, which was an indication of sampling adequacy.

According to the factor analysis there are three factors that create obstacles for small business. These are Business Support Factor (BSF), Policy and Regulatory Factor (PRF), and Production and Competition Factor (PCF).

Table 1: Factors Creating Obstacle in the Small Industry

| Factors | Name of Factor                        | Rotation Sums of Squared Loadings |               |              |
|---------|---------------------------------------|-----------------------------------|---------------|--------------|
|         |                                       | Eigen Value                       | % of Variance | Cumulative % |
| 1       | Business Support Factor (BSF)         | 2.219                             | 18.490        | 18.490       |
| 2       | Policy & Regulatory Factor (PRF)      | 2.050                             | 17.086        | 35.577       |
| 3       | Production & Competition Factor (PCF) | 1.690                             | 14.085        | 49.662       |

Source: Constructed from the Survey.

Note: Extraction Method: Principal Component Analysis

Table 1 shows that the Eigen value of Business Support Factor is 2.219, which implies that the variance explained by the first factor is 18.49%. The Policy & Regulatory Factor explains 17.086% variances and the Production and Competition Factor explains 14.085% variances. The result of the factor analysis shows that these three factors collectively produce about 50% variance in the data set. Table 4 shows the total variance explained by each of the factors with initial Eigen values.

Table 2: Correlation and Anti-Image Correlation Matrix

|     | ICI   | LMT   | ISU   | HIR   | IRM   | LSM   | FCM   | SGP   | LRD   | LMN   | HTV   | DDA   | Anti-Image Correlation |
|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------------------------|
| ICI | 1.000 |       |       |       |       |       |       |       |       |       |       |       | .776 <sup>a</sup>      |
| LMT | .452  | 1.000 |       |       |       |       |       |       |       |       |       |       | .786 <sup>a</sup>      |
| ISU | .342  | .297  | 1.000 |       |       |       |       |       |       |       |       |       | .801 <sup>a</sup>      |
| HIR | .237  | .287  | .123  | 1.000 |       |       |       |       |       |       |       |       | .819 <sup>a</sup>      |
| IRM | .216  | .279  | .250  | .172  | 1.000 |       |       |       |       |       |       |       | .848 <sup>a</sup>      |
| LSM | .203  | .258  | .162  | .187  | .328  | 1.000 |       |       |       |       |       |       | .856 <sup>a</sup>      |
| FCM | .140  | .035  | .103  | .071  | .188  | .169  | 1.000 |       |       |       |       |       | .764 <sup>a</sup>      |
| SGP | .197  | .156  | .138  | .388  | .183  | .222  | .098  | 1.000 |       |       |       |       | .758 <sup>a</sup>      |
| LRD | .308  | .273  | .206  | .268  | .298  | .232  | .229  | .227  | 1.000 |       |       |       | .848 <sup>a</sup>      |
| LMN | .374  | .288  | .215  | .279  | .253  | .271  | .148  | .125  | .435  | 1.000 |       |       | .808 <sup>a</sup>      |
| HTV | .109  | .048  | .112  | .304  | .167  | .174  | .166  | .453  | .184  | .174  | 1.000 |       | .724 <sup>a</sup>      |
| DDA | .109  | .169  | .285  | .184  | .152  | .153  | .068  | .284  | .255  | .260  | .394  | 1.000 | .741 <sup>a</sup>      |

Source: Constructed from the Survey.

**Measures of Sampling Adequacy (MSA)**

(Description of the Variables: ICI = Inadequate capital & investment, LMT = Lack of modern technology, ISU = Inadequate supply of power and other utilities, HIR= = Unavailability & high interest rate on bank loans, IRM = Insufficiency of raw materials, LSM = Lack of skilled manpower, FCM = Fierce competition, SGP = Absence of specific government policies, LRD = Lack of research and development facilities, LMN = Lack of marketing & networking facilities, HTV= Higher Tax & VAT, DDA = Difficult documentation and administrative task)

Table 3: KMO and Bartlett's Test

|  |                    |         |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |                    | .794    |
| Bartlett's Test of Sphericity                    | Approx. Chi-Square | 729.524 |
|  | df                 | 66      |
|  | Sig.               | .000    |

Source: Constructed from the Survey.

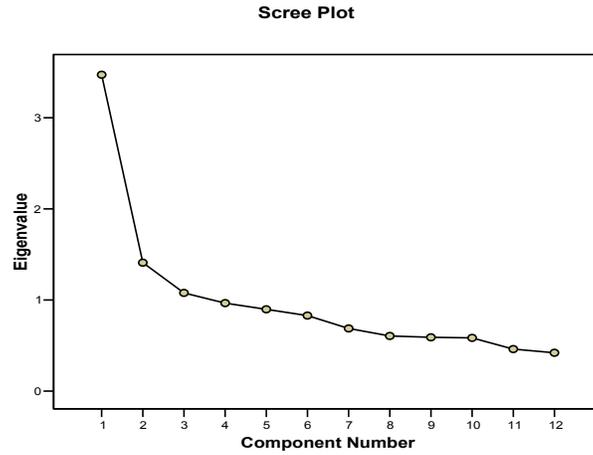
Table 4: Total Variance Explained

| Component | Initial Eigenvalues |               |              | Extraction Sums of Squared Loadings |               |              | Rotation Sums of Squared Loadings |               |              |
|-----------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|-----------------------------------|---------------|--------------|
|           | Total               | % of Variance | Cumulative % | Total                               | % of Variance | Cumulative % | Total                             | % of Variance | Cumulative % |
| 1         | 3.472               | 28.935        | 28.935       | 3.472                               | 28.935        | 28.935       | 2.219                             | 18.490        | 18.490       |
| 2         | 1.410               | 11.747        | 40.682       | 1.410                               | 11.747        | 40.682       | 2.050                             | 17.086        | 35.577       |
| 3         | 1.078               | 8.980         | 49.662       | 1.078                               | 8.980         | 49.662       | 1.690                             | 14.085        | 49.662       |
| 4         | .966                | 8.048         | 57.709       |                                     |               |              |                                   |               |              |
| 5         | .897                | 7.479         | 65.188       |                                     |               |              |                                   |               |              |
| 6         | .829                | 6.908         | 72.096       |                                     |               |              |                                   |               |              |
| 7         | .688                | 5.731         | 77.827       |                                     |               |              |                                   |               |              |
| 8         | .605                | 5.042         | 82.869       |                                     |               |              |                                   |               |              |
| 9         | .590                | 4.920         | 87.789       |                                     |               |              |                                   |               |              |
| 10        | .584                | 4.865         | 92.654       |                                     |               |              |                                   |               |              |
| 11        | .461                | 3.842         | 96.496       |                                     |               |              |                                   |               |              |
| 12        | .420                | 3.504         | 100.000      |                                     |               |              |                                   |               |              |

Source: Constructed from the Survey.

Note: Extraction Method: Principal Component Analysis.

Figure 1: Scree Plot



Source: Constructed from the Survey.

Table 5: Rotated Component Matrix and Correlations between Variables and Factors

|     | Component |      |      |
|-----|-----------|------|------|
|     | 1         | 2    | 3    |
| ICI | .729      |      |      |
| LMT | .777      |      |      |
| ISU | .566      |      |      |
| HIR | .339      | .567 |      |
| IRM | .315      |      | .557 |
| LSM |           |      | .518 |
| FCM |           |      | .794 |
| SGP |           | .761 |      |
| LRD | .392      |      | .493 |
| LMN | .513      |      | .377 |
| HTV |           | .795 |      |
| DDA |           | .613 |      |

Source: Constructed from the Survey.

Note: Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

### **4.3 Components of Business Support Factor**

The Business Support Factor has four elements; those are lack of modern technology (LMT), inadequate capital and investment (ICI), inadequate supply of power and other utilities (ISU), lack of marketing and networking facilities (LMN).

Table 6: Sources of Business Support Factor

| Variable Number | Name of the Variable                                 | Factor Loading |
|-----------------|--|----------------|
| 2               | Lack of modern technology (LMT)                      | 0.777          |
| 1               | Inadequate capital & investment (ICI)                | 0.729          |
| 3               | Inadequate supply of power and other utilities (ISU) | 0.566          |
| 10              | Lack of marketing & networking facilities (LMN)      | 0.513          |

The associated factor loading of first element or variable LMT is 0.777, which implies that it is highly correlated with the first factor Business Support Factor. Factor loading represents the correlations between the variables and the resulting factor and loadings greater than 0.5 collectively construct the factor (Aaker and George, 1990). The BSF is also highly correlated with ICI with loading 0.729, ISU with loading 0.566 and LMN with loading 0.513. The factor loading associated with each of the element or variable is presented in the rotated component matrix in Table 5.

### **4.4 Components of Policy and Regulatory Factor**

The second factor - policy and regulatory factor (PRF) is the result of four elements or variables. These are higher tax and VAT (HTV), absence of specific government policies (SGP), difficult documentation and administrative task (DDA), unavailability and high interest rate on bank loans (HIR)

Table 7: Sources of Policy and Regulatory Factor

| Variable Number | Name of the Variable                                    | Factor Loading |
|-----------------|---|----------------|
| 11              | Higher Tax & VAT (HTV)                                  | 0.795          |
| 8               | Absence of specific government policies (SGP)           | 0.761          |
| 12              | Difficult documentation and administrative task (DDA)   | 0.613          |
| 4               | Unavailability & high interest rate on bank loans (HIR) | 0.567          |

The HTV variable has the highest correlation with the Policy & Regulatory Factor as indicated by its factor loading of 0.795. This factor is also highly correlated with absence of SGP, DDA and HIR variables. The associated loadings for these three elements or variables are 0.761, 0.613, and 0.567 respectively (Table 5).

#### 4.5 Components of Production and Competition Factor

Fierce competition (FCM), insufficiency of raw materials (IRM), lack of skilled manpower (LSM), lack of research and development facilities (LRD) are the four variables which creates the third factor - production & competition factor (PCF)

Table 8: Sources of Production and Competition Factor

| Variable Number | Name of the Variable                              | Factor Loading |
|-----------------|---|----------------|
| 7               | Fierce competition (FCM)                          | 0.794          |
| 5               | Insufficiency of raw materials (IRM)              | 0.557          |
| 6               | Lack of skilled manpower (LSM)                    | 0.518          |
| 9               | Lack of research and development facilities (LRD) | 0.493          |

The policy & regulatory factor is highly correlated with the FCM variable, which has loading of 0.794. The other elements or variables that make up the PRF factor are - IRM with 0.557, LSM with loading 0.518, LRD with loading 0.493.

#### 4.6 Level of Awareness and Need for Support Services

Among the respondents 60% were to some extent aware of the assistance programs provided by different organizations for the small enterprise and 40% were not, but only 30% (which is around 50% of the awareness rate) are getting assistance from some organization. In many cases, this assistance is just a general category business assistance which means this is not specially designed for the small enterprise. And their awareness level regarding SME assistance is often limited to the basic information of availability not comparative and detailed information. 44% respondents were informed about the support services by personal contact or word of mouth communication, 19% were informed by the organizational contacted, 16% were informed by the print media and 13% by electronic media and the rest 7% by other sources. Among the support services, financial support, marketing and networking support and technological support are the most needed support services. They have a mean score of 3.28, 3.14 and 3.07 respectively. The other required supports were human resource, legal advice, training, consultation, workshop and administrative task.

#### 4.7 Status of Assisted Small Enterprises

Among the 330 enterprises, only 101 enterprises received assistance from any organization. Among them 87% received financial assistance, 7% received facility like training, workshop, consultation and fair, 3% received technological assistance and the rest 3% received human resource, legal and other supports. Among the assistance providing organizations, highest 60% were financial institutions, 20% were cooperative

firms, 11% were NGOs, 8% were personal sources and 2% were government organizations. Among the financial institutions 43% of the assistances were provided by BRAC Bank alone. The other dominant banks were Exim Bank (8%), Eastern Bank, The City Bank, Grameen Bank (5% each), Dhaka Bank, Islami Bank, NCC Bank and Shahajalal Bank (3% each). the rest 20% were different banks including government and private local banks, investment banks, leasing firms etc. The assistance of cooperative firms was significantly high especially in the sectors like IT, retailing, wholesaling, food business, printing and publishing, light engineering and repairing, furniture and fixture. These cooperatives were often related to the locality or acquaintance of the business. Personal service organizations like beauty parlor or salon, catering services etc. are highly dependent on personal sources for loan and technical supports. NGOs and government organizations were also providing support to the small enterprises. Among the 330 respondents, 33% will use their money for place renovation, if they ever get a loan, 24% will spend for machinery renewal, 24% for technology development, 6% for transportation, 13% for capital item and others. Among the assisted enterprises, 56% mentioned that the support services were sufficient for their business, 29% described it as insufficient and 15% considered it as some what sufficient.

## **5. Conclusion**

In Bangladesh, small enterprises represent a major portion of the total industry and has a fair share of contribution in the GDP from the industry sector. But due to their nature of business and some other external and internal factors, small enterprises face different types of obstacles. The findings of the study indicate that the common variables which are creating barriers to the small industry can be categorized into three broad groups; these are Business Support Factor, Policy and Regulatory Factor, and Production and Competition Factor. Each of these factors comprises of four variables. The variables cover issues like capital, technology, power supply, raw materials, manpower, bank loans, competition, policies, marketing, Tax and VAT, research and development, documentation etc. There is still a huge need of financial, marketing and technical support for small enterprises. There is also a gap between awareness and use rate of support service. Around 50% of the respondents who are aware of the support service are not practically getting any support. This finding indicates that the different organizations should concentrate on giving more effort to increase their coverage of support services. They can also diversify their offer by emphasizing non-financial support services. Government and other concerned bodies can play a major role in the policy reformation of small business through ensuring power and utility supply, Tax and VAT reduction, easier business documentation, adequate bank loan and lower interest rate for small industries. On the other hand, public and private sectors can jointly put their effort in capacity building through providing supports like modern technology, marketing and networking, training, research and development and other facilities. Thus,

the current situation of small industry can be improved through the understanding and implementation of the three broad factors.

The study might open up the avenue for further researches in this field of interest. The survey for the study was conducted only in Dhaka. Future studies can be conducted outside Dhaka city to investigate these issues. The results of the study could be different in the geographic locations. There is a scope to classify the variables for further details. Some of the variables have got multiple dimensions, like the loan issue has different aspects like access to loan, processing of loan, amount of loan, interest rate, installment system etc. Again government support might include issues like infrastructure, policy, law, regulations etc. So, further research can look into more specific variables. This type of study can also be done for medium or sector specific enterprises.

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## Appendices

### Appendix 1: Growth of SSIs sector (Excluding Handlooms) in Bangladesh

| Year                                  | No. of Units | Employment |
|---------------------------------------|--------------|------------|
|                                       | Small        | Small      |
| 1981                                  | 24590        | 322110     |
| 1991                                  | 38294        | 523472     |
| 2001 (end of June)                    | 55916        | 808959     |
| Average Annual Growth Rate (% change) | 6.36         | 7.55       |

Source: Ahmed, M.U., 2001.

### Appendix 2: Growth Pattern of SME

| Year    | Growth Percentage of Small Enterprises |
|---------|--|
| 2001-02 | 7.69                                   |
| 2002-03 | 7.21                                   |
| 2003-04 | 7.45                                   |
| 2004-05 | 7.93                                   |
| 2005-06 | 9.21                                   |
| 2006-07 | 10.28                                  |

Source: Bangladesh Economic Review 2006-07.

### Appendix 3: Contribution of SMEs to GDP by Sector

| Name of the Sector                          | Total contribution to GDP(Taka) | Percentage of total contribution (%) |
|---|---------------------------------|--------------------------------------|
| Manufacturing                               | 282,344,700,575                 | 38                                   |
| Agriculture                                 | 177,729,637,637                 | 24                                   |
| Wholesale & retail trade and repairs        | 171,335,861,390                 | 23                                   |
| Fishing                                     | 32,872,674,464                  | 4                                    |
| Hotels & restaurants                        | 28,599,263,975                  | 4                                    |
| Other service activities                    | 15,632,094,785                  | 2                                    |
| Real state, renting and business activities | 13,771,436,794                  | 2                                    |
| Transport, storage and communications       | 8,950,171,356                   | 1                                    |
| Construction                                | 7,196,460,200                   | 1                                    |
| Health and social work                      | 2,743,049,893                   | 0                                    |
| Education                                   | 151,808,506                     | 0                                    |
| Total                                       | 741,327,159,609                 | 100                                  |

Source: ICG/MIDAS Survey 2004

Appendix 4: No. of Permanent Establishments and Person Engaged – Micro Industry-  
Dhaka City

| No. of Employees | No. of Establishment | %    | No. of Person Engaged | %     |
|------------------|----------------------|------|-----------------------|-------|
| 1-4              | 223331               | 84.3 | 486383                | 65.3  |
| 5-9              | 41528                | 15.7 | 257985                | 34.7  |
| Total            | 264859               | 100  | 744368                | 100.0 |

Source: Economic Census, 2001 & 2003, Dhaka Zila, (BBS)

Appendix 5: No. of Permanent Establishments and Person Engaged – Macro Industry-  
Dhaka City

| Type   | No. of Establishment | %     | No. of Person Engaged | %     |
|--------|----------------------|-------|-----------------------|-------|
| Small  | 17146                | 87.0  | 307370                | 31.2  |
| Medium | 914                  | 4.6   | 64153                 | 6.5   |
| Large  | 1642                 | 8.3   | 614247                | 62.3  |
| Total  | 19702                | 100.0 | 985770                | 100.0 |

Source: Economic Census, 2001 & 2003, Dhaka Zila, (BBS)

Appendix 6: Major Categories of Micro Business of Dhaka City

| Category of Business                      | No of Establishment | %    |
|---|---------------------|------|
| Wholesale & retail trade                  | 185969              | 70.2 |
| Community , social, and personal services | 23185               | 8.8  |
| Manufacturing                             | 20015               | 7.6  |
| Others                                    | 11115               | 4.2  |
| Hotel & restaurants                       | 10336               | 3.9  |
| Transport, storage and communication      | 8438                | 3.2  |
| Health & social work                      | 5801                | 2.2  |
| Total                                     | 264859              | 100  |

Source: Economic Census, 2001 & 2003, Dhaka Zila, (BBS)