

Need stressed for adoption of unanimous SME definition across the board

The National Steering Committee for Revision of SME Policy in its first meeting, expressing satisfaction over the policy development process, stressed the need for implementing unanimous SME definition across the board and adopted by all national institutions to develop fiscal, monetary and legislative measures for SMEs operating in the country.

According to the Small and Medium Enterprises Development Authority (SMEDA)'s spokesman, Senator Nauman Wazir presided over the meeting attended by Secretary Ministry of Industries and Production Azhar Ali Chaudhry, SMEDA chief executive officer Sher Ayub Khan, representatives from Ministry of Commerce, Ministry of Finance, Ministry of Planning, Development and Reform, Chambers of Commerce and Industry and business community.

The Secretary Ministry of Industries and Production said the government has embarked upon an ambitious plan to boost the economy by making interventions in key areas of economic importance. Small and medium enterprises (SMEs) having a pervasive presence across most economic sectors, are an integral part of the government's economic development strategy, he said.

It has become imperative to initiate new efforts with a right policy and institutional focus that will make Pakistani SMEs competitive in international markets and fulfil the multiple agenda of employment creation, new enterprise development, increased exports and enhanced contribution to value addition, he added.

SMEDA chief Sher Ayub Khan apprised the participants of the objectives of the new policy being framed for SME development in Pakistan. He focused specially on entrepreneurship development to lift the pressure off the job market in Pakistan, through entrepreneurship promotion.

He pointed out that most of the graduating students and individuals are job seekers rather than job creators and assured that entrepreneurship development would be given special attention while formulating a comprehensive policy for SMEs. The policy will include measures to train and facilitate aspiring entrepreneurs in transforming their innovative business ideas and support existing SMEs to promote the emergence of start-ups in the country, he maintained.

SMEDA's General Manager, Policy & Planning Nadia J Seth said that a comprehensive SME Policy framework is being developed, which will serve as Pakistan government's master plan for providing support to catalyze growth of the SME sector.

During the meeting, Senior Policy Advisor of US Agency of International Development Suleman Ghani and USAID funded Small & Medium Enterprise Development Activity Representative Farrukh Mehboob Khan shared the activities of the project to support SME development in the country.

Consortium for Development Policy Research (CDPR) team briefed the participants about the SME Policy Development process. While explaining the methodology, they said that an evidence based policy formulation approach has been adopted in order to identify key issues and recommendations for SME sector. SMEDA, in collaboration with consultants have already conducted structured interviews and focus group discussions nationwide to ensure involvement of key SME stakeholders.

The Securities and Exchange Commission of Pakistan (SECP) representative highlighted the issues of the SMEs in the informal economy and called upon the need to develop policy guidelines for formalization of SMEs.

Similarly, Samar Hasnain, Executive Director, Development Finance Group, State Bank of Pakistan and representative of Ministry of Finance paid special attention to solve the issues related to access to finance and the financial inclusion of SMEs by improving their bankability.

The Ministry of Commerce's representative highlighted the critical role of SMEs and said it can play to improve trade related activities in Pakistan. He was of the view that export sector holds the key to transform the country's economy.

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