

SMALL AND MEDIUM
ENTERPRISES IN
BANGLADESH

AN ASSESSMENT REPORT

JULY 2022

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Small and Medium Enterprises in Bangladesh | An Assessment

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EXECUTIVE SUMMARY

Bangladesh has a vibrant Small and Medium Enterprise (SME) sector which can be divided into 33 subsectors of products and services. However, compared to India and Pakistan, these SMEs represent a smaller percentage of total enterprises.

Available data shows that SMEs constitute 50.91 percent of the micro-economic sector and employ 35.41 percent of workers. The SME sector's contribution to GDP was 48.41 percent and 47.63 percent of total value added.

SMEs face multiple challenges, including credit crunch, cumbersome bureaucratic processes, and widespread corruption in the economic sector. In addition, the absence of effective government policies geared towards SMEs has hindered their growth.

Despite pervasive corruption, national and regional trade bodies representing businesses and industries have not demonstrated concerted efforts and plans to combat corruption.

Business leaders, entrepreneurs, and experts in the SME sector acknowledge the deleterious impacts of corruption on the growth of the SMEs, and view bureaucratic roadblocks, the absence of accountability within

the government, and the relative impunity enjoyed by perpetrators as conducive factors. Existing laws, institutional mechanisms, and reporting systems regarding corruption are viewed as inadequate for curbing corruption.

Recommendations

To the Government

- | Develop a robust SME policy with proper support mechanisms and incentives for SMEs and ensure proper implementation of these policies in consultation with the SME entrepreneurs.

- | Unequivocally condemn all forms of corruption, express unwavering commitment to curb corruption, and adhere to promises made to address the problem without delay.

- | Address the culture of impunity enjoyed by the perpetrators of corruption due to political connections and initiate lawful punitive measures against the perpetrators irrespective of their political and social stature.

- | Reform the existing laws and reporting mechanisms, implement the Public Interest Information Disclosure Act (Provide Protection), 2011 (popularly referred as the Whistle-blower Protection Act), provide unhindered autonomy to the Anti-Corruption Commission (ACC) and establish accountability and transparency within the public sector.

- | Design and implement effective programs to rehabilitate those affected by the COVID -19 pandemic. The programs should aim to create employment opportunities and provide financial assistance through the social safety net programs, particularly for lower-income families.

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To the Trade Bodies

- | Develop specific plans and programs to address the concerns of the SME sector and mechanisms to create a supportive environment.

- | Develop plans to address the issues related to governance, corruption, and inclusive policymaking.

- | Create a transparent mechanism for reporting and actions against corruption.

- | Develop and implement a strict code of ethics in various sectors, including the SME sector, and incentivize adherence to this code. Develop a robust SME policy with proper support mechanisms and incentives for SMEs and ensure proper implementation of these policies in consultation with the SME entrepreneurs.

To the SME sector

- | Develop an independent platform and network to highlight the issues the sector faces and address corruption both inside and outside the sector.

- | Develop internal governance mechanisms and develop best practices to share with entrepreneurs within the sector.

- | Adopt accountability mechanisms within each enterprise and create awareness among clients to make use of these mechanisms. Design and implement campaigns about the existing laws and regulations, and mechanisms of reporting complaints about corruption in public and private sectors.

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1. INTRODUCTION

This report is intended to provide a comprehensive picture of the state of Small and Medium Enterprises (SME) in Bangladesh and their contributions to the Bangladeshi economy. According to a 2019 policy report by the Ministry of Industries of the Government of Bangladesh, the SME sector consists of about 7.8 million enterprises, and it contributes roughly 25 percent of the country's gross domestic product (GDP) (Odonkor, 2021). This assessment report is prepared as a part of a project entitled "Engaging the Private Sector in Promoting an Inclusive, Accountable, and Corruption- Free System of Governance in the Post-Covid-19 Era."

Launched on February 1, 2021 by the Centre for Governance Studies (CGS) with the support of the Center for International Private Enterprises (CIPE), based in the Washington D.C, the project's aims to identify progressive, forward-thinking, and committed private sector stakeholders, particularly SMEs, and mobilize them into a non -partisan movement dedicated to the cause of a corruption -free government system in Bangladesh. This project has been envisioned in the context of widespread corruption in the country.

In 2021, Bangladesh ranked 147 among 180 countries in the Corruption Perception Index (CPI) by the international corruption watchdog Transparency International with a score of 26 on their 100 -point scale. In the control of corruption sub-category of the Worldwide Governance Indicator, Bangladesh has remained static at the 16.83 percentile from 2018 through 2020. Bangladesh has been named a "high-risk" country on the TRACE Bribery Matrix since 2014.

The project consists of several components, including an exploration of commitments and actions regarding democracy, governance, transparency, accountability, and corruption by various trade groups. In addition, surveys of households and SMEs capture the perception and nature of the corruption they face. These surveys will be followed by eight focus group discussions with SME stakeholders (representatives of the SMEs and trade bodies, independent entrepreneurs, incubators, members of local civil society organizations, and public officials) and a national dialogue which will bring local and national stakeholders as well as policymakers, media, and political leaders, to draft a charter for addressing the ways and means to curb corruption.

Objectives of the report

In partial fulfilment of the project objectives, this report's intended objectives are:

- (a) to provide a comprehensive picture of the SME sector in Bangladesh drawing on the available literature;
- (b) to provide information about the level of commitment to anti -corruption efforts of the private sector, particularly the largest business support organizations in the country;
- (c) to provide business leaders and experts' insights on the issues of democracy, governance, transparency, accountability, and corruption at the national level and sub-national level.

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Methodology

The assessment report employed two methods: analysis of secondary sources and Key Informant Interviews (KII). KIIs are in-depth qualitative interviews conducted with experts and leaders of the various trade bodies.

In Bangladesh, business support organizations (such as sectoral business groups, chambers of commerce, and trade associations) wield considerable power. They primarily represent large, politically- linked corporations and boast substantial access to Dhaka's power centers. However, data on their level of commitment to anti -corruption measures remains scarce. To fill this information gap, we analyzed key organizational documents from the country's most prominent business support organizations and conducted KIIs with their leadership to gather information on the power dynamics that generate, support, and sustain corruption by rewarding corrupt practices.

Using online and physical resources, we gathered a total of 152 publications from 10 national and regional trade organizations to study available information regarding their stated goals, plans, and programs. All pertinent topics from the publications were subsequently identified and summarized (Appendix 1). These documents were gathered between February 2021 and February 2022.

After identifying individuals related to the national and regional trade bodies, we conducted 15 KIIs between December 1, 2021 and March 15, 2022. This list included leaders of business support organization, academics, and experts (Appendix 2). These interviews were semi- structured around a set of conversation-steering questions that were pretested in December 2021 and received necessary revisions before other interviews were scheduled. These interviews were conducted in Bangla, and transcriptions were made for every interview. In addition, project partners made summarized and

contextualized English translations that highlight the salient points of each conversation.

This report includes the main issues discussed by the respondents. Challenges faced during the KII process included Bangladesh's third wave of COVID -19 in December 2021, which delayed in-person interviews, and the overall reluctance of interviewees to discuss corruption. Interviewers observed several subjects respond cautiously, avoiding language that might be construed as politically sensitive to the government.

2. SME SECTOR IN BANGLADESH

Small and Medium Enterprises (SMEs) form an integral part of economies throughout the world with their significant contributions to tax revenues, employment, distribution of wealth across regions and segments, supply of products and services, and poverty alleviation benefits.

Furthermore, the SME sector works as a stepping-stone for many ambitious micro -enterprise entrepreneurs and provides growth opportunities for large scale enterprises through engaging local supply chains and acting as a buffer. SMEs tend to employ intermediate technologies and generate significant employment opportunities with modest capital inputs. In a developed economy, SMEs facilitate a logical bottom-up relationship with micro enterp rises and a top down relationship with large scale enterprises as a supply chain of products, services, financial resources, human resources, technology, and soft knowledge. Through these relationships with other sectors, SMEs help build healthy, sustainable economies, and, consequently, the development of SMEs helps expand productive employment opportunities and reduce poverty (Jasra, Khan, Hunjra,

Rehman & Azam, 201 1:275).

Many governments worldwide have recognized importance of SMEs to sustainable economic development through establishing policies, laws, regulations, fiscal incentives, and environmental infrastructure, and administrative supports conducive to the growth and development of the SMEs. Likewise, the present Bangladeshi government has also put much emphasis on the development of the SME sector, considering it “the driving force for industrialization” (Bangladesh Bank, 2016). However, many kinds of SMEs have struggled, leading to

unemployment in the sectors of textiles, leather, medicine, loom, food, chemical, and rubber (Jahur and Quadir, 2007). Studies have linked SME failure to a wide range of causes, including capital shortages, lack of access to financing, and human and

technological limitations (Chowdhury, 2007; Minto, 2006; Marsden, 1992; Steel, 1994). One survey ranked Bangladesh 92 out of 122 countries in a capital access index, demonstrating the credit crunch in the country’s industrial sector (James, et.al. 2007).

Operational Definition of SMEs

The identification and measurement of SMEs is based on two criteria: number of workers and amount of investment. While this definition has changed over time, SMEs can be identified on the basis of these two criteria according to National Industrial policy 2016 (Table 1).

Note that any enterprise that meets the criteria for “small” in one category while qualifying for “medium” on the basis of another criteria is considered a “medium” enterprise. Similarly, according to the SME Investment Policy & Programs of Bangladesh Bank, an enterprise shall be considered a “small” enterprise if it falls into the “micro” category on one criteria and “small” category on another criteria (Source: Bangladesh Bank). This policy document further stipulates that cottage and micro-enterprises were to be incorporated under the SME Investment Policy & Programs of Bangladesh Bank.

Table 1: Definition of SMEs on Size of SME Investment

SI Type of Industry

The amount of investment
(Replacement cost and
value of fixed assets,
excluding land and factory buildings)

Number of employed
workers

1 Cottage Industry Below 10 lakh Below 16 employees

2 Micro Industry 10 lakh to 75 lakh 16 to 30

3 Small Industry
Manufacturing 75 lakh to 15 crore 31 to 120
Service 10 lakh to 2 crore 16 to 50

4 Medium Industry
Manufacturing 15 lakh to 50 crore 121 to 300
Service 2 core to 30 crore 51 to 120

5 Large Industry
Manufacturing More than 50 crore More than 300
Service More than 30 crore More than 120

Source: National Industrial Policy 2016.

Sub-sectors of the SMEs

There are 33 industrial sectors in Bangladesh organized into three overarching categories (Manufacturing, Agro -Business, and Service), and Bangladeshi SMEs are classified into these sectors based on the products and services they provide. Initially, the government established different SME hubs across Bangladesh. They are located in several districts, including Greater Dhaka, Chittagong, Bagura,

Khulna, Jessor, Bhairab, Tangail, Moulvi Bazar, and Maymensingh (Valuka).

In addition, the SME Foundation has formed about 117 SME Clusters, also organized by products and services, to facilitate implementing development strategies. The following list of major SME indus tries outlines the categorization system of Bangladeshi SMEs:

The report examines the status of SMEs with regard to the number of establishments, employment, investment, and indirect taxes.

The general status relating to all types of business sectors of economy is listed in Figure 1:

Figure 1: Status of SMEs in the Economy of Bangladesh

Source: Economic Survey 2013, Bangladesh Bureau of Statistics.

Table 2: Status of Micro Cottage Small and Medium Enterprises on Area and Employment Type

Establishments Total Persons Engaged (TPE)

Total % Urban Rural Total % Male Female

Cottage 6,842,884 87.52 1,730,150 5,112,734 13,168,327 53.75 11,759,565 1,408,762

Micro 104,007 1.33 41,112 62,895 558,870 2.28 435,043 123,827

Small 859,318 10.99 450,601 408,717 6,600,685 26.94 5,844,088 756,597

Medium 7,106 0.09 4,141 2,965 706,112 2.88 538,526 167,586

Large 5,250 0.07 3,542 1,708 3,466,856 14.15 1,871,910 1,594,946

TOTAL 7,818,565 100 2,229,546 5,589,019 24,500,850 100 20,449,132 4,051,718

Source: Economic Survey 2013, Bangladesh Bureau of Statistics.

Figure 1 shows that SMEs constitute 50.91% of the total number of micro-economic units in Bangladesh. This sector is found to have employed 35.49% of the total employed persons; contributed 33.80% of total compensation of employees; invested 48% of total investment in fixed assets; and incurred 48.88% of total industrial costs in the economy. These results indicate that SMEs play an important role in creating employment opportunities through investment in both rural and urban areas and meeting the demands, both financial and non-financial, of people across country.

SMEs, including micro and cottage industries, constitute a large share of establishments and in the economy of Bangladesh (Table 2). These contributions substantiate the importance of SMEs to the development of Bangladesh's economy. The contributions of SMEs in Bangladesh goes beyond employment generation and includes adding value to the economy, consequently contributing to the country's socio-economic development (Figure 2).

Available data shows that SMEs in Bangladesh have contributed 48.41% to gross output; 47.63% to gross value added; and 38.36% to the national exchequer in the form of indirect taxes.

In short, SMEs in Bangladesh represent the most important factor to the country's economic growth.

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Figure 2: Contributions of SMEs to the Economy of Bangladesh

Source: Economic Survey 2013, Bangladesh Bureau of Statistics.

The role of SMEs also depends on their form of ownership. The status of SMEs in Bangladesh is documented in Table 3.

According to the Economic Survey 2013, SMEs in Bangladesh feature many kinds of ownership structures. Table 3 shows that 46.60% of state-owned enterprises, 51.01% of private enterprises, 50% of joint ownership enterprises, 46.88% of joint ventures, and 33.84% of foreign ventures belong to the SME sector. Interestingly, all state-owned enterprises are either medium enterprises or large enterprises foreign investors have allocated about 44% of their total investment into SMEs.

SMEs in Asia have received the attention of foreign investors, NGOs, supra-national entities, and central governments. Governments have recognized the importance of SMEs for their economic sustainability through different policy, programs, and support services, but these efforts are missing growth targets. With greater investment, SMEs have the potential to grow and develop at a faster rate in any economy.

Table 4 shows that the SMEs represent only 50.91% of all enterprises in Bangladesh, a significantly lower share than the other listed countries. Furthermore, the contribution of SMEs to Bangladesh's GDP only outranks Pakistan, and Bangladeshi SMEs rank last in contributions to employment. These three indices demonstrate that SMEs in Bangladesh have untapped growth and development potential compared to other countries in Asia.

Table 3: Status of Micro Cottage Small and Medium Enterprises on Area and Employment

Details Micro Small Medium Large Total Percentage of SMEs

Government 00 00 48 55 103 46.60%
 Private 17,384 15,666 5,877 3,304 42,231 51.01%
 Government & Private Jointly 00 00 14 21 35 50.00%
 Joint Venture (Local & Foreign) 00 00 75 85 160 46.88%
 Foreign 00 00 89 174 263 33.84%
 Total 17384 15666 6103 3639 42792 50.87%
 Distribution (%) 40.62 36.61 14.30 8.50 100.00

Source: Economic Survey 2013, Bangladesh Bureau of Statistics.

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Table 4: Growth Opportunities of SMEs in Bangladesh
 Country SMEs as % of
 all enterprises
 Contribution of SMEs
 to GDP (%)
 Contribution of SMEs
 to Employment (%)

Bangladesh 50.91 20.25 35.47
 India 97.60 80.00 -
 Pakistan 60.00 15.00 80.00
 China 99.00 60.00 92.00
 Japan 99.70 69.50 72.00
 Hong Kong - - 61.50

Source: Economic Survey 2017, Bangladesh Bureau of Statistics; International Cooperation Organization for Small and Medium September 30, 2019; Asian Development Bank 2014.

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3. ANALYSIS OF SME POLICIES & INSTITUTIONAL SUPPORTS FOR THE DEVELOPMENT OF SMEs

The government of Bangladesh has implemented a regulatory framework and several institutional programs for the development of SMEs. These are briefly outlined as follows:

Policy Framework Institutions for Supports
 | National Industrial Policy 2016 | One Stop Service
 | Eighth Five Year Plan | SME Foundations
 | SME Policy 2019 | Bangladesh Bank SME Credit and Monitoring Department
 | BSCIC
 | BASIC Bank

Different development initiatives and SME policies and programs being implemented by different government agencies, private/apex bodies, NGOs, and development partners in the country are shown as follows:

Initiatives, Programs, Policies Public Sector

Organizations

Private Sector

Organizations

A Promotion of Entrepreneurial Culture

1 SME Promotional Councils/Bodies SME Cell

SME Advisory Panel -

2 Entrepreneurship Development Promotional
Campaigns

Bangladesh Small & Cottage

Industries Corporation -

3 Awards for Successful SMEs – “Small
Business Entrepreneur of the Year”

Ministry of Commerce; Ministry

of Industry DCCCI, FBCCI,

4 Quality Awards for SMEs - -

5

President/Prime Minister's mentions about
entrepreneurship in his/her speeches/
statements and budget statements

Prime Minister, in her speech,
mentioned SMEs.

-

6 Entrepreneurship Development Action Plan at
the national level

Very recently an Action Plan has
been prepared and approved by
the government.

-

7

Government's vision promoting
entrepreneurship, innovation and
competitiveness at the national level
SME Policy Strategies have
been adopted by the
government.

-

8 Promotion of Entrepreneurship Profile for
SMEs

Bangladesh Bank / SME

Foundation -

9 Promotion of benchmarking and best practice
networks

To be done

Model beginning has
been made on this
score by the efforts of
such private-sectors
efforts as Katalyst.

Initiatives, Programs, Policies Public Sector

Organizations

Private Sector

Organizations

A Promotion of Entrepreneurial Culture

10 Promotion of Women and Youth

entrepreneurship

Government has been implementing different projects for women entrepreneurship development.

Women trade bodies are working for women entrepreneurship development.

11 Promotion of e-business and ICT development

Government has been implementing ICT projects.

Private sector ICT business is growing fast.

12 Promotion of technological innovation for SMEs - Trade bodies

13 Promotion of financial products and schemes for SMEs

ADB loan for SME lending

State-owned SME bank

Private commercial banks and financial institutions

14 Productivity promotional campaign for SMEs National Productivity Organization -

15

Promotion and availability of SME databases, SME publications, SME web-based portals for information and business matching

Bangladesh Bureau of Statistics

SME Website launched by SME

Cell.

Katalyst/SEDF/ GTZ/

JOBS/ MIDAS

16 Provision of infrastructural facilities BSCIC Industrial Estates -

B Regulation and Policies

1

Laws/Regulations/Policies for SME development at the national level – Availability of a SME Framework

Industrial Policy 2005/ 2010/ 2016,

SME Policy 2019,

Export Policy 2015

-

2 Policies /Regulations to support technological development - -

3 Policies/Regulations for ICT development Project on ICT/web-portal is under implementation -

4 Policies/Regulations for SME's access to

markets

SME Policy and Credit Programs

of Bangladesh Bank -

5 Policies/Regulations for SMEs' access to financial facilities

SME Policy and Credit Programs

of Bangladesh Bank -

6

Policies/Regulations for Entrepreneurship

Development (separate policy in addition to the SME Policy, if any)

- -

7

Bankruptcy laws which smooth the exit of enterprises that are not sustainable or competitive

Bankruptcy Law -

8 Labor Laws and employment regulations affecting SMEs Yes -

9 Infrastructure facilities/exemptions provided to SMEs BSCIC provides. -

10 Specialized Prudential Regulations for financing to SMEs Not yet. -

11

Regulations on Financial Incentives for SMEs i.e., tax exemptions/benefits, duty

concessions for SMEs

Nothing special. -

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Initiatives, Programs, Policies Public Sector Organizations

Private Sector

Organizations

B Regulation and Policies

12 Policy/Regulation for Productivity

Development in SMEs Not yet -

C Administrative Environment/ Framework

1

Availability of permanent or ad-hoc units/cells mandated to represent SME views in the regulatory process

SME Cell under Ministry of

Industries -

2

Councils/Consultative bodies/Task Force for SME development and/or to take SMEs' views into consideration while formulating policies and procedures

National Taskforce on SME

Development

-

3

Experts Advisory/Advisory Board/

Specialized Boards set up to develop SMEs (in general or in specific sectors)

SME Advisory Panel -

4 Availability of Productivity improvement programs for the SMEs Yes -

5 Availability of Entrepreneurship Profile/ Entrepreneurship Indicators for the country Yet to be developed. -

6

Systems/programs to monitor the entrepreneurial profile, entrepreneurial activity, and entrepreneurial business environment (EBE)

- -

7

Programs/focus on developing entrepreneurial mind-sets, corporate vision and corporate entrepreneurship

Bangladesh Bank

(the central bank) -

8

Procedures for development of SMEs:

Registration of firms, formation of a new company, listing requirements Yes -

Exit of uncompetitive firms No -

Compliance and reporting No -

Licensing No -

Accounting standards Yes -

IT driven communication through web portals No -

Taxation Yes -

Utilities Yes, but access for SMEs is inconsistent. -

Standardization No -

Quality certificates, ISO certification Essentially no. -

D Entrepreneurship Training and Education

1

Entrepreneurship Curriculum at universities and colleges (covering start-up strategies, entrepreneurial behavior, application of marketing and finance to start-ups, entrepreneurial finance such as venture capital and angel investors, intellectual property rights, franchising, corporate entrepreneurship, prototyping, technology transfers, etc.)

Entrepreneurship is taught at some of the best private universities as part of BBA and MBA courses.

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Initiatives, Programs, Policies Public Sector Organizations

Private Sector

Organizations

D Entrepreneurship Training and Education

2 Internship programs/attachment with enterprises for developing entrepreneurial skills No -

3 Linkages between SMEs and colleges/uni-

versities Very little. -

4

Institute of Entrepreneurship
(separately discussed model of the institute
and services provided, if applicable)
Bangladesh does not have any
institute of entrepreneurship. -

5

Entrepreneurship Training programs
i.e. technical trainings, management trainings;
trainings on corporate social responsibilities,
entrepreneurship ethics, productivity and
quality consciousness, use of information
technology, ICT development, developing
internal synergies and alliances with their
employees, etc.

Entrepreneurship development
is included in courses offered by
Bangladesh Institute of Manage-
ment (BIM), which is under the
Ministry of Industries. National
Productivity Organization (NPO),
also in the MOI, actively seeks to
enhance the standards of
quality-administration in
practice in the country.

-

6

Other Skill Development Training Programs
and Institutes (directed towards self-
employment and entrepreneurship
development, etc.)

More than 100 Vocational
Training Institutes (VTI), which
are variously under the
administrative oversee of
several ministries (Labor, Tex-
tiles, Education), exist to offer
relatively short-term re-skilling
training programs.

-

7 Quality Standardization and Testing Institute No -

8 Other Training Institutes for human resource
development of SMEs No -

E Network and Linkages for SME Development

1

Availability of Enterprise Cluster
(separately discuss parameters and dynamics
of the cluster model, if applicable)
There are between 30 and 40
clusters based on one or the
other products, in the country.

-

2

Availability of business development and
business support service providers
(Separately discuss specific models of these

service providers, specific services are being provided, and how are these services marketed to the SMEs)

BSCIC used to perform a lot of profiling and then disseminating, among its own network of SCI entrepreneurs, of potentially viable business and industrial ventures. However, it essentially no longer does that, due to funding problems. Similarly, technology universities such as BUET are often approached by enterprise owners, especially in the engineering industry, for support in terms of assessing steel strength, and the needed degree of tempering in metals, for an agreed fee.

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Initiatives, Programs, Policies Public Sector Organizations

Private Sector

Organizations

E Network and Linkages for SME Development

3 Availability of business advisory/consultancy services for SMEs No

There are some consulting firms who sell such expert services.

4

Strategic alliances and joint ventures within domestic and/or international markets for SMEs

No No

5 Sub-contracting support for SMEs by larger enterprises Yes, in the apparel and knitwear industries.

6

Availability of business incubators (separately discuss the model of incubators most commonly used)

No No

7

Linkage programs for market access / programs, product development, technological access, etc. for improving domestic and international market access for SMEs

No No

8 Supply chain and value chain networks in the country and internationally Yes Yes

F Technology and ICT

1

Initiative for cross-border technological

cooperation (joint R&D, joint commercialization), regional association for technology-led enterprises

No No

2 Technology business incubators No No

3

Availability of back-up/pilot and demonstration projects which foster innovation and technological development

No No

4

Facilities for developing technopreneurs – availability of knowledge centers, research and development centers, and testing laboratories, etc.

No No

5

Facilitation of benchmarking exercises and sharing of best practices – Best Practice Networks

Benchmarking facilities exist in desultory manner in BUET and other technology universities.

-

6

Availability and facilitation of e-business and e-commerce practices, use of internet and other e-market, e-business methodologies

--

7 Availability of web-based SME portals, SME database, information networks - -

G Financial Support

1 Support and role of the Bangladesh Bank in providing financial access to SMEs

Yes, Bangladesh Bank has department and credit Programs. This maintains profile, produces industrial credit reports, SME credit policy & programs, etc. Government NGOs have strong roles to play for SME development.

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Initiatives, Programs, Policies Public Sector Organizations

Private Sector

Organizations

G Financial Support

2 Availability of specialized Financial Institutions for SMEs

Yes. They are SME Foundation, BSCIC, PKSIF, etc. These are government owned.

NGOs and Grameen

Bank are non-govt financial institutions.

3 Specialized financial products and incentives

for small enterprises

Yes. Commercial Banks and NBFIs receive funds under Special Schemes from Bangladesh Bank for small enterprises. Besides, they also provide loans under different schemes for SMEs out of the generated funds.

4 Availability of SME Fund, Technopreneurship or Entrepreneurship Fund, etc.

Yes. Bangladesh Bank provides special funds to SMEs through commercial banks. For example, Refinancing Scheme during COVID 19.

5

Availability of Venture Capital Funds or risk financing mechanisms, risk mitigation fund, credit guarantee schemes

Yes. There are venture capital funds and credit guarantee schemes; but they are not adequate as compared to demand for.

6

Grants for SMEs for technological assistance, market access, productivity improvements, research and development, innovations, product development, e-business, ICT development, supply chain networks, etc.

No grant is available as of today for the purposes of SMEs mentioned.

Source: Miah, M.A. (2006), An Overview of SMEs in Bangladesh, A Project of SME Development Program under Ministry of Industries

SME Associations in Bangladesh

There are a number of SME associations across Bangladesh. These associations are said to be working for the development of SMEs. The main objective of these associations is to develop SMEs through resolving conflicts, protecting SMEs stakeholders' interests, and bargaining with private & public agents for policy supports. The SME associations are as follows:

1. Federation of Bangladesh Chamber of Commerce & Industries (FBCCI)
2. Bangladesh Garment Manufacturers & Exporters Association (BGMEA)
3. Metropolitan Chamber of Commerce & Industries (MCCI)
4. Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA)
5. Dhaka Chamber of Commerce & Industries (DCCI)
6. Bangladesh Agro Processing Association (BAPA)
7. SME Foundation
8. Women Entrepreneurs Association of Bangladesh (WEAB)
9. Business Initiative Leading Development (BUILD)
10. Chittagong Chamber of Commerce & Industry (CCCI)
11. Bangladesh Tanners Associations

12. National Association of Small & Cottage Industries of Bangladesh
13. MIDAS (Micro Industries Development Assistance & Service)
14. Association of Grassroots Women Entrepreneurs, Bangladesh
15. Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association
16. Bangladesh Federation of Women Entrepreneurs
17. Exporters Association of Bangladesh
18. e-Commerce Association of Bangladesh
19. Bangladesh Hardware & Machinery Merchant's Association
20. Bangla Craft
21. Bangladesh Mudran Shilpa Samity (BMSS)
22. Bangladesh Bread Biscuit–O-Confectionery Prostutkarak

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Governance of SMEs in Bangladesh

Governance is one of the key issues for sustainable growth of SMEs in Bangladesh. Currently, most of the small, cottage, and micro enterprises in Bangladesh lack governance documents such as formal registrations, licenses, and taxpayer identification numbers (TIN), among others. Without proper documentation and governance, many SMEs lack access to government programs and incentives that could facilitate growth. To improve this access and build more opportunities for continual growth, SME entrepreneurs should collate a set of principles and tools for governing SME activities that will support their competitive survival.

Inadequate governance systems also discourage SME entrepreneurs from engaging in formal sectors of the economy. Compared to formal sectors, informal sectors offer a lower cost of doing business more comfortable for SMEs, and many entrepreneurs fear that poor governance in the formal sectors has set the barrier of entry too high. However, based on a review of related literature, simple tax and governance systems are conducive to the sustainable growth and development of SMEs. Thus, policy makers should prioritize simplifying tax rules and regulations for the purpose of motivating SMEs to enter into formal sectors under the purview of good governance.

A study of the SME Foundation (Siddiqui, 2020) has shown that most SME Entrepreneurs consider payment of income tax and value added tax (VAT) as obstacles to running their business. The study has attributed this bias of SMEs towards tax expenditures to three situations: SMEs without documents for

governance, exclusion of certain SME -oriented sectors from the preference list, and the exclusion of SMEs for being out of the preferential are as. In addition, SMEs often experience negative effects from corrupt practices in the collection of income tax and VAT.

The following institutions are related to governance and regulatory support to SMEs in Bangladesh:

- a) The Bangladesh Standards and Testing Institution (BSTI) is the national standards body of the country. BSTI's main responsibility is the certification of the quality of products as per the national standards.
- b) The Department of Patents Designs and Trademarks (DPDT) grants patents for innovations in the country.
- c) The Register of Joint Stock Companies and Firms (RJSC&F) is responsible for the registration process of private and public companies in the country. It also deals with voluntary registration of partnership firms.
- d) Different city corporations and local government bodies issue trade licenses for doing business in their jurisdictions.
- e) Different ministries issue different licenses and certificates. For example, the Ministry of Commerce issues export and import certificates, and the Ministry of Environment issues environment -related certificates.

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4. IDENTIFICATION OF PROBLEMS AND CHALLENGES FACING SMEs

SMEs in Bangladesh face significant problems in balancing, modernizing, replacement, and expansion (BMRE) due to credit crunch, poor technological know-how, inadequate supply of efficient labor forces, and insufficient fiscal and regulatory supports from the related government agencies.

While the Bangladeshi government has SME policies, the SME Foundation, SME Cells at the Ministry of Commerce (MOC), the SME Credit and Monitoring Department at Bangladesh Bank, and One Stop Services of Board of Investment (BOI) in place, these policies and institutions have so far proven insufficient in supporting the SME sector.

Several studies have found that high transaction costs, ineffective SME policies, and poor capabilities of SME entrepreneurs can be attributed to these

constraints (Chowdhury, et al. 2013 and Khandaker, 2014). Khan (2004) has found some additional constraints to the growth of the SME sector in Bangladesh: (a) shortage of skills at all levels (facilitating institutions and entrepreneurs), (b) lack of

industrial organization, (c) limited size of the market and its low growth rate, (d) lack of sound policy and constructive programs, and e) poor state of technology. Qudus and Rashid (2000) identified that entrepreneurs in the SME sector have to face myriad bureaucratic obstacles in their quest to start an SME. Begum (1993) has found that inadequate government efforts and poor fiscal and financial incentives have slowed the process of SME growth in Bangladesh. Finally, the lack of infrastructure facilities in Bangladesh represents another hurdle for SME growth in Bangladesh (McDowell, 1997).

Commitments of the Trade Bodies in curbing corruption

The project plan included exploration of the available key organizational documents from the largest business support organizations in the country. It was expected that these documents would provide the baseline data on the problems faced and required plan of actions on five key areas (democracy, governance, transparency, accountability, and corruption) at the national and subnational levels. These trade bodies' documents would show, we assumed, how these issues are addressed and what specific plans have been adopted and implemented. These will help identifying the strengths and weaknesses of the current endeavours.

Between February 2021 to February 2022, we collected a total of 152 publications from ten national and regional trade organizations (Appendix 1). The national organizations were selected based on their overall influence. Unfortunately, we have found almost no significant commitments from any of the trade organizations towards combating corruption. For example, The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) is the largest trade organization representing the private sector, counting 106 Chambers of Commerce and Industry and 402 trade and industrial associations as members. However, FBCCI has not made a clear, public commitment to combatting corruption. Rather, according to FBCCI's website, it plays "a pivotal role in consultative and advisory capacity, safeguarding the interest of the private sector," and the President of FBCCI described the organization's main task as "work[ing] with the government at the policy level" (Uddin, 2022). Accordingly, researchers have also

raised concerns about FBCCI's independence from the government (Mirdha, 2021).

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In a similar vein, The Bangladesh Garment Manufacturers and Exporters Association (BGMEA), which has about 4500 members and is one of the largest trade associations in the country, has not pushed anti-corruption as an organizational priority ("BGMEA | BGMEA at a Glance" 2020). Its available documents do not list any policies or initiatives aimed at combatting corruption or fostering transparency in the business sector or overall governance.

There are a few vague allusions to corruption in tax collection and the banking system, but, according to available documentation, BGMEA has not committed any significant resources to identify and address these issues. Most of the available documents and publications are instead focused on advocating tax reforms and increasing subsidies, among other similar issues.

The absence of any reference to the five key issues (democracy, governance, transparency, accountability, and corruption) in these documents implicitly validates the necessity for this project. Private sector stakeholders must convene to discuss these issues, share their perspectives, explore pathways for action, and create a platform to create an action plan and work with policymakers on solutions in the future. The regional FGDs and a national dialogue will help address the current situation and pave the way forward.

Business leaders and experts' perspectives

Business leaders, academics, and experts on SMEs acknowledge the pervasive nature of corruption in the economic sector in Bangladesh. "There isn't any sector that is not affected by corruption," said one expert involved in tracking the incidence and nature of corruption in the public sector for more than two decades. A business leader pointed out that the SME sector's share and pattern of corruption are largely similar to the overall state of corruption in society, particularly in the business and economic sectors.

One leader of a national body echoed the sentiment, saying, "Corruption is not only in the SME sector but is present as a barrier to all other sectors of the country," and academics have described this phenomenon as "evident." However, trade bodies and entrepreneurs have identified some particular aspects of the existing corrupt practices and their sources vis-à-vis the SME sector. They noted bribery as the principal means of

corrupt practices while securing licenses and permits from government bodies. "You have to grease the wheels of bureaucracy at every stage," said a trade body leader. Excessive bureaucratization of the process is cited as a tacit factor behind the expansive nature of corruption.

The government's preference for particular enterprises in the public procurement process represents another major example of corruption. In a similar vein, many SMEs struggle to secure loans from banks. "Banks are not incentivized by the government to allocate loans to the SMEs," said one leader of a trade body. Another survey respondent opined that many large enterprises use their influence and connections to what meager loan funds are allocated for SMEs.

The collusion between SMEs and various other actors is an important element of these prevalent corrupt practices. One of the experts interviewed for the project noted that banks collude with businesses to fabricate the businesses' compliance requirements. According to another respondent, such collusion also occurs in public contracting. The latter is considered as a coping mechanism against corruption, and a way to "remain competitive." Several respondents stated that corruption, especially bribery of officials and government agencies, occurs partly due to a lack of internal discipline within some SMEs. By "internal discipline," respondents meant the lack of good internal governance among smaller firms.

You have to grease
the wheels of
Bureaucracy at
every stage
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Many participants suggested that the presence of corrupt practices in both the demand side and supply side creates a cycle of corruption. A leader of a regional trade body said, "If we pay bribes to get ahead in the competition in some ways, we create a demand for the bribes within the system itself."

Respondents cited this "mindset" that the public implicitly accepts corruption as the most important factor for the continuing prevalence of corruption throughout the economy, and particularly in the SME sector. Citizens consider corruption as "inseparable" from the economic system and practices, experts and business leaders opined. This tendency mutes backlash against corrupt practices and encourages their use. One trade body leader felt that a lack of moral education has contributed to this culture of acceptance.

On the institutional side, lack of accountability in the public sector and impunity for perpetrator, have been cited as major factors in the continuation of corrupt practices. Experts have emphasized that acts of corruption are often overlooked due to the political affiliations of perpetrators. One expert with significant experience in leading an anti-corruption organization identified broken promises on behalf of political leaders and a lack of clear commitments to corruption-prevention measures as additional important reasons. This person underscored that, "Laws are not sufficient. Instead, participation of citizens and members of the civil society is important for creating a corruption-free environment." The absence of effective punitive measures against corruption serves only to encourage an environment where participants view corruption as imperative to success. In this regard, the dysfunction and severe weaknesses of the institutions meant to combat corruption act as crucial factors in their prevalence.

These weaknesses include the lack of resources and expertise of the relevant institutions. "There is a variety of reasons for corruption," a head of a national body argued, while a leader of a different national trade body suggested that monetary benefit alone is not sufficient to explain the proliferation of corruption.

Corruption also persists in the Bangladeshi economy due to, as one informant noted, the difficulty of linking crimes to their perpetrators. While few of the informants felt that the proclivity for cash transactions in Bangladesh enables corruption, a shift in society towards cashless transactions, conducted through proper banking channels, would significantly hinder the capacity for actors to continue corrupt practices.

Most of the informants could not cite any private sector anti-corruption initiatives. However, one respondent indicated that some organizations have interest in such programs but lack the organizational framework to implement them. With that said, several organizations have conducted important anti-corruption and transparency initiatives in Bangladesh. For example, Transparency International Bangladesh (TIB) has long fought to raise awareness of corruption and governance issues. Research on corruption by the Centre for Policy Dialogue (CPD) has also contributed to bringing attention to these topics. However, many respondents expressed a sense of resignation, suggesting that civil society members can do little to root out corruption, as fundamental flaws in governance exacerbate such issues. "If the government does not come forward first and address the challenges, things are less likely to change," stated a leader of a regional trade body. The leader added, "Unfortunately, we don't see the gov-

ernment coming forward and working with the collaboration of civil society in our country.” However, a respondent with an attachment to a political party said that civil society itself has become politicized, implying that partisan affiliations hinder such initiatives. As for the government initiatives targeting the SME sector, our observation of their absence was validated by the trade body leaders and experts.

However, all of them referred to the overarching efforts of the government, particularly the Anti - Corruption Commission (ACC), but they also mentioned that the ACC’s success is limited at best. “There are government initiatives. But I am not satisfied with their implementations,” said one respondent, If the government does not come forward first and address the challenges, things are less likely to change

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and another leader of an SME- support foundation underscored the same deficiency. “It would be better if it [ACC] worked more efficiently,” insisted a leader of a regional trade body. Lastly, an academic mentioned, “The ACC regularly evaluates and monitors this [SME] sector, but there is no court of law to implement corruption laws.”

Inquiry about whether these trade bodies and the organizations had developed internal mechanisms to identify and curb corruption yielded no results, revealing an absence of focus on one of the most pervasive problems in the country and within the SME sector. One of the leaders of a regional trade body said, “The chamber does not deal with corruption. The chamber deals with the problems of traders. We work as a bridge between the government and businesses to solve those [corruption] problems.” However, many of these leaders have insisted on having a “zero -

tolerance" policy towards corruption and conducting periodic discussions about the issue within their respective organizations. Many claimed to have information centers, but those centers receive very few complaints from their clients and constituents regarding corruption.

The importance of the private sector's leadership in combatting corruption has prompted different responses from the key informants. A significant number of respondents doubted the necessity of private sector leadership in reducing corruption, and even those who touted its importance added that such leadership is meaningless without government support. One leader of a regional trade body said, "We as private sector stakeholders are trying to combat corruption in our own way, but if the government does not step up and ensure accountability, then nothing can be done." Key informants offered several reasons for why private sector efforts without government leadership cannot curb corruption, including the assumptions that the government exerts control over trade body leaders and that business leaders would not risk profits by criticizing the government.

Most of the interviewed trade body leaders acknowledged that no private sector organization with the purpose of combatting or raising awareness about corruption in the SME sector currently exists. More than one trade body leader said that these umbrella organizations are neither intended nor equipped to address the corruption issue. The association that we have, or the organizations that I was in, are not really structured in that way," said one person. Another leader went further, saying that anti-corruption "is not likely to be done in an organized way" by a trade body. The volunteer nature of the leadership was cited as a reason. However, one anti-corruption activist feels that national trade bodies need to take leadership roles in the efforts to curb corruption, stating, – "Various trade bodies related to the SMEs should be promoting business integrity and internal code of conduct." Another regional body's chief suggested a combined effort by both the government and the public sector.

However, there is widespread discontent among business leaders and experts regarding the effectiveness of existing laws and reporting systems for corruption, particularly their poor enforcement. "There are good laws, but they are not implemented," said one leader of the country's largest trade body. Academics and other business leaders expressed very similar views. One said, "It seems that those who are in charge of implementation are not bothered. They are either reluctant or don't understand the urgency to implement [these laws]." An anti -

corruption activist further explained, “The existing legal framework is not entirely ideal, but it is sufficient to control corruption. There are two significant lacking in the legal framework. One is the need for reforms in some legal areas. Several new policies implemented have weakened the ACC.

Secondly, what framework we have is not being implemented properly. The parliament’s role is to keep the government accountable to the people. However, the committees created by the parliament to supervise these areas aren’t fulfilling their roles due to fundamental problems in the structure of our democracy.”

The respondents also expressed a sense of frustration regarding the slow judicial process. The lack of awareness about and implementation of the
There are good laws,
but they are not
implemented

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Whistle-blower Act 2011, a law that guarantees legal protection to persons, including journalists, who disclose information for the public interest, has been cited as an enabler to corruption. Several respondents also cited the ineffectiveness of the existing corruption reporting system as a critical weakness. For example, one business leader labelled the current system as “ineffective” and urged the creation of a new one. Another trade body leader lamented the lack of knowledge about the reporting process amongst the citizenry.

With that said, even if the public understood the reporting system, respondents expressed doubt that relevant authorities would actually listen to those complaints, with one even noting that fear of retribution prevents people from coming forward. In addition to greater transparency in corruption reporting, respondents viewed empowering an independent ACC as a way to encourage more people to report the corruption they witness.

In order to build stronger anti-corruption measures, the interviewees suggested several important next

steps that trade bodies should take. For example, simplifying licensing procedures represents one critical step, as many argued bureaucratic roadblocks create opportunities for corruption to flourish. In addition, respondents insisted that meaningful anti-corruption action will also require legal reforms. On this point, however, they did not provide concrete, actionable steps beyond working with the government on new legal frameworks and lobbying for affected industries. “[The trade bodies] need to facilitate the creation of sectoral and sub sectoral code of ethic or code of conduct and must ensure that there is accountability [in adhering] to these codes,” suggested one respondent. However, as one person noted, large trade bodies are not led by SME

entrepreneurs and the organizations themselves do not focus their activities on SMEs. Therefore, SME entrepreneurs cannot rely on trade bodies to respond to their need for anti-corruption action.

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APPENDIX 1

List of Documents collected from Trade Organizations

The Federation of Bangladesh Chambers and Commerce Industry

1. Introducing the FBCCI
2. Annual Report 2019-20
3. Annual Report 2015-16

Dhaka Chamber of Commerce and Industries (DCCI)

1. Annual report 2020
2. Annual report 2019
3. Annual report 2018

4. Annual report 2017
5. Annual report 2016
6. Economic Policy Paper on Access to Finance for SMEs: Problems and Remedies
7. DCCI Review: Transparency in Financial Reporting
8. DCCI Review: Covid-19 A Boon for E-Commerce
9. DCCI Review: Covid-19 hit World Economy
10. DCCI Review: Covid-19 Impact on Bangladesh Economy
11. DCCI Review: DCCI & New Vat Act
12. DCCI Review: Fourth Industrial Revolution
13. DCCI Review: In Retrospect 2020
14. DCCI Review: LDC Graduation - Challenges and Gains
15. DCCI Review: Revamping Bond Market
16. DCCI Review: Tackling Second Wave & Adapting to New Normal
17. DCCI Review: 2019 A Year of Inclusive Trade and Investment Promotion
18. DCCI Review: 2021 Year and Prospects and Challenges
19. DCCI Review: A Dawn of Prosperity
20. DCCI Review: Balancing the Economy and Tax
21. DCCI Review: Budget and Aftermath
22. DCCI Review: Capital Shortfall
23. DCCI Review: Revival of pandemic-hit economy
24. DCCI Review: Value Added Tax
25. Economic Policy Paper on A High Value Added and Export Oriented Business Sector: Ready Made Garments (RMG)
26. Economic Policy Paper on Assessing Appropriate Technology for SMEs
27. Economic Policy Paper on Benchmarking of Regional SME Policies: Identification of Policy Intervention Areas for Bangladesh
28. Economic Policy Paper on E-Commerce a Business Link
29. Economic Policy Paper on Institutionalization of Corporate Governance in Bangladesh
30. Economic Policy Paper on Privatization Policies
31. Economic Policy Paper on State of Corporate Governance in Bangladesh: Analysis of Private, Financial and State-Owned Enterprises
32. Economic Policy Paper on Women Entrepreneurs in Bangladesh

Leathergoods And Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB)

1. Annual Report 2017-18
2. Annual Report 2015
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3. Annual Report 2014
4. Bangladesh footwear industry report-2016
5. Possibilities and Challenges in Bangladesh Leather Sector
6. Challenges facing the Bangladesh Leather Industry SLTC Conference
7. 36th International Footwear Conference (IFC) 2017 of Confederation of International Footwear Associations (CIFA)
8. Bangladesh Leather Footwear & Leather goods International Sourcing Show 2017
9. Bangladesh Leather Footwear & Leather goods International Sourcing Show 2019
10. Bangladesh's trade policies
11. Export Policy 2012-15
12. Export Policy 2015-18
13. Investment Prospects in Bangladesh Leather Sector - Third Edition
14. Presentation on Leathergoods & Footwear Manufacturers Exporters Association of Bangladesh (LFMEAB)
15. SEIP At a Glance

Business Initiative Leading Development (BUILD)

1. Annual Report 2019
2. Annual Report 2018
3. Annual Report 2017

4. Business Confidence Survey 2013
5. Business Confidence Survey 2014
6. Business Confidence Survey 2015
7. Business Confidence Survey 2019
8. BUILD Brochure 2017
9. BUILD Export-Import Brochure

Bangladesh Garment Manufacturers and Exporters Association (BGMEA)

1. BGMEA Sustainability Report 2020
2. The Apparel Story (April-May 2021)
3. The Apparel Story (June-July 2021)
4. Bangladesh Investment Handbook
5. Discussion on Working Conditions Transparency
6. A Pathway to Manage Private Sector Impact on - Bangladesh National Priority Indicators (NPIs) & Sustainable Development Goals (SDGs)

Metropolitan Chamber of Commerce and Industries (MCCI)

1. Chamber news from 2014-21 (71 Documents)
2. Bangladesh's Economy During FY2019-20
3. Quarterly Review January-March 2020
4. Quarterly Review April-June 2020
5. Quarterly Review July-September 2020
6. Quarterly Review October-December 2020

Sylhet Chamber of Commerce and Industries (SCCI)

1. Annual Report 2017-18
2. Annual Report 2018-19
3. Annual Report 2019-20

Chittagong Chamber of Commerce and Industries (CCCI)

1. Annual Report 2017-18
 2. Annual Report 2018-19
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3. Annual Report 2019-20

Khulna Chamber of Commerce and Industries (KCCI)

1. Annual Report 2019-20

Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA)

1. Annual Report (July 2019- June 2020) & (July 2020- June 2021)
2. Bangladesh Knitwear Industry: A Journey Towards Progressive, Inclusive and Sustainable Future
3. Apparel Export Statistics of Bangladesh 2017-18
4. Knit Communique

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APPENDIX 2

Following individuals were interviewed as key informants between December 1, 2021 and March 15, 2022 for the assessment report.

S.N NAME ORGANIZATION

- 1 Ms. Nasreen Fatema Awal Founder and President
Women Entrepreneur Association of Bangladesh (WEAB)
- 2 Helal Uddin President
Bangladesh Shop Owners Association
- 3 Dr. Md. Mafizur Rahman Managing Director
SME Foundation
- 4 Dr. Mohammad Jamal Uddin Professor
Department of Finance, University of Chittagong
- 5 Abdul Haque
President
Bangladesh Reconditioned Vehicles Importers and Dealers Association
(BARVIDA)
- 6 Professor Dr. Monjur
Morshed
Chairman
Department of Finance, Jagannat University
- 7 Dr. Iftekharuzzaman Executive Director
Transparency International Bangladesh (TIB)
- 8 Shahedul Islam (Helal)
Former President
Bangladesh Chamber of Industries (BCI)
Bangladesh Plastic Goods Manufacturers & Exporters Association
(BPGMEA)
- 9 Mohammad Hatem Executive President
Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)
- 10 Dr. Md. Amzad Hossain Professor
Department of Finance, University of Rajshahi
- 11 Selima Ahmad MP President
Bangladesh Women Chamber of Commerce and Industry
- 12 Faruque Hassan President
Bangladesh Garment Manufacturers and Exporters Association (BGMEA)
- 13 Sharnolata Roy President
Sylhet Women Chamber of Commerce and Industries (SWCCI)
- 14 M A Momen Vice President
Federation of Bangladesh Chambers of Commerce & Industries (FBCCI)
- 15 Mahbubul Alam President
Chittagong Chamber of Commerce & Industry (CCCI)

