

SME Policy dissemination & public hearing workshop held in Kandyon 19th December 2015 at the Grand Kandyan Hotel

The first work shop on dissemination of the policy and to gather information from the SMEs in the region was held on 19th December from 9.00am to 4.00pm at the Grand Kandyan Hotel in Kandy. The work shop was attended by around 120 participants which comprised of representatives of the Federation of



Chambers, Ceylon Chamber of Commerce from Kandy and Matale districts, Kandy "Velandabalamandalaya", officials from the Ministry, NEDA, IDB, National Craft Council, Laksala. In addition to the above officials representing Central bank and commercial Banks such as NDB, Commercial Bank, NDB, HNB and a representative of company registrar was present.

The inaugural session was chaired by the District Secretary, Kandy MrHitisekera. MrThajudeen additional secretary MIC, delivered the welcome address briefing the government policy, back ground to the present SME Policy Frame work and the purpose of the work shop which was followed by the address of the Chief Secretary. MrHasithaWijesundara, Advisor GIZ gave a



brief outline of the back ground to the SME Policy Frame Work, highlighted the important aspects such as approved definition of the SMEs and the major policy intervention areas in his speech. Mr Dharmawardna representing the Central Bank gave a detailed account of the schemes available for the SMEs, and other issues related to financial aspects. The Director, NEDA Mr Lakshman Wijewardana, and Director IDB Mr. Bandara also briefed the participants on the services offered by their institutes. The morning session presentations were followed by the question and answer sessions in which several issues regarding access to finance, issues on approvals from local authorities, environmental issues were raised by the participants and the panel members answered the questions and provided guidance for some of the issues.

Brainstorming session/Group work



The participants were grouped into six subgroups to discuss the six policy intervention strategies namely, Enabling Environment, Modern Appropriate technology, Entrepreneurial Culture and Skills development, Access to Finance, Market Facilitation, Research and development.

The presentation session by group leaders was developed to a very interactive session with exchange views among participants and further clarifications from the Bank officials and government officers pertaining to their issues.

The outcome of the group presentations (summarized)

1) Enabling Environment

- Environmental issues, pollution of the Mahaweli River which also affects the SMEs and the need for government intervention. To establish waste recycling process.
- Difficulty in obtaining approvals from the Environmental Authority, frequent interference by officers attached to local authorities regarding environment issues. To provide a reasonable time frame to attend to issues regarding environment and approvals

- To study the rules and regulations governing the SMEs, by an authorized agency such as Ministry of Industry & Commerce and make necessary recommendations and effect changes in order to create a conducive environment for SME operation.
- To organize regular sessions to address issues relating to SMEs where all relevant officials are present. These sessions are to be organized/facilitated through the Chambers, Supporting documents, information leaflets etc. to be channeled through the Chambers.
- Grants to be given depending on the nature and status of the SMEs.

2) Modern Appropriate technology

- To make available booklets providing information on new technology at national level and to empower the Chambers on dissemination of information on new technology at regional level through Regional Chambers.
- Technology dissemination, information on new technology, display of new technology through exhibitions organized for SME sector at regional level.
- Organize training programmes on IT for entrepreneurs on basic computer skills, Social media, internet, development of Web sites etc.
- To establish a matching grant system and special loan schemes for investment on new technology.
- Training programme to be organized in collaboration with Universities and Research Institutes.
- To make available testing laboratory facilities for value added products in the regions, and these facilities to be arranged in collaboration with the Industry chambers and associations.
- To provide resource persons to conduct training programme on new technology development at regional level.
- The officers to be made aware of the need to channel the technology transfer programmes in collaboration with the industry chambers.

3) Entrepreneurial Culture and Skills development

This group has focused their attention more on development of an Entrepreneurial Culture

- Develop a National Mission statement promoting Entrepreneurial Culture and develop appropriate culture across the country
- A national campaign to be launched encouraging positive thinking among entrepreneurs moving away from the thinking “no, can’t do”, Introduce a stimulating national song for SME in all three languages.
- Encourage home, village base thinking in developing the culture and promote House wife/ house entrepreneurs.
- Create independent than interdependent thinking among SMEs

- Encourage to think & behave globally than only thinking and behaving locally. Facilitate English language proficiency acquisition programmes for entrepreneurs.
- Integrated approach towards skills & knowledge development –University & Business community
- Qualification along with practical/skilled based knowledge and exposure to experience is to be considered important than qualification To include entrepreneurship subjects in education curriculum above grade 5 in school curriculum.
- Inculcate a “Red Carpet welcome culture” to entrepreneurs in banks and financial institutions

4) Access to Finance

- To consider the project as an asset in granting facilities
- An independent bank for SME sector which will not come under political authorities.
- To increase the age limit of the entrepreneurs in granting loans and not the age but the entrepreneurship to be given priority
- To offer low interest loans such as 4% to SMEs
- Special preference to be given to women entrepreneurs in granting loans.
- The length of the enterprise and project to be considered in granting financial facilities.

5) Access to market

- To improve post harvesting technology, new technology at village level in the agriculture sector
- To introduce versatile products which are not existing in the current market
- Follow-up and monitoring to be done after conducting entrepreneurship training
- To provide opportunities for entrepreneurs to foreign training and to visit foreign exhibitions.
- To establish a central place providing sales outlets to SMEs to market their products.
- Market promotion to attract customers.

6) Research and Development

- Establish institutions/units enabling to obtain SLS certificate within the region.
- Establish regional information centers
- Access to new innovations and facilitating approval process for such innovations.
- To commercialize research done by Universities
- Central bank intervention to provide loans for research projects
- Establishment of a fund to finance R&D work
- Organize award ceremonies in order to encourage research, including School up to University level
- Increase fund allocation for R&D work by the central government.