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Problems and Prospects of Small and Medium Enterprises (SMEs) In Bangladesh: A Study from Kishoreganj District in Bangladesh

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Abstract: Small and medium-sized enterprises (SMEs) are the backbone of Bangladesh's national economy. This sector plays an important role in developing our country's economy. SMEs provide low-cost employment opportunities and render flexibility to the economy. In policy strategies, smooth and sustainable development of SMEs nationwide will be used to alleviate poverty and create more jobs; however, there are regional disparities. To gather the data for this paper, a questionnaire was administered, and SPSS 20 version software was utilized to analyze the results. Therefore, the paper aims to analyze the different problems, opportunities, and difficulties associated with financing this particular sector in Kishoreganj and identify solutions. Additionally, it will review relevant literature and reports and make recommendations for supporting measures to ensure that this highly promising industrial sector operates in a fully productive way.

Keywords: SME, employment generation, poverty reduction

I. Introduction

Small-medium enterprises SMEs boost economic growth and jobs worldwide. SMEs are crucial to sustainable economic growth in both developed and developing nations. According to World Bank data (2022), 90% of firms and over 50% of employment are small and medium enterprises. SMEs account for 90% of industrial output and 60% of employment in several Asian countries (Veskaisri, 2007). SMEs boost the domestic industry by supporting major and minor economic activities that create jobs. This sector is more important in developing nations like Bangladesh since its production processes and products demand less investment than large-scale firms.

Creating the SME sector more lively is one of the sector-specific efforts the Bangladeshi government has launched to spur economic growth. SMEs support economic growth in many ways, such as trade, innovation, and desirable economic sustainability. Globally, all SMEs experience the same limitations, but they vary in how they choose to define their contribution to economic expansion and employment creation. According to the number of employees and the size of the capital, Bangladesh's national industrial policy, established in 2005, classified industries as tiny, small, medium, and big. After that, the term "micro" was added to the firm categorization in the national industrial policy of 2010. The rapid economic expansion in Bangladesh is assumed to be driven by small and medium-sized businesses.

Despite being important to the economy, this sector has not yet reached its full potential and is constrained from doing so.

The government's Poverty Reduction Strategy has outlined some fundamental guidelines for achieving the Millennium Development Goals (MDGs), which call for cutting global poverty in half by the year 2015. Unquestionably, SMEs with rapid and sustained growth are a vehicle for advancing national economic growth to the point where it can be measured in terms of poverty and unemployment reduction and job creation. In Bangladesh, the SME size category includes more than 90% of the industrial businesses. SMEs typically have a high labor intensity and a low capital intensity. The SME also exhibits the luxury of being cost-effective and possessing comparative cost advantages. The government-set MDG goals and targets can be more easily attained with the help of SME policy measures.

Kishoreganj has a very long history. In Kishoreganj, the Narasunda River runs through. The district headquarters of Kishoreganj, an old city, are located about 145 kilometers from Dhaka. In this district, there are 1,745 villages, 108 unions, 13 upazilas, and 8 municipalities. Kishoreganj was first created as a part of the larger Mymensingh District in 1860, and it became a district in 1984. The haor is a key component in Kishoreganj's economy and its main driver. The haors are teeming with a variety of fish that can mostly satisfy the needs of the nation. Jute, rice, and a variety of other crops are also grown in Kishoreganj and exported, meeting the demand of the nation. Therefore, the study's focus is on a rural haor area in Bangladesh's Kishoregonj district.

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Small and Medium Enterprise

The European Union (2003) classified SMEs as businesses with no more than 250 employees and a yearly revenue of up to 50 million Euros. Additionally, there is a distinction between small businesses (defined as those with fewer than 50 employees and annual revenues under €10 million) and microbusinesses (defined as those with fewer than 50 employees and annual revenues under €2 million).

The World Bank (2006) categorized medium companies as businesses with a maximum of 300 employees and an annual revenue of up to USD 15 million. Additionally, there is the distinction between microenterprises, which have up to 10 employees and a turnover of $100,000, and small firms, which have fewer than 50 employees and a turnover of up to $3 million US.

Different organizations in Bangladesh utilize different definitions of SMEs. There are occasionally significant differences between the definitions used by various organizations, including the Bangladesh Bank, the Bangladesh Bureau of Statistics, and the Institute of Industrial Policy. Manufacturing businesses and non-manufacturing activities are the two primary categories into which the government of Bangladesh has placed SME. Small and medium-sized businesses are those with 20 or fewer employees. Naturally, a solo proprietorship, partnership, or cooperative-based industry requires minimal capital investment and a limited number of employees (Meghana Ayyagari, 2003). Small and medium enterprises are companies that are independently owned and run, are not market leaders in their industry, and don't use any novel marketing techniques or cutting-edge procedures. Usually, the owner or a member of his family organizes and oversees it (Joshua Abor, 2010). The number of employees is used by the Bangladesh Bureau of Statistics to categorize various enterprises.

Table 1.Shows different enterprises by members.

No of employees		
Micro:	0-9	Workers
Small:	10-49	Workers
Medium:	50-99	Workers

(BBS: 2008)

Bangladesh Bank issued a circular in 2008 defining SME under consultation with the National Board of Revenue (NBR). Board of Investment (BOL). Ministry of Industries (MOI) According to circular, SME is defined as follows: 1. Small Enterprises:

a) Manufacturing concern: Having no more than 50 workers with total fixed assets excluding land and building between Taka 50,000.00 and Taka 1,50,00,000,00.

b) Trading and Services concern: Having no more than 25 workers with total fixed assets excluding land and building between Taka 50,000,00 and Taka 50,00,000,00.

Medium Enterprises

a) Manufacturing concern: Having no more than 150 workers with total fixed assets excluding land and building between Taka 1,50,00,00000 and Taka 20,00,00,000,00.

b) Trading and Services concern: Having no more than 50 workers with total fixed assets excluding land and building between Taka 50,00,000,00 and Taka 10,00,00,000,00.

Rationale of the study

According to the analysis's chronological order, SMEs may be essential to Bangladesh's economic development. Small and medium-sized businesses are the most cost-effective and important source of employment and dynamism for industrial expansion, both in terms of reducing poverty and their GDP contribution. The SME industry is currently dealing with numerous issues. Even though the rate of development is not what is desired, the Bangladeshi government is making an effort to develop the SME sector through various policy initiatives. This industry has a great deal of growth potential, so the researcher made an effort to pinpoint the challenges and opportunities faced by SMEs in Kishoregonj, Bangladesh.

Research Limitations

The research has several restrictions. There are some restrictions and limitations to take into account. The following restrictions must be taken into account: We must research the demographic, psychological, sociological, and cultural aspects of the local population. This study has to take trade promotion and employee motivations into account because it solely examines how perception affects locals' behavior in SMEs. The data collection is the main focus of this restriction. In this case, the researcher used qualitative and quantitative research methods. The respondents' pertinent information was gathered using the questionnaire method.

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The study's foundation was SMEs' total entrepreneurship. The time frame for this research investigation was constrained. Both the sample size and the duration were modest. As a result, this conclusion cannot be drawn from a tiny sample of the entire population.

II. Literature Review

50.53 percent of SMEs lack official access to financing (Raihan, 2001). SMEs only have unlimited access to formal finance in 35.79 percent of cases. Access to formal credit is restricted for the remainder (13.68%). A small minority of business owners use bank credit, which typically covers less than 20% of their overall expenditure. Only half of SMEs who apply for bank loans for working capital (59.6%) receive loans from such institutions. State-owned commercial banks and privately owned commercial banks are the targets of SME loan disbursement under Bangladeshi banking regulations. Small businesses are given priority for 40% of all loans since they are seen as a key strategy for lowering unemployment. A coordinated set of these kinds of efforts is where the solutions lie. The Least Developed Countries (LDCs) in the east have begun to refocus their attention on SMEs to increase their role in bringing about fundamental reforms in their economies, according to the FSS 2020 initiative on SME development. The lack of a national quality policy, an adequate support system, and the credibility of the quality certification authority have prevented SMEs in Bangladesh from guaranteeing the quality of their goods and services on both domestic and foreign markets (Ahmed,1999). He also contends that one of the biggest issues facing SMEs in Bangladesh is access to financing. One of the primary issues facing SMEs in Bangladesh is a lack of operational or investment funding. SMEs in Bangladesh have failed to ensure the quality of their goods and services both in domestic and foreign markets because of a lack of a national quality policy, an adequate support system, as well as the lack of credibility of the quality certification authority (Ahmed, 2004). He also contends that one of the biggest issues facing SMEs in Bangladesh is access to financing. One of the most common issues facing practically every SME in Bangladesh is a lack of operational or investment cash. 50.53% of SMEs lacked formal access to financing (Sulaiman, 2005). SMEs only have unlimited access to formal finance in 35.79% of cases. 13.68 % of the remaining people have limited access to formal credit. A small minority of business owners use bank credit, which typically covers less than 20% of their overall expenditure. Only half of SMEs that apply for bank loans for working capital (59.6%) receive loans from such institutions.

Small and medium-sized businesses are the foundation of the economy in nations like Bangladesh (Rahman and Mahmood, 2007). SMEs face common challenges like a lack of capital, trouble obtaining raw materials, difficulty accessing pertinent business information, limited technological capabilities, issues brought on by time-consuming and expensive bureaucratic processes, and rules and regulations that distort the market. However, SMEs can increase capacity and benefit from globalization with the correct domestic policy backing from the government and an eye toward global market trends. Banks typically do not show interest in financing SME, (Hasan and Islam, 2008). The higher operational costs, lower returns, and significant risk connected to SME finance are the cause of this conservatism. The operational costs are higher because of the tiny loan size, and they necessitate close oversight and monitoring. The main cause of the increased risk is that small and medium-sized business owners are very unlikely to meet the collateral requirements since they frequently lack moveable property. Sometimes banks and non-bank financial organizations are reluctant to loan SMEs under the pretext of collateral. According to the Bangladesh Bank Report from 2008, discriminatory policies, outdated technology, poor utility conditions, or financial restraints are not the main factors driving SMEs into manufacturing. On the other hand, due to lower transition costs and greater collateral availability, banks and other financial institutions typically favor large enterprise clients. The Bangladesh Bank research stated that because the SMEs are not eligible for microfinance programs, they must rely on official sources of funding that charge substantially higher interest rates. However, according to the BB research, other interconnected issues like a lack of short- and long-term financing, a lack of contemporary technology, and a lack of promotional support services are significant roadblocks to the growth of the SME sector. By eradicating stereotypes about labor-intensive industries and generating employment opportunities for the skilled workforce in the SME sector, increased expansion of small and medium-sized enterprises (SMEs) can aid in the reduction of poverty to an acceptable level. Because of their apparent contribution to decentralized job creation and output development, the rise of SMEs in developing nations is undoubtedly a desired objective (Chen, 2011). Small and medium-sized enterprises (SMEs) play a critical role in the economic growth of developing nations like Bangladesh by generating employment opportunities, manufacturing valuable machinery and machinery parts, and saving our nation enormous amounts of foreign money (Chowdhury, 2008). In Bangladesh, there are over 6.0 million SMEs that are actively operating, accounting for 25% of the nation's GDP, employing about 31 million people, and generating 75% of household income. Between 80 and 85 percent of industrial employment and 23 percent of all employment in Bangladesh is generated by various categories of SMEs collectively (Chowdhury, 2008). All economies in the world, but particularly those in emerging nations that have significant issues with employment and income distribution, depend heavily on SMEs. In a static sense, SMEs contribute to output and job creation; in a dynamic sense, they serve as a breeding ground for larger firms, contribute directly and frequently significantly to aggregate savings and investment, and participate in the development of suitable technology (Schreyer 1996).

SMEs are essential to East Asian economies, although the dynamic role they play varies substantially across different states, (Harvie, 2008). The study's findings demonstrate that SMEs are essential to Singapore, even if they are less numerous and do not employ as many people, because they provide a competent, adaptable manufacturing base that draws larger international firms. SMEs' contributions to exports also vary greatly; in contrast to Japan, Indonesia, Thailand, Malaysia, and Singapore, they are more

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export-focused in China, Korea, and Taiwan. Hu (2010) used panel regression analysis to show a systemic positive link between SMEs and economic growth. The author also pointed out that whereas in developing economies these sectors largely contribute to job creation, in developed economies the entrepreneurial spirit inherited from the SME sector drives economic growth. Dixit and Panday (2011) examined the causal relationships between the output, exports, employment, and fixed investment of SMEs as well as the GDP of India, total exports, and employment (public and private) from 1974 to 2007. The results confirm a short-term relationship between variables related to SMEs and GDP growth as well as a positive causal association between the GDP and the production of SMEs. In a study to determine the significance of SMEs for economic development in both developed and developing countries. Both industrialized and developing countries benefit greatly from SMEs (Pandya, 2012). He also underlined the need for emerging nations to embrace policies that will help the SME sector develop into the nation's backbone, much like industrialized countries do.

Maerinskas, Vengrauskas, and Velikaite (2013) conducted a qualitative analysis of the economies of the member states of the European Union to fully comprehend SMEs in the context of developed countries. The writers also concluded that the industry had a lot of potential to promote competition and, as a result, support Lithuania's economic growth. The study also found that the SME sector changed swiftly, resulting in market diversity in a short period. It was also found that the SME sector was particularly responsive to changes in supply and demand. In the example of Algeria, Bouazza (2015) evaluated the effect of SME firms on job creation and economic growth. According to the study, Algeria's SMEs are having a difficult time creating employment opportunities, which has a negative impact on the economy, especially for young people. Mujahid and Begum (2019) looked at Pakistani data from 1980 to 2017 using an ARDL-bound testing approach. The dynamic model's estimation outcomes showed a distinct and significant correlation between SMEs' output and GDP growth. They also underlined the necessity for a framework for policy to address the issues facing the sector. The analysis of the issues and prospects between small and medium enterprise output and GDP growth in the Kishoregonj district of Bangladesh is the primary goal of this study.

Objective of the Study

1. To identify the problems of small and medium enterprises in Kishoregonj district in Bangladesh.

2. To identify the prospects of small and medium enterprises in Kishoregonj district in Bangladesh.

3. To know the impact of SMEs on socioeconomic development in rural areas of Kishoregonj district in Bangladesh.

III. Methodology of the Study

Both primary and secondary data are used to conduct this study. Newspapers, the internet, business-related books, articles, and journals, as well as other secondary sources, are used to gather secondary data. Primary data is gathered using an interview schedule. 50 responses were obtained through interviews with chosen SME entrepreneurs and SME bankers. The technique of in-depth interviews has been applied. Root causes of the difficulties have been revealed, and other factors that may encourage the expansion of SME have also been identified. The paper makes use of a 5-point Likert scale.

IV. Analysis and Findings

The area of the study by explaining the research findings and analysis based on the knowledge of SMEs on problems and prospects of SME from the perspective of Kishoreganj.

Total number of respondents - 50 (N)

Distribution of questionnaire	50
Selected sample (Number of Respondents)	30

It was a self-administered questionnaire. Data was collected from the respondents by using simple random sampling. In regards to the questionnaire responses, they are divided by the preferences of the respondents in the following ways: If the respondents feel an approach is not at all essential for excellent service for the SME store, such as the one you have in mind, circle number 1. i.e., strongly disagree if the respondents feel a feature is essential, circle 5, i.e., strongly agree. If their feelings are less strong, circle one of the numbers from the middle, i.e., agree, neutral, or disagree.

Table 01: Do you think the products of SMEs are highly standard?

Preferences	Respondents (N)	Percentages (%)
Strongly Agree	03	10.0%
Agree	08	26.7%
Neutral	07	23.3%

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Disagree	09	30.0%
Strongly Disagree	03	10.0%
Total	30	100%

Source: Field Survey

Table 01 shows that among the 30 respondents 9 (30%) are disagreed about the statement and 8(26.7%) are agreed about their standardness of SME product.

Table 02: What is your opinion on bank loans being easily available in the SME sector?

Preferences	**Respondents(N)**	**Percentages(%)**
Strongly Agree	02	6.9%
Agree	08	26.7%
Neutral	06	20.0%
Disagree	12	40.0%
Strongly Disagree	02	6.7%
Total	30	100%

Source: Field Survey

Table 02 shows that among the 30 respondents 12(40%) are disagreed about getting bank loan easily and with easy terms and 8 (26.7%) are agreed. Whereas 6 (20%) respondents opinion are neutral.

Table 03: Do you think getting a SME sector loan depends on the sector you are seeking a loan from?

Preferences	**Respondents(N)**	**Percentages(%)**
Strongly Agree	03	10.0%
Agree	12	40.0%
Neutral	07	23.3%
Disagree	04	13.3%
Strongly Disagree	04	13.3%
Total	30	100%

Source: Field Survey

Table 03 depicts that 40% of the respondents are agreed about the statements of sectors relating loan facility. 23.3% of the respondents remained neutral about the statement.

Table 04: What is your view on lack of capital, energy sector instability hindering the progress of SME sector?

Preferences	**Respondents(N)**	**Percentages(%)**
Strongly Agree	06	20.0%
Agree	15	50.0%
Neutral	04	13.3%
Disagree	03	10.0%
Strongly Disagree	02	6.7%
Total	30	100%

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Source: Field Survey

Table 04 illustrates that among the 30 respondents 15(50%) are agreed that the capital crunch and energy sector volatility act as obstacles to the growth of the SME sector. Whereas 2(6.7%) respondents strongly disagreed about that statement.

Table 05: Do you think that lack of proper marketing policies, infrastructural weakness, and lack of technology are hampering the progress of SME sector?

Preferences	**Respondents(N)**	**Percentages(%)**
Strongly Agree	06	20.0%
Agree	14	46.7%
Neutral	05	16.7%
Disagree	02	6.7%
Strongly Disagree	03	10.0%
Total	30	100%

Source: Field Survey

Table 05 exemplifies that among the 30 respondents 14(46.7%) respondents opine that they are agreed about the statements of lack of proper marketing policies, infrastructural weakness, and lack of technology are hampering the progress of SME sector. While 2(6.7%) of respondents are disagreed.

Table 06: What is your view on accelerating the progress of the SME sector in the integration of formal education and technical education?

Preferences	**Respondents (N)**	**Percentages (%)**
Strongly Agree	04	13.3%
Agree	20	66.7%
Neutral	02	6.7%
Disagree	02	6.7%
Strongly Disagree	02	6.7%
Total	30	100%

Source: Field Survey

Table 06 represents that 20(66.7%) of the respondents think that combination of formal education with technical accelerate the progress of the SME sector as they are agreed. However 2(6.7%) respondents are neutral, disagreed and strongly disagreed.

Table 07: What is your opinion on SME sector can create more employment and remove poverty?

Preferences	**Respondents(N)**	**Percentages(%)**
Strongly Agree	02	6.7%
Agree	18	60.0%
Neutral	04	13.3%
Disagree	04	13.3%
Strongly Disagree	02	6.7%
Total	30	100%

Source: Field Survey

Table 07 indicates that 18(60.0%) of the respondents think that SME sector create more employment and remove poverty as they are agreed. However 2(6.7%) respondents are disagreed.

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Table 08: What is your opinion on SME sector contributing to socio-economic development?

Preferences	**Respondents(N)**	**Percentages(%)**
Strongly Agree	02	6.7%
Agree	18	60.0%
Neutral	03	10.0%
Disagree	04	13.3%
Strongly Disagree	03	10.0%
Total	30	100%

Source: Field Survey

Table 08 shows that 18(60.0%) of the respondents opine that they are agreed about the statement and 2(10.0%) respondents are neutral and strongly disagreed.

Table 09: What Do you feel satisfied that women get employed after SME training?

Preferences	**Respondents (N)**	**Percentages(%)**
Strongly Agree	04	13.3%
Agree	10	33.3%
Neutral	08	26.7%
Disagree	04	13.3%
Strongly Disagree	04	13.3%
Total	30	100%

Source: Field Survey

Table 09 shows that 10(33.3%) of the respondents opine that they are agreed about the statement and 8(26.7%) respondents are neutral. However 4(13.3%) respondents are disagreed and strongly disagreed.

Table 10: What is the opinion on whether traineeship arrangements, workshops, and seminars are arranged regularly?

Preferences	**Respondents(N)**	**Percentages(%)**
Strongly Agree	03	10.0%
Agree	05	16.7%
Neutral	04	13.3%
Disagree	15	50.0%
Strongly Disagree	03	10.0%
Total	30	100%

Source: Field Survey

Table 10 illustrates that 15(50.0%) of the respondents opine that they disagree with the statement, as traineeship arrangements, workshops, and seminars are arranged regularly. 5(16.7%) respondents are agreed. That is there is a lack of traineeship arrangement, workshops and seminars.

#Problems and prospects of SMEs of Kishoreganj

According to a proverb, working for oneself is the best type of work. Self-employment, in its broadest definition, refers to a scenario in which a person works for himself rather than for an employer who pays a salary or wage. A self-employed person generates revenue by engaging in successful operations in a trade or business that he owns and manages. Independent contractors, business owners who are sole proprietors, and persons who own partnerships in enterprises often fall under the umbrella of the self-employed,

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however, the term is defined differently by the Bureau of Labor Statistics, the Internal Revenue Service, and private research organizations.

#Challenges facing SME's despite their contribution to the economy

The expansion of agro-based processing and the manufacture of vital consumer items is the primary factor driving SME promotion in Kishoreganj. Through the nation's SMEs, a large number of national entities support business owners. Government-sponsored industrial banks, commercial banks, and specialized financial organizations provide funding for industrial lending in Bangladesh (ESCAP, 2003).

Table 11. shows that shutdown some industries with some reasons which are categorized as follows Kishoreganj.

Types of industry	Duration of shutdown	Reasons of shutdown
ThreeR Chemicals	8 Years	Shortage of capital
Amigro Engineering Industries Limited	7 years 6 months	Poorness of the electricity system
Seleko chemical	3 years 11 moths	Shortage of Gasoline
New Srabon Agro Food Processing Limited	4 years 7 months	Low pressure of Gas
Doyal Food products	1 year 9 months	Gas connection crisis

Source: Field survey

1. Inability to Market SME product: Marketing activity has a significant impact on any product's present and future growth possibilities. This necessitates having both the finances and a well-planned marketing strategy, which should include an advertising campaign. Sadly, SME business owners are at a severe disadvantage in this regard because they cannot make sufficient marketing investments and also lack the requisite marketing expertise.

2. Inability to Maintain Product Quality: The inability to preserve the quality of SME products is a significant barrier to the sustainability of SME growth in Kishoreganj and throughout Bangladesh. Most of the commodities produced in Bangladesh today are typical consumer goods, which are labor-intensive and call for basic technology. However, because of their subpar quality, these goods cannot compete favorably with imports. The problem for Bangladesh now is to make its SME sector endure competition from its rivals rather than competing with the high-tech products of wealthy nations.

3. Lack of Skilled Technicians and Workers: In Kishoreganj, a persistent issue is a lack of competent labor. Small and medium-sized businesses that focus on exporting are particularly affected by this issue.

4. Resource Scarcity: The lack of readily available raw materials in Bangladesh makes it difficult for SME's to focus on exports and prevents them from progressing to higher levels of global commerce.

5. Absence of Modern Technology: Many SMEs have had difficulty implementing current technology. Without the use of contemporary technology, running the business becomes challenging. Without current technology, it is inconceivable to think about competing internationally. Without utilizing current technologies effectively, we will fall behind.

6. Poor Physical Infrastructure: The development of the SME sector is hampered by inadequate supplies of basic necessities like electricity, water, roads, and motorways. Additionally, adverse geographic conditions raise the cost of transportation.

7. Lack of Entrepreneurship: The majority of our SME business owners obtain bank loans in order to launch their enterprises. However, the interest rate on these loans is substantial. Since banks are reluctant to offer modest loans due to high monitoring expenses, it is difficult to raise fixed and working capital from them.

8. High Interest Rate: The majority of our SME business owners obtain bank loans in order to launch their enterprises. However, the interest rate on these loans is substantial. Since banks are reluctant to offer modest loans due to high monitoring expenses, it is difficult to raise fixed and working capital from them.

#Prospects of SMEs in Kishoregonj

There are opportunities in a variety of chemical industries, manufacturing facilities, food and beverage engineering workshops, agrofood processing, and the garlic industry, according to the BSCIC industrial area. These industries have enormous potential, but they also require good management and some improvement strategies. The Kishoreganj Haor region is submerged under water during the monsoon season. There are, therefore, many freshwater fish options available. Fish may now be collected and processed to provide products with a long shelf life that are meant for export. Small and medium-sized companies can begin based on agricultural products if there is sufficient agricultural land. The provision of a constant electrical supply will be advantageous to

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small and medium-sized businesses. assembles appropriate market principles; promotes the development of an industrial mindset. In order to foster entrepreneurship, enhance infrastructure, mobilize raw supplies, and assure the advancement of technology, small and medium-sized businesses should be provided with the appropriate training. SMEs may aid in the growth of the economy, the eradication of poverty, and the augmentation of employment prospects. The following are further contributions:

1. Removing Unemployment Problems: The small and medium-sized enterprise (SME) sector is where the vast majority (87%) of Bangladesh's workforce is employed. The SME industry provides work opportunities for approximately 79754 individuals.

2. Weapon of Industrial Development: Bangladeshi SMEs are a great weapon for economic growth, reducing income discrimination, and eradicating poverty. SMEs are given priority as the impetus for economic growth.

3. Helping in Economic Growth: In industrially developed and developing countries, SMEs play an important role in growing the economy. According to the Economic Review of Bangladesh 2016–17, small and medium enterprises contribute 9.21% of GDP growth.

4. Job Opportunity: Due to underdeveloped agriculture, there are problems with seasonal and covert unemployment at the village level. Residents of cities and villages may have greater employment prospects thanks to SMEs.

5. Developing Standard of Living: The growth of small and medium-sized enterprises (SMEs) has the potential to boost the number of individuals living on low incomes and farmers. Because of this, individuals are able to live a very normal existence.

6. Flourishing of the Rural Economy: In a rural area, per capita and standard life leading is low. As there are available SMEs raw materials in village areas, if SMEs can be developed, it can flourish the rural economy. SMEs can properly utilize capital and other resources.

7. Proper Utilization of Local Resources: In our nation, raw materials are accessible for SMEs to utilise. By building SMEs, natural resources can be exploited effectively. It expands domestic and international employment prospects, strengthening the country's economy.

8. Foreign Currency Earning Opportunity: Small and medium-sized enterprises (SMEs) can generate foreign currency, and if SMEs grow significantly, imports of foreign goods will decline. A sustainable economy benefits greatly from SMEs.

#Recommendations

In Kishoregonj and throughout Bangladesh, SMEs will continue to be the main engine for generating money and jobs. It seems that entrepreneurship has a very bright future. The government, business community, educational institutions, society, and businesses all support entrepreneurship. This is the age of the entrepreneur. To improve the standard of living for the citizens of our nation, Kishoregonj's SMEs urgently need to develop. The following are some straightforward recommendations:

1. Quality of SME products: A major hindrance to the growth of SME companies and the SME sector as a whole is poor product quality. Targets must be set for measures to standardize and improve the quality of SME products. It may be possible to improve the BSTI's ability to keep track of the product quality for both the domestic market and exports.

2. Development of SME infrastructure: The efficient growth and financing of SMEs depend on the development of the infrastructure. The absence of infrastructure (such as roads, gas, and electricity), restricted access to market opportunities, technology, expertise, and business information and communication are currently the biggest obstacles preventing the growth of SMEs. It should be a top priority to build the proper infrastructure for the expansion of SME.

3. Training Facilities for SME workers and Entrepreneur: Bangladeshi employees are particularly adept at picking up and imitating production techniques. However, our nation lacks suitable training facilities for SME personnel and the growth of entrepreneurial abilities. While training is provided by some institutions, such as the Training Institute of BSCIC, it is not always used effectively. There will be special initiatives for the creation of training facilities for entrepreneurship development.

4. Organizing Trade Fairs, Symposiums, Workshops on SMEs regularly: Various organizations and think tanks currently host seminars and symposiums on SMEs, although these events take place sporadically and without any kind of organization. It is important to develop a strategy for regularly hosting seminars, workshops, trade shows, etc.

5. Enhancing Access to SME Finance: SME access to institutional financing is still quite restricted. Less than 30% of SMEs can borrow money from institutions. Within the next five years, it may be possible to increase access to institutional finance for 50% of SME entrepreneurs by bolstering the SME foundation and encouraging institutional sources of funding to grant access to qualified loan applicants.

For the SME sector to compete in the advanced international market, the government and financial institutions may give appropriate funding for modernization and technological improvement. Accelerating the country's export orientation in new regions and sectors is vital to increase the potential output of SMEs because doing so will promote the economic process of internationalization. Import

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substitution strategies ought to be implemented by the government and the Bangladesh Bank. A few pertinent policies should be developed to limit large-scale imports of SMEs' products and to support local producers, who are up against import competition, by lowering borrowing rates. The government may opt to expand the Start-Up Fund for new entrepreneurs on simple terms and conditions to encourage young people to become SME entrepreneurs. The government must take the necessary steps to guarantee a steady supply of raw materials for SME.

V. Conclusions

The study depicts SME issues and future opportunities from Kishoreganj's viewpoint. By guaranteeing that small and medium-sized businesses across the nation have access to institutional finance, the SME sector has been assisting in the economic development of low-income and marginalized individuals. According to the report, the SME sector greatly contributes to our economic expansion and is anticipated to support employment and raise income, thereby raising living standards and eradicating poverty. Despite their importance to the economy, SMEs have not grown to their full potential because of a number of obstacles that prevent it. Starting with the Minimum Capital Occasionally, entrepreneurs are unable to launch major industries owing to a lack of funding. Therefore, it will be possible to employ the minimum capital properly if entrepreneurs launch SMEs with that amount, and chances for the huge industry will be available. Similar to other districts in Bangladesh, the performance of SMEs in Kishoreganj is far below the level of the national standard. Although the Bangladeshi government has taken certain initiatives to support the expansion of SME, they are in no way sufficient. However, the government exhibits a favorable stance toward this industry. The Bangladeshi government ought to continue putting more emphasis on a few things, such as setting up a national quality policy and providing infrastructure and financial arrangements. According to the results of our investigation, SME may be essential to Bangladesh's economic development. We have high hopes that the implementation of the aforementioned recommendations will hasten the expansion of the SME sector in Kishoregonj, Bangladesh.

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