

21st century belongs to SMEs: Doha Bank CEO

Pandemic poses challenges to SMEs in Qatar but they are poised to play major role in national projects, says Dr Seetharaman

TRIBUNE NEWS NETWORK
DOHA

LOCAL firms in Qatar could provide up to 90 percent of supplies for national projects in the coming years, Doha Bank Group CEO Dr R Seetharaman has said while addressing the Global SME Economic Summit.

Of the 25,000 private sector businesses currently registered in Qatar, more than 96 percent are classified as small and medium-sized enterprises (SMEs), he said, adding that authorities were looking to improve the capacity and diversification of services offered by SMEs.

Seetharaman highlighted the efforts initiated by the administration to promote SMEs in the country.

The Qatar Development Bank (QDB) has promoted SMEs in Qatar with the launch of 'Al-Dhameen Credit Guarantee' programme, he said, adding that Doha Bank has been offering Al Dhammen and Tatweer for its SMEs. The Tatweer product of Doha Bank mainly provides funded and non-funded facilities to its SME customers.

The Qatar Venture market is available for listing SMEs, he continued.

"The Qatar Business Incubation Centre and the Qatar Sportstech Accelerator also provide necessary facilities to the SMEs. The SME businesses are greatly helping Qatar's diversification story by playing an active role in the vast infrastructure development taking place in Qatar."

Seetharaman also gave insight into the impact of the



Doha Bank Group CEO Dr R Seetharaman addressing the Global SME Economic Summit, alongside speakers from different parts of the world.

COVID-19 pandemic on Qatar's SMEs.

He said the SME sector faced several challenges due to the pandemic, including substantial reduction in business, supply-chain disruption, liquidity crunch and demand depression.

Seetharaman said Doha Bank was part of the national efforts to mitigate these problems.

During COVID-19, he said Doha Bank partnered with QDB for the National Response Guarantee Programme (NRGP), which provided financial guarantees for eligible concerns in the private sector to access emergency funds to fulfil payroll and rental obligations.

Doha Bank also provided liquidity support, deferment of term loan installments, receivable financing and invoice discounting to SMEs, he added.

Highlighting the steps that can be taken by the SMEs to tide over the pandemic, Seetharaman said, "SMEs should assess the financial

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Doha Bank Group CEO
Dr R Seetharaman

damage, review business plans and reactivate business linkages and funding plans."

He said they should also revamp budgets, supplier relationships, timeline for rebuilding and come up with a contingency plan for the next crisis.

"The strategies for better business growth include exploring new revenue streams, cost reduction and leveraging on technology. Entrepreneurs who had experience of global financial crisis would have handled COVID-19 better due to experience. They can focus on SME's resilience during

challenging times."

Giving insights on global SME sector, Seetharaman said, the 21st century belongs to the SMEs.

"The SMEs promise to combine economic efficiency and low import intensity with good job creation and positive effects on exports and income distribution. Small businesses have led the US out of every recession after the Great Depression."

SME is the foundation of Japanese Industry, he said.

"In Japan, the government came up with a safety net loan and loan for crisis to support SMEs during COVID-19. Nearly 80 percent of UK SMEs are confident they will recover from the pandemic. Again in the UK, two-thirds of the business owners believe they will return to pre-pandemic levels or better by 2021."

In Australia, he said, unproductive debt will be left on SME balance sheets when the pandemic clears, demanding careful management to avoid it dragging on the economic

recovery.

"In India the pandemic has brought the SMEs a great opportunity to reformulate their business strategy as per the new normal," he said, adding that the Doha Bank has entered into an agreement with a Chamber of the SMEs in the central Indian state of Maharashtra.

The Global SME Economic Summit was jointly organised by SME Chamber of India and World SME Trade Centre on Thursday.

Besides Seetharaman, the webinar drew the participation of Milano-based World Manufacturing Foundation President Dr Alberto Ribolla, Paris-based International Chamber of Commerce Secretary General John WH Denton AO, SME Chamber of India and World SME Trade Centre Founder and President Chandrakant Salunkhe and SME Development Centre Chairman Viren Joshi, who is also the CEO and President of Sigma Electric Manufacturing Corporation (India and the US).