



Small & Medium Enterprises (SME's) Statement of Policy

**Ministry of Industry & Commerce
Kingdom of Bahrain**

MOIC, Kingdom of Bahrain

The Ministry of Industry & Commerce's (MOIC) aim is to ensure the maintenance of an open, transparent and market driven commercial environment so as develop Bahrain's economic competitiveness, and to encourage inward investment, at the same time promoting employment for the local population.

SME Policy's Main Objectives

- To impart more vitality and growth impetus to SME sector to enable it to contribute its full potential to the economy, particularly in terms of:
 - growth of output,
 - employment, and
 - exports.

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SME Policy's Main Objectives (Cont'd)

- **Direction:**
creating an enabling environment for SMEs to stay competitive in the face of intense global competition.
- **Emphasis:**
business friendly environment with minimum red tape
- **Faith:**
in the ability of young entrepreneurs to emerge as strong and viable entities in global arena.

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SME Policy's Main Objectives (Cont'd)

- How will the policy be fulfilled?
Through laying importance on provision of:
 - technical,
 - managerial, and
 - marketing skills
 needed in the course of growth and expansion of these enterprises.

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Definition

Form	No. of full-time employees	Amount of Capital Investment in B.D.
Micro-enterprise	10	20,000
Small Enterprise	> 10 and up to 50	> 20,000 up to 500,000
Medium Enterprise	> 50 up to 150 (up to 300 persons for textile & garment)	> 500,000 up to 2 million

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Main Issues Targeted by the SME Policy

- **Encouraging first generation entrepreneurs**
- **Access to institutional credit**
- **Technology Access and Up gradation**
- **Industrial Infrastructure**
- **Marketing and Export Development**
- **Human Resources Development**
- **ICT penetration and e-commerce**
- **Simplification of rules and procedures**
- **Up gradation of Crafts Sector**

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Technology Access & Up gradation

- Ministry will facilitate assistance in technology assessment, adaptation, product design, application of new materials, etc.
- Plans for plant level technical assistance for productivity improvements and quality up gradation
- Benchmarking with similar industries in GCC in selected product segments.

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Marketing & Export Development

- Online information & advisory services will be provided
- SMEs will be encouraged to:
 - shift to higher added value products with greater knowledge content through increased use of Information and Communication Technologies (ICT) in products and manufacturing processes.
 - Use of e-commerce will be encouraged
 - form marketing consortia to bid for bulk orders from international markets.

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ICT Penetration & E-commerce

- A web-based “SME Information & Advisory Center” will be set up in the Ministry.
- SMEs will be encouraged to use e-commerce as a marketing tool as well as to develop new business.
- Ministry will undertake a survey to ascertain ICT penetration and skills in SMEs.
 - Institutional help will be provided to assist SMEs in developing IT strategy and for putting systems in place covering back ups as well as in developing IT training programmes.
 - Loans for creating ICT infrastructure will be facilitated.

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Conclusion

SMEs form a dynamic and vibrant sector of our economy. This sector accounts for a substantial part of our industrial output besides contributing significantly to employment generation.

Hence, the SME policy has been developed in order to enable this sector to contribute its full potential to the economy, particularly in terms of growth of output, employment and exports.

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Thank you!