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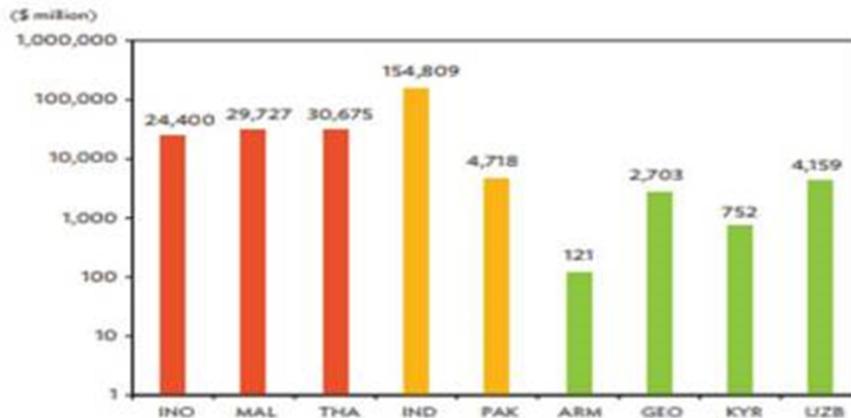
## **A country's sustainable economic expansion depends on the resilient growth of formal small businesses, says ADB Report**

According to the Asian Development Bank's report "**Asia Small and Medium-Sized Enterprise Monitor 2023: How Small Firms Can Contribute to Resilient Growth in the Pacific Post COVID-19 Pandemic**", Micro Small & Medium Enterprises are key growth drivers in developing Asia and the Pacific. Developing Asia has continued to recover from the Coronavirus Disease (COVID-19) pandemic. The pace of growth, however, differed by region as they faced downside risks such as high-interest rates and the effects of El Niño on food security, along with continued inflation, currency depreciations, and global supply chain disruptions caused by the Russian invasion of Ukraine.

Limited access to formal financial services not only impedes business growth but also encourages the informal economy and informal financial services. Based on available data through 2022, bank lending to MSMEs averaged 10.6% of a country's gross domestic product (GDP) and 22.0% of total bank lending in developing Asia and the Pacific. The pandemic boosted commercial bank lending to MSMEs as they needed working capital to survive and governments provided financial assistance.

Southeast Asia grew by 5.6% in 2022 due in part to a revival in tourism, especially from the People's Republic of China (PRC). But growth is forecast to drop to 4.6% in 2023 due to continued weak exports. South Asia's growth will likely decelerate from 6.7% in 2022 to 5.4% in 2023, as financial problems in Pakistan and Sri Lanka counter strong investment and consumption elsewhere. Central and West Asia's growth continued to decline from 5.1% in 2022 to a forecast of 4.6% in 2023 given the continued impact of the Russian invasion of Ukraine.

## MSME Exports (\$ million)



ARM = Armenia; GEO = Georgia; IND = India; INO = Indonesia; KYR = Kyrgyz Republic; MAL = Malaysia; MSME = micro, small, and medium-sized enterprise; PAK = Pakistan; THA = Thailand; UZB = Uzbekistan.

In US dollar terms, MSME export value in 2022 was highest in India (\$154.8 billion), followed by Thailand (\$30.7 billion), Malaysia (\$29.7 billion), and Indonesia (\$24.4 billion).

Please find the link to access the detailed document on the same.  
<https://www.adb.org/publications/asia-sme-monitor-2023>

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Warm regards,

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