

## **FACTORS INFLUENCE ON GROWTH OF SMALL AND MEDIUM ENTERPRISES (SMES) IN SRI LANKA**

**G.S. Lani Mausudeen<sup>1</sup> & A.L. Abdul Rauf<sup>2</sup>**

<sup>1</sup>Faculty of Management and Commerce, South Eastern University of Sri Lanka.

<sup>2</sup>Department of Accountancy and Finance, South Eastern University of Sri Lanka.

Correspondence: lanimausudeen@seu.ac.lk

### **ABSTRACT**

The majority of economies, especially those in emerging countries, rely on small and medium-sized businesses (SMEs). Small and medium-sized enterprises (SMEs) make for the vast majority of firms globally, and they play a significant role in employment generation and global economic growth. SMEs that are more forward-thinking generate process and product technologies that push the technological envelope. Countries in South Asia are already coping with rising commodity prices, supply constraints, and financial sector problems. The rise of SMEs in Sri Lanka is compared with the growth of Singapore, a prosperous country of Asia, in this study. The paper then examines empirical studies to figure out the country's main valuable contribution and difficulties. The article's main takeaway is the multitude of obstacles that Sri Lanka faces, counting a lack of adequate and timely finance, capital, experience, appropriate advanced technologies, poor production capabilities, restrictions on industrialization and expansion, an inability of highly skilled workforce at an affordable rate, and following up with numerous government entities to resolve issues. According to the study, Singapore has a world-class tele-communications network, transportation, infrastructures and technology, which has been contributed country's reputation as an attractive location for Small and Medium Enterprises. Furthermore, substantial financial assistance, consulting services and training are essential for making the surroundings more efficacious. Small and Medium Enterprises of SMEs in Sri Lanka suffer the same issues as their counterparts in other countries in Asia. The study's objective is to highlight the difficulties and give a few recommendations for building a viable structure for SMEs in Sri Lanka.

**KEYWORDS:** Small and Medium Enterprises (SMEs), telecommunications network, infrastructure, inflation

### **1. INTRODUCTION**

Small Medium Enterprises are extremely important, not just in developing countries, but also in developed countries. SMEs represent the overwhelming majority of enterprises worldwide, and often play an essential role throughout the creation of jobs and global economic development. They represent over 90 percent of businesses as well as more than 50 percent of productive economic activities. Formalized Contribution of sme's approximately to 40 percent of country's wealth in emerging economies. These figures skyrocket when unregistered SMEs are included. SMEs produce the majority of jobs in emerging and developing economies; nonetheless, the availability of financing is a key impediment to SME expansion; it is the most commonly mentioned impediment to SME growth of emerging and developing

countries. More sophisticated Small and medium enterprises are process and product technology innovators who push the technical boundary further afield. Although some SMEs serve the export market, the bulk serve the domestic market by providing non-traded services.

Countries in South Asia have already been coping with rising commodity product prices, supply constraints, and financial sector problems. The Ukrainian conflict will aggravate these issues by raising prices, widening fiscal deficits, and weakening current account balances. Despite strong GDP growth during the recovery, all countries will confront obstacles. A result of external and fiscal imbalances, Sri Lanka's economic future is extremely unpredictable. Food insecurity in Afghanistan will intensify as food prices rise. Pakistan has the biggest energy subsidies in the region, which is one of the country's current concerns. Europe's demand for Bangladesh's exports will fall. On the bright side, local export earnings are growing.

However, SMEs exist in great numbers in many parts of the world, including Singapore, but their performance has not been very outstanding; major firms, on the other hand, are rare, but their output achievements are significant. SMEs continue to do poorly in all Asian areas, particularly in Sri Lanka. Despite having the necessary resources, Sri Lanka's performance in SMEs is far below that of other economies.

Infrastructure is critical to the overall growth in the economy and the development of trading and commercial activities across South Asia. To maintain its current rate of development, the South Asian region must improve numerous forms of infrastructure throughout its nations, including transport, energy, and information. On the basis of this knowledge, various countries are collaborating to raise infrastructure levels.

As a result, it is vital to analyze the issues/limitations that SMEs in Sri Lanka confront and to propose effective solutions to enhance their performances in environment. To strengthen a country's SME sector, it is vital to assess neighboring countries' actions and intentions, particularly in the Asian region. As a result, the report recommends to Sri Lanka using Singapore as an example.

## **2. LITERATURE REVIEW**

Asoka Balasooriya (2010) analyzed the Sri Lanka Telecommunications Industry Reforms in order to assess whether the goal of enhancing governance model over directives was attained in conformance to market ideals. Data was gathered through 25 semi-structured interviews. According to the paper, the regulator has been operating under a number of constraints, including organizational, political, legal, and social restraints. Personal conflicts, ineptitude and the complexities introduced by other agencies all have an effect on the regulator. Politicians have gained power and influence over all aspects of the regulatory process.

F. R. Khan (2014). Investigates the socioeconomic elements that influence the growth of entrepreneurship: An empirical research of small and medium-sized businesses in Chennai, Tamil Nadu, India, intends to ascertain the impact of socioeconomic variables on the entrepreneurial development of SMEs in Chennai's industrial estates. As a result, the primary goal of the research is to determine the important effects of socioeconomic factors on the entrepreneurial development of Smes in study region. The 383 survey units were chosen at random and interviewed in person using a standardized questionnaire. In the analysis, many statistical analyses were used. ANOVA and DF were used to determine which problem discriminates the most and which problem discriminates the least against

entrepreneurs. Socioeconomic characteristics such as educational background, religion, past work experience, family type, and legal status (ownership pattern), the results of the study indicated that this had a substantial impact on small firms in the study area.

According to Zvirbule et al. (2012), social indicators may underpin the success of economic development, and they have also recognized the significance of social economic factors that include demographic habits, size of population, population growth, age structure, life span, household size, spatial dispersal, employment prestige, workforce pattern, ethical issues and societal responsiveness of business, people's perception to work and wealth, role of relatives, marriage, and to Despite initial developmental obstacles, SMEs are expected to play an important role in economic rebuilding since they cover alternative methods to problem solving, planning, functioning, and taking risks, and hence should have entrepreneurship qualities and skills to operate the firms.

Tong, X. F., et al. (2011) carried out an empirical investigation on local students' assessments of entrepreneurial intent. A total of 196 valid data points were acquired, which was sufficient and justified for the multiple regression analysis. The data indicate that the desire for success has a considerable impact on entrepreneurial ambition, while the link is relatively modest. Ponmani R (2011) examines the expansion of SMEs in Sri Lanka and India in comparison to Singapore. The report then examines empirical research to evaluate the primary issues and contributions that each economy faces. The study's main takeaway is that India and Sri Lanka face a number of domestic and global infrastructure hurdles in order to achieve economies of scale and compete internationally. However, problems include a lack of appropriate electricity generation, distribution, and transportation; congested, poor-quality roads and limited access to road facilities; a lack of suitable technology, and so on. Singapore, on the other hand, has technical trade restrictions, high operating and labor costs, and severe rivalry, with the country's SMEs sharpened by continual government backing, a robust infrastructure, and a plethora of initiatives geared at fostering a pro-enterprise climate. Author attempts to highlight the obstacles and make a few proposals for developing a practical framework for SMEs in India, Sri Lanka and Singapore, with a focus on how SMEs operate in those countries.

Factors impacting business performance of small and medium-sized enterprises was undertaken by Salfiya Ummah et al, (2021). The purpose of the study is to examine the variables that affect Sri Lanka's Muslim women entrepreneurs. A self-administered questionnaires were used to gather data from 286 respondents. According to the findings, all five criteria have a substantial positive link with business performance. Only risk-taking had a significant effect on company performance among the aspects of psychological characteristics studied.

### **3. OBJECTIVE AND METHODOLOGY**

Examining the challenges faced by SMEs in Sri Lanka is crucial in order to develop workable solutions that will enhance their social and environmental performance. It is vital to monitor neighboring countries' activities and intentions, particularly in the Asian region, in order to enhance the countries' SME sector. As a result, the report recommends to Sri Lanka using Singapore as an example. The primary goal of this research is to compare the growth of SMEs in Sri Lanka to that of Singapore, a wealthy Asian country. Following that, article looks at empirical studies to determine the country's significant contributions and challenges.

### ***3.1 Factors Influence Analysis of Small and Medium Enterprises (SMEs)***

#### **3.1.1 Market Entry**

According to the World Bank, market entry is the first essential phase in the growth of a SME. This comprises all actions and processes followed in establishing a business and operating it in accordance with the country's regulations and rules. Two critical elements must be considered in this particular respect: the cost and the time required to build a firm. Singapore is ranked second in Asia in terms of company startup, whereas Sri Lanka ranks 99th out of 190 nations. Singapore entrepreneurs may form a corporation in three days by following three simple procedures. In 2020, it takes eight days to establish a business in Sri Lanka. This was a significant decrease from 2011, when establishing a business in Sri Lanka took 35 days.

Despite efforts by the Sri Lankan government to enhance road infrastructure, crowded highways restrict commodity transportation throughout the country. Due to unstable power supply, service providers and manufacturers are forced to develop on-site generators, particularly outside of the capital. Businesses in Sri Lanka regard a lack of qualified workforce as a major impediment to their operations. Businesses argue that stringent labor restrictions, such as costly severance compensation regulations, make it difficult to change employee composition and size to market situation.

#### **3.1.2 Infrastructure**

Power, water, roads, sewers, and other large and sophisticated infrastructures are essential for economic success. Businesses in Sri Lanka struggle as a result of poor infrastructure. Infrastructure accessibility and availability are at their worst in Sri Lanka.

Singapore began with an excellent infrastructure, which it has maintained and upgraded throughout time. The country is among the best infrastructure countries in the world, with approximately 1,000 miles of road, 99 percent of which is paved. Singaporeans also have an advanced and effective communications network that is centrally managed by the government. In 2018, the Singapore government established Enterprise Singapore, a program aimed at assisting and encouraging purposeful improvements in the country's infrastructure development. Singapore tops the list, helped by the implementation of its Green Plan 2030, which aims to boost sustainable growth while reducing the country's carbon footprint. As governments strive to address infrastructural shortcomings, recover from the epidemic, and stimulate their economies, every region has considerable spending plans in place. According to the Global Competitiveness Report 2019, Sri Lanka ranks 61st in infrastructure provision, whereas Singapore ranks first.

#### **3.1.3 Electricity**

Electricity should be easily available at all times in order for businesses and factories to function properly. Singapore has the world's best power and gas networks. The country boasts the fewest and shortest outages in the world, according to global industry standards. According to the Global Competitiveness Report, Sri Lanka and Singapore were placed 39th and second in terms of quality energy availability in 2019.

In 2019, the System Average Interruption Duration Index (SAIDI) of Sri Lanka and Singapore, which measures the average duration of unplanned disruptions a customer suffers in a year, were 0.06 and 4 minutes, respectively, for the power system.

	Singapore (Rank)	Sri Lanka (Rank)
Utility infrastructure	5	82
Electricity access	2	2
Electricity supply quality	2	39

(Source: WEF\_TheGlobalCompetitivenessReport2019)

In 2015, fossil fuels provided 52% of Sri Lanka's power generation. Because of the scarcity of indigenous fossil fuel reserves, the fossil fuel required to create electricity is imported, accounting for a significant amount of Sri Lanka's import spending. Power usage in Sri Lanka will rise as the country grows. As a result, Sri Lanka must protect its power industry by concentrating on the development and deployment of indigenous, renewable energy sources to fulfill rising demand while reducing the economic burden of imports.

In 2009 According to Sanvada, difficulties in the power sector in Sri Lanka include massive costs for generation, transmission, and distribution, as well as poor governance, all of which significantly limit quality and reliable electricity supply. In Sri Lanka, generation expenses account for more than 80% of total sector costs. It is pricier than in neighboring countries. Because power outages, damage equipment, the frequency with which they occur boosts the cost of output. As a result of the power outages, businesses must maintain and repair their own generators, which increases the cost of maintenance and repair.

### 3.1.4 Transportation

Quality roads, railway roads, ports, and air transportation are examples of effective infrastructures that allow entrepreneurs to get their products and services to market at a lower cost.

Previously, the majority of Singaporeans relied on private vehicles for mobility, which contributed significantly to growing air pollution. To alleviate this unfavorable condition, Singapore's wise government implemented the mass rapid transportation system of public transportation, which helped to clear the roads and save people money. Singapore ranked first in terms of efficiency, world-class public transportation affordability and safety.

	Singapore (Rank)	Sri Lanka (Rank)
Infrastructure	1	61
Transport infrastructure	1	50
Road connectivity	n/a	96
Road infrastructure quality	1	76
Train service efficiency	5	49
Airport accessibility	23	59
Liner shipping connectivity	2	16

(Source: WEF\_TheGlobalCompetitivenessReport2019)

Due to its closeness to some of the world's most essential marine routes connecting Asia, Africa, and Europe, Sri Lanka offers enormous strategic benefits in terms of global transportation linkages. At the

same time, the country lies only a few miles off the coast of India, one of the world's fastest-growing economies, and it maintains close commercial ties with the People's Republic of China. Only a small percentage of the country's transportation needs are met by the railway network. Rail services are mostly for passengers, with minimal capacity for freight transportation. Rail travel is exceedingly sluggish by today's standards. There are several navigable canals, harbors, and two significant ports in Colombo and Hambantota.

In 2010, the World Bank ranked Sri Lanka 137th out of 155 countries. This is a drop from 92nd rank out of 150 countries in 2007. Antiquated manual-based customs procedures, a lack of information and communications technologies, congested roads in access roads and at gates, poor quality of trucking operations, government laws and regulations, poor ports performance, and unlawful payments have been identified as factors. Due to traffic jams in the Colombo area, the government intends to construct two integrated multimodal logistics facilities near the city, including train connections to the port.

### **3.1.5 Telecommunication**

Singapore is today considered as a worldwide telecommunications center due to its highly advanced network and regulatory structure. Singapore's telecommunications industry was worth \$9.51 billion Singapore dollars in 2018, with 11 Telcos operating in the nation. Singapore has a large number of computer users, with Internet access available in nearly every home. A significant percentage of the population currently has numerous mobile broadband connections. With nine million contracts signed in 2019, Singapore's mobile-cellular subscribers peaked in 2019.

Due to a rise in mobile users, combined fixed line and mobile phone density has climbed to 142 per 100 persons. As infrastructure continues to expand, telecommunications services are now available throughout the country. Due to its favorable geographical location and infrastructure, Singapore was one of the first countries in the world to build a completely digital telephone network and a competitive telecoms market. Telecommunications availability and cost are substantially lower in Sri Lanka than in Singapore.

### **3.1.6 Technology Readiness**

According to the World Bank, Singapore and Sri Lanka rated 14th and 106th in terms of technical readiness in 2017. Technology is a vital tool for lowering production costs, minimizing human dependence, assuring quality, consistency, and boosting production flexibility in Singapore, where labor is scarce. Sri Lankan SMEs lag well behind Singapore in terms of access to cutting-edge technology, business willingness to accept technology, and technology transfer.

	Singapore (Rank)	Sri Lanka (Rank)
Technology Readiness	14	106
Availability of latest technologies	15	90
Firm-level technology absorption	14	79
FDI and technology transfer	2	99
Internet users % pop.	25	97
Fixed-broadband Internet subscriptions	36	89
Internet bandwidth	5	95

(Source: WEF the Global Competitiveness Report 2017/2018)

### 3.1.7 Financial Market

Entrepreneurs need complicated financial markets that make capital available from a variety of sources in order to succeed in company. According to the World Competitive Index 2017/2018, Singapore and Sri Lanka are ranked third and 83rd in terms of financial market complexity, respectively.

Singapore is ranked fourth, and Sri Lanka is ranked 118<sup>th</sup>. , in terms of financial market sophistication (World Bank 2020). Singapore ranked sixth globally in the Market Sophistication pillar (2021), leading the Investment index. Market Sophistication considers the economy's market circumstances and transaction level.

	Singapore (Rank)	Sri Lanka (Rank)
Domestic credit to private sector % GDP	18	80
Financing of SMEs	6	51
Venture capital availability	6	57
Market capitalization % GDP	4	72
Stability	3	97
Soundness of banks	2	94
Credit gap	101	131
Banks' regulatory capital ratio	81	113

(Source: WEF\_TheGlobalCompetitivenessReport2019)

Sri Lanka's financial access is both expensive and limited. The majority of investment funds for rural entrepreneurs come from domestic sources, with little engagement from private commercial organizations. Aside from internal sources, the most important external sources are family and friends.

### 3.1.8 Labour Market Efficiency

In 2019, Singapore ranks 1 in labor market efficiency, while Sri Lanka ranks 118th. Due to labor scarcity and the difficulties of hiring international workers, many Singapore entrepreneurs find it challenging to manage their personnel.

	Singapore (Rank)	Sri Lanka (Rank)
Labour market	1	118
Flexibility	1	132
Redundancy costs	5	137
Hiring and firing practices	3	77
Cooperation in Labour-employer relations	1	62
Flexibility of wage determination	3	86
Active Labour market policies	3	62
Workers' rights	18	77

(Source: WEF\_TheGlobalCompetitivenessReport2019)

Sri Lanka's educational system, according to Abeywickrema A (2005), does not generate skilled workers. High transaction costs, a lack of field staff, an absence of financial facilities, affordability, and accessibility are among the primary difficulties confronting Sri Lankan firms in developing an effective labor market, according to him.

## **4. DISCUSSION AND FINDINGS**

### ***4.1 Market Entry***

Singapore remains an open, trade-dependent economy defined by a transparent investment policy, with a strong state commitment to preserving the free market and actively directing Singapore's economic growth.

Many US exporters successfully serve Singapore as well as other Southeast Asian nations through agents or distributors. Singapore companies are aggressive in presenting new items and are typically eager to respond to new opportunities. For Singapore buyers, the three most important aspects are price, quality, and service. US exporters should be aware that competition is fierce, and purchasers want excellent after-sales service. Marketing methods differ depending on the business & product, but they are equivalent to those employed in the majority of other sophisticated markets. It is also critical for US firms to visit their Singapore representatives on a regular basis.

Even though Sri Lanka government is striving to enhance infrastructures of road, clogged roadways hinder the movement of goods around the island. Businesses see a lack of labor as a major impediment to doing business in Sri Lanka. Business groups claim that labor regulations are overly rigid, making it impossible to adjust workforce composition and size in response to market conditions. In Sri Lanka, the number of processes and/or prices to begin a business are not an issue, but time consuming to start a firm is lengthy due to the labor-intensive of work processes in government institutions. As a result, business owners must visit multiple sites to meet their objectives.

### ***4.2 Electricity***

Singapore has enough power generating, transmission, and distribution infrastructure. Natural gas presently provides for around 95% of Singapore's electrical output. Natural gas is used as a fuel in power plants run by generation companies.

The Sri Lankan government hopes to be energy independent by 2030. It is planned to boost the nation's power generation capacity from 4,043 MW to 6,900 MW by 2025, with a major increase in renewable energy. According to the ITA website, Sri Lanka has already achieved grid connectivity of 98 percent, which is excellent by South Asian standards. In Sri Lanka, three principal energy sources are used to generate electricity: thermal power, hydropower, and a range of unconventional renewable energy sources.

One drawback of Sri Lanka's energy supply is the high cost of generation and distribution. Political decisions that stray from the long-term growth strategy for creating lower-cost energy impede down low-cost generation. Another challenge in Sri Lanka is the country's debt burden, which makes it difficult for the energy industry to expand services to rural areas. Furthermore, electricity sales in the country are less than the cost of delivery.

### ***4.3 Transportation***

In 2018, Singapore placed ninth in terms of convenience, which assesses the level of service given by cities' transport systems depending on travel convenience, ticketing process, e - services, and transfers.

Singapore has positioned itself as a world leader in Freight Forwarding. In 2018, the transport and logistics sector generated around 4.8% of total service industry-related GDP, expanding at a rate of



approximately 5 percent per year between 2012 and 2018. Water transport accounted for 70.6 percent of total operating revenues, according to OCED estimates, with air transport coming in second.

Limited highway capacities, a lack of expressways connecting key economic areas, ignored maintenance, a lack of administrative expertise, and a lack of cash are all contributing factors to significant road deterioration in Sri Lanka. Poor rail and road conditions, as well as declining services, stymie the expansion of entrepreneurship.

#### ***4.4 Telecommunication***

Between March 2020 and the beginning of July 2021, data usage in Sri Lanka surged by 100 percent, with escalating complaints against service providers about sluggish speeds, poor quality and connection disruptions.

South Asian businesses saved money by implementing prepaid package method, which eliminated problems like bad debt, which takes more workers to resolve. Alternatively, to compensate for cheap costs and huge investment, they reduce customer service. Local telecoms, according to the report, did not follow manufacturer guidelines for essential technical features, instead overusing them. This was the equivalent of a vehicle designed to carry four rather than five or six people. However, because of the low cost, more people, particularly those with poor means, obtained access to the internet. Quality has been compromised. To deal with increased consumption, telecoms should ideally have backup infrastructure. However, the sector does not charge its consumers enough to keep excess capacity operational.

#### ***4.5 Technology***

Singapore has already embraced cutting-edge technological possibilities to assist in a variety of fields. The country is now working on robotics, augmented reality, and artificial intelligence. These technologies are projected to be the next big thing in Asia.

In Sri Lanka, research discovered a number of technological barriers to commercial initiatives, including a lack of awareness and understanding of the benefits of e-commerce, SMEs' inability to embrace e-commerce as a significant business concept, insufficient marketing for IT products and services, and a scarcity of IT capable people.

#### ***4.6 Financial Market***

According to Lee (2014), Singapore's financial markets' future resides on their consistency in time-constrained world of complexity, and they have been extremely effective thus far! Because of its excellent Asian location, Singapore is already in the right place at the right moment. It has the necessary human capital in the form of highly skilled professionals, as well as strong political leadership that fosters an environment hospitable to international talent. The primary economic and political objective is to strike a proper balance among increasing interests with potentially opposing agendas in order to preserve growth while ensuring social and financial stability. Singapore's financial industry and markets have high long term prospects with thorough understanding of how markets work, as well as the ability to construct and sustain a growth-friendly climate.

According to surveys conducted in Sri Lanka, SMEs struggle to obtain formal loans since they lack the financial and operational governance knowledge and abilities required to offer bankable proposals. SMEs face issues such as insufficient collateral, high rates of interest stringent guarantee requirements, tough

loan processes, banks' unwilling provide the sufficient working capital, offers from banks that are inappropriate for needs of SMEs, and the belief that banks are unwilling to take risks by financing to small enterprises (Sharmini 2008).

#### **4.7 Labour Market Efficiency**

As Asia's most developed economy, Singapore has a labor market open to immigrants, with thousands of jobs available in a number of industries. In September 2013, Singapore's unemployment rate was around 1.8%, significantly lower than the Northern American or European norm. With one-third of the population being of foreign origin and a profitable tax system, the country is likely to draw a significant number of new immigrants each year.

As in other nations, the epidemic has restricted job opportunities and deteriorated labor conditions in Sri Lanka. As labor prices rise due to inflation, businesses in Sri Lanka have become uncompetitive. Students in Sri Lankan schools are only taught to memorize and practice. During the test, which limits the growth of skilled workers' originality, creativity, and entrepreneurialism?

### **5. CONCLUSION AND RECOMMENDATION**

According to the survey, Singapore boasts an exceptional telecommunications network, infrastructure, first-class transportation, and information technology, all of which contribute to the country's standing as an ideal location for SMEs. However, extensive financial assistance, training, and consulting services are required to improve the environment. Small and medium-sized enterprises (SMEs) in Sri Lanka suffer the same issues as those in neighboring Asian countries. According to the findings of this study, Sri Lanka's technology, infrastructure, financial market, and labor skill levels are dismal. Sri Lanka's government laws and regulations must be tightened to help SMEs expand in the right areas. Sri Lanka should abandon uniformity in favor of diversity, resilience, and an innovative educational system.

The Sri Lankan government and financial institutions should invest more in infrastructure development and look into the feasibility of wind farms and other non-conventional energy sources. Sri Lanka should launch and promote angel investing to help SMEs thrive. SME aid organizations should improve their knowledge and skills in preparing bankable funding requests. Reduced interest rates, collateral, procedures, and guarantee requirements for SME loans would improve firm performance. To enable SMEs to thrive, Sri Lanka must expand bank networks into rural regions, and Internet/telecom service providers must offer more cost-effective services for establishing bankable financing solutions.

### **REFERENCES**

- Balasooriya, A. (2010, February). Building Better Governance: The Case of Sri Lanka Telecommunications Industry Reforms. *In 4th Communication Policy Research, South Conference*, Negombo, Sri Lanka.
- CHOW, Hwee Kwan and PEI, Sai Fan. Financial sector in Singapore. (2019). *Routledge Handbook on Banking and Finance in Asia*. 165-178. Research Collection School of Economics
- Khan, F. R. (2014). Socio-economic factors influencing entrepreneurship development: An empirical study across the small and medium enterprises of Chennai, State of Tamil Nadu, India.

*International Journal of Students Research in Technology & Management*, 2(03), 89-94.

Zvirbule, B., & Vilka, I. (2012). Impact of social environment on economic development in the Baltic states. *International Journal of Economics and Management Engineering*, 6(4), 392-395.

LEE, David K. C. and PHOON, Kok Fai. Singapore's Financial Market: Challenges and Future Prospects. (2014). *Handbook of Asian Finance: Financial Markets and Sovereign Wealth Funds*. 1, 171-194. Research Collection Lee Kong Chian School Of Business.

Ponmani, R. (2011). Infrastructure and SMEs development in selected Asian countries. *Asian Journal of Research in Social Sciences and Humanities*, 1(4), 465-473.

Salfiya Ummah, M. A. C., Choy, C. S., & Sulaiha Beevi, A. (2021). Factors influencing business performance of small and medium enterprises: a case study in Sri Lanka. *The Journal of Asian Finance, Economics and Business*, 8(4), 201-212.

Tong, X. F., Tong, D. Y. K., & Loy, L. C. (2011). Factors influencing entrepreneurial intention among university students. *International journal of social sciences and humanity studies*, 3(1), 487-496.

Sharmini De Alwis and B. M. R. Basnayake, (2008), "Credit Guarantee Schemes in Sri Lanka - Way forward", <http://www.smeg.org.tw/doc/JSD-14-3.pdf>, retrieved on 15-07-2011.

World Economic Forum the Global Competitiveness Report 2019. Retrieved May 09, 2022, [https://www3.weforum.org/docs/WEF\\_TheGlobalCompetitivenessReport2019.pdf](https://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf)

World Economic Forum the Global Competitiveness Report 2017/2018. . Retrieved May 12, 2022, from <https://www.weforum.org/reports/the-global-competitiveness-report-2017-2018>

Doing Business 2020 World bank Group. . Retrieved May 15, 2022, from <https://documents1.worldbank.org/curated/en/688761571934946384/pdf/Doing-Business-2020-Comparing-Business-Regulation-in-190-Economies.pdf>

100% ELECTRICITY GENERATION THROUGH RENEWABLE ENERGY BY 2050 Assessment of Sri Lanka's Power Sector Co-publication of the Asian Development Bank and the United Nations Development Programme

National Policy Framework for SME Development. Retrieved May 13, 2022, from [http://www.industry.gov.lk/web/images/pdf/framew\\_eng.pdf](http://www.industry.gov.lk/web/images/pdf/framew_eng.pdf)

Department of Census and Statistics Retrieved May 13, 2022, from <http://www.statistics.gov.lk/>