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MSME is the backbone of Indian economy for employment and development, says Dr. Bhagwat Kharad, MoS, Ministry of Finance, Govt. of India

SME Finance Forum 2023 commence their 9th edition of the Global SME Finance Forum 2023 in Mumbai

The Day 1 of the Global SME Finance Forum 2023 saw panel discussions and key note address by some of the renown names as speakers like Mr. Makhtar Diop, Managing Director, International Finance Corporation (recorded speech), Mr. Nandan Nilekani, Co-Founder and Non-Executive Chairman, Infosys and Mr. Sopnendu Mohanty, Chief Fintech Officer, Monetary Authority of Singapore, Mr. Dinesh Khara, Chairman, SBI, Mr. Sivasubramanian Ramann, Chairman & MD, SIDBI, Mr. Edwin Bautista, President, and CEO, Union Bank of the Philippines, Mr. Sandy Kemper, Chairman and Chief Executive Officer, C2FO and Ms. Shalini Warriar, Executive Director, Federal Bank, Mr. Thampy Koshy, CEO, ONDC, Mr. Matthew Saal, Digital Finance Specialist, IFC, Mr. Tomás Piuzzi, Director, Head of Small Business Lending, Mercado Libre, Mr. Seyed Mosayeb Alam, Chief of Staff, ShopUp and Ms. Andiswa Bata, Head of the SME Segment, First National Bank, Mr. Gopal Murli Bhagat, Deputy Chief Executive, Indian Banks' Association (IBA), and Mr. Sandeep Varma, CEO, CGTMSE.

Mumbai, 12 September 2023: The SME Finance Forum, a dynamic platform fostering SME financing, kick started its three-day conference today in Mumbai. The theme for this year's event is, "**Digital Ecosystems and the Future of SME Finance**". The conference is co-hosted by Small Industries Development Bank of India (SIDBI) and Indian Bank's Association (IBA). Over the three-day, 700 participants will attend the event from senior bankers, tech luminaries, to thought leaders from 70 countries and 250 institutions, to discuss digital ecosystems and future of SME finance.

The conference began with the auspicious lighting of the lamp ceremony by the Chief Guest of the event, **Dr Bhagwat Kishanrao Karad, Hon'ble Minister of State, Department of Finance, Government of India.**

Dr Bhagwat Karad, highlighted that, "MSME plays a very important role in the development of the Indian economy. Currently around 6.3 crore MSME enterprises are working in India and have generated around 11.1 crore employment opportunities. Around 30% of GDP comes from MSME and the growth rate every year is 10 percent."

He further added that, "The government of India under the leadership of Hon'ble PM Narendra Modi has been proactive in removing hurdles for the SME sector, and together with the banking sector, we strive to make financing easily accessible to fuel the growth of these vital enterprises."

During the fireside chat session themed *Digital ecosystems for the future of SME finance & financial inclusion*, **Mr. Nandan Nilekani, Co-founder and Chairman of the Board, Infosys**, said "SMEs are the biggest beneficiaries of [Digital](#) Public Infrastructure (DPI). India is building public trails to access credit and market benefiting SMEs. More than 50 million merchants are opting for digital mode of payment. Digitization helped us generate balance sheet quicker as all the financial details like invoices, transactions, tax credits are easily accessible. Digitization also reduces turnaround time to get loans. In the next 5 years at least 50 countries are going to implement DPI.."

Mr. Dinesh Khara, Chairman, SBI, who joined virtually in the session titled *Unlocking the potential of digital platforms for SME financing* said, "In the last ten years, we have witnessed a significant transformation in our bank. There has been a prominent shift from a collateral based lending model to a data-based lending, which has further assisted us in reducing the bank's overall operational costs. Digitalization has also helped vendors in making faster and more convenient payments, streamlining the MSME loan process. Additionally, digital platforms have been instrumental in catering to the needs of SME customers and creating value for them."

Ms. Shalini Warriar, Executive Director, Federal Bank said during that same panel, "In the past, banking operations were primarily conducted manually. However, in recent years, a significant evolution has occurred, with digital technology taking the lead in the sector. One of the notable advancement is the convenience of online is payments through QR codes provided by UPI apps. Nowadays, a substantial portion of transactions occurs digitally on a daily basis, surpassing other traditional payment methods."

Thampy Koshy, CEO, ONDC, Matthew Saal, Principal Industry Specialist, IFC, and other eminent speakers discussed the role of marketplaces in the SME finance ecosystems. Key issues faced by the MSME sector in terms of flow of credit, ease of doing business and market facilitation were addressed and solutions through use of digital technologies were also mentioned..

Lastly, six SME finance innovators demonstrated their technologies and explained their potential to change SME finance. The fintech invited to pitch were: [360tf](#), Builder.ai, CredAble, ShopUp, Topicus, Uplinq Financial Technologies

Commenting on the Global SME Finance Forum 2023, **Mr. Sivasubramanian Ramann, Chairman & MD, SIDBI**, said, “I am grateful for the opportunity extended to SIDBI for hosting such a prestigious event that has witnessed tremendous participation of industry stakeholders across the world and encouraged discussions on very relevant issues and trends on the SME Sector. With India taking the presidency of the G20 for the first time, the country’s views, and outlook on the MSME sector is of significance for the world. The strides made by the Government of India in developing a robust digital infrastructure and the consequent digital innovation by various players in MSME credit domain needs to be discussed, encouraged as also celebrated.”

Mr. Qamar Saleem, Incoming SME Finance Forum CEO, said, “I am thrilled to see the level of participation and richness of discussions during first day of Global SME Finance Forum here in Mumbai. We have more than 700 executives representing more than 70 countries and 250 institutions gathered here. It is also fitting that the event is hosted by India which is at the cutting edge of digital infrastructure and innovations steering SME finance. I am really excited as the event unfolds which would feature over 90 speakers across 15 panels, 10 study tours to leading institutions in India, our flagship SME finance annual awards, and brainstorming sessions on key thematic game changing topics. It has been a privilege to partner with SIDBI, IBA as cohosts and SBI as Diamond sponsors to the event and we thank them for all their support. SME finance Forum and IFC remain committed to supporting the private sector globally in playing a catalytical role to support SMEs as they drive economic growth and create jobs”

About International Finance Corporation (IFC)

IFC - a member of the World Bank Group - is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2023, IFC committed a record \$43.7 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of global compounding crises.

For more information, visit www.ifc.org.

About SME Finance Forum

The SME Finance Forum was established by the G20 Global Partnership for Financial Inclusion (GPFI) in 2012 as a knowledge center for data, research, and best practice in promoting SME finance. As an implementing partner for the GPFI, the International Finance Corporation (IFC) was tasked with managing the initiative. The Forum operates a global membership network of +240 members that brings together financial institutions, technology companies, and development finance institutions to share knowledge, spur innovation, and promote the growth of SMEs.

Discover the SME Finance Forum members: www.smefinanceforum.org/members/member-list

About Small Industries Development Bank of India (SIDBI)

SIDBI, set up on 2nd April 1990 under an Act of Indian Parliament, is the Principal Financial Institution for Promotion, Financing and Development of the MSME sector. SIDBI has been playing a significant role in developing the financial services for MSME sector through various interventions including Refinance to Banks, Credit Guarantee programs, Development of the MFI sector, Contribution to Venture capital/AIF funds, MSME ratings, promoting digital lending ecosystem, etc. The Bank has proactively been working towards Energy Efficiency (EE) in MSMEs since 2005-06 using support of multilateral institutions like World Bank, ADB, GiZ, FCDO, JICA, AFD, KfW etc. for energy efficient projects. Furthermore, SIDBI has been touching the lives of citizens across various strata of society through its integrated, innovative, and inclusive approach. Be it traditional, domestic small entrepreneurs, bottom-of-the-pyramid entrepreneurs, to high-end knowledge-based entrepreneurs, SIDBI has directly or indirectly impacted the lives of Micro and Small Enterprises (MSEs) through various credit and developmental measures.

To know more, check out www.sidbi.in.

About State Bank of India (SBI)

State Bank of India (SBI) a Fortune 500 company, is an Indian Multinational, Public Sector Banking and Financial services statutory body headquartered in Mumbai. The rich heritage and legacy of over 200 years, accredits SBI as the most trusted Bank by Indians through generations. SBI, the largest Indian Bank with 1/4th market share, serves over 48 crore customers through its vast network of over 22,405 branches, 65,627 ATMs/ADWMs, 76,089 BC outlets, with an undeterred focus on innovation, and customer centricity, which stems from the core values of the Bank - Service, Transparency, Ethics, Politeness and Sustainability. The Bank has successfully diversified businesses through its various subsidiaries i.e., SBI General Insurance, SBI Life Insurance, SBI Mutual Fund, SBI Card, etc. It has spread its presence globally and operates across time zones through 235 offices in 29 foreign countries. Growing with times, SBI continues to redefine banking in India, as it aims to offer responsible and sustainable Banking solutions.

To know more, check out sbi.co.in.