



The Empirical Study on the Impact of the COVID-19 on Small and Medium Enterprises (SMEs) in Bangladesh

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Abstract

The large COVID-19 disease outbreak had a devastating impact on the entire world, with Bangladesh being one of the worst-affected nations. The epidemic worsened the situation of small and medium-sized companies (SMEs) in Bangladesh. The goal of this study is to examine the possibilities and difficulties faced by SMEs in Bangladesh's Rangpur district during the COVID-19 epidemic and the transition to the new normal. The research methodology combines an exploratory technique with a quantitative methodology. The study is designed on both primary and secondary data. Researchers collected data from 290 respondents from Rangpur District. The first finding of the study is that the most significant proportion of business is small enterprise which is 83.4 percentage. Lack of opportunities and business scope, there are less numbers of medium enterprise in the Rangpur district that is around 17%. Second one, opportunity of COVID-19, around 71% businesses have been improved financial condition by working capital in pandemic situation which is one the opportunity for SMEs. Moreover, commerce increase which is 40% of the respondents. Technological adaptation and E-commerce are the positive sides for improving socio-economic development for Rangpur district. challenge'soint of challenges view, COVID-19 on SMEs is the largest competition between business which is approximately 72% and total responses is 209 out of 290.

Keywords: Opportunity; Challenges; COVID-19; Small and Medium Enterprise (SME)

1. INTRODUCTION

In developing country like Bangladesh, SMEs are significant for job creation, local development, economic growth, regional and social development. Most of the businesses are medium sized, or small organization in Bangladesh where around 60% employed are involved by SMEs and 50-60% added value to some specific region. The Government has taken initiatives to mitigate the pandemic COVID-19 problems such as SME policy and strategy formulation for achieving the goals and targets of MDGs.



According to Alauddin and Chowdhury (2015), the relative market of SMEs is higher and expected around 45%-50% in the manufacturing industrial sector. Approximately 31% GDP contribution is come from SMEs industries which is directly and indirectly connected with SMEs. Among them, around 60 to 65 percent of SMEs are situated outside metropolitan zones of Chittagong and Dhaka. In the recent times, COVID-19 is not only affected Bangladesh but also other countries in the world on the economy and business sectors especially in SMEs areas. Every sector in SME has been impacted by adversely on Bangladeshi economy[1]. Moreover, the most significant impacted side is on SMEs which is deeply decreasing national GDP and national contribution.

Most researchers articulated that SMEs have directly and indirectly connected with employment, growth as well as new market development. After all, SMEs have to face diverse problems during COVID-19 situations in societal crisis[2]. These studies assert that in terms of funding, sales, revenue, and profit, the majority of women-owned businesses suffer significant setbacks during this time[3]. According to several studies, the government's SME aid initiatives are inadequate and lack understanding of the appalling state of these businesses[4].

[5]investigates how the COVID-19 pandemic can affect micro, small, and medium-sized tourist firms (MSMTes) in Bangladesh's Chittagong Hill Tracts (CHT). Based on findings of the study in regression analysis, 7 out of 11 independent factors in whole effect of COVID-19 on SME firms had a substantial impact on the dependent variable. These seven factors are: low income, slow business growth, fewer consumers, difficulties in finding new employees, strained business relationships, and social pressure on the business owner [6]. The findings of the study revealed that SMEs were unable to operate regularly because of a significant shortage of fewer personnel, raw materials, and less market demand[7]. The health and economic consequences of the global pandemic situations are becoming obvious. During the COVID-19 lockdown in Bangladesh, this paper critically examines the problems of establishing remote working methods in SMEs as well as the remedies. [8] identified many barriers to implementing remote working techniques, including budgetary limits, bureaucracy, a lack of knowledge and motivation, communication issues, high staff turnover, and the difficulty of finding trustworthy employees [9]. The study also proposed some solutions, including persuading people of the benefits of government regulations, remote working, training and IT courses, financial incentives, implementing remote working practices, and online classes in universities in SMEs both in COVID-19 and long-term situation[10]. This has several ramifications for the performance of SMEs and the benefits to workers[11].

The COVID-19 is hurting small and medium enterprises not only nationally but also internationally ([1]). Moreover, so many papers have been published among most of them studied about SME's and its branches [12]. This paper also attempts

to identify the opportunities and challenges of overall post pandemic situations for SMEs business in Bangladesh.

The first objective of this study is to identify the existing status of SME areas at Rangpur in Bangladesh. As this research is based on Rangpur district, researchers are keen to know about the SMEs current situation and will make a comparative analysis between Rangpur and overall Bangladeshis SMEs. Secondly, researchers want to determine the current scenario of pandemic situation on SME sectors at Rangpur district in Bangladesh. Finally, researchers focus to determine the challenges and opportunities for SME areas at study area and recommend specific suggestions to recover those obstacles.

From the objective section researchers want the information about present position of SME sectors in Bangladesh. They focused on Covid-19 pandemic impacts on SMEs in Rangpur, so they wanted some cases of COVID-19 on SME areas at Rangpur district in Bangladesh. From this research they wanted to identify the possible opportunities of SME sector in Bangladesh. Lots of problems regarding SMEs in Bangladesh but the researcher's question is how SMEs manage those problems in Rangpur district. Finally, they wanted to draw some suggestions regarding SMEs to maintain the sustainable economic growth in Bangladesh.

2. MATERIALS AND METHOD

The pandemic COVID-19 is not a common phenomenon in national and international level because, it has impacted negatively on economy, business, health, and other areas [13]. It has impacted both economic activities and people's daily life, including small and medium enterprises. SMEs were having problems during the pandemic due to loan payments, stagnating inventory, workers' wages, and rental costs, according to the study. The possible influence of COVID-19 on the economy has become a hot topic of discussion around the world in recent years, and Bangladesh is no different. Due to higher susceptibility, interdependence on local agencies and higher reliance on government, levels of changes, financial burden as well as larger emotional burden on the business owners, SMEs are the most severely hit in crises [2].

Study by [14] carried out a study with the goals of observing framework and role of SMEs in Bangladesh economy and identifying the existing scenario and funding restrictions that are impeding the SMEs' path to long-term development. According to the report, SME entrepreneurs need technical and financial assistance, counseling, easier access to information as well as promotion to improve sustainable growth in the study area. Considering the role of SMEs in Bangladesh's economic growth, [14] claimed in his report that SME enterprises should have easier and more cost-effective access to funding. This study proposed that SMEs in Bangladesh can achieve better performance in industrialized areas

[15]. Implementing practical and applicable proposals will reduce financial constraints for SMEs while also ensuring efficient capital utilization, ultimately contributing to sustainable development in SME sectors in Bangladesh.

In addition to claiming countless lives, the COVID-19 epidemic has severely restricted both personal and commercial activities in a relatively short amount of time ([16] et al., 2020). The study's current objective is to give readers a more thorough understanding of how Bangladeshi SMEs can weather the storm by having a flexible cash-flow structure combined with a variety of strategic interventions. This is the first article to outline a systematic strategy to cash-flow management for Bangladeshi SMEs to capitalize on the business possibilities of the epidemic [17].

Study by [18] used qualitative methodologies, such as descriptive tools, to examine SMEs' reactions to COVID-19 in Masvingo, Zimbabwe. [19], in China conducted another investigation. According to the conclusions of the study, SMEs' inability to reopen commercial operations was due to a combination of fluctuating market demand, a labor scarcity, and cash issues. Furthermore, according to the study, a liquidity issue becomes acute when it comes to repaying fixed operational expenditures.

According to [20] the performance of SME in Bangladesh and entrepreneurial Orientation (EO) have been compared in this study. The SME business owners in Dhaka, Bangladesh have provided data for collection. Utilizing a pre-tested survey questionnaire, convenient sampling was used to retain the data of 193 entrepreneurs (out of 300). The theories were put to the test using hierarchical regression and correlation analysis. Risk-taking, ingenuity, proactivity, aggressive competition, and autonomy were the five EO dimensions covered by the study[21]. All aspects of entrepreneurial orientations, with the exception of competitive aggression, have a considerable positive impact on the performance of SME's. This study examines how several EO characteristics affect the performance of SMEs in Bangladesh by shifting the application of the EO concept from industrialized countries to an emerging economy. The study's results have some important ramifications for scholars and business management as well.

For SME businesses to thrive and sustain their business, employee performance has taken center stage. Based on findings of the study, variables have influenced employee performance in diverse sectors in SME in Bangladesh. The research determined the effect of job autonomy, working conditions as well as employee engagement. The data were collected from Dhaka in Bangladesh. Employee demographic data was gathered for descriptive analysis. All products' validity and dependability were checked. Then, using SPSS software, regression was running to assess the hypotheses. The results demonstrate that job autonomy, working

environment, and employee engagement have been identified as predictors of employee success in the SME sector [17].

[22] conducted a study on “The Impact of Marketing Strategy on Small and Medium Scale Enterprises (SMEs): Case Study in Bangladesh”. SMEs are currently very important to Bangladesh. It is getting more and harder for Bangladeshi SMEs to survive in the entrepreneurial global economy and contribute to the long-term expansion of Bangladesh's GDP due to a lack of marketing plan and legislative restrictions. Therefore, the goal of this study is to investigate how the performance of SMEs in Bangladesh is affected by entrepreneurial marketing (EM) strategy [23]. The results of this study indicate that the performance of SMEs in Bangladesh is significantly impacted by the entrepreneurial marketing (EM) strategy. This study thus demonstrates the urgent necessity to concentrate on EM strategy as it serves as the catalyst for improving SMEs performance in Bangladesh [24].

During the COVID-19 and post pandemic situation, the SME financing opportunities and obstacles might be altered. Hence, it is important to determine the probable challenges and opportunities in study area at Rangpur district in Bangladesh. Addressing the business and economic significance of SMEs sectors, this research paper analyzed the scenario of Rangpur district in Bangladesh [25]. This paper mainly attempts to identify the opportunities and challenges of overall post pandemic situations for SMEs business in the study area.

2.1 Population Size

To carry out this study, the entire population under consideration consists of individuals who are directly and indirectly engaged in the small and medium enterprises (SMEs) sectors in Bangladesh [26]. The research encompasses a wide range of sectors and entrepreneurial activities, which are also considered within the scope of the population size. Determining the precise figures of those directly and indirectly engaged in the small and medium enterprises (SMEs) sectors within the Rangpur district is a challenge.

2.2 Sampling Method

The research methodology incorporates both primary and secondary data sources. To enhance comprehension, the researcher gathered data from a variety of sources, including media outlets, research organizations, policy experts, newspapers, magazines, research papers, reports, and websites [25]. The research used the purposive sampling approach. Questionnaires are often constructed using a combination of quantitative and qualitative questions. The statistical analysis was performed using the Statistical Package for Social Sciences (SPSS 20) software.

2.3 Sample Size

The primary objective of this study is to provide a comprehensive overview of the problems and possibilities faced by small and medium-sized enterprises (SMEs) in Bangladesh due to the COVID-19 epidemic, with a particular focus on its socio-economic impact on the country's economy. The study has a sample size of 300 participants hailing from the Rangpur District, located in Bangladesh. The researcher obtained a sample size of 290 participants from the Rangpur District [27].

2.4 Theoretical Approaches

SMEs are crucial to the growth of an economy in a developing nation like Bangladesh because they provide employment opportunities, produce valuable machine replacements, and produce machinery parts that save our nation a large amount of foreign cash ([28]. In Bangladesh, there are over 6.0 million SMEs that are now operating, producing 25% of the country's GDP, increasing 31 million job creations as well as 75% household income generating [28].

PESTEL analysis is a marketing research or strategic planning for determining the macro environmental issues which affects the operations and making better decisions. There are two fundamental purposes which is stated by [29] that enables the company to anticipate favorable future events. To make wiser judgments, all businesses must recognize PESTEL aspects. Before developing business, strategies or making decisions, SMEs, [30] that SME must conducted the economic, political, technological, social, legal, and environmental applications in external environmental factors on the organization.

As these businesses have a high potential for creating jobs, encouraging entrepreneurship, bringing in foreign currency, and dispersing industries, SMEs must do PESTEL analyses to be aware of their rivals. The study's goal was to find out how small businesses are doing now, as well as what obstacles they may face in resuming operations in the near future. To do so, descriptive statistical tools were utilized with both primary and secondary data. According to the research, SMEs in Bangladesh face a variety of challenges, including liquidity crises, low market demand, and financial restraints.

3. RESULTS AND DISCUSSION

Similar to the rest of the world, Bangladesh has been affected by the current and ongoing pandemic COVID-19 crisis. Small and medium-sized enterprises (SMEs) are the rudimentary pillar of the national economy in Bangladesh. The pandemic crisis has had not only direct but also indirect unfavorable influences on numerous

sectors especially in Small and Medium Enterprises (SMEs), which are expected to range from the short to the long term on both social and economic perspectives.

Collected data is analyzed by the SPSS software. Total 25 set questions regarding SMEs are collected from 290 respondents. First question is the name of the organization and last question is recommendations/suggestions from respondents. Those two questions are excluded from analysis part for meaningful information. Questionnaires are both numeric and descriptive that's why this study conducted on the basis of descriptive statistics.

4.1 Frequency Table from Descriptive Statistics

Table 1 is shown that most of the organization category is involved with Sole Proprietorship whose percentage is 92.8. Both private and public limited as well as others business are the same percentage in the Rangpur district which is less than 1%. In the study area, there is 3.8% people are involved with partnership business.

Table 1. Nature of Organization

Business Category	Frequency	Percent	Cumulative Percent
Family-Owned Business	4	1.4	1.4
Others	2	0.7	2.1
Partnership	11	3.8	5.9
Private Limited	2	0.7	6.6
Public Limited	2	0.7	7.2
Sole Proprietor	269	92.8	100.0
Total	290	100.0	

Source: Field Survey (April 30, 2023)

From the analysis of field survey about category of SME enterprise in Table 2, the most significant proportion of business is small enterprise which is 83.4 percentage. Lack of opportunities and business scope, there are less numbers of medium enterprise in the Rangpur district that is around 17%.

Table 2. Category of SME Enterprise

	Frequency	Percent	Cumulative Percent
Medium Enterprise	48	16.6	16.6
Valid Small Enterprise	242	83.4	100.0
Total	290	100.0	

Source: Field Survey (April 30, 2023)

From the respondent's information in Table 3, the most significant value is on retail trading which is 83.2%. On the other hand, services, export and

manufacturing are approximately close value whose percentage is 5.5, 3.1, and 4.8. The least proportion nature of organization is on Real Estate that is 0.3 percentage.

Table 3. Nature/Kind of organization

Nature/Kind of organization	Frequency	Percent	Cumulative Percent
Export	9	3.1	3.1
Farming	4	1.4	4.5
Manufacturing	14	4.8	9.3
Other	5	1.7	11.0
Real Estate	1	0.3	11.4
Retail Trading	241	83.2	94.6
Services	16	5.5	100.0
Total	290	100.0	

Source: Field Survey (April 30, 2023)

Figure 1 exhibited that the duration of business operation ranging from 1 to 5 years is approximately 52.1% which is significant number of year operation. 35.5% years of business operations are from less than 1 year. The rest of the duration are approximately same between 5-10 years and over 10 years.

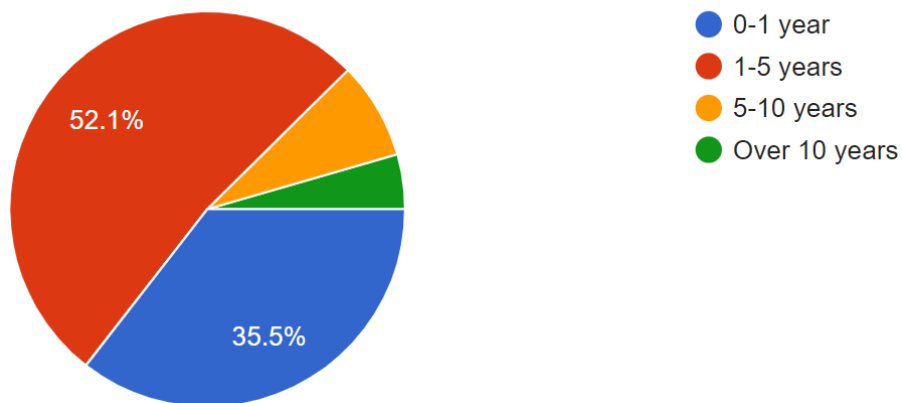
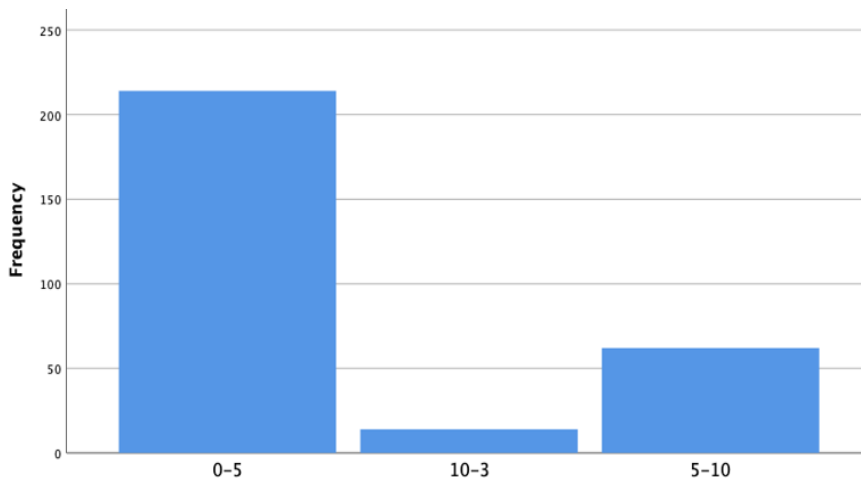


Figure 1. Duration of Organization Operation

Source: Field Survey (April 30, 2023)

From the analysis of Figure 2, the significant number of employees are working in SME organization whose range is less than 5 which indicates approximately 73.8%. Hence, the present status of the study area (Rangpur District) is working with less employees and small enterprise. Employees between 5-10 are nearly 22% which is more than ranging from 10-30 employees.

**Figure 2.** Number of Employees

Source: Field Survey (April 30, 2023)

From the analysis of respondent responses in Rangpur district, 51.7% of the respondents are investing capital ranging between 10,000tk and 50,000tk. As most of the organization is small enterprise, their capital is not huge amount. Medium enterprise in Rangpur district is around 32.1% whose invested capital is between 5,00,000tk and 10,00,000tk.

Table 4. Amount of Invested Capital

	Amount (Tk.)	Frequency	Percent	Cumulative Percent
	10,000-50,000	150	51.7	51.7
	1,00,000-5,00,000	5	1.7	53.4
Valid	5,00,000-10,00,000	93	32.1	85.5
	50,000-1,00,000	42	14.5	100.0
	Total	290	100.0	

Source: Field Survey (April 30, 2023)

From Figure 3 represented information about the COVID19 opportunities factors for SME authority which is one of the fundamental opportunities for SME organizations. Out of 290 responses, 116 responses are responded in E-commerce increase which is 40% of the respondents. Technological adaptation and E-commerce are higher number of responses which is positive side for improving socio-economic development for Rangpur district. Rest of the factors in opportunities are nearly close percentage on communication easier and thinking smartly.

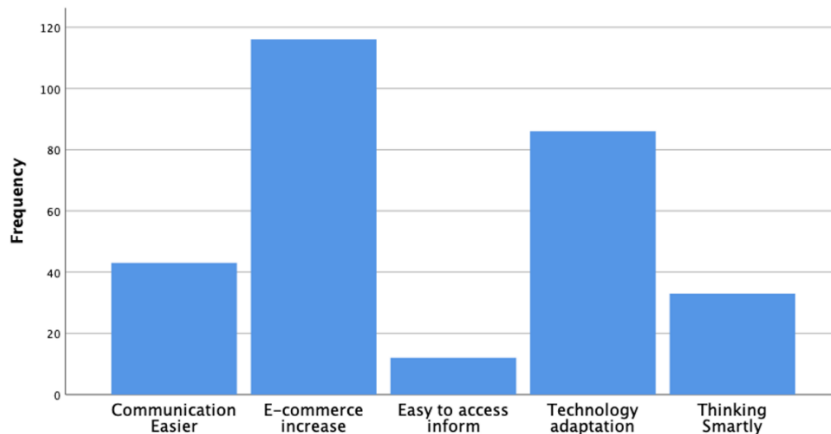


Figure 3. COVID 19 Opportunities factors for SMEs Authority

Source: Field Survey (April 30, 2023)

From the basis of respondents in Figure 4, approximately 67% business have not scope to extend or start-up business because of COVID-19 situation. Moreover, some of the businesses have taken opportunity due of pandemic situation which is around 33%. New emerging business are mostly technological oriented or E-commerce related business and those are including in small enterprise.

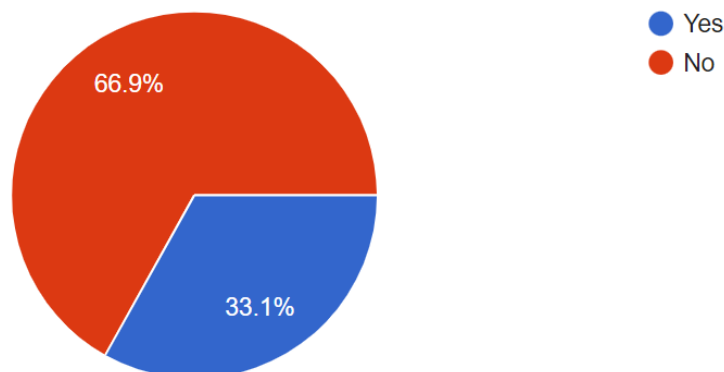


Figure 4. Opportunity for Extend/Start-up Business of SME Business in COVID -19

Source: Field Survey (April 30, 2023)

Based on the respondents, COVID-19 has impacted on business where some of the organization has been extended and some are starting a new business, product, concept. In case of E-Commerce, 24% is the proportion which is less than all areas except production area. The highest frequency is on production area whose percentage is around 55%.

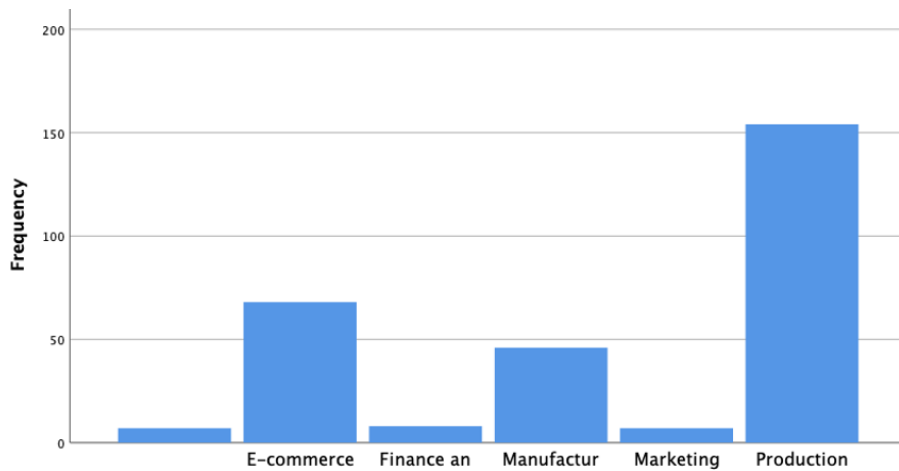


Figure 5. Extending/ Start-up Area

Source: Field Survey (April 30, 2023)

The results about “Opportunities and Challenges Faced by Small and Medium Enterprises (SMEs) in Pandemic Situations: A study on Rangpur District”. Around 71% businesses have been improved financial condition by working capital in pandemic situation which is one the opportunity for SMEs.

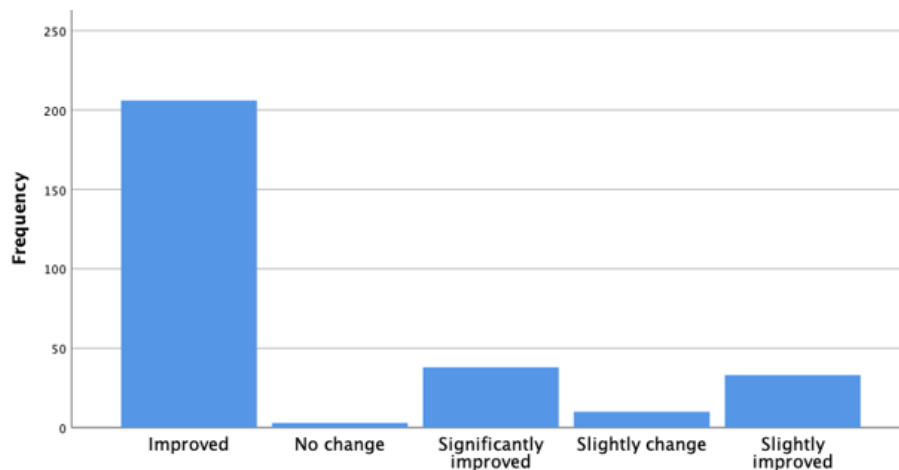


Figure 6: Working Capital Loan Improve the Financial Position of SME

Source: Field Survey (April 30, 2023)

First and foremost, challenge of COVID-19 on SMEs is the largest competition between business which is approximately 72% and total responses is 209 out of 290. Other challenge factors are approximately closest percentage 7%, 11%, 1%, 8% respectively.

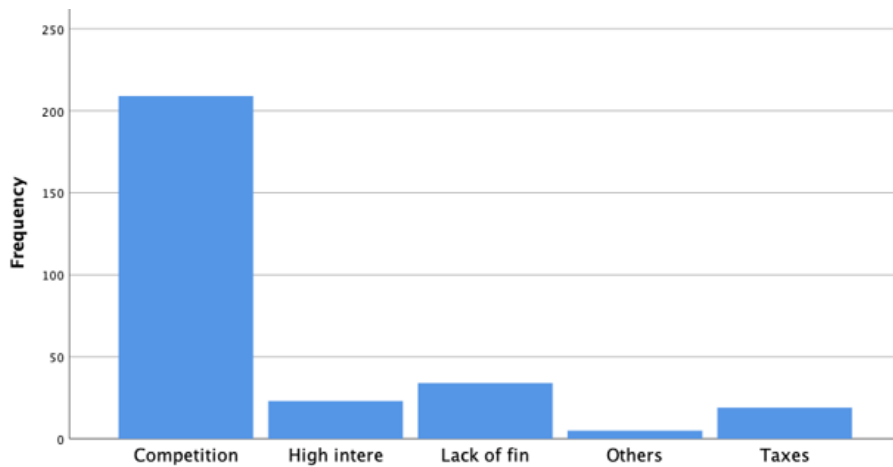


Figure 7. Challenges of COVID-19 on SMEs

Source: Field Survey (April 30, 2023)

Based on respondent responses as shown in Figure 8, most of the SME organizations have been rejected from bank about taking loan in the pandemic situation which is around 84%. On the other hand, approximately 16 percent organizations have been approved its loan in COVIOD-19 situation.

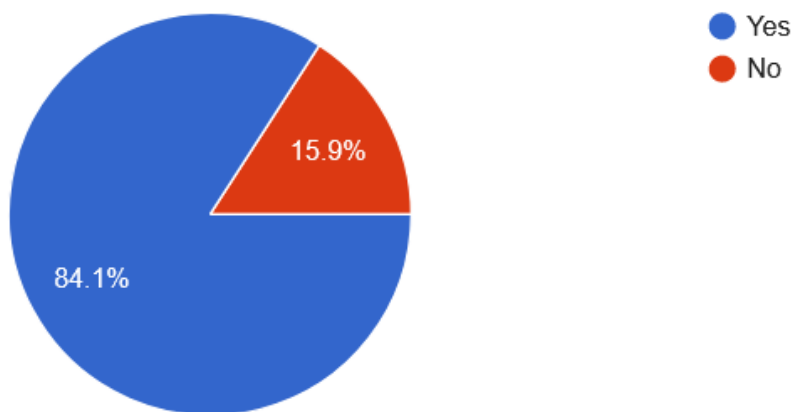


Figure 8. Refused or denied credit from a bank in pandemic situation

Source: Field Survey (April 30, 2023)

Figure 9 stated that there is a large percentage of loan rejection about no security to pledge which is around 54%. As pandemic is working against business environment, loan rejection is impacted negatively. Previous default loan and small equity are the average proportion reasons which is 22.8% and 11.9% respectively.

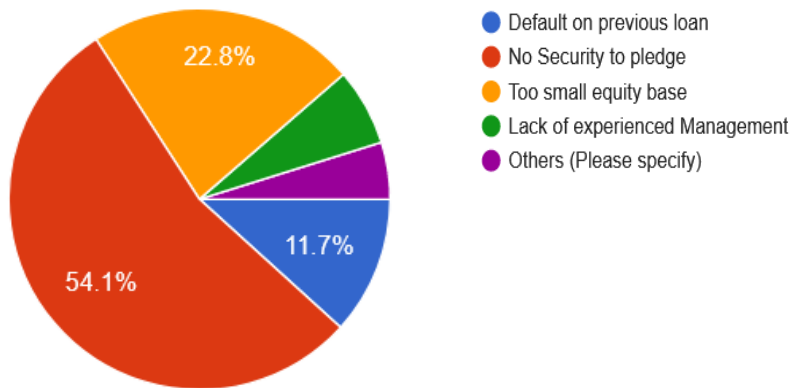


Figure 9. Main reason for rejecting loan
Source: Field Survey (April 30, 2023)

Figure 10 shows that SMEs have taken loan from Bank in pandemic situation to strengthen situation. Based on observer responses, significant amount of money borrowed in case of ranging 1,30,000-5,00,000tk and above 5,00,000tk by SME organization at Rangpur district where percentage are approximately 38% and 33%. Most of the organization are small enterprise that's why borrowed money range is not so high. The range of borrowed amount is 80,000tk to 1,30,000tk whose percentage is around 23%.

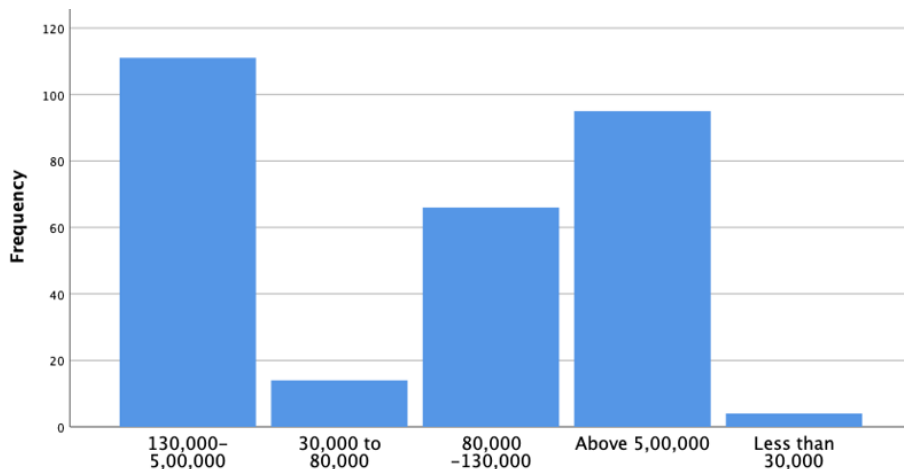


Figure 10. Borrowed Money from Bank in COVID-19 situation
Source: Field Survey (April 30, 2023)

Figure 11 represents a Pie Chart where majority proportion of the bank loan is to take for working capital and start-up capital due to pandemic situation at Rangpur district. The respective percentage is 63 and 18 respectively. The minor percentage is on another category which is around 2%.

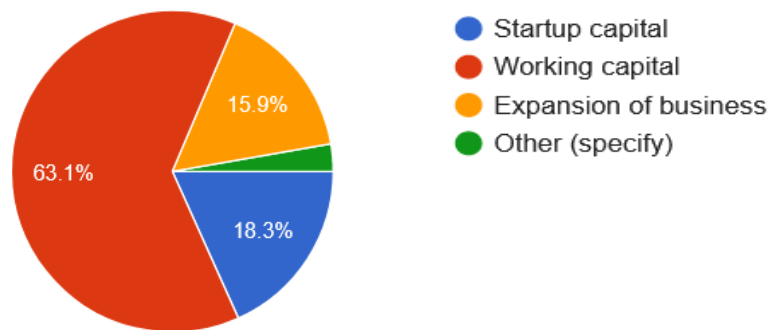


Figure 11. Purpose of Bank Loan
Source: Field Survey (April 30, 2023)

Table 5 is shown from the survey visit at Rangpur District that SMEs have faced numerous problems while they are paying their bank loan because business was not running smoothly in pandemic situation. Around 84% have faced problem during the payment of bank loan. Therefore, it is one of the fundamental problems for SMEs.

Table 5. Problem Faced by SMEs repaying a Bank loan in pandemic situation

		Frequency	Percent	Cumulative Percent
Valid	No	48	16.6	16.6
	Yes	242	83.4	100.0
	Total	290	100.0	

Source: Field Survey (April 30, 2023)

Based on the respondent responses, one of the fundamental reasons is high monthly repay which is approximately 67%. The minor reason is both in short duration and high interest rate where percentage is 18 and 12 respectively. Due to pandemic constraints, SMEs have faced numerous problems to repay their bank loan on time.

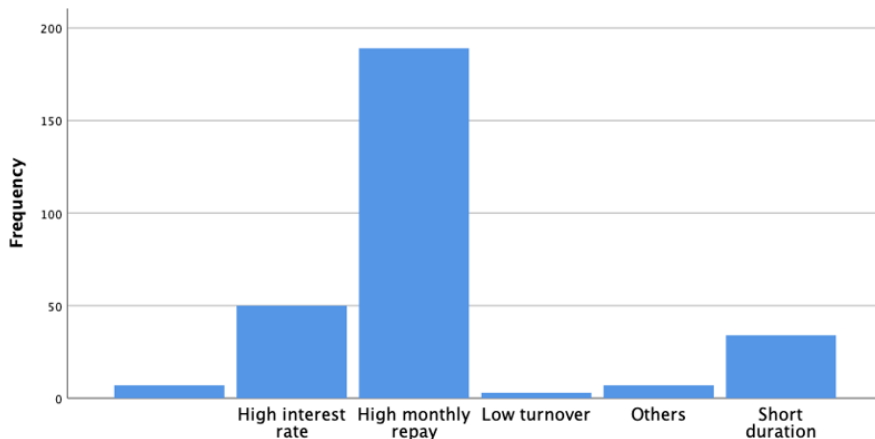


Figure 12. Reason for Problem for Taking Bank Loan

Source: Field Survey (April 30, 2023)

Figure 13 indicates the proportion categories of financing the start-up business in pandemic situation. These sources of financing are diverse sources such as personal savings, retained profits and other sources simultaneously. In case of personal savings, retained profits, there is high frequency or percentage such as approximately 64% and 68% consecutively. Moreover, Bank loan and Private institutions are nearly same proportion such as around 19% and 18% respectively.

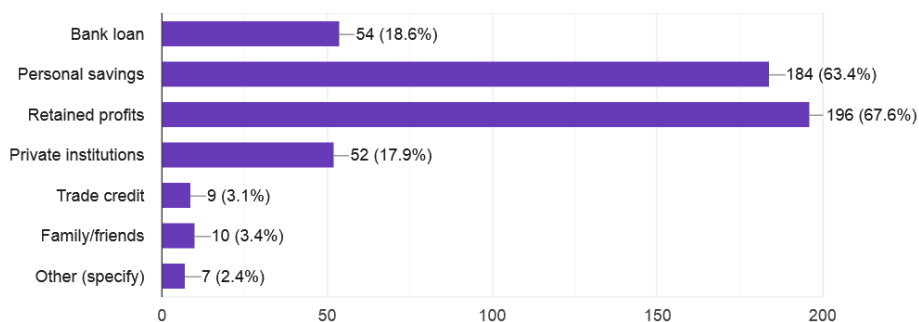


Figure 13. Finance the Startup of the Business

Source: Field Survey (April 30, 2023)

4.2 Findings and Discussions

4.2.1 Finding of Research Objective 1

Most of the organization category is involved with Sole Proprietorship whose percentage is 92.8. Both private and public limited as well as others business are the same percentage in the Rangpur district which is less than 1%. In the study

area, there is 3.8% people are involved with partnership business. From the analysis of field survey about category of SME enterprise in Table 2, the most significant proportion of business is small enterprise which is 83.4 percentage. Lack of opportunities and business scope, there are less numbers of medium enterprise in the Rangpur district that is around 17%. From the respondent's information in Table 3, the most significant value is on retail trading which is 83.2%. On the other hand, services, export and manufacturing are approximately close value whose percentage is 5.5, 3.1, and 4.8.

4.2.2 Finding of Research Objective 2

Figure 1 exhibited that the duration of business operation ranging from 1 to 5 years is approximately 52.1% which is significant number of year operation. 35.5% years of business operations are from less than 1 year. The rest of the duration are approximately same between 5-10 years and over 10 years. From the analysis of Figure 2, the significant number of employees are working in SME organization whose range is less than 5 which indicates approximately 73.8%. Hence, the present status of the study area (Rangpur District) is working with less employees and small enterprise. Employees between 5-10 are nearly 22% which is more than ranging from 10-30 employees. From the analysis of respondent responses in Rangpur district, 51.7% of the respondents are investing capital ranging between 10,000tk and 50,000tk. As most of the organization is small enterprise, their capital is not huge amount. Medium enterprise in Rangpur district is around 32.1% whose invested capital is between 5,00,000tk and 10,00,000tk.

4.2.3 Finding of Research Objective 3

From Figure 3 represented information about the COVID19 opportunities factors for SME authority which is one of the fundamental opportunities for SME organizations. Out of 290 responses, 116 responses are responded in E-commerce increase which is 40% of the respondents. Technological adaptation and E-commerce are higher number of responses which is positive side for improving socio-economic development for Rangpur district. From the basis of respondents in Figure 4, approximately 67% business have not scope to extend or start-up business because of COVID-19 situation. Based on the respondents, COVID-19 has impacted on business where some of the organization has been extended and some are starting a new business, product, concept. In case of E-Commerce, 24% is the proportion which is less than all areas except production area. The highest frequency is on production area whose percentage is around 55%. Around 71% businesses have been improved financial condition by working capital in pandemic situation which is one the opportunity for SMEs.

4.2.4 Finding of Research Objective 4

First and foremost, challenge of COVID-19 on SMEs is the largest competition between business which is approximately 72% and total responses is 209 out of 290. Other challenge factors are approximately closest percentage 7%, 11%, 1%, 8% respectively. From the above Pie Chart analysis based on respondent responses, most of the SME organizations have been rejected from bank about taking loan in the pandemic situation which is around 84%. On the other hand, approximately 16 percent organizations have been approved its loan in COVID-19 situation. Figure 7 stated that there is a large percentage of loan rejection about no security to pledge which is around 54%. As pandemic is working against business environment, loan rejection is impacted negatively. Previous default loan and small equity are the average proportion reasons which is 22.8% and 11.9% respectively. The above Bar Chart shows that SMEs have taken loan from Bank in pandemic situation to strengthen situation. Based on observer responses, significant amount of money borrowed in case of ranging 1,30,000-5,00,000tk and above 5,00,000tk by SME organization at Rangpur district where percentage are approximately 38% and 33%. Most of the organization are small enterprise that's why borrowed money range is not so high. The range of borrowed amount is 80,000tk to 1,30,000tk whose percentage is around 23%.

Table 5 is shown from the survey visit at Rangpur District that SMEs have faced numerous problems while they are paying their bank loan because business was not running smoothly in pandemic situation. Around 84% have faced problem during the payment of bank loan. Therefore, it is one of the fundamental problems for SMEs. Based on the respondent responses, one of the fundamental reasons is high monthly repay which is approximately 67%. The minor reason is both in short duration and high interest rate where percentage is 18 and 12 respectively. Figure 12 indicates the proportion categories of financing the start-up business in pandemic situation. These sources of financing are diverse sources such as personal savings, retained profits and other sources simultaneously. In case of personal savings, retained profits, there is high frequency or percentage such as approximately 64% and 68% consecutively. Moreover, Bank loan and Private institutions are nearly same proportion such as around 19% and 18% respectively.

4. CONCLUSION

The present pandemic, upcoming fiscal year SMEs potential contribution might be substantially lower since independence. The outbreak of COVID-19 has moved the whole world and changed the socio-economic paradigms in all areas. The pandemic has created a platform where SMEs have some opportunities to re-do rethink and redefine their tactical strategies for growth and development[13]. There are some recommendations from respondents and SME authority to resolve the problem due to COVID-19 situation. They should take numerous initiatives

for skill management and financial control for survival and growth in business sector. Furthermore, the government might have taken strategies and policies for enhancing SMEs development.

There are some suggestions from respondents regarding SMEs to maintain the sustainable economic growth in Bangladesh. Government support and long-term master planning is one of the main issues in enhancing SMEs in Bangladesh. In this purpose tax and import duty should be reduced for creating eagerness to enter in this industry. Loan facilities should be increased. Different technology innovation changed the world, SMEs should cope up this those changes to flourish business. Moreover, it should focus on uncommon businesslike renewable energy. Employee satisfaction is very important also for this industry [31].

SMEs all around the world, including Bangladesh, are significantly impacted by the COVID-19 epidemic. The goal of the study was to demonstrate how the COVID-19 epidemic has affected SMEs in various sectors. Given the past experiences, regulators should ascertain their weaknesses and be ready to move quickly with short-, medium-, and long-term plans to lessen the effects of Covid-19. Assessment and modification of the business continuity strategy to preserve operational resilience might be a short-term suggestion for regulators. The creation of continuous monitoring modules for the government's incentive policy and programs, together with program effectiveness assessments, are suggested as a medium-term solution. The success of initiatives for preventing future crises should be reevaluated, and post-crisis tactics should be improved. Research scope would be extending, and publication opportunity is also vast in this research area. This study would be published in national paper within few months.

This study has vast implications, but it has several limitations to be addressed in future research. There are some constraints for conducting the study. First, study area is only covered at Rangpur district. If the study area is empirical study on whole Bangladesh, the accuracy and findings of the study will be more reliable and applicable. The study is based on primary data. By using secondary data would accelerate the information regarding to SMEs at Rangpur district. In-depth case studies are required to understand how SME entrepreneurs are coping with the crisis and how government policy varies across nations since small enterprises confront a variety of vulnerabilities and difficulties. The present empirical research on COVID-19 and entrepreneurship is exploratory about the long-term effects of the crisis. Future researchers cloud utilizes the current study's findings in extended geographical coverage.

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