

ICSB GAZETTE

THE GLOBAL LEADER SUPPORTING MICRO-, SMALL AND MEDIUM ENTERPRISES

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INTERNATIONAL FINANCE CORPORATION – SME FINANCE FORUM

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"The MSME finance gap in developing countries is estimated to be \$5.2 trillion -- 1.4 times the current level of MSME lending. The SME Finance Forum's global network is working to close that gap through policy, innovative strategies, and partnerships."

The SME market is too small to serve with people-intensive approaches, too complex to operate with fully automated approaches, and too expensive for most banks to provide loans. Therefore, it is not surprising that most bankers do not feel comfortable operating in the SME realm. However, the world is changing, and SMEs are changing alongside it. This reinforces the importance of the SME Finance Forum's work in helping our members learn from each other, link to new business opportunities, and lead a constructive industry dialogue with policymakers.

The SME Finance Forum works to expand access to finance for small and medium businesses. The Forum operates a global membership network that brings together more than 140 financial institutions, technology companies, and development finance institutions to share knowledge, spur innovation, and promote the growth of SMEs.



Alternative lenders have led the way in showing what electronic data from emerging markets can facilitate in terms of SME finance. An even greater challenge than that from the alternative lenders is the entry of "the internet giants" into the financial services industry: Amazon, Apple, Facebook, Google, PayPal, and perhaps the biggest of all — Alibaba, and its banking subsidiary Ant Financial, who is a member of the SME Finance Forum. During the past year, the SME Finance Forum has helped Ant Financial to share its experience in global meetings such as the Business Information Industry Association's Biennial Global Conference. The Forum has also worked with PayPal and the AsiaPacific Economic Cooperation (APEC) Business Advisory Council on how regulators can create an open and enabling environment in which both the new and established players are motivated to compete for greater SME business.

SME Finance Forum webinars, study tours, and the Global SME Finance Forum are helping to accelerate the development of new partnerships, including the many individual introductions facilitated by the Forum for its members and the industry. The Forum also expanded to host its first Africa SME Finance Forum in Nairobi on May 14-15 and has released major research publications on the MSME finance gap and Alternative Data transforming SME finance.

In addition, the Forum's learning opportunities expand beyond its member network to include more than 10,000 members in the SME Finance Forum LinkedIn discussion group and 3,500 publications, tools, videos, and SME data in its extensive online library. The Forum also invites innovative fintechs serving SME clients to demo their products and services while also organizing B2B marketplace sessions during its conferences.



About ICSB Gazette:

The ICSB Gazette is a weekly edition of a key topic that ICSB will showcase. The content is varied from research, practice, policy, and education. The editor of the ICSB Gazette is Ms. Jordyn Murphy, ICSB Operational Manager. She will be soliciting ideas and articles from ICSB members world-wide.

ICSB Executive Director Comment:

This Gazette issue is part of the Partner Reports from the MSME Report.

Dr. Ayman El Tarabishy



Jordyn Murphy Editor, ICSB Gazette

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Contribute:

Have a topic you would like to see or an article to share? Please submit for consideration to jordyn@icsb.org