



Trends and Challenges in MSME Development in Developing Asia and the Pacific

Key Findings from Asia SME Monitor 2025

Asia SME Monitor 2025 Launch Seminar, Session 1

Baku, Azerbaijan

12 November 2025

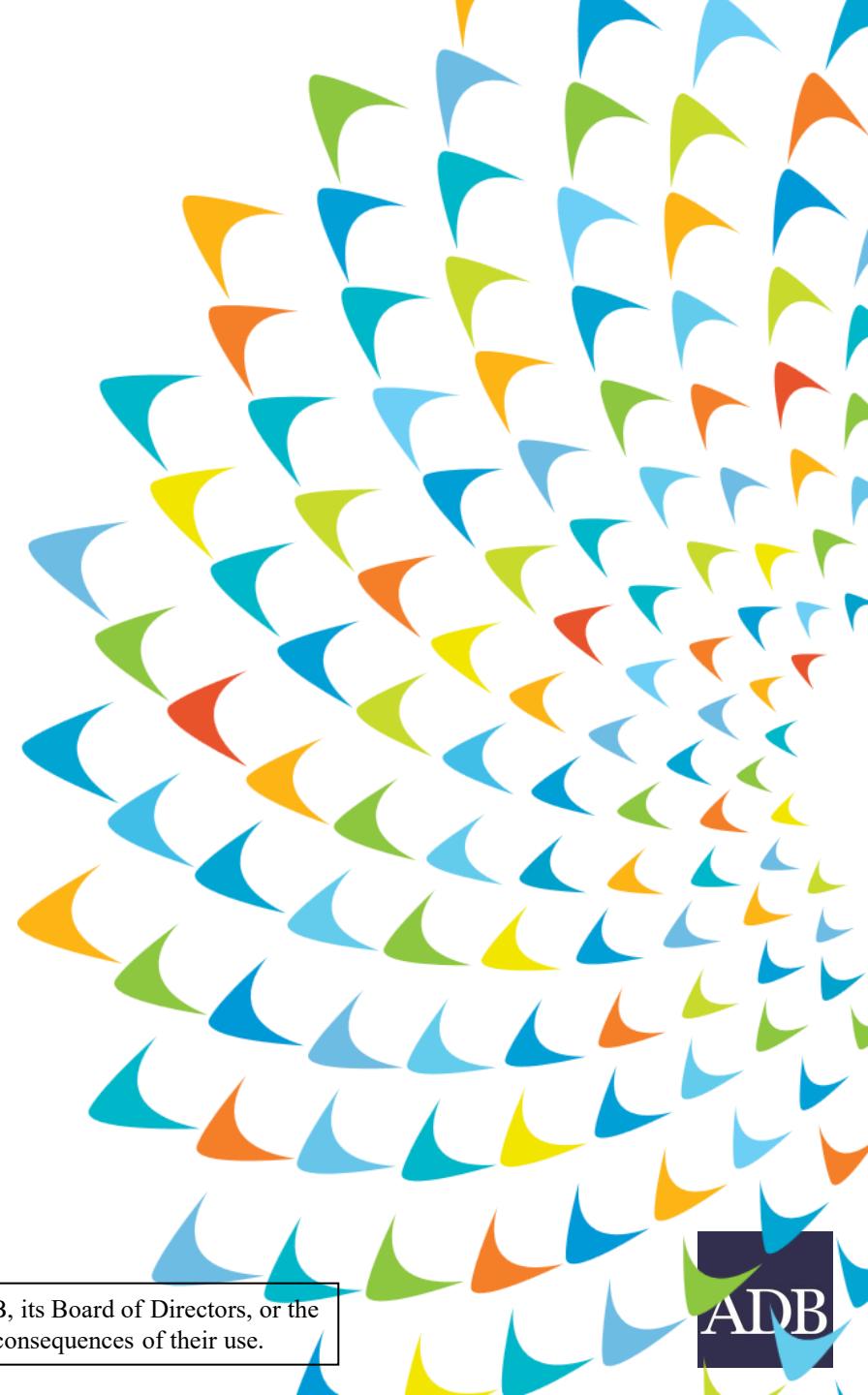
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ASM Structure

ASM 2020:
Southeast
Asia (10)*

ASM 2021:
South Asia
(5)

ASM 2022:
Central and
West Asia (7)

ASM 2023:
Pacific (5)**

ASM 2025:
All countries
updates (26)

MSME Development

- 1- Scale of MSMEs
- 2- Employment by MSMEs
- 3- MSME Output
- 4- MSME Exports and Imports
- 5- Business Digitalization

Access to Finance

- 6- Bank Credit to MSMEs
- 7- Public Financing and Guarantees
- 8- Nonbank Financing
- 9- Capital Markets for MSMEs

Policies and Regulations

- 10- MSME Development Policies
- 11- Financial Inclusion
- 12- Priority Policy Updates (digitalization, green MSMEs, women entrepreneurs, and international trade for MSMEs)

ASM Smart
Data Portal

Theme Chapter
(ADB-CAREC Inst.
book)

Challenging Global Trade
Environment and Private
Sector Businesses in
Developing Asia (Q1 2026)

* No update for Myanmar since 2021.

** Two new countries (Solomon Is. and Tonga) added in 2025.



MSME Development

MSMEs to Total Enterprises and MSME Employees to Total Workforce, % per year

	Scale of MSMEs						Employment by MSMEs					
	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024
Developing Asia	99.8	98.9	99.8	99.8	99.7	99.8	64.5	61.8	65.0	61.4	61.3	67.6
Caucasus and Central Asia	99.7	99.7	99.7	99.7	98.0	99.8	64.6	63.1	63.1	65.0	65.5	66.7
Armenia	99.8	99.8	99.9	99.9	99.9	...	69.8	68.7	69.6	69.5	69.7	...
Azerbaijan	99.6	99.7	99.7	99.7	99.7	...	43.7	42.1	41.7	41.8	44.0	...
Georgia	99.7	99.7	99.7	99.6	99.7	...	65.0	62.8	61.8	60.1	59.6	...
Kazakhstan	99.8	99.8	99.8	99.9	99.9	99.9	39.3	39.8	39.9	45.8	47.6	48.0
Kyrgyz Republic	98.2	98.3	98.2	98.1	98.2	...	53.0	52.6	49.3	47.1	51.2	...
Tajikistan	98.6	98.6	98.6	98.7	98.8	98.8	33.0	33.7	34.7	...	...	...
Uzbekistan	99.3	99.3	99.3	99.3	99.1	99.0	76.2	74.5	74.5	73.9	74.0	74.5
South Asia	94.0	98.6	...	99.8	99.8	...	71.8	73.5	72.5	...	...	...
Bangladesh	...	...	...	...	...	...	...	...	...	...	...	...
India	...	...	...	...	...	...	...	...	...	...	...	...
Nepal	...	...	...	99.8	99.8	...	73.5	...	...	...	...	...
Pakistan	...	98.6	...	...	...	...	72.4	...	72.5	...	...	...
Sri Lanka	94.0	...	...	...	...	...	28.9	...	...	...	...	...
Southeast Asia	99.8	98.9	99.8	99.8	99.8	99.8	58.1	60.5	60.3	60.1	59.4	68.3
Brunei Darussalam	93.7	92.9	93.2	93.4	...	...	52.8	50.1	52.2	52.3	...	...
Cambodia	...	...	...	...	...	...	...	...	...	...	...	...
Indonesia	99.9	...	99.9	99.9	99.9	99.9	96.9	65.4	63.6	63.6	...	...
Lao People's Democratic Republic	...	99.8	...	...	...	...	...	...	...	...	...	...
Malaysia	97.3	97.2	97.4	97.4	96.9	96.1	48.4	48.0	47.8	48.2	48.5	...
Philippines	99.5	99.5	99.6	99.6	99.6	99.6	62.4	62.7	64.7	65.1	66.8	66.6
Singapore	99.5	99.6	99.6	99.6	99.6	99.6	70.3	70.1	69.2	69.3	69.4	69.6
Thailand	99.5	99.5	99.6	99.5	99.5	99.5	69.5	71.7	71.9	71.0	70.4	68.8
Viet Nam	97.4	97.4	97.4	97.2	97.3	...	37.5	36.3	36.1	36.1	37.1	...
The Pacific	85.1	87.6	86.1	96.6	96.5	98.0	20.2	28.3	26.8	...	...	...
Fiji	79.4	82.4	80.5	...	...	...	20.2	28.3	26.8	...	...	...
Papua New Guinea	...	...	...	...	...	...	...	...	...	...	...	...
Samoa	96.4	96.8	96.5	96.6	96.5	93.9	...	...	...	...	...	...
Solomon Islands	...	...	...	...	...	99.8	...	...	...	...	...	...
Tonga	...	...	...	...	...	...	...	...	...	...	...	...

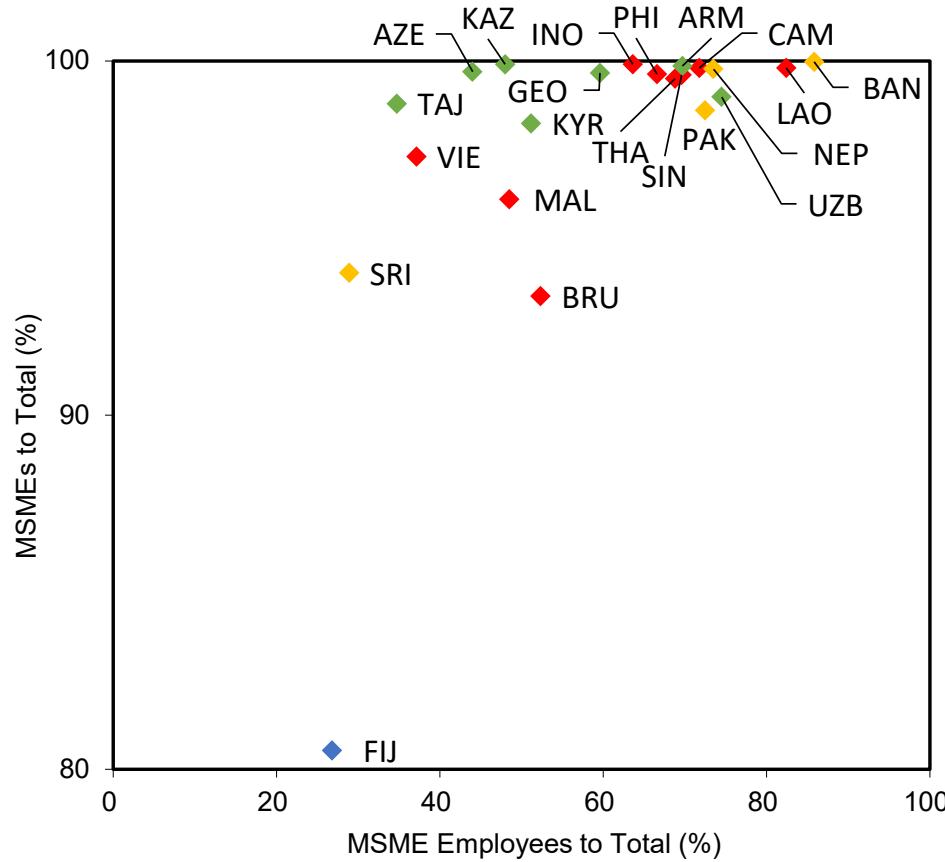
MSME Output to GDP and MSME Exports to Total Export Value, % per year

	MSME Output						MSME Exports					
	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024
Developing Asia	41.7	31.8	33.3	33.6	38.2	38.7	36.3	38.6	34.0	29.7	34.2	40.0
Caucasus and Central Asia	40.2	41.9	41.7	41.2	41.9	46.0	30.2	25.1	26.6	37.3	31.9	33.2
Armenia ¹	26.0	26.3	27.7	28.5	31.6	...	...	...	...	...	...	...
Azerbaijan ¹	14.9	16.7	16.4	13.9	18.0	...	...	...	...	...	...	...
Georgia ¹	59.3	60.8	52.8	50.5	53.9	...	37.6	36.2	36.2	32.9	32.3	31.9
Kazakhstan ¹	31.7	32.8	33.5	35.1	36.5	39.7	...	...	...	...	...	...
Kyrgyz Republic	39.3	39.1	40.8	38.8	39.6	...	35.4	24.9	27.3	66.9	39.9	...
Tajikistan	59.5	58.4	59.4	60.0	61.7	60.4	...	...	...	...	...	...
Uzbekistan	55.3	57.5	56.9	54.6	54.3	54.3	27.2	20.9	22.5	31.3	30.4	33.6
South Asia	29.6	26.3	28.7	29.2	7.4	7.6	49.8	49.4	45.0	43.6	45.7	45.1
Bangladesh ²	9.2	8.8	8.9	8.5	8.3	8.9	...	...	...	...	...	...
India	30.5	27.3	29.6	30.1	...	...	49.8	49.4	45.0	43.6	45.7	45.8
Nepal	22.0	...	...	...	...	...	...	...	...	...	...	...
Pakistan ³	1.9	1.9	2.0	2.0	2.2	2.3	...	...	...	...	...	30.0
Sri Lanka	...	...	...	...	...	...	...	...	...	...	...	...
Southeast Asia	51.2	38.6	40.3	39.7	39.3	38.8	15.8	12.6	10.6	9.6	11.5	13.1
Brunei Darussalam	6.7	7.7	7.1	5.9	...	...	...	...	...	...	...	...
Cambodia	...	...	...	...	...	...	...	...	...	...	...	...
Indonesia	60.5	...	...	...	...	...	15.7	...	...	...	...	...
Lao People's Democratic Republic	...	...	...	...	...	...	...	...	...	...	...	...
Malaysia ⁴	38.9	38.1	37.4	38.6	39.1	...	17.9	13.5	11.4	10.6	12.2	...
Philippines	...	...	...	...	...	...	...	...	...	...	...	...
Singapore ⁵	40.9	44.0	47.6	44.7	43.2	42.1	...	...	...	...	...	...
Thailand	35.1	34.2	34.5	34.6	34.7	34.9	13.3	11.7	12.0	10.7	13.4	13.1
Viet Nam	...	...	...	...	...	...	...	...	...	8.1	7.1	8.2
The Pacific	7.8	6.3	5.0	...	...	...	...	...	...	...	...	...
Fiji ¹	7.8	6.3	5.0	...	...	...	...	...	...	...	...	...
Papua New Guinea	...	6.3	...	...	...	...	...	...	...	...	...	...
Samoa	...	...	...	...	...	...	...	...	...	...	...	...
Solomon Islands	...	...	...	...	...	...	...	...	...	...	...	...
Tonga	...	...	...	...	...	...	...	...	...	...	...	...

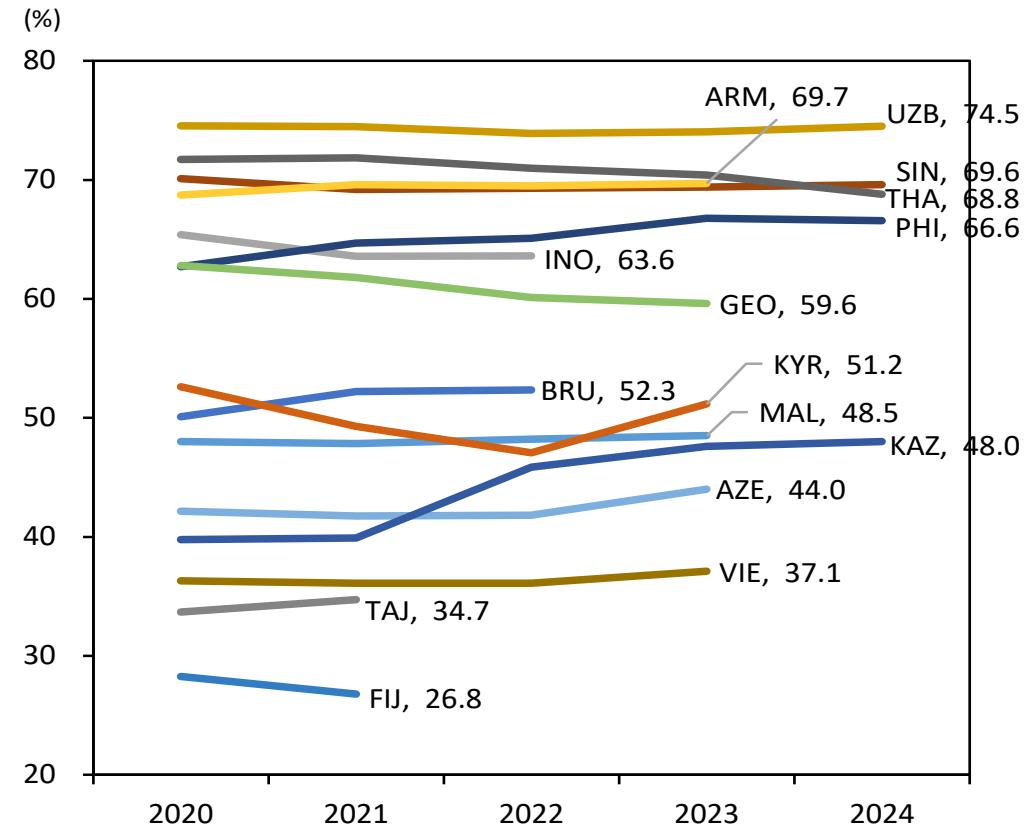


MSMEs in developing Asia and the Pacific are massive in number and continue to grow. They absorb over 60% of national workers on average, while trends vary by region and country.

A. Number of MSMEs and Employment, 2024



B. MSME Employees to Total, 2020–2024



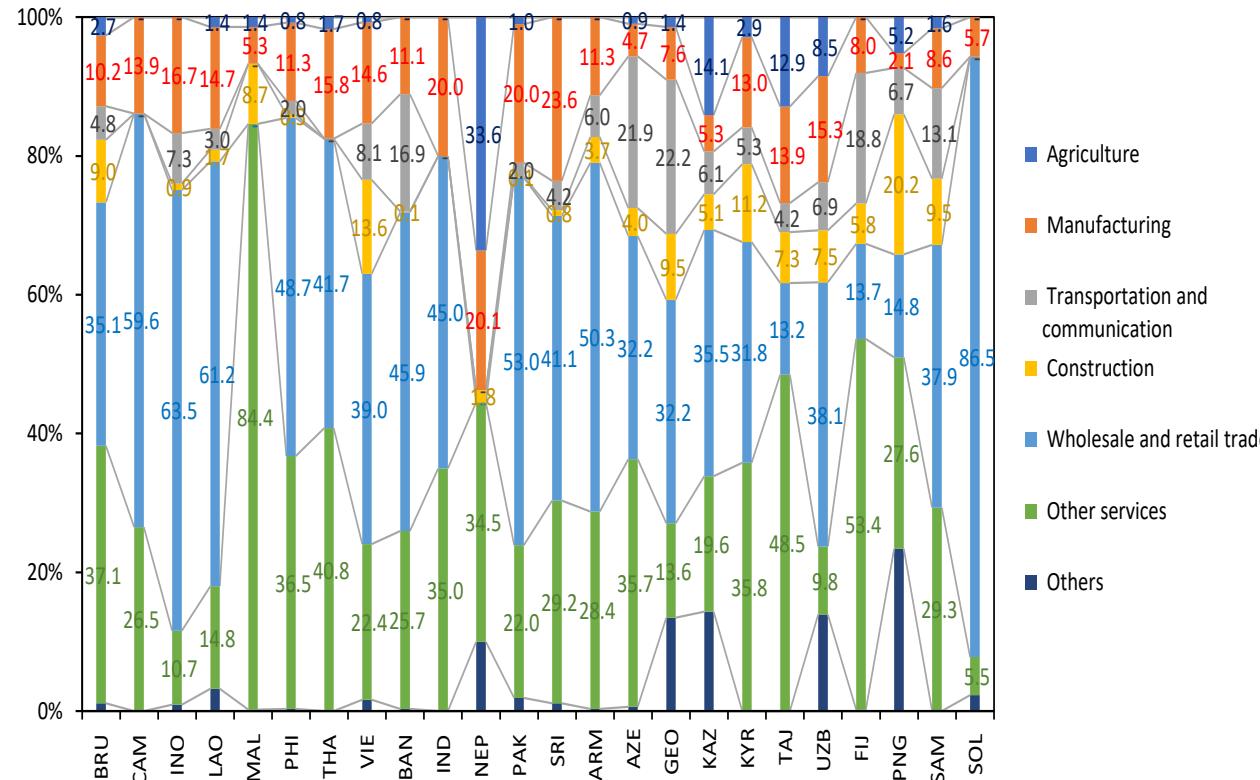
Notes: For Figure A, data refer to the latest available data until 2024 (end-of-year). For the share of MSMEs to total enterprises, data in 2024 for INO, KAZ, MAL, PHI, SAM, SIN, SOL, TAJ, THA, and UZB; data in 2023 for ARM, AZE, GEO, NEP (fiscal year [FY] ended 15 July), and VIE; data in 2022 for BRU; data in 2021 for FIJ; data in 2020 for LAO and PAK; data in 2019 for SRI; data in 2014 for CAM; and data in 2013 for BAN. For the share of MSME employees to total workforce, data in 2024 for KAZ, PHI, SIN, THA, and UZB; data in 2023 for ARM, AZE, GEO, KYR, MAL, and VIE; data in 2022 for BRU and INO; data in 2021 for FIJ, PAK (FY ended 30 June), and TAJ; data in 2020 for NEP (FY); data in 2019 for SRI; data in 2018 for LAO; data in 2014 for CAM; and data in 2013 for BAN.

Source: ADB Asia SME Monitor 2025 database.



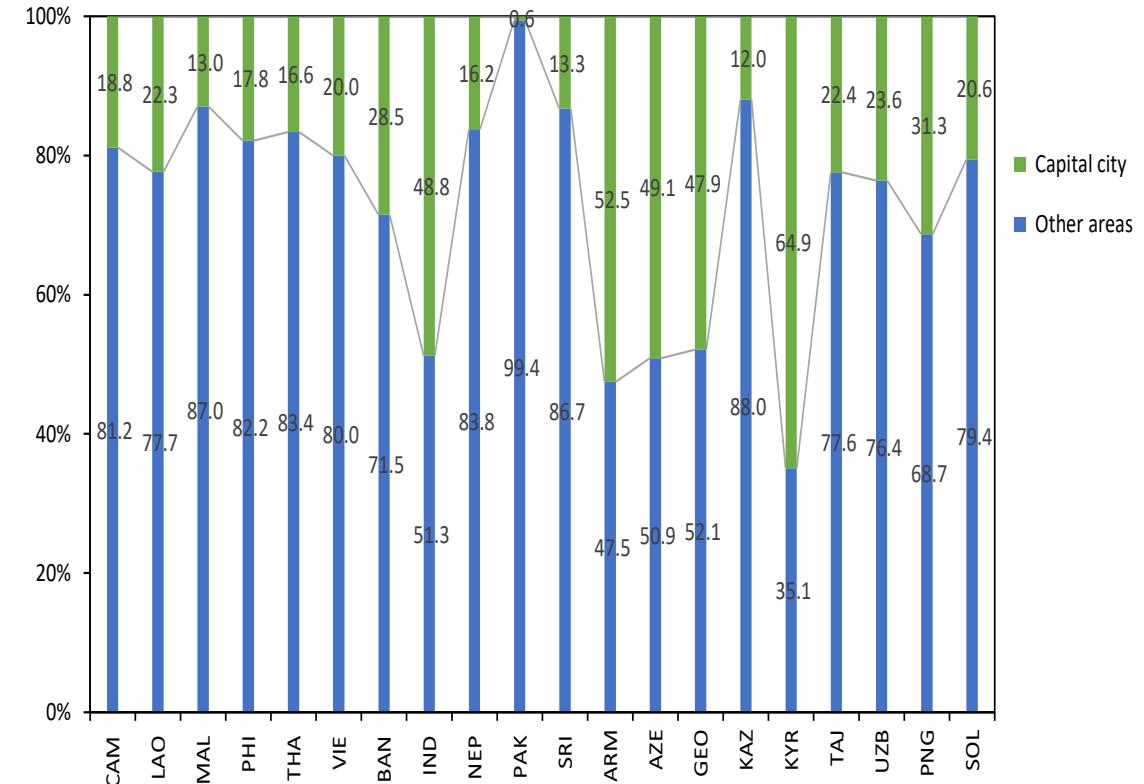
An average 72% of MSMEs work traditional services (trade, accommodation, and food services) with 73% operating in rural areas. MSME manufacturers are a small 12% fraction. IT-based MSMEs are rather small in number.

A. MSMEs by Sector, 2024



Note: Data refer to the latest available data until 2024. Data in 2024 for IND (fiscal year [FY] ended 31 March), KAZ, MAL, PHI, PNG, SAM, SOL, TAJ, THA, and UZB; data in 2023 for ARM, AZE, GEO, KYR, NEP (FY ended 15 July), and VIE; data in 2022 for BRU; data in 2021 for FIJ; data in 2020 for LAO; data in 2016 for INO; data in 2014 for CAM; data in 2013 for BAN and SRI; and data in 2005 for PAK.

B. MSMEs by Region, 2024

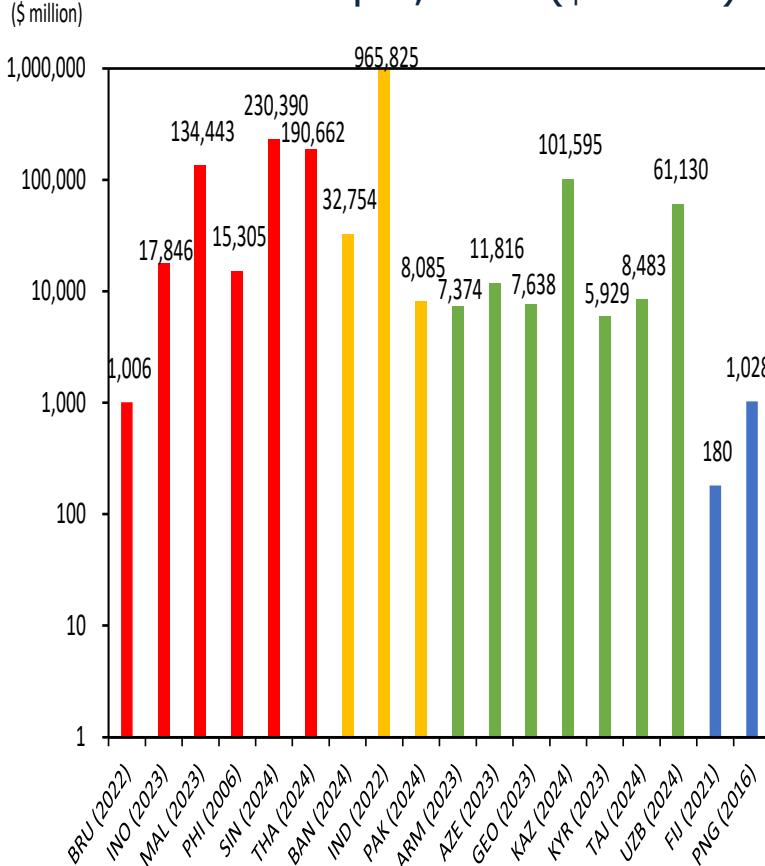


Note: Data refer to the latest available data until 2024 (end-of-year). Data in 2024 for KAZ, MAL, PHI, SOL, TAJ, THA, and UZB; data in 2023 for ARM, AZE, GEO, KYR, NEP (fiscal year [FY] ended 15 July), and VIE; data in 2020 for LAO; data in 2018 for IND (FY); data in 2016 for PNG (from SME Policy 2016); data in 2014 for CAM; data in 2013 for BAN and SRI; and data in 2005 for PAK.

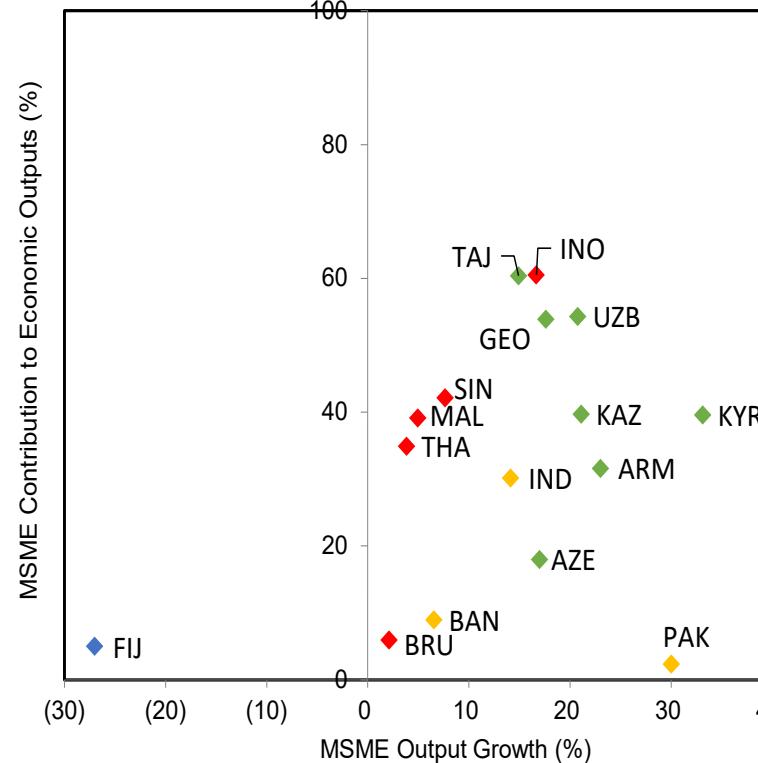


MSMEs generate around 40% of national output in developing Asia. Caucasus and Central Asia and Southeast Asia continued to contribute most to subregion's MSME output.

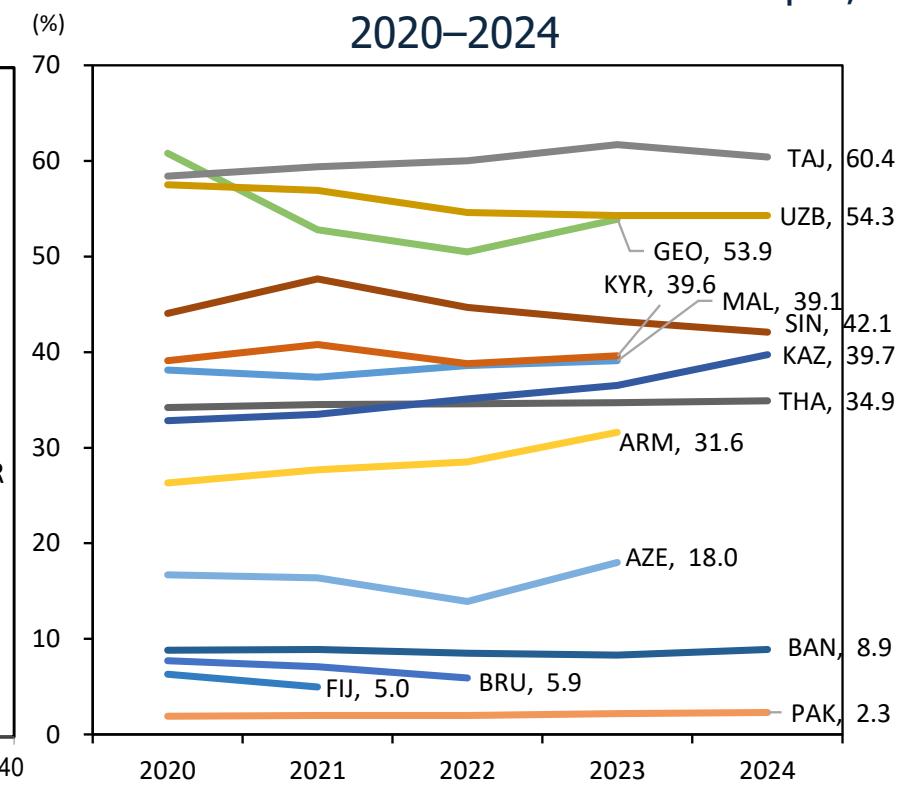
A. MSME Output, 2024 (\$ million)



B. MSME Output, 2024 (%)

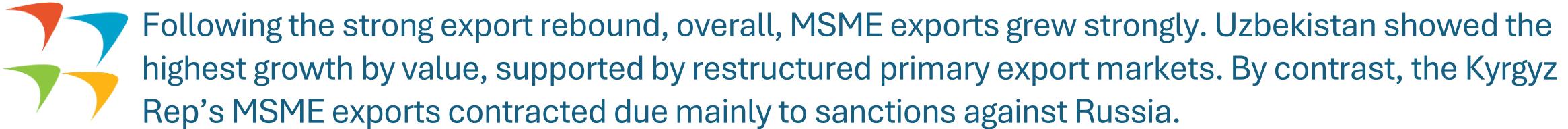


C. MSME Contribution to Economic Output, 2020–2024



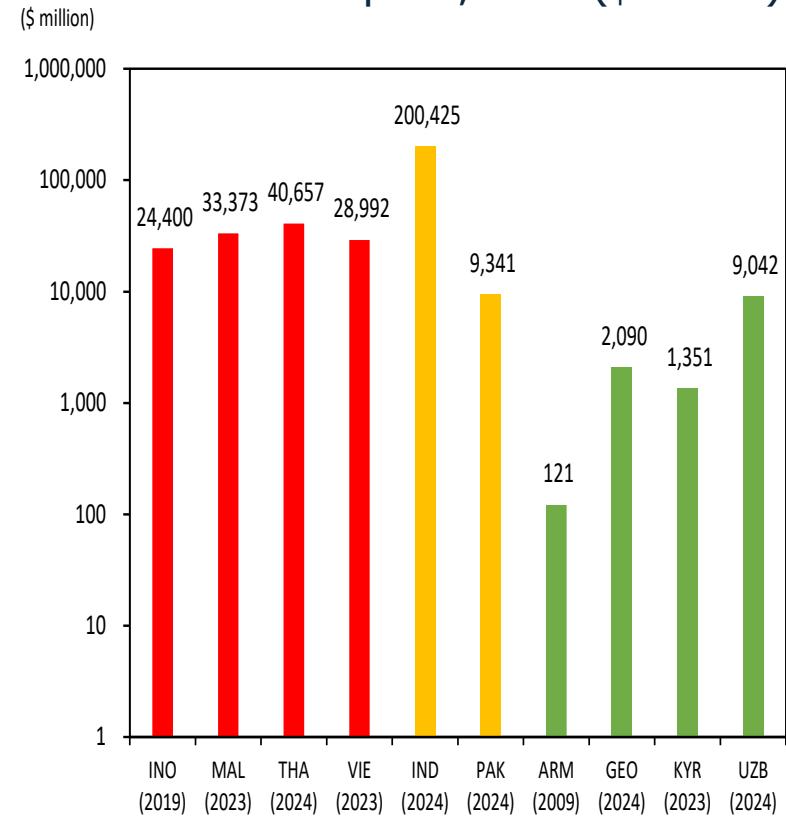
Notes: Data based on gross domestic product (GDP) except for ARM, AZE, FIJ, GEO, IND, and KAZ (MSME gross value added [GVA]) and SIN (nominal value added of small and medium-sized enterprises [SMEs]). For BAN, data based on real GDP of cottage and MSME manufacturers. For MAL, data based on real GDP. For PAK, GDP of small manufacturing sector only. Data refer to the latest available data until 2024 (end-of-year). Data in 2024 for BAN (fiscal year [FY] ended 30 June), KAZ, SIN, TAJ, THA, and UZB; data in 2023 for ARM, AZE, GEO, MAL, and KYR; data in 2022 for BRU and IND (FY ended 31 March); data in 2021 for FIJ; data in 2020 for PNG (SME Corporation's estimate); and data in 2019 for INO and NEP (from the 2019 Nepal Rastra Bank Report). MSME output growth refers to annual growth from the previous year. For Figure A, US dollar exchange rates refer to end-of-year currency rates from the International Monetary Fund's International Financial Statistics in designated years. US dollar data are not normalized by an economy's size.

Source: ADB Asia SME Monitor 2025 database.

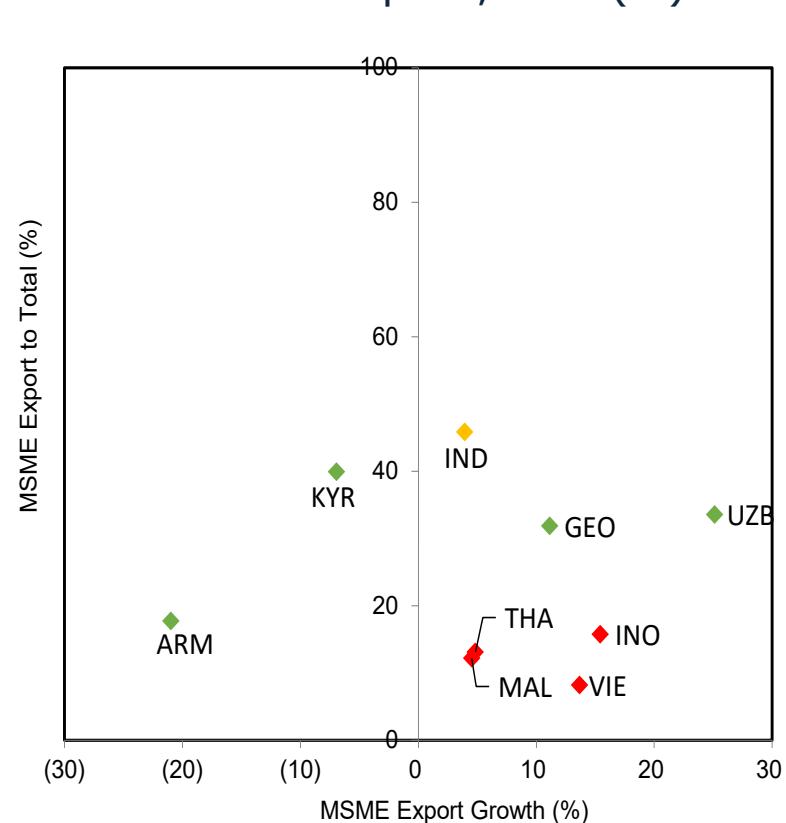


Following the strong export rebound, overall, MSME exports grew strongly. Uzbekistan showed the highest growth by value, supported by restructured primary export markets. By contrast, the Kyrgyz Rep's MSME exports contracted due mainly to sanctions against Russia.

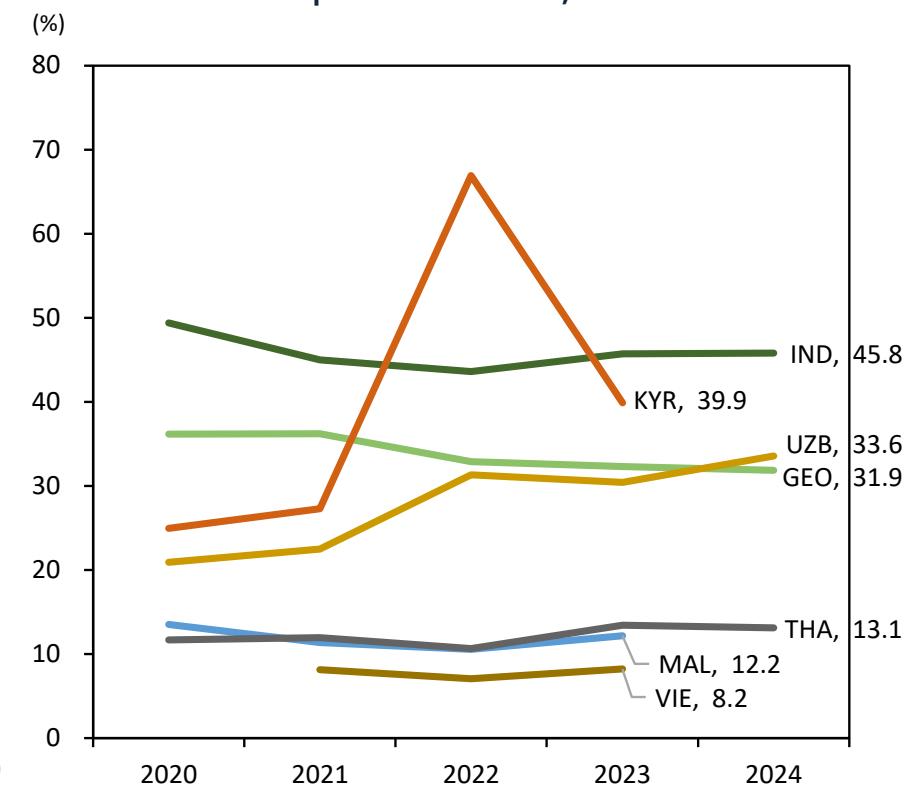
A. MSME Exports, 2024 (\$ million)



B. MSME Exports, 2024 (%)



C. MSME Exports to Total, 2020–2024



Notes: Data refer to the latest available data until 2024 (end-of-year). Data in 2024 for GEO, IND (fiscal year [FY] ended 31 March), PAK, THA, and UZB; data in 2023 for KYR, MAL, and VIE; data in 2019 for INO; and data in 2009 for ARM. MSME export growth refers to annual growth from the previous year. For Figure A, US dollar exchange rates refer to end-of-year currency rates from the International Monetary Fund's International Financial Statistics in designated years. US dollar data are not normalized by an economy's size.

Source: ADB Asia SME Monitor 2025 database.



Access to Finance

MSME Loans to Total Bank Loans and to GDP, and MSME Nonperforming Loans to Total MSME Loans, % per year

	MSME Loans to Total						MSME Loans to GDP						MSME NPLs					
	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024
Developing Asia	20.7	17.4	17.5	17.4	17.3	16.9	16.6	14.1	10.8	10.1	10.2	10.7	7.3	8.7	8.7	7.3	7.0	7.6
Caucasus and Central Asia	26.8	24.8	28.1	29.8	29.2	28.4	9.0	9.6	9.0	10.0	10.5	11.0	17.5	8.4	4.7	4.1	3.1	3.1
Armenia	28.4	30.2	31.6	30.9	31.0	29.4	14.8	19.1	16.8	14.2	15.3	17.1	3.6	5.3	2.1	1.5	1.8	2.0
Azerbaijan	25.0	24.3	26.7	29.0	27.5	23.6	4.5	4.6	4.8	4.2	5.2	5.1	21.5	12.0	6.8	5.6	3.7	4.7
Georgia	22.1	20.4	19.8	40.6	39.9	38.4	14.3	15.8	14.2	25.4	26.0	26.1	2.6	2.9	2.6	2.4	2.1	2.4
Kazakhstan	15.2	17.2	28.3	26.4	26.0	25.9	3.0	3.6	6.2	5.8	6.0	6.5	...	...	4.6	4.1	3.4	2.9
Kyrgyz Republic	77.8	78.7	76.8	71.9	66.7	59.4	18.4	21.3	19.3	16.0	15.4	15.2	...	...	...	...	...	...
Tajikistan	16.9	13.0	16.0	17.4	17.5	17.5	1.8	2.0	2.5	1.6	1.9	1.9	24.8	6.8	4.6	3.9	3.5	3.3
Uzbekistan	26.2	17.5	18.2	17.9	15.5	17.5	9.3	7.2	7.3	7.0	6.1	6.4	...	...	...	...	...	...
South Asia	17.5	15.9	16.4	15.9	16.3	16.0	8.4	8.4	7.6	7.4	7.7	8.2	9.3	9.7	10.6	8.7	8.4	8.8
Bangladesh	20.1	20.2	19.7	18.3	19.4	18.1	8.2	8.1	6.8	6.8	6.6	6.0	...	...	14.2	14.2	19.0	20.7
India	17.4	15.6	16.2	15.7	16.2	16.0	8.5	8.6	7.8	7.6	7.9	8.5	9.1	9.6	9.9	7.4	5.5	4.5
Nepal	...	...	...	...	7.9	8.8	...	...	...	...	7.2	7.9	...	...	...	...	...	...
Pakistan	7.6	7.3	6.5	5.8	6.0	6.1	1.3	1.2	1.1	1.3	0.5	0.6	16.8	16.9	15.9	14.6	15.0	14.2
Sri Lanka	...	11.1	11.9	10.5	9.5	10.6	...	4.7	5.1	3.4	2.7	3.1	...	...	...	...	...	...
Southeast Asia	22.2	18.0	17.5	17.3	17.0	16.6	21.9	19.2	14.7	13.3	13.3	14.1	4.3	7.8	5.8	5.5	5.5	5.9
Brunei Darussalam	0.2	0.2	0.2	0.2	0.1	0.3	0.05	0.07	0.07	0.06	0.08	0.02	...	0.2	0.7	2.5	2.2	8.0
Cambodia	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Indonesia	19.7	19.9	21.2	21.0	20.6	19.3	7.0	7.0	7.2	6.9	7.0	6.8	3.6	4.0	3.8	3.4	3.7	...
Lao People's Democratic Republic	19.8	20.1	14.7	12.0	11.3	10.7	8.5	9.1	7.0	7.2	7.4	6.7	...	...	...	...	...	...
Malaysia	15.8	16.5	16.2	16.2	16.7	17.2	20.6	23.7	22.3	20.4	21.8	22.4	3.3	3.1	3.2	3.6	3.8	3.5
Philippines	6.1	4.9	4.6	4.3	4.1	3.9	3.2	2.7	2.4	2.2	2.1	2.1	5.5	9.9	11.2	9.3	10.3	9.6
Singapore	6.3	6.7	6.9	7.1	7.1	6.1	16.8	19.0	17.1	14.3	13.2	14.7	4.5	4.6	3.4	3.1	3.4	2.5
Thailand	30.9	21.6	21.5	21.1	20.1	19.5	30.3	...	...	...	...	...	4.7	7.7	7.5	7.5	7.4	7.4
Viet Nam	...	21.5	...	...	...	...	...	28.9	...	...	...	...	...	11.3	...	...	...	...
The Pacific	21.6	24.2	23.8	33.4	23.8	24.5	8.1	9.3	9.0	8.9	8.2	8.3	2.7	2.9	12.8	9.5	30.1	31.2
Fiji	8.5	9.3	12.2	10.9	9.7	9.2	5.2	6.8	9.9	7.7	6.7	6.6	...	...	...	...	...	...
Papua New Guinea	15.2	19.7	21.2	35.2	21.8	22.6	3.8	5.0	4.8	7.1	5.2	5.5	...	...	...	...	...	...
Samoa	54.1	56.4	52.0	51.0	49.3	50.2	26.2	30.0	28.2	26.0	25.8	23.8	...	...	...	...	...	...
Solomon Islands	...	12.3	23.5	37.6	44.1	41.8	...	0.1	0.1	0.2	0.3	0.3	...	...	12.9	9.5	30.2	31.3
Tonga	47.1	47.1	44.8	47.0	49.4	52.5	14.7	14.9	13.6	15.6	17.9	18.7	2.7	2.9	3.9	7.3	21.0	27.1

MSME Equity Markets

	Market Capitalization, \$ million						Number of Listed Companies					
	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024
Developing Asia												
Caucasus and Central Asia												
Armenia - Platform C	...	233	332	437	432	488	...	...	...	...	...	7
Kazakhstan - Alternative Board	2,228	1,103	1,223	901	941	931	48	44	89	41	39	35
Tajikistan - SME Board	4.1	3.5	3.6	4.5	4.2	2.7	1	2	3	2	2	2
South Asia												
Bangladesh - SME Platform, CSE	...	...	7.0	171	122	164	...	...	1	12	16	19
Bangladesh - SME Platform, DSE	...	...	42	161	231	180	...	...	7	14	18	20
India - BSE SME Exchange	2,575	2,913	6,402	7,780	13,071	23,374	314	331	358	410	471	538
India - NSE Emerge	1,122	767	1,285	2,715	6,470	16,470	206	214	236	289	405	580
Pakistan - GEM	...	...	11.4	17.2	8.8	30.8	...	...	2	3	3	5
Sri Lanka - Empower Board	...	...	14.5	1.9	2.6	6.4	...	...	2	3	3	4
Southeast Asia												
Indonesia - Acceleration Board	...	75.7	226	300	527	311	...	5	15	25	41	45
Malaysia - ACE	4,604	8,875	7,031	7,626	8,456	9,723	129	135	141	159	173	201
Malaysia - LEAP	595	785	1,121	1,222	1,380	1,233	28	34	44	47	48	47
Philippines - SME Board	228	1,216	590	543	451	430	5	7	7	10	10	11
Singapore - Catalyst	7,266	8,314	8,671	6,890	5,721	5,558	216	217	217	212	205	208
Thailand - mai	7,136	7,823	14,123	15,490	12,329	8,831	169	175	183	198	213	220
Viet Nam - UPCoM	39,384	43,262	61,286	40,538	44,315	66,606	872	910	892	856	863	888

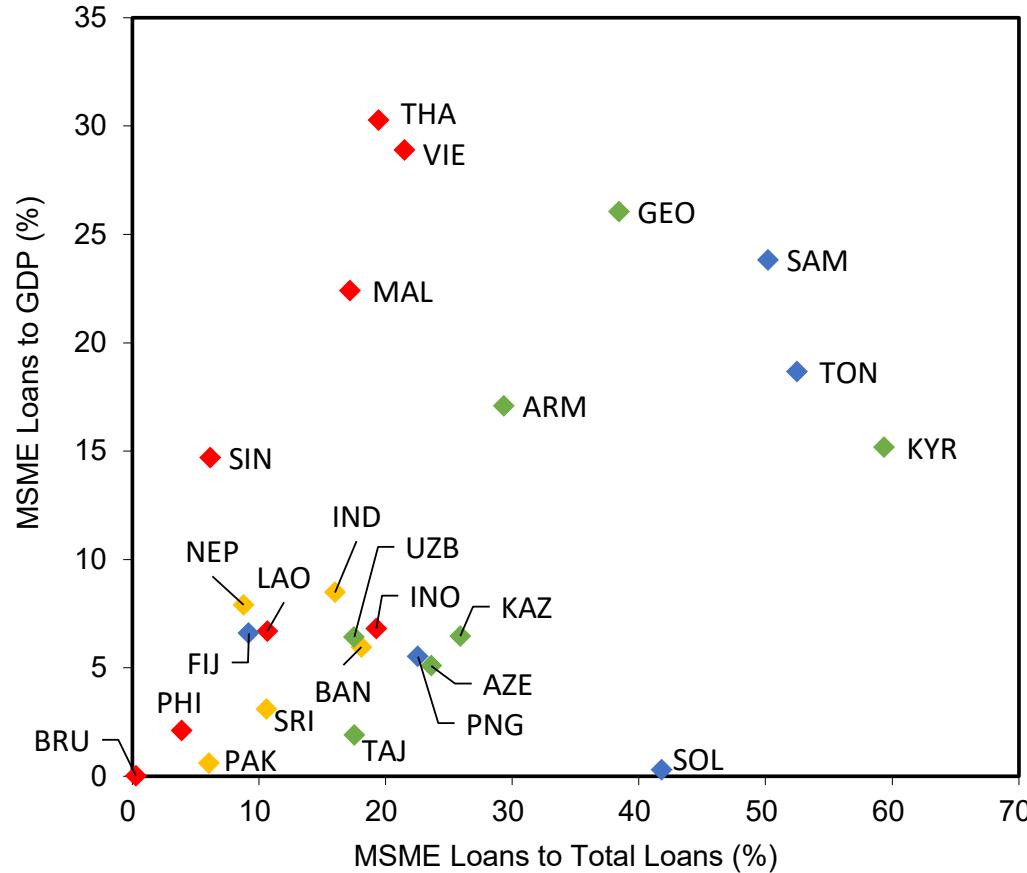
ACE = Access, Certainty, Efficiency; BSE = Bombay Stock Exchange; CSE = Chittagong Stock Exchange; DSE = Dhaka Stock Exchange; GEM = Growth Enterprise Market; LEAP = Leading Entrepreneur Accelerator Platform; MSME = micro, small, and medium-sized enterprise; NSE = National Stock Exchange; SME = small and medium-sized enterprise; UPCoM = Unlisted Public CoMpany.

Notes: Data based on equity markets that MSMEs can tap. US dollar exchange rates refer to end-of-year currency rates from the International Monetary Fund's International Financial Statistics in designated years. US dollar data are not normalized by an economy's size. For UPCoM, number of registered companies.

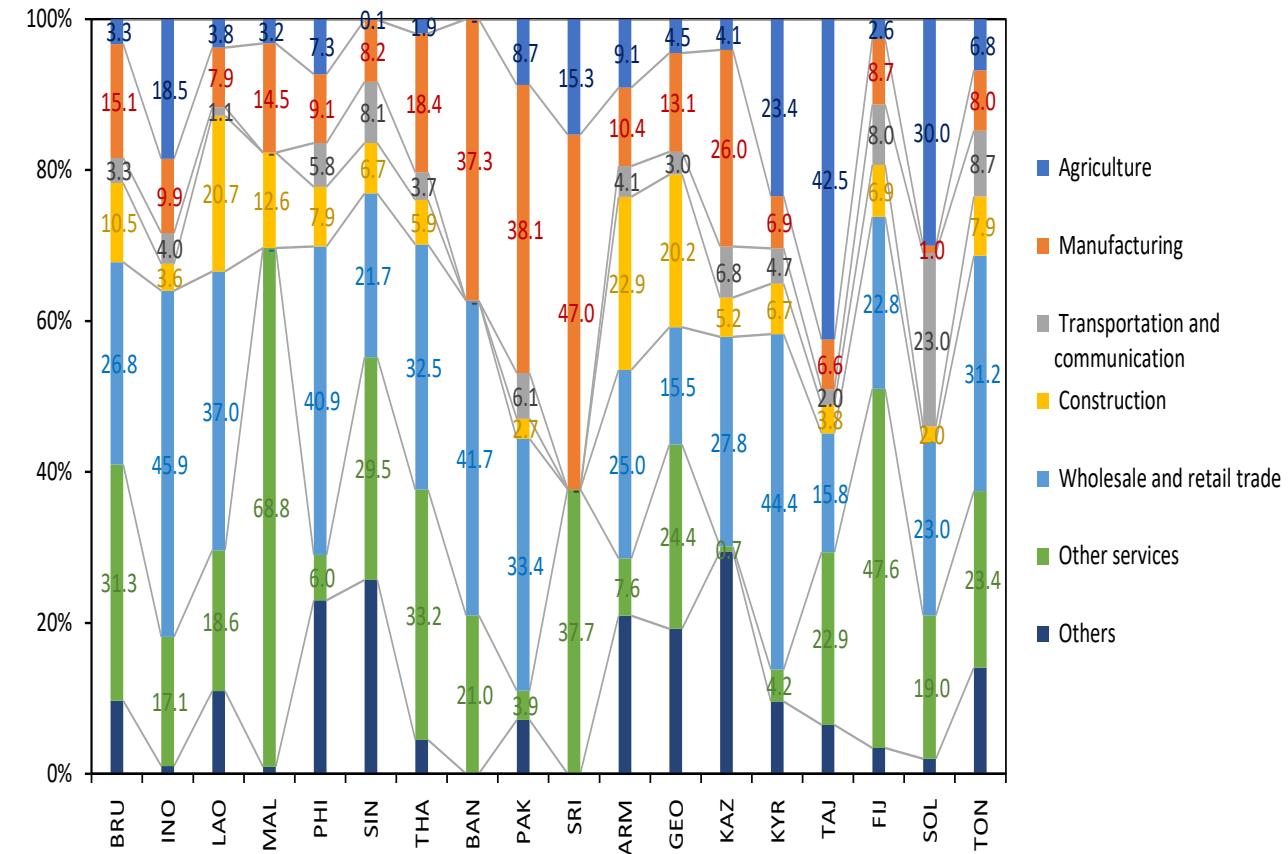


MSME bank credit markets expand across developing Asia and the Pacific, mainly financing services-oriented MSMEs, yet it remains small in scale with an average 16.9% of total bank lending or 10.7% of national GDP in 2024.

A. MSME Loans Outstanding, 2024



B. MSME Loans Outstanding by Sector, 2024

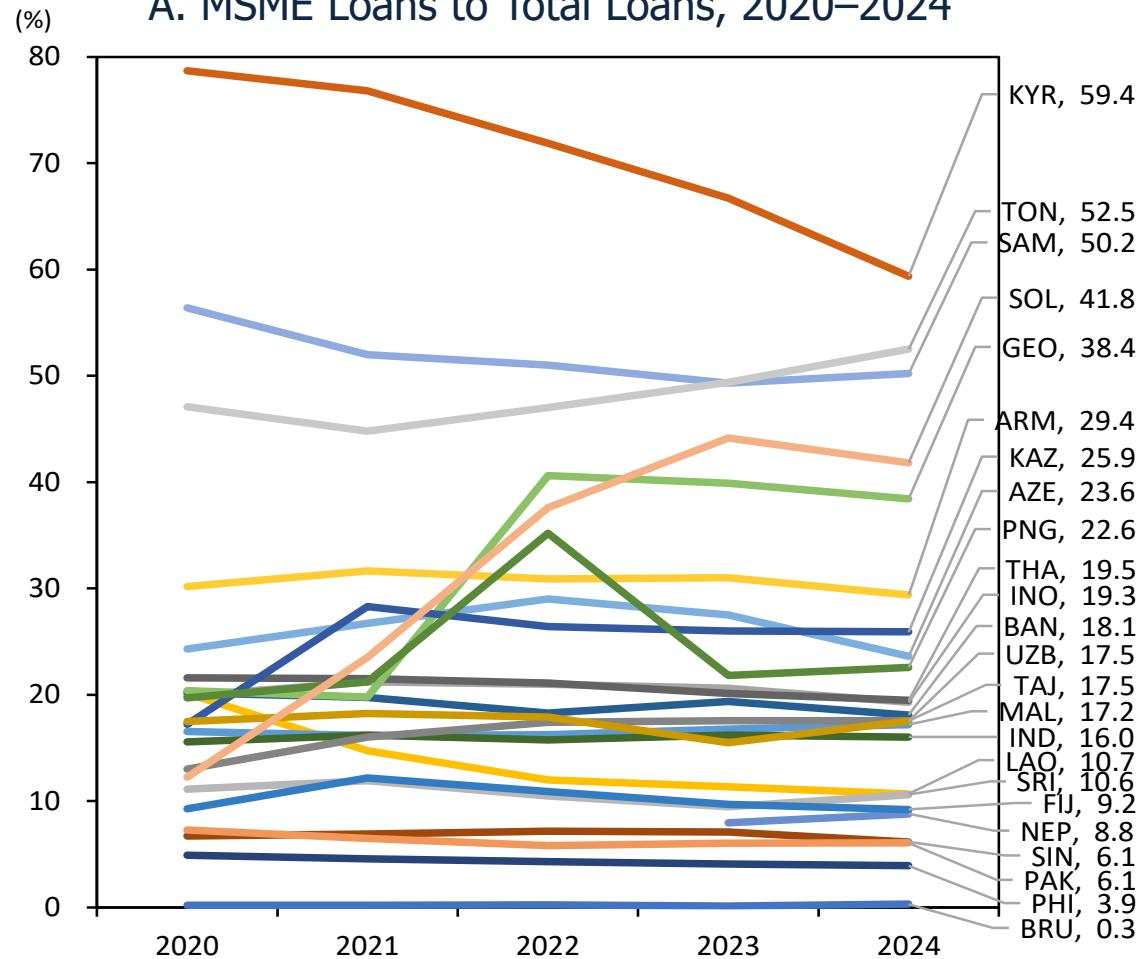


Notes: Data refer to the latest available data until 2024 (end-of-year). For the share of MSME loans to total bank loans portfolio, data in end-2024 except VIE (2020). For the share of MSME loans to GDP, data in end-2024 except THA (2019) and VIE (2020). For NEP, data based on fiscal year (FY) ended 15 July. For KYR and TON, data based on business loans including MSME loans.
Source: ADB Asia SME Monitor 2025 database.

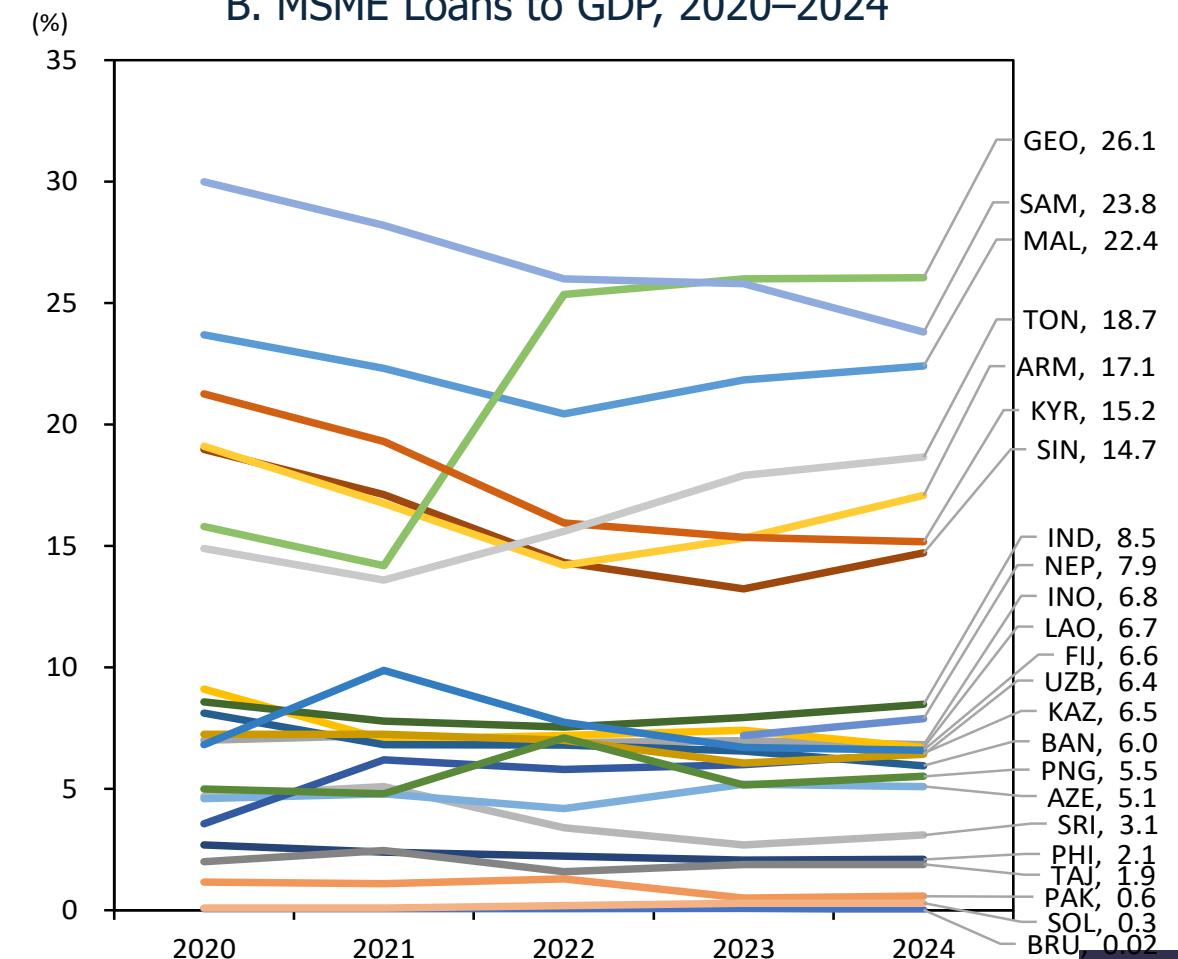


MSME bank credit shares fluctuate, depending on the level of exposure to shocks and relevant government responses.

A. MSME Loans to Total Loans, 2020–2024



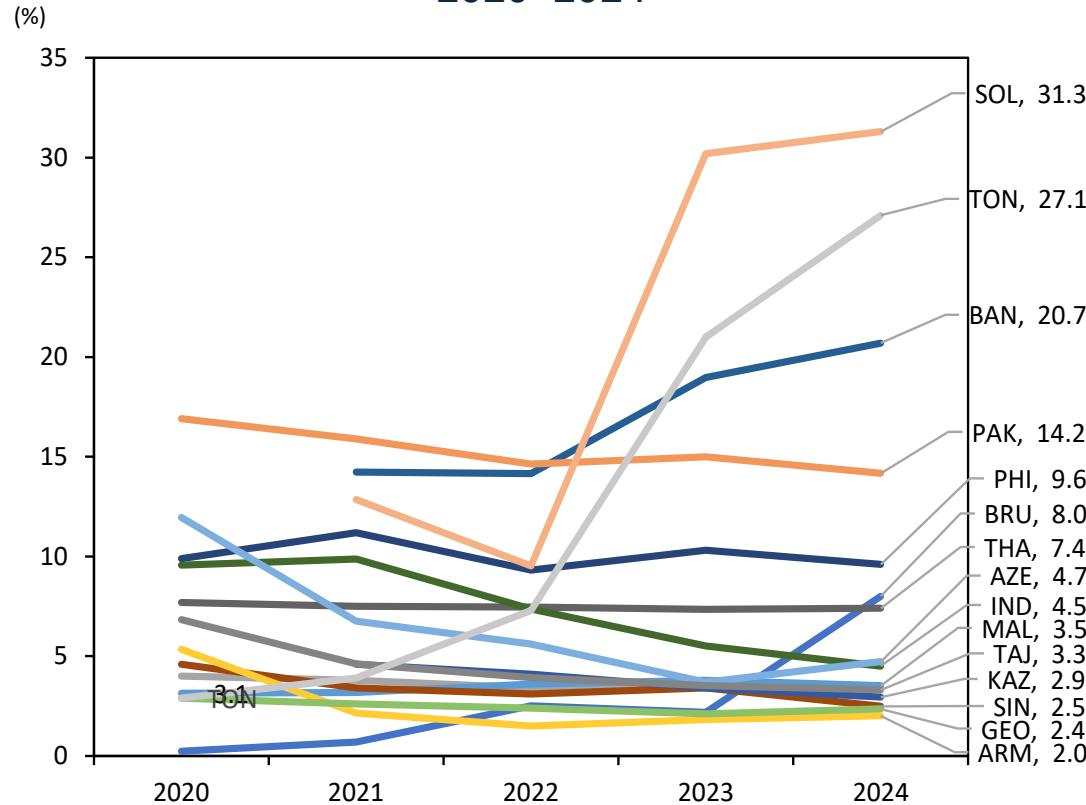
B. MSME Loans to GDP, 2020–2024



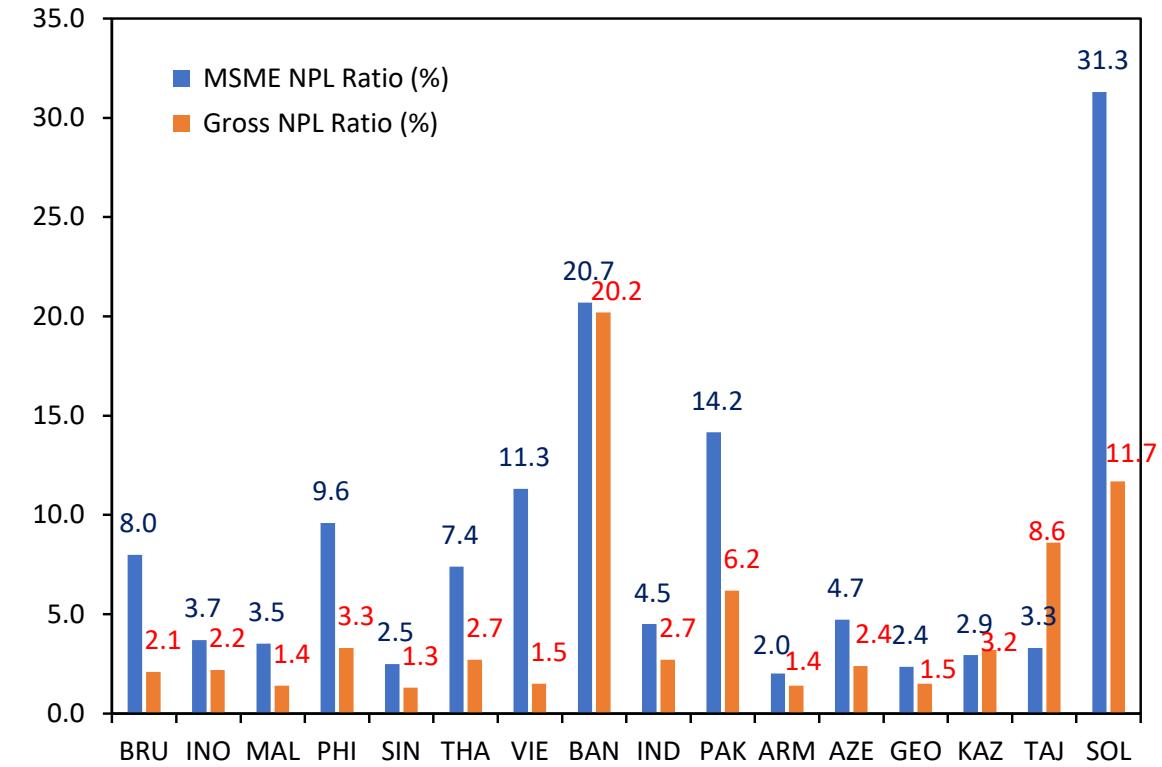


MSME NPLs from banks decreased after the pandemic until 2023 but began to increase in 2024 as MSME bank credit markets expand across the region. The share of MSME NPLs to total MSME loans averaged 7.6%, exceeding gross bank NPL ratios in most observed countries.

A. MSME NPLs to Total MSME Bank Loans,
2020–2024



B. MSME NPLs and Gross NPLs, 2024



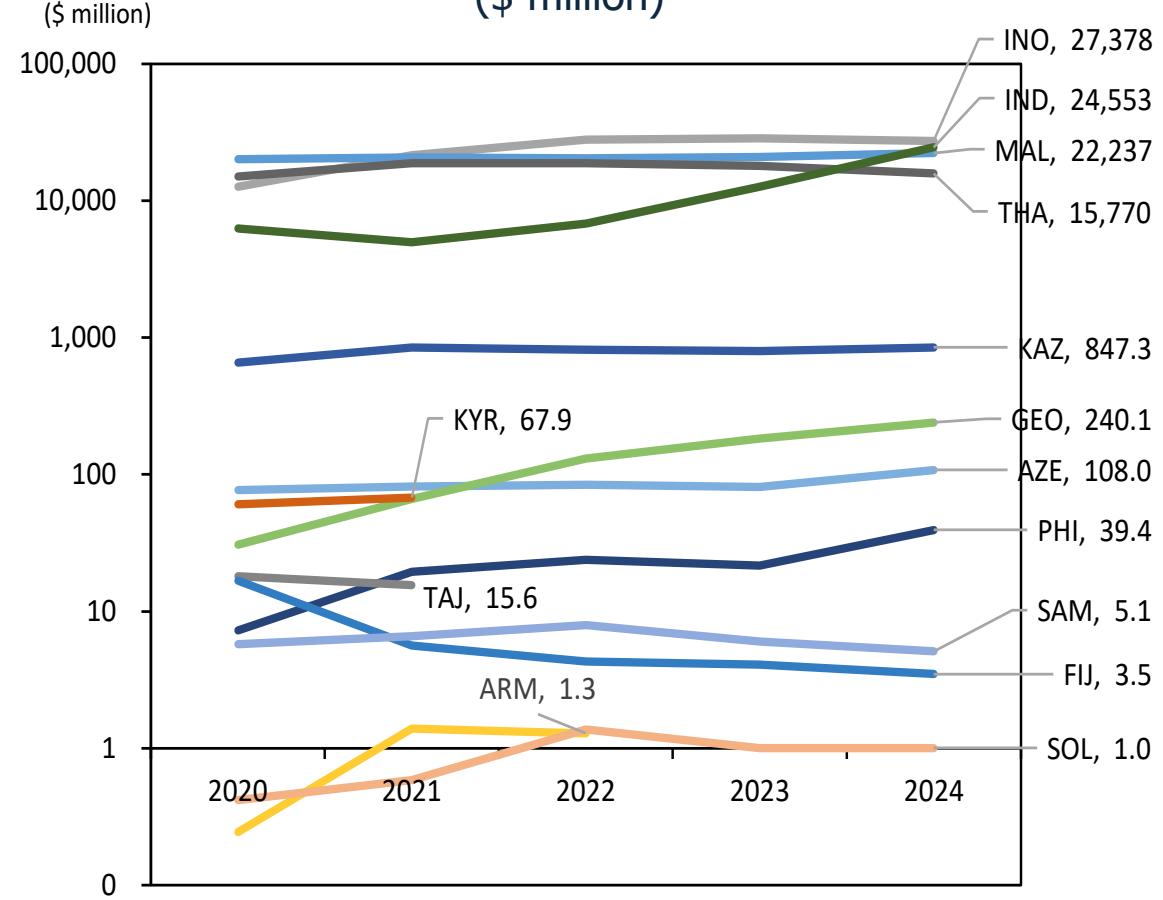
Notes: Data refer to the latest available data until 2024 (end-of-year). Data in end-2024 except INO (2023).

Source: ADB Asia SME Monitor 2025 database.

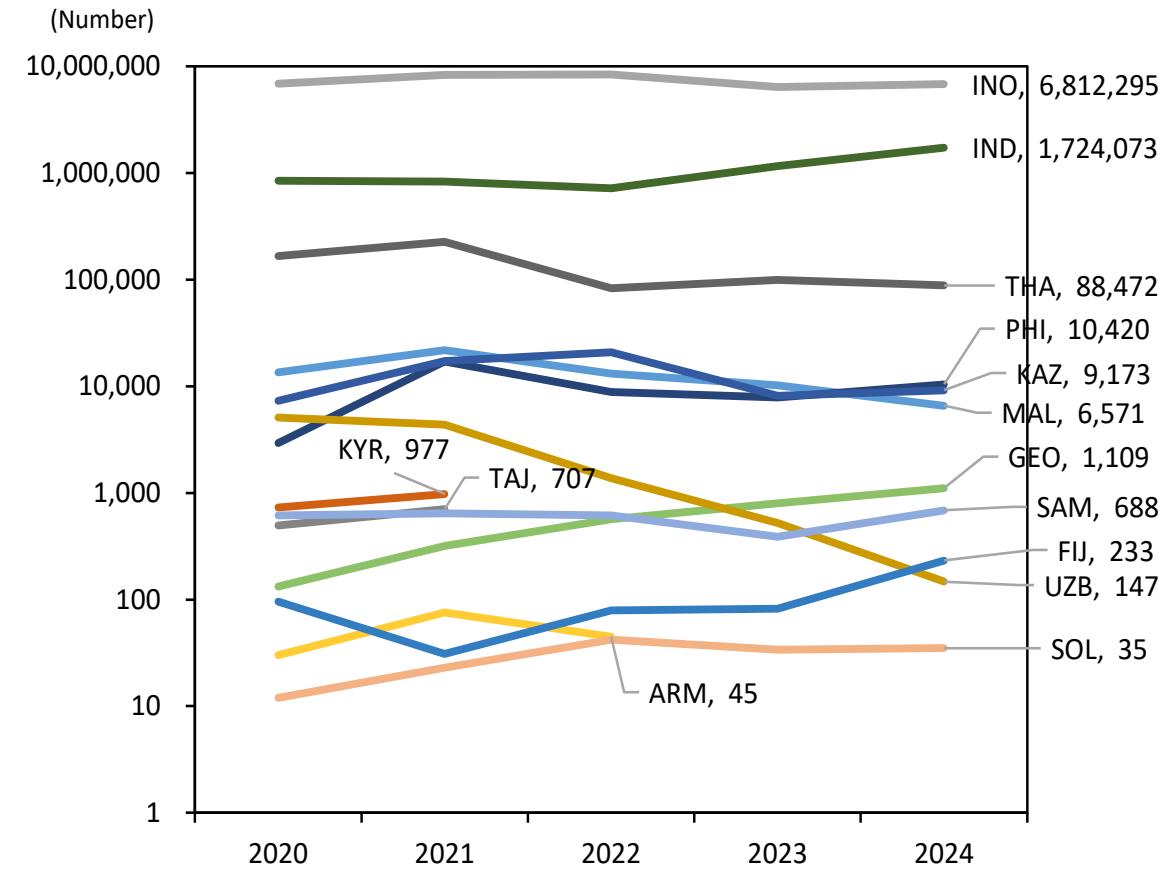


With a slowing global economy, several countries likely squeezed MSME subsidized loans. Instead, credit guarantees were more widely used as credit enhancements for MSME financing in the region.

A. Outstanding Guaranteed Loans, 2020–2024
(\$ million)



B. Number of MSMEs Guaranteed, 2020–2024
(Number)



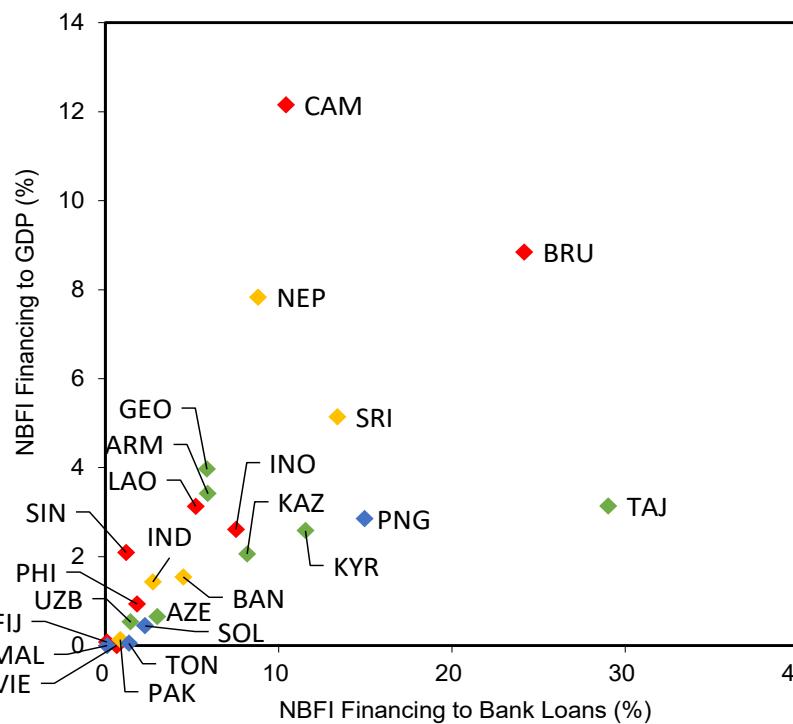
For Figure A, US dollar exchange rates refer to end-of-year currency rates from the International Monetary Fund's International Financial Statistics in designated years. US dollar data are not normalized by an economy's size.

Source: ADB Asia SME Monitor 2025 database.

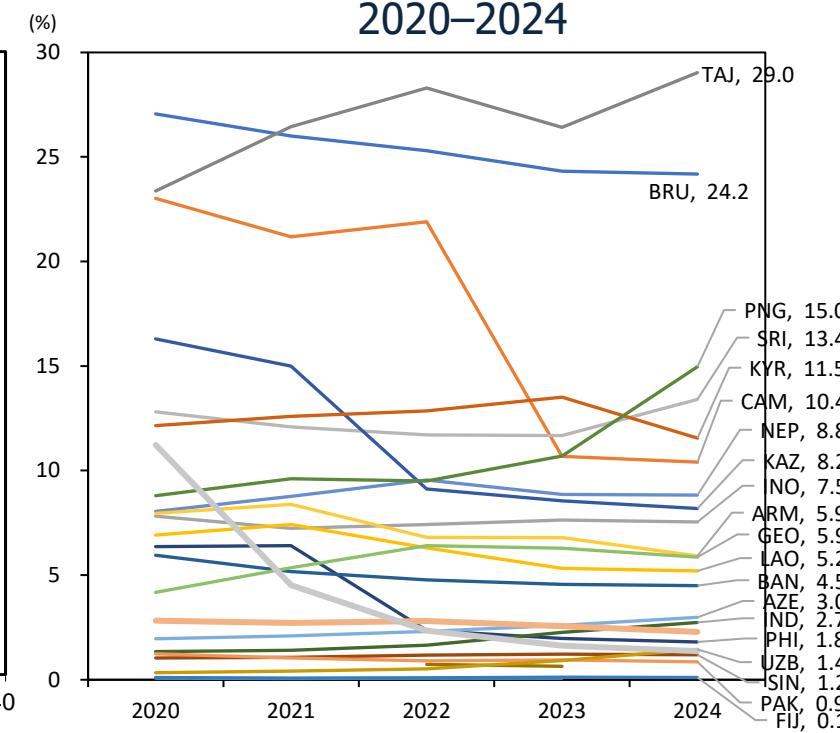


The nonbank finance market, represented by MFIs and credit cooperatives, has yet to adequately supplement bank lending to MSMEs. High nonperforming financing remains a problem for developing the NBFI industry.

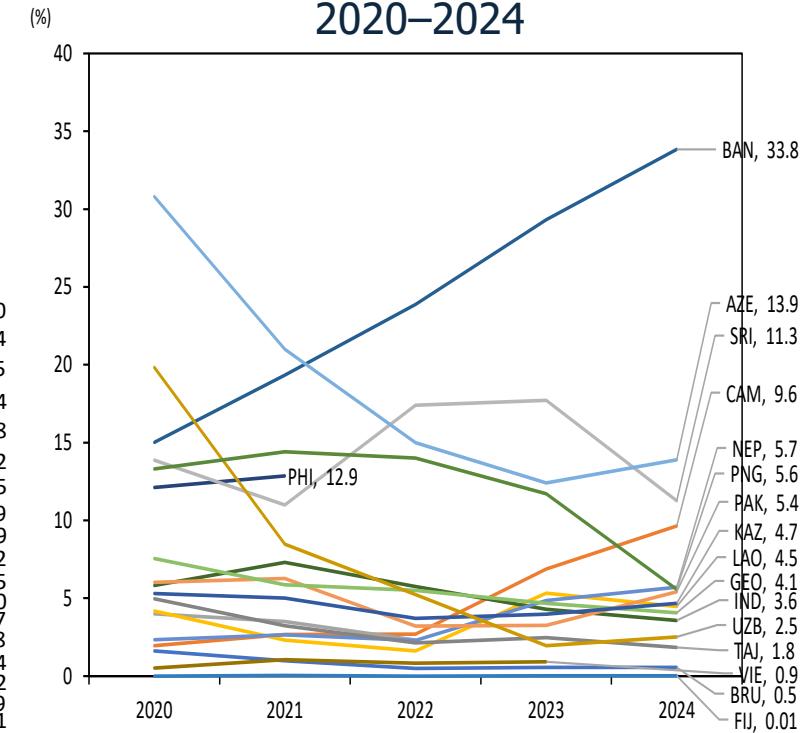
A. Nonbank Financing, 2024



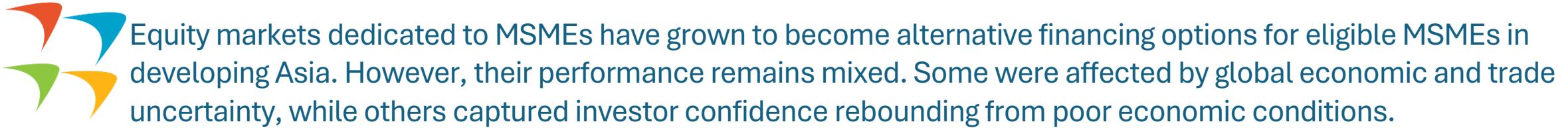
B. NBFI Financing to Bank Loans, 2020–2024



C. NBFI NPF to Total Financing, 2020–2024

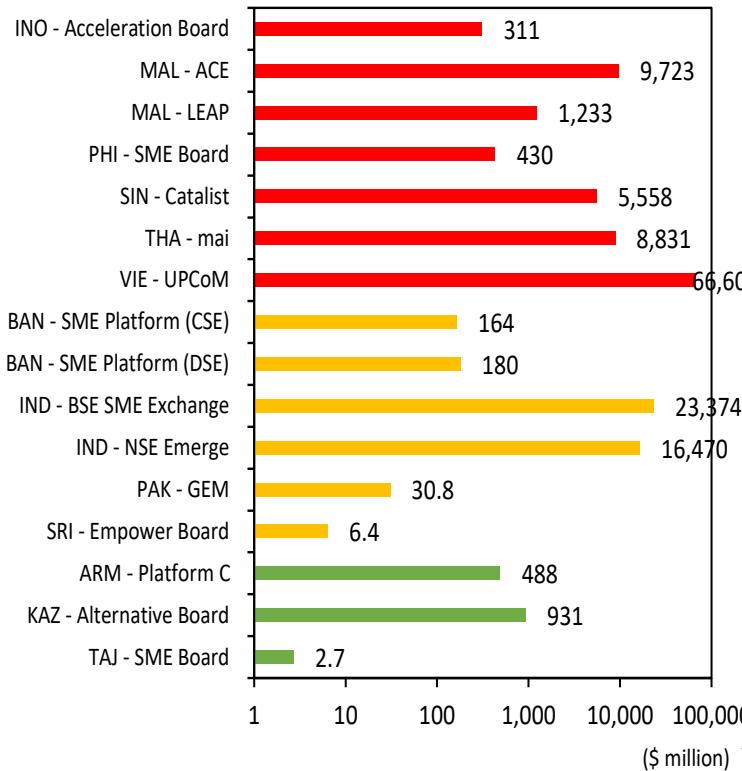


Notes: NBFI data vary by country: Armenia covers microfinance institutions and pawnshops; Azerbaijan (microfinance institutions and credit unions/cooperatives); Bangladesh (NBFI regulated by Bangladesh Bank); Brunei Darussalam (finance companies and pawnbrokers); Cambodia (microfinance institutions and leasing companies); Fiji (microfinance institutions); Georgia (microfinance institutions, credit unions/cooperatives, and pawnshops); India (NBFI regulated by the Reserve Bank of India; MSME financing only); Indonesia (finance companies, microfinance institutions, and government pawnshops); Kazakhstan (microfinance institutions, credit unions/cooperatives, finance companies, and pawnshops); the Kyrgyz Republic (microfinance institutions, credit unions/cooperatives, finance companies, pawnshops, and leasing companies); Lao PDR (microfinance institutions, pawnshops, and leasing companies); Malaysia (private equity, venture capital, factoring, and leasing companies); Nepal (microfinance institutions); Pakistan (microfinance institutions and leasing companies); Papua New Guinea (microfinance institutions, credit unions/cooperatives, and finance companies); the Philippines (credit unions/cooperatives, pawnshops, and nonstock savings and loans associations [NSSLAs]); Singapore (finance companies); Sri Lanka: (NBFI regulated by the Central Bank of Sri Lanka); Tajikistan (microfinance institutions and nonbank credit institutions); Uzbekistan (microfinance institutions and pawnshops); Viet Nam (People's Credit Funds and microfinance institutions). Data refer to the latest available data until 2024 (end-of-year). For the shares of NBFI financing to bank loans and to GDP, data in 2023 for MAL and VIE, while data in 2024 for others. For NEP, data based on fiscal year (FY) ended 15 July. Source: ADB Asia SME Monitor 2025 database.

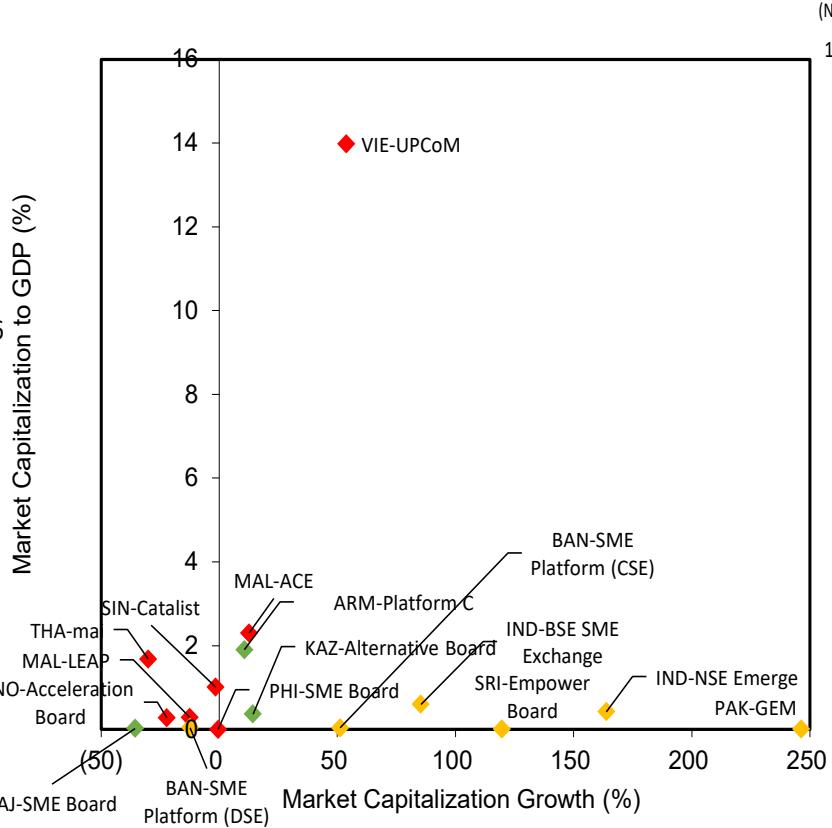


Equity markets dedicated to MSMEs have grown to become alternative financing options for eligible MSMEs in developing Asia. However, their performance remains mixed. Some were affected by global economic and trade uncertainty, while others captured investor confidence rebounding from poor economic conditions.

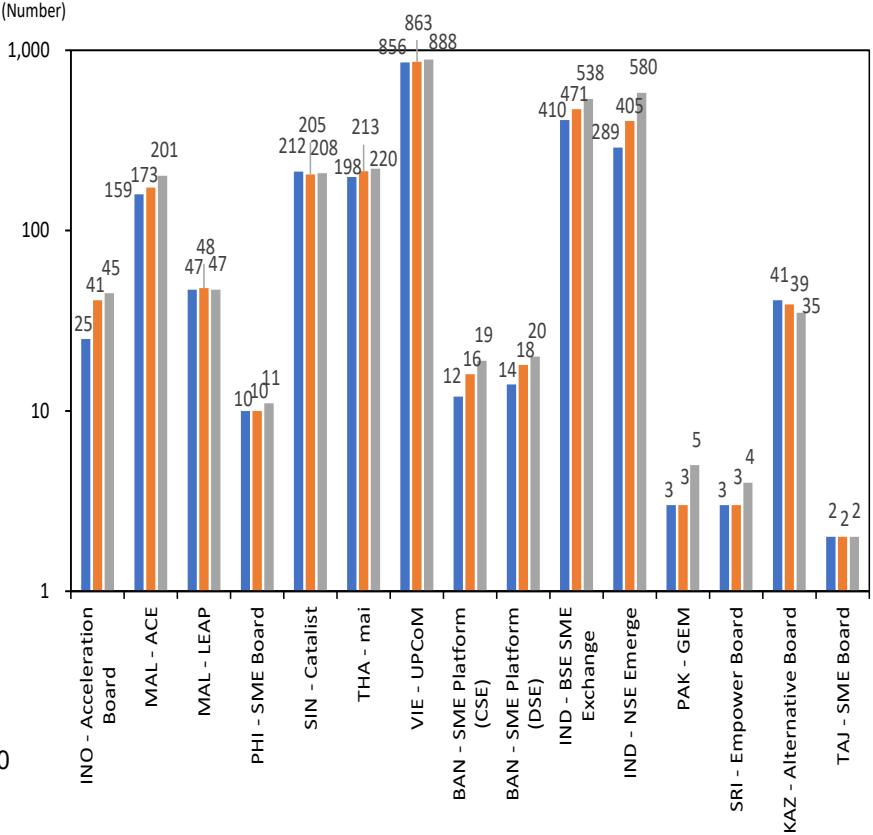
A. Market Capitalization, 2024 (\$ million)



B. Market Capitalization, 2024 (%)



C. Listed Companies, 2022-2024



Notes: For Figure A, US dollar exchange rates refer to end-of-year currency rates from the International Monetary Fund's International Financial Statistics in designated years. US dollar data are not normalized by an economy's size. For Figure B, data as of end-2024. For BAN, data based on fiscal year (FY) ended 30 June. Market capitalization growth refers to annual growth from the previous year. For Figure C, blue bar for 2022, red bar for 2023, grey bar for 2024.

Source: ADB Asia SME Monitor 2025 database.



Policies and Regulations

	Benchmark Regulation	Focal Government Authority for MSMEs	Key Policies and Regulations			
			MSME Development	Financial Inclusion		
Developing Asia						
Caucasus and Central Asia						
Armenia	Law No.121 of 2000 on State Support for Small and Medium Entrepreneurship	Ministry of Economy	Small and Medium Entrepreneurship Development Strategy 2020–2024 (Government Decision No.1443 of 2020)	(No specific policies and regulations for Financial Inclusion)		
Azerbaijan	Law on the Development of the Micro, Small and Medium Business (2 December 2022)	Small and Medium Business Development Agency (SMBDA), Ministry of Economy	Strategic Road Map for the Production of Consumer Goods at the level of SMEs (SME Roadmap)	Financial Sector Development Strategy for 2024–2026		
Georgia	Government Resolution No.567 of 2022 on the state support program for micro, small and medium enterprises	1) Ministry of Economy and Sustainable Development (MESD); 2) Enterprise Georgia, MESD	SME Development Strategy of Georgia 2021–2025 and related Action Plans	National Strategy of Financial Education 2023		
Kazakhstan	Entrepreneurial Code of the Republic of Kazakhstan dated 29 October 2015 No.375-V	1) Ministry of National Economy; 2) DAMU JSC Entrepreneurship Development Fund	1) Development concept of small and medium-sized enterprises until 2030 2) Development Strategy of the Damu Fund for 2024–2033	The Concept for the Development of the Financial Sector of Kazakhstan (approved by Presidential Decree No.1021 on 26 September 2022)		
Kyrgyz Republic	Law on State Support for Small Business, 2007	Ministry of Economy and Commerce	1) National Strategy "On the Development of the Kyrgyz Republic for 2018–2040" (2018) 2) Business Development Program of the Kyrgyz Republic until 2026	Strategy for Improving Financial Inclusion for 2022–2026		
Tajikistan	Law No.1107 on the Government Protection and Support of Entrepreneurship (2014)	Ministry of Economic Development and Trade	1) National Development Strategy of the Republic of Tajikistan for 2030 (2016) 2) State Support and Private Sector Development Program for 2023–2027 (2023)	National Strategy for Financial Inclusion for 2022–2026 (2022)		
Uzbekistan	Presidential Decree of 2023 "On measures to further improve the criteria for categorizing business entities, as well as tax policy and tax administration"	Ministry of Economy and Finance	SME Development Strategy for 2025–2030 (approved by Presidential Decree "On measures to expand the role of small and medium-sized businesses in the economy" on 19 March 2025)	National Strategy for Increasing Financial Inclusion for 2021–2023		
South Asia						
Bangladesh	(No specific laws and regulations for MSMEs)	Ministry of Industries	SME Policy 2019 (September 2019)	1) National Financial Inclusion Strategy of Bangladesh 2021–2026 (July 2021) 2) CMSME Master Circular 2025 (June 2025)		
India	Micro, Small and Medium Enterprise Development (MSMED) Act 2006	1) Ministry of Micro, Small, and Medium-Sized Enterprises; 2) National Board for MSMEs	1) National Manufacturing Competitiveness Programme (2005) 2) Scheme of Fund for Regeneration of Traditional Industries (SFURTI) (2005–06) 3) Rajiv Gandhi Udyami Mitra Yojna (2008) 4) Public Procurement Policy for Goods and Services Produced and Rendered by Micro and Small Enterprises (2012)	National Strategy for Financial Inclusion 2019–2024		
Nepal	Industrial Enterprises Act, 2020	1) Nepal Planning Commission; 2) Ministry of Industries, Commerce and Supplies	15th Five Year Plan 2019/20–2023/24	Financial Inclusion Roadmap (2017–2022)		
Pakistan	(No specific laws and regulations for MSMEs)	1) Ministry of Industries and Production; 2) Small and Medium Enterprise Development Authority	1) National SME Policy 2021 2) 10-Year Cluster-Based Development Plan for the Growth of SME Sector (28 June 2024)	1) National Financial Inclusion Strategy 2024–2028 2) National Financial Education Roadmap 2025–2029		
Sri Lanka	Industrial Promotion Act, No.46 of 1990; National Enterprise Development Authority Act, No.17 of 2006	1) Ministry of Industries; 2) National Enterprise Development Authority	National Policy Framework for Small and Medium Enterprise Development (2015)	1) National Financial Inclusion Strategy for Sri Lanka 2021–2024 (March 2021) 2) Financial Literacy Roadmap of Sri Lanka for 2024–2028		



Policies and Regulations (cont.)

	Benchmark Regulation	Focal Government Authority for MSMEs	Key Policies and Regulations	
			MSME Development	Financial Inclusion
Southeast Asia				
Brunei Darussalam	Darussalam Enterprise Order of 2016	Ministry of Finance and Economy	Economic Blueprint of Brunei Darussalam	Financial Sector Blueprint 2016–2025
Cambodia	Law on Administration of Factory and Handicraft; Law on Tourism	Ministry of Industry, Science, Technology and Innovation	Small and Medium Enterprise Development Policy and Five-year Implementation Plan 2020–2024	National Financial Inclusion Strategy 2019–2025
Indonesia	Law No.20/2008 on Micro, Small and Medium-sized Enterprises	Ministry of MSMEs (Ministry of Cooperatives and SMEs was split into two [Ministry of MSMEs and Ministry of Cooperatives], October 2024)	Creating Healthy, Strong, Resilient and Independent Cooperatives and SMEs to Contribute to the National Economy (2015–2019 vision and mission)	1) National Strategy for Financial Inclusion (SNKI) (Presidential Regulation No.114 of 2020) 2) PROMISE II Impact Program (Promoting Micro and Small Enterprises through Entrepreneurs' Access to Financial Services)
Lao People's Democratic Republic	MSME Promotion Law (amendment) No.16/NA/2022; Decree No.04/GOV/2023 on MSME Classification; Decree No.05/GOV/2023 on MSME Promotion	Micro, Small and Medium Enterprise Promotion Agency, Ministry of Industry and Commerce (established in 2023)	1) Micro, Small and Medium Enterprises Development Plan 2021–2025 2) MSME Promotion Policies by Law (2022)	Lao PDR Financial Inclusion Roadmap 2018–2025
Malaysia	Small and Medium Enterprises Corporation Malaysia Act 1995	1) Ministry of Entrepreneur and Cooperatives Development; 2) National Entrepreneur and MSME Development Council; 3) SME Corporation Malaysia (SME Corp. Malaysia)	1) National Entrepreneurship Policy 2030 (Dasar Keusahawanan Nasional, DKN 2030) 2) MSME Strategic Plan 2030 3) SME Corp. Malaysia Business Strategic Plan 2022–2030	Second Financial Inclusion Framework 2023–2026
Philippines	Magna Carta for Micro, Small, and Medium Enterprises (1991), last amendment (2014)	Bureau of Small and Medium Enterprise Development (BSMED), Department of Trade and Industry	Micro, Small and Medium Enterprise Development Plan (2023–2028)	National Strategy for Financial Inclusion 2022–2028
Singapore	Enterprise Singapore Board Act (2018)	1) Ministry of Trade and Industry (MTI) 2) Enterprise Singapore	1) MTI's Economic Strategy 2) Enterprise Singapore's Strategic Plan	Financial Services Industry Transformation Map 2025 (Monetary Authority of Singapore)
Thailand	SMEs Promotion Act B.E.2543 (2000), latest amendment in 2019	Office of Small and Medium Enterprises Promotion (OSMEP)	1) Thirteenth National Economic and Social Development Plan 2023–2027 2) Fifth SME Promotion Master Plan 2023–2027	Financial Sector Master Plan Phase III (2016–2020)
Viet Nam	Law No.04/2017/QH14 on Support for Small and Medium-sized Enterprises (SME Support Law)	1) Ministry of Planning and Investment (MPI) 2) Agency for Enterprise Development, MPI	9th Five-Year National Socio-Economic Development Plan 2021–2025	National Financial Inclusion Strategy to 2025 (2020)
The Pacific				
Fiji	Small and Micro Enterprises Development (Repeal) Act 2019 (December 2019)	MSME Fiji, Ministry of Trade, Co-operatives, Micro, Small and Medium Enterprises, and Communications (renamed in August 2024)	1) 5-Year and 20-Year Fiji Government's National Development Plan 2) Micro, Small, and Medium Enterprise Fiji—Policy Framework (June 2020)	National Financial Inclusion Strategy 2022–2030
Papua New Guinea	Small and Medium Enterprises Corporation Act 2014	Small and Medium Enterprise Corporation	MSME Policy 2022	Third National Financial Inclusion Strategy 2023–2027 (April 2023)
Samoa	(No specific laws and regulations for MSMEs)	Ministry of Commerce, Industry, and Labour	Micro, Small, and Medium Enterprises Development Policy and Strategy 2020	National Financial Inclusion Strategy for Samoa 2022/2023–2025/2026
Solomon Islands	MSME BILL (Awaiting approval by Parliament as of September 2025)	Ministry of Commerce, Industries, Labour, and Immigration	MSME Policy and Strategy (approved on 28 November 2016)	National Financial Inclusion Strategy 2021–2025 (launched on 23 April 2021)
Tonga	(No specific laws and regulations for MSMEs)	Ministry of Commerce, Industry, and Labour	1) Private Sector Readiness Program 2) Business Link Pacific	Tonga National Financial Inclusion Strategy 2023–2027

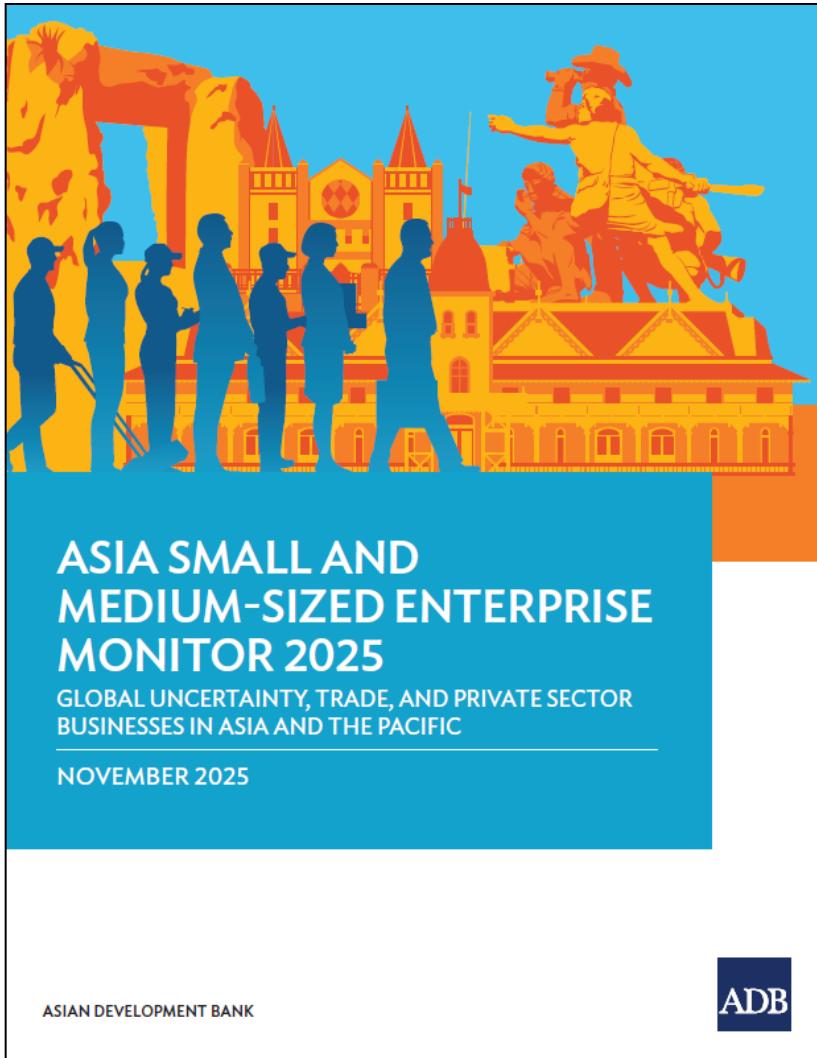


How governments can respond to increased global uncertainty for designing the effective MSME development strategies

1. Strengthen support for **manufacturing MSMEs, technology-based start-ups, and entrepreneurs** to build a domestic-led base for economic growth that increases MSME productivity.
2. Further promote **business digitalization**, narrowing the digital divide among MSMEs through strengthened digital literacy programs.
3. Support **MSME international trade** through regulatory reforms and policy assistance to help avoid the unfavorable impact from recent global trade uncertainty.
4. Improve and develop **credit guarantee markets** to help MSMEs borrow more easily and rethink how to promote green lending to those developing more environmentally sound products.
5. Create and promote **a growth capital financing venue** for MSMEs by developing **national venture capital industry** and promoting **R&D investments** to help small firms innovative.
6. Develop a **quality job market and registration system** for MSMEs, encouraging them to formalize their businesses and employees by strengthening business advisory and training programs for MSME owners and managers.
7. Create a conducive business environment for **women-led MSMEs** and **young entrepreneurs** through more focused financial assistance and skills development support.



For more details...



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Thank you for your attention.

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