



THE ROLE OF SMALL AND MEDIUM ENTERPRISES IN GROWTH OF PAKISTAN S ECONOMY

A Thesis submitted to Department of Management Sciences in part fulfilment
of the requirement for the MBA degree

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HIRA SIDDIQUI

REG # 22974

Bahria University, Karachi Campus

MBA DEGREE THESIS SUBMISSION FORM
BAHRIA UNIVERSITY, KARACHI CAMPUS

I HIRA SIDDIQUI Registration No. 22974 submit ONE

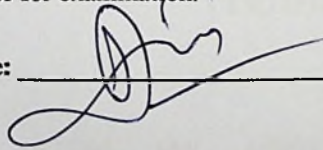
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The Role of Small + Medium Enterprises in Growth of
Pakistan's Economy in the management science department as part of fulfillment of the MBA
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Abstract

❖ Statement of Problem

It has been witnessed from the progress and evidences that small and enterprises SMEs has played a significant role in development of economy in developing countries.

The study aims at finding how SME sector is playing its role in economic development of Pakistan.

❖ Research Method

- **Research Design**..... Correlational & explanatory research.
- **Research Instrument**..... Secondary data.
- **Treatment of data**.....Statistical software EViews, by using functions of Descriptive statistics, ADF Unit root test, Correlations, Co-integration analysis and OLS Regression.

❖ Findings

The empirical findings of study revealed positive association between SMEs and GDP, EXP, FDI and EMP. The findings suggest that SME sector in Pakistan is playing a significant role in increasing domestic production, earning foreign exchange, attracting foreign investment and creation of employment opportunities which leads to economic development in the country.

❖ Conclusion & Recommendations

SME sector is playing a vital role in economic progress of Pakistan by contributing significantly to GDP, EXP, FDI and EMP. SME sector in Pakistan represent about 30% of the national GDP, 25% of exports of manufactured goods and 35% of manufacturing value added. Thus, SME sector has a significance contribution to the economic growth, competitiveness and employment opportunities. (SBP Prudential Regulations for SME Financing).

There is a need of concentrated policies and framework, business organizations, trade associations and economists for development of SME sector. Government should come up with aggressive SME development polices for different divisions in order to promote and internationalization of SMEs of Pakistan.

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