

## **SMIEIS FUND**

The SME sector has been considered a veritable tool in economic development of any country. It is a vehicle for economic growth, reducing income disparities and alleviation as well as the machinery for job creation.

The factors militating against SME attainment of its full potential are poor access to finance, inadequate and inefficient infrastructural facilities, overbearing bureaucracy, futile administration of incentives designed to promote the sector, multiplicity of taxes and levies from the three (3) tiers of government, among others. The most crucial of constraint is the poor access to finance. Research on SME funding in Nigeria has indicated several attempts by government to address this issue of SME funding and studies have shown that these attempts have meet with failure. Most significantly, banks and owners of micro finance institutes consider most of these SMEs as high risk.

Recently, the Federal Government established a scheme known as Small & Medium Industries Equity Investment Scheme (SMIEIS) for the SMI sector. The scheme was initiated, conceived and designed by the Banker's Committee as a direct response to President Olusegun Obasanjo's concern and policy measures for the promotion of small & medium Industries as a vehicle for rapid industrialization, sustainable economic development, poverty alleviation and employment generation. The scheme requires all banks in Nigeria to set aside 10 percent of their profit after tax annually for equity investment in small and medium Industries. The scheme took effect on June 19<sup>th</sup>, 2001. it is worthy of note that since the inception of this scheme, enterprise sector in Akwa Ibom State have not access the fund. Only one company in Cross River State has accessed the fund.

### **THOSE ELIGIBLE FOR THE FUND**

Those eligible for the fund (scheme) are:-

- Enterprises with a maximum asset base of N200 million excluding land and working capital
- Enterprises with not less than 10 or more than 300 employees.
- SMES registered with Corporate Affairs Commission and in compliance with companies and Allied Matters Act (1990) such as filing of annual returns and un-audited financial statements of accounts.

- Those who comply with all applicable tax laws and regulations as well as render regular returns to the appropriate authorities.
- Those prepared to ensure prudent utilization of funds granted under SMIEIS
- Enterprises prepared to make the company's books, records and structures available for inspection by the appropriate authorities (This includes SMIEIS granting bank and the CBN) when required).
- Enterprises ready to provide monthly financial and operational report to the investing banks before the 15<sup>th</sup> of the next succeeding month.
- SMEs that are prepared to comply with the guidelines of the scheme even after funds have been disbursed.
- SMES committed to keeping up to date records on the company's activities under the scheme.

### **HOW TO ACCESS THE FUND**

For all eligible enterprises, accessing the fund is paramount. Here are some of the steps to take to access the fund:

- Eligible Industries may approach any bank including those they presently have relationship with or the ones they do not have any relationship.
- Prospective beneficiaries should seek the opinion of third party consultants like lawyers, accountants and valuers in determining the value to be placed on the assets and capital for their business to enjoy a fair price before and during negotiations with banks
- The recommendations of industrial Association. eg MAN, NACCIMA, UYOCCIMA, NASME, NASSI, etc will be mandatory for members of these association (where applicable).
- Membership of recognized NGOs engaged in entrepreneurial development and promotion of small scale industries will also be an advantage.
- A participating company may obtain more funds by way of loans from banks in addition to equity investment under the scheme.

### **FOR MORE INFORMATION**

In Akwa Ibom State, interested persons can contact  
UYOCCIMA – shopping complex Ikot Ekpene Road, Uyo.

## **ALTERNATIVE SOURCES OF FUNDING**

- \* Growing Businesses Foundation (GBF)  
[www.growingbusinessfoundation.org](http://www.growingbusinessfoundation.org)  
23 Uqua Road Eket
- \* Ikpe Community Banks  
KM 5 Uyo – Ikot Ekpene Road  
Ikpe Annang, Essien Udim L.G.A
- \* Akwa Savings & Loans Limited  
42 Oron Road, Uyo.

## **INVESTMENT TIPS**

Are you a young graduate? Are you looking for what you can do to earn some cool cash? We have the answers right here, for you. You can own your own car wash. It's cool, with little money involved. No one succeed without the right attitude. You need just that first.

## **HOW DO I GET STARTED?**

You'll need a space where you can site your business. The best location would be where some basic infrastructures already exist and requiring minimal construction works, for instance, a filling station and on a busy road with high traffic.

The choice of a filling station is that you'll need a regular supply of water and standby generator. The cost will be less here. Unlike if you had to get your own space, sink a borehole, provide electricity and build structures for the business.

## **EQUIPMENTS NEEDED**

- Pumping machine
- Water storage tanks
- Long hoses
- Car wash soap
- Pressure washer
- Steam washer
- Vacuum cleaner
- Ramp
- A marketable Brand Name

**SMEDAN BUSINESS SUPPORT SERVICE TO ASSIST SMEs**

To make bank loans more accessible to the operators in the small & Medium Enterprises (SMEs) sub sector in the country, Small & Medium Enterprises Development Agency of Nigeria (SMEDAN) has commenced a strategic business support services to equip entrepreneurs on effective way of preparing a successful business plan.

SMEDAN is organizing seminars in different parts of the country to train entrepreneurs on the best way of preparing bankable business plans, business management, book-keeping and accounts, marketing, writing feasibility reports and others.

To achieve this, SMEDAN has set up business support centres in various states of the federation as major outreach stations for its information provision and business development services. In addition, there is also a free counseling on the effective way of running a business.

## **CONTACT**

E-mail: [info@smedan.gov.ng](mailto:info@smedan.gov.ng)

[www.smedan.gov.ng](http://www.smedan.gov.ng)

Tel: +234(9)2906093

## **INVESTMENT**

Wondering where and how you'll spend your retirement? Or looking for what could boost your finances and alleviate your poverty level? Are you seeking for area of investment? Check this out! Beekeeping – a paramount area of investment in the agricultural sector, with a bumper harvest after six months of start-up.

## **HOW DO I GET STARTED?**

First you must have the desire and passion for investment. With the right attitude, you can succeed. In beekeeping investment, you need as little as a hundred Thousand naira (N100, 000) as a starter. Another most important thing is a small space.

## **SPACE REQUIREMENT**

Space required is about 10 feet square area. An ideal location must be an area where there is ample vegetation where the bees could get enough raw materials to produce honey and other by-products. Such areas must be free from all forms of pollution. Preferably, a forest or farm area where both wild and cultivated vegetation is suitable. Tree such as iroko,

rubber, bamboo, sugarcane and coconut are very useful for honey production and other by-products.

## **THINGS NEEDED**

To invest in beekeeping, the basic tools you'll need are:-

- Beehives (the cost of beehives constitute about 70 percent of your investment)
- Bee suits
- Bee Boots
- Hive tool/smoker
- Wax foundation sheet
- Basic training

It requires only small space, minimal labour, with no running expenses and of course there's lot to derive from beekeeping aside honey. How about starting one today? The best time for investment is between September and March.