



ශ්‍රී ලංකා මහ බැංකුව  
இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

## Communications Department

30, Janadhipathi Mawatha, Colombo 01, Sri Lanka.

Tel : 2477424, 2477423, 2477311

Fax: 2346257, 2477739

E-mail: [dcommunications@cbsl.lk](mailto:dcommunications@cbsl.lk), [communications@cbsl.lk](mailto:communications@cbsl.lk)

Web: [www.cbsl.gov.lk](http://www.cbsl.gov.lk)

# Press Release

Issued By

Regional Development Department

Date

03 September 2012

**ACSIC – 22<sup>nd</sup> Annual Training Programme,  
Asian Credit Supplementation Institution Confederation -22<sup>nd</sup> Annual Training  
Programme  
03 – 06 September 2012  
Colombo, Sri Lanka**

The Central Bank of Sri Lanka is hosting the 22<sup>nd</sup> Asian Credit Supplementation Institution Confederation - Annual Training Programme (22<sup>nd</sup> ACSIC – ATP) on 03<sup>rd</sup> and 04<sup>th</sup> of September 2012 at the John Exter International Conference Hall, Central Bank of Sri Lanka, Colombo.

Central Bank of Sri Lanka has been a member of ACSIC from its inception in 1987. Today, ACSIC is a family of 16 member institutions from 11 countries. These countries include India, Indonesia, Japan, Korea, Malaysia, Nepal, Papua New Guinea, the Philippines, Taiwan, Thailand and Sri Lanka. The objective of ACSIC is to promote and develop sound credit supplementation systems particularly for the SMEs in the Asia – Pacific countries. In this endeavour ACSIC arranges exchange of information, discussions and exchange programs of personnel among its member credit supplementation institutions in Asia. One of the member countries of ACSIC hosts an annual conference each year to share the experience of credit guarantee systems and new developments in the member countries. Apart from that from 1991 onwards member countries have taken the responsibility of organizing a training session for the staffs of the member institutions. Since 1991, 21 such training programs have been conducted annually. Central Bank of Sri Lanka is hosting the 22<sup>nd</sup> ACSIC – Annual Training Program in Colombo this year. This is the second time that the Central Bank of Sri Lanka is hosting this Annual Training event in Sri Lanka after hosting the 10<sup>th</sup>

ACSIC Annual Training program in 2000. The theme selected for this year's annual training program is **“Mitigating risk on lending in a dynamic market environment”**. Guest speakers from Asian Development Bank and former Central Bankers who are experts on the subject of credit supplementation are participating as resource personnel for the training programme.

Today almost all the countries in the Asian region have given high priority for the development of small and medium size enterprises (SMEs) as a key driver of the economic growth process. SMEs play a vital role in raising growth by spurring innovation, stimulating stronger competition and increasing domestic consumption. Their ability to access finance paves the way for new business start-ups and growing towards their growth potential with the usage of under-utilized resources in the economy to their full use.

However, it is a well observed that in many countries SMEs face difficulties in accessing finance financing from the formal financial sector. The lack of accessibility to finance hampers their business expansions and constrains cash flows and sometimes their survival prospects. Many smaller businesses and start-ups use personal finance to fund new investments and expansions or seek finance from informal sources.

There are several reasons as to why all SMEs do not become the preferred candidates for lending. As we know, particularly the micro and small entrepreneurs and small farmers most often do not have required collateral, their knowledge on financial literacy is not that sound and most often they do not keep accounting records in a systematic way. In the case of agricultural loans, crops may be affected by natural calamities/disasters. These factors contributes these entrepreneurs to be at high risk and even sometimes may make these projects non bankable. Further, some of these customers may be very new to the lending banks or their projects may be very new to the lending banks. Due to these reasons, even if they get access to finance, the rates they face may be with a high risk premium and as a result the viability of the project is declined at the high finance cost.

Therefore, there is a strong need for enhancing access to finance and design a set of policies for increasing the supply of finance to SMEs to address the market failures which prevent financing for viable SMEs.

This is why credit supplementation has become an important tool of mitigating risk on lending particularly in a dynamic market environment where the financial viability of SMEs can be enhanced by way of credit guarantees, refinance facilities and credit insurance. The 22<sup>nd</sup> ACSIC – ATP participants from 10 countries including Sri Lanka representing 15 organizations, will discuss these issues and share the country experiences to benefit from each other.

22nd Annual Training Programme of the  
Asian Credit Supplementation Institution Confederation (ACSIC)  
"Mitigating Risk of Lending in a Dynamic Market Environment"  
3-6 September 2012 | Colombo Sri Lanka

