



Impact of SME (Small and Medium Enterprise) Loan schemes on youth entrepreneurs in Srilanka (With special reference to Northern Province of Srilanka)

Abilashini, K^a

J/Chundikuli Girls Collage, Jaffna.

Abilashinikukulathanasan@gmail.com

ABSTRACT

The increase of small and Medium Enterprises (SMEs) performs a pivotal function in the countrywide economy in Sri Lanka. SME segment is essential for presenting employment, resource usage and societal welfare. Youth entrepreneurs are playing a significant role in small and medium enterprises. SME loan schemes reduce the issues related to funding for youth entrepreneurs. This research paper carries out the study on the Impact of SME (Small and Medium Enterprise) Loan schemes on youth entrepreneurs in Sri Lanka, With particular reference to the Northern Province of Sri Lanka. This research paper contains three objectives that are recognized approximately the connection between SME Loan schemes and youth entrepreneurs in the Northern Province of Sri Lanka, to identify the demand for obtaining SME Loan schemes for youth entrepreneurs and provide suggestions to resolve those challenges. For this study twenty-five youth entrepreneurs from the Northern Province of Sri Lanka have been taken as samples. Personal interviews have been carried out. A researcher found a robust positive relationship between SME loan schemes and youth entrepreneurs. They need financial assistance for the growth of entrepreneurship, attracting and retaining customer purpose, Effective usage of resources, Overcoming competitors with fruitful ways and implementing new technology. The Researcher identified some challenges that youth entrepreneurs are facing when they obtain SME loan schemes, such as Lack of monitoring after granting the loan, Lack of self-motivation to repay the loan amount, Customer groups do not have a clear frame, Conflict among the members in a group, Fund utilizes for other reasons and Lack of technical knowledge. The researcher took some suggestions in order to mitigate those challenges. These are identifying the customer who requires a loan to startup or runs self-employment, creating an Effective recovery plan, Creating coordination with Grama Niladari, the Development officer in each area and coordinating the chamber of commerce, and creating awareness about the saving habit and repayment behaviour and training program.

Keywords: *Chamber of Commerce, Small and Medium Enterprise Loan Scheme (SME), Youth Entrepreneurs*