

# MICRO-MERCHANTS LANDSCAPE IN BANGLADESH



## Micro-merchants <sup>1</sup>



Engaged in **FMCG retail trading**



Less than **1 Million BDT in assets**, excluding land and building



Employ **up to 15 people**

## Sector



**1.3 Million**  
FMCG merchants



Market annual turnover  
**\$ 18.42 Billion**



Estimated size of credit market

**\$ 778 Million**

## Journey of a Typical Micro-merchant

### Background

Mostly male

38 years of age

Has at least primary education

### Startup

Used to be a student or involved with other micro-trading previously

Sources initial investment from friends and family

Started the business 6-10 years ago

### Operations

Sole proprietor and runs the business from a rented shop

Top 4 items in demand: Edible Oil, Rice, Flour and Tobacco goods

Member of groups like micro-credit, co-operatives and business associations

**How is the business run**



# Micro-merchant Economics

## Finance & Accounts



## Supply Chain



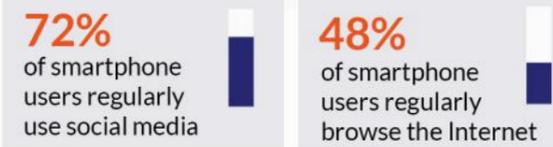
## Sales



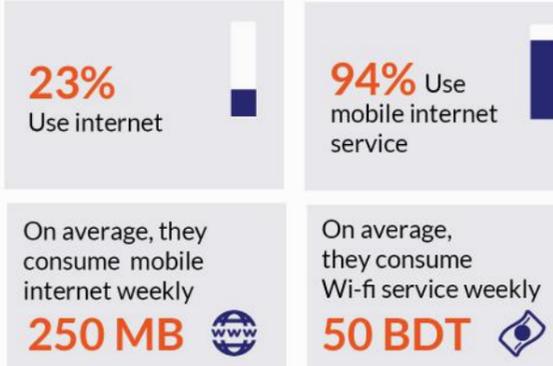
## Mobile Phone Ownership N=2100



## Mobile Usage N=630



## Internet Access N=492



## MFS Usage N=622



## SUCCESS Factors

- Close rapport with customers
- Central location
- Offering variety of FMCGs
- FMCG and Services (e.g. financial services, bill payments)
- Knowledge of market
- Previous retail experience

## GROWTH Factors

- Greater amount of credit
- More financial management training
- Better understanding of marketing
- Greater integration with FMCGs and Financial sectors
- Introduction of digital technologies for business use

What makes or breaks a Micro-merchant?



MDDRM

**Merchants Development Driving Rural Markets in Bangladesh (MDDRM)** is an initiative of UN Capital Development Fund (UNCDF), jointly implemented by Bangladesh Dokan Malik Samity (BDMS), Dnet, Federation of Bangladesh Chambers of Commerce & Industry (FBCCI), UNCDF and funded by the European Union. MDDRM is a part of UNCDF's SHIFT - SAARC programmatic framework.

The interventions aim to enhance growth and competitiveness of retail Micro-merchants in Bangladesh through integration with Fast Moving Consumers Goods (FMCG) and Financial Services sector, focusing on introduction and use of digital technologies. SHIFT- MDDRM aims to reach 10,000 rural Micro-merchants particularly women focusing on Sirajgonj, Tangail, Jamalpur, Sherpur to enhance Micro-merchant business competitiveness and growth.

## Technology and DFS Landscape

How do they interact with ICTs and DFS?

“ I have arranged carom playing facility in my store front for free because it will attract young people to come in and buy more products like chips, snacks etc. ”

Rubel Islam (alias) Sirajgonj



The estimated number of women involved in Micro-merchant businesses is 94,800. Retail micro-businesses may be a way for women to transition away from subsistence farming, as men have done. Though the sample size was too small to draw conclusions, interviews with 31 women suggest that most women Micro-merchants:



Have some formal education



Have mobile phones, but limited internet access



Obtain loans from microfinance institutions that traditionally focus on serving female clients



Have limited access to Mobile Financial Services (MFS) accounts



Run informal businesses and a few have trade license



Have low ownership of formal bank accounts

**There is a need to conduct more research on women Micro-merchants: specifically addressing lack of data and insights about women Micro-merchants. This would help identify barriers and opportunities women face in retail sector leading to identification of appropriate strategies to increase women's involvement in the sector.**

# Introducing Microentrepreneurs Asia

## Data Analytics Platform

Data and information hub about Microentrepreneurs

Open data and collaboration for data-driven decision making

Intended users: businesses, government and public

## Core Features



Interactive exploration of data



Access to a rich repository of data sets



Access to a knowledge bank

## Let's Collaborate



Build innovative business models



Identify business process improvements



Make informed policy decisions



Build operational research interest

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Source 1. Government of Bangladesh 2016, National Industrial Policy  
2. Dnet 2018, Understanding Micro-merchants in Bangladesh: A Qualitative Research (forthcoming)  
All other information and data presented in this brochure are based on UNCDF's forthcoming Landscape Assessment of Micro-merchants in Bangladesh.