

Think tank hails statistics office's proposal to launch e-registry for biz

- Advocata requests Cabinet of Ministers to support the proposal
- Says this could enable MSMEs to gain access to formal sources of finance
- According to DCS, 45% of micro-enterprises and 10% of small enterprises remain unregistered

The Advocata Institute has commended the decision taken by the Department of Census and Statistics (DCS) to launch an e-registry portal to register unregistered and registered businesses in Sri Lanka.

"Advocata Institute looks forward to the fruition of this proposal and calls upon the Cabinet to support this reform. This will allow thousands of Sri Lankan entrepreneurs, unregistered micro, small and medium businesses to formalise their ventures and gain access to formal sources of finance," Advocata Institute, a Colombo-based free-market think tank said in a statement.

Research carried out by the Advocata has identified a significant array of regulatory barriers that discourage or hinder micro and small enterprises.

"An all-island survey carried out during the course of our research identifies access to finance as a critical problem. Further analysis identifies the complexity of the business registration process and related regulation as a barrier to registration," the statement said.

According to the DCS, 45 percent of micro-enterprises and 10 percent of small enterprises remain unregistered in Sri Lanka, even though sole proprietorships account for 63.1 percent of all businesses in the country, and account for 27.1 percent of national employment.

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Advocata Institute's report titled 'Barriers to Micro and Small Enterprises in Sri Lanka,' which can be accessed on <https://www.advocata.org/>, provides a comprehensive analysis of the problems faced by these businesses.

A key reform recommendation of the report is the establishment of an e-registry.

"While commending the DCS for putting forward this timely reform, we further invite all policymakers to rally behind the task of reducing the documentation and approvals required to register a sole proprietorship or a partnership in Sri Lanka and bring the process in line with that of registering a private company," the statement noted.

"Implementing policies that incentivize the registration of businesses would be a step towards achieving the government's vision of empowering entrepreneurs and creating a vibrant national ecosystem for businesses," it added.