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# Session 3

## Access to Finance: Financing CSIs

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SHARING EXPERIENCES- BHUTANESE ENTREPRENEURS

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# Experience and challenges in accessing finance for Bhutanese entrepreneurs.

- ▶ Early seed funders the three F's- friends, family and fools
- ▶ Bootstrap
- ▶ Loden foundation and DHI BIZAPP programs helped entrepreneurs at the idea stage.

# Challenges

- ▶ Difficulty in getting loans from financial institutions due to stringent collateral requirement and lengthy procedures
- ▶ Loan sharking due to limited access
- ▶ Poor credibility checks and risk assessment in private lending
- ▶ Overdraft loan provided only after providing income statement
- ▶ Fear of rejection from the bank as a start up
- ▶ Lack of investors
- ▶ Convincing people at idea stage.
- ▶ Needing salary statement, even fixed asset where not entertained for loan by the banks
- ▶ Poor credit discipline from the borrowers
- ▶ Loan confined to fixed assets (Machinery)

# FEED BACKS

- ▶ one stop shop information centre, Information dissemination (BAEYUL)
- ▶ quick and steady approach to licensing for new ideas
- ▶ loan repayment according to the business
- ▶ proper discussion amongst the relevant funding agencies
- ▶ training under one belt and after training funding mechanisms
- ▶ flexible loan

# ARE WE FINANCING DEBT OR GROWTH?

Answer: