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# The Immediate Financial Shock: Analyzing Revenue Declines in Bangladeshi SMEs during the COVID-19 Pandemic

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## Abstract

This paper presents a detailed examination of the impact of the COVID-19 pandemic on small and medium-sized enterprises (SMEs) in Bangladesh. Drawing from survey responses, it provides a comprehensive overview of the demographics of the respondents, revenue decline during the pandemic, government support measures, challenges faced, and the outlook for the post-pandemic era. The study's demographic analysis reveals that a majority of respondents identified as male and belonged to the 18-30 age group. The majority of SME owners and a significant portion of sole proprietors participated in the survey. COVID-19's financial shock is exemplified by a substantial reduction in SME revenue during 2020, with a notable 38.91% facing a decline of more than 50%. In 2021, the decline continued, with 58.90% reporting a 31-50% revenue decrease. SMEs employed various strategies in response to revenue decline, with cost-cutting being prevalent. Interestingly, a significant number explored new business opportunities while others sought government relief programs. The government's stimulus packages played a pivotal role in supporting businesses, but the survey revealed that 80.01% of respondents were unaware of these measures. This underscores a potential communication gap between the government and SMEs. Challenges during the pandemic were predominantly centered around reduced consumer demand and limited access to financing. For the post-pandemic outlook, a substantial proportion expressed uncertainty, while a concerning minority had pessimistic views. Policy recommendations for post-pandemic recovery include easier access to low-interest loans, subsidies for technology adoption, tax incentives, and preferential procurement from SMEs. These measures aim to bolster SMEs in their path to recovery. In conclusion, the study's findings emphasize the profound impact of the COVID-19 pandemic on Bangladeshi SMEs. The results point to the need for improved communication of government support measures. Despite challenges and uncertainties, SMEs remain resilient, adapting to new market dynamics, investing in digitization, and exploring new opportunities, paving the way for a brighter post-pandemic future. This research serves as a valuable guide for policymakers and stakeholders in aligning support with the evolving needs of SMEs, ensuring a robust recovery and sustainable growth in a post-pandemic era.

**Keywords:** SMEs, COVID-19, Revenue Decline, Government Support, Bangladesh

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# 1 Introduction

The COVID-19 pandemic, which swept across the globe from 2019 to 2022, was not merely a health crisis; it wrought significant economic havoc, with Small and Medium-sized Enterprises (SMEs) taking a severe hit. In the context of Bangladesh, where SMEs are a cornerstone of the economy [1], the impact of this crisis was particularly pronounced [2]. This paper delves into the immediate financial shock experienced by Bangladeshi SMEs during the COVID-19 pandemic, shedding light on the repercussions, challenges, and prospects. Bangladesh, a South Asian nation with a burgeoning economy [3, 4], is home to over 7.5 million SMEs, constituting more than 97% of all businesses in the country [5]. The SME sector accounts for a substantial portion of the Gross Domestic Product (GDP), contributing approximately 25% [6]. This sector plays a vital role in employment generation, engaging around 70-80% of the non-agricultural workforce. As a result, the health and resilience of SMEs are crucial to the nation's economic stability [7].

Before the pandemic, the SME sector was a key driver of Bangladesh's economic growth. The SMEs were responsible for producing around 45% of manufacturing value addition [8], 80% of industrial employment, 90% of total industrial units, and employed about 25% of the labor force. With contributions ranging from export earnings to manufacturing output, SMEs served as a linchpin of the economy [9]. The onset of the COVID-19 pandemic had a catastrophic impact on the financial well-being of Bangladeshi SMEs [10, 11, 12, 13]. Disruptions to production, sales, and distribution networks caused revenue declines, threatening the very existence of these businesses. Reports indicate that during the fiscal year 2019-20, the SME sector experienced a staggering 66% fall in revenue, amounting to around Tk 920 billion (92,000 crore) [14, 15, 16]. This loss in revenue has created an unprecedented financial shock. This study aims to achieve the following objectives:

- To assess the extent of revenue decline in Bangladeshi SMEs during the COVID-19 pandemic.
- To identify the major challenges faced by SMEs as a result of the pandemic.
- To evaluate the awareness and satisfaction of SMEs regarding government relief and stimulus measures.
- To understand the measures and support that SMEs expect from the government to facilitate recovery and growth in the post-pandemic period.

This research is of paramount importance as it provides a comprehensive understanding of the immediate financial consequences of the COVID-19 pandemic on Bangladeshi SMEs. The findings hold significance for SME owners, policymakers, and stakeholders, offering insights into the specific challenges faced and the desired support mechanisms for recovery and growth. It serves as a valuable guide for crafting effective policies and interventions aimed at bolstering the SME sector. This study seeks to answer the following research questions:

1. What was the extent of revenue decline in Bangladeshi SMEs during the COVID-19 pandemic?
2. What were the major challenges faced by SMEs during the pandemic?
3. What was the awareness and satisfaction level of SMEs regarding government relief and stimulus measures?
4. What measures or support do SMEs desire from the government to facilitate recovery and growth in the post-pandemic era?

The paper is structured as follows: Section II provides a literature review, offering insights into the impact of COVID-19 on SMEs, particularly in Bangladesh. Section III outlines the methodology employed for data collection and analysis. Section IV presents the survey results, breaking down responses and highlighting key findings. Section V discusses the implications of the findings and provides recommendations. The paper concludes in Section VI with a summary of key takeaways and the way forward for Bangladeshi SMEs. In the subsequent sections, we will delve into the existing literature, explore the methodology used for the survey, analyze the results, and discuss their implications, culminating in recommendations for a more robust and resilient SME sector in Bangladesh.

## 2 Literature Review

Small and Medium-sized Enterprises (SMEs) form the backbone of Bangladesh's economy. They play a pivotal role in economic growth, employment generation, and poverty reduction. Prior to the pandemic, this sector contributed significantly to the country's GDP, accounting for approximately 25%. Moreover, SMEs employed a substantial portion of the nation's workforce, engaging around 70-80% of the non-agricultural labor force. The SME sector's multifaceted contributions extended from manufacturing value addition to providing essential

employment opportunities. These dynamic businesses encompassed a wide array of industries and services, ranging from textiles and agriculture to information technology and healthcare. A key strength of SMEs in Bangladesh is their flexibility and adaptability [17]. They often serve as a crucial support system for larger industries, supplying various accessories, components, and intermediary goods [18]. Their agility allowed them to respond swiftly to shifting market dynamics and emerging opportunities. This symbiotic relationship between SMEs and large industries emphasized the sector's strategic importance. One of the distinctive features of Bangladeshi SMEs is their role in export earnings. These enterprises contributed significantly to the country's foreign exchange earnings, accounting for 75% to 80% of the total. This export-oriented approach ensured that they played an essential part in enhancing the country's trade balance, especially in the context of the readymade garment (RMG) sector, which is an integral part of the SME landscape [19]. While SMEs have long been recognized as a driving force in Bangladesh's economy, they were not without their share of challenges prior to the pandemic. Common difficulties faced by SMEs included limited access to institutional credit [20], scarcity of working capital, low levels of technological adoption, and issues related to productivity. These challenges often impeded the sector's ability to achieve its full potential [21]. Furthermore, the absence of adequate marketing facilities and market access hindered SMEs from expanding their market presence, both domestically and internationally. Other pre-pandemic obstacles encompassed unreliable power and gas supply, infrastructure deficiencies, compliance issues, and stiff competition in domestic and international markets [22]. These factors underscored the importance of addressing structural and systemic constraints to foster sustainable growth within the SME sector. With the economic landscape already characterized by these challenges, the onset of the COVID-19 pandemic introduced a myriad of unprecedented adversities, placing even more significant pressure on SMEs and their resilience. The subsequent sections of this paper delve into the ramifications of the pandemic on Bangladeshi SMEs and how they responded to these challenges.

The COVID-19 pandemic delivered a severe shock to Small and Medium-sized Enterprises (SMEs) in Bangladesh. The first and most apparent consequence was a sharp decline in revenue, which had substantial economic ramifications. According to survey data, a significant proportion of SMEs reported substantial revenue declines in 2020 compared to the previous year. Approximately 38.91% experienced a severe drop of more than 50%, while 40.31% saw their revenue fall by 11-30% [23, 24]. This economic distress had cascading effects, leading to reduced profitability, challenges in meeting financial obligations, and, in some cases, even business closures. The impact extended to job losses as well. Many SMEs, in a bid to cut costs and navigate the revenue crunch, resorted to reducing employee salaries or laying off staff. Consequently, this disrupted the livelihoods of a considerable number of employees, adding to the broader unemployment crisis. The textile industry, a significant component of the SME sector, was one of the hardest-hit sectors during the pandemic, further exacerbating the economic consequences.

To mitigate the economic fallout of the pandemic, the Bangladeshi government announced various policy measures and financial stimuli. However, the survey findings suggest a significant gap in awareness and accessibility to these measures among SMEs. A staggering 80.01% of respondents indicated that they were not even aware of any government stimulus packages. Furthermore, 80.01% of respondents were also not aware of any packages, while 19.99% of those who were aware expressed dissatisfaction with the support they received [25]. These findings underscore the need for more effective communication and outreach regarding government initiatives. A lack of awareness among SMEs hampers their ability to benefit from these relief measures, leaving them grappling with financial hardships.

The pandemic posed an array of challenges to SMEs beyond just revenue declines. Supply chain disruptions, changes in consumer demand, and employee-related issues added to the complexities of SME operations [18, 26]. Supply chain disruptions had a domino effect on production schedules, further constraining cash flows and access to critical inputs. Reduced consumer demand compounded these difficulties, with SMEs struggling to maintain pre-pandemic sales levels [27]. Employee-related challenges emerged as SMEs grappled with difficult decisions like reducing salaries and laying off staff, affecting employee morale and livelihoods. While there is a growing body of literature examining the impact of the COVID-19 pandemic on SMEs globally, the specific context of Bangladesh presents unique challenges and opportunities that necessitate further exploration. Existing research has illuminated the economic consequences and government responses to the pandemic; however, there remain knowledge gaps in understanding the nuanced impact on SMEs in Bangladesh.

This study aims to fill these gaps by providing empirical insights into how SMEs in Bangladesh navigated the challenges posed by the pandemic, their perspectives on government relief measures, and their future outlook. The findings of this research could serve as a valuable resource for policymakers and stakeholders to design more targeted interventions to support the recovery and growth of SMEs in a post-pandemic Bangladesh.

## 3 Methodology

### 3.1 Data Collection

To gain comprehensive insights into the impact of the COVID-19 pandemic on Small and Medium-sized Enterprises (SMEs) in Bangladesh, a structured survey was designed. The survey instrument was thoughtfully crafted to gather data on various aspects, including the extent of revenue declines, challenges faced, government interventions, and future outlook. The survey was constructed with precision to avoid ambiguities and ensure that the responses collected would be highly informative.

The survey consisted of a mixture of close-ended questions, including multiple-choice and Likert scale questions, to quantify responses and facilitate data analysis. This design choice aimed to maintain the efficiency and simplicity of the data collection process, thereby encouraging higher response rates. Given the circumstances and the need to reach a wide audience across Bangladesh while adhering to social distancing measures, the survey was distributed online. It was hosted on a user-friendly platform, allowing participants to complete it at their convenience. Online distribution also expedited the data collection process, enabling swift data compilation and analysis. The survey was kept open for a specified duration to collect a substantial volume of responses, providing a robust dataset for analysis.

The survey was widely disseminated through various channels, including social media, email outreach, and collaboration with SME associations and chambers of commerce. These dissemination strategies ensured that the survey reached a diverse cross-section of SMEs operating in different sectors and regions of Bangladesh. Demographic information about the respondents was a critical component of the survey. It included factors such as gender, age, the role they played within their respective SMEs (owner, manager, or employee), SME size in terms of the number of employees, and the geographical location of their businesses (urban, rural, or suburban). This demographic data was crucial in segmenting and analyzing the survey responses to identify variations and patterns within different respondent groups. It allowed for a more nuanced understanding of how the impact of the pandemic differed based on these demographic characteristics, facilitating a more informed analysis and interpretation of the survey results.

### 3.2 Data Analysis

The data collected from the survey underwent a rigorous quantitative analysis to derive meaningful insights into the impact of COVID-19 on SMEs in Bangladesh. The quantitative analysis aimed to provide a structured understanding of the extent of revenue declines, the response strategies employed by SMEs, their awareness of government relief measures, and their future outlook. To evaluate the extent of revenue decline, the responses to questions regarding the percentage decline in revenue for 2020 and 2021 were quantified. This data was then analyzed to determine the severity of the economic impact on SMEs. Moreover, questions related to measures adopted in response to revenue decline were quantitatively analyzed to identify common strategies employed by SMEs. The quantitative analysis was instrumental in identifying trends, patterns, and relationships within the data. These analyses contributed to a comprehensive assessment of the economic consequences of the pandemic on SMEs and provided valuable insights into how these businesses adapted to the challenges posed by COVID-19.

While quantitative analysis provided statistical insights, qualitative analysis delved deeper into the responses of SME owners, managers, and employees. Open-ended questions, which allowed respondents to provide detailed comments and insights, were subjected to qualitative analysis. The qualitative analysis aimed to identify nuanced perspectives, unique challenges, and potential solutions from the qualitative responses. Responses to questions concerning the most significant challenges faced during the pandemic and the desired government measures for recovery were examined thoroughly. Qualitative analysis helped in uncovering the human aspects of the pandemic's impact on SMEs, shedding light on the emotional and practical dimensions of the challenges faced. These narratives added depth to the survey findings, offering a more holistic understanding of the situation experienced by SMEs in Bangladesh during the COVID-19 pandemic.

### 3.3 Ethical Consideration

Throughout the research process, ethical considerations were of paramount importance. The anonymity and confidentiality of the survey respondents were diligently maintained. No personal identifiers were collected, ensuring that respondents' identities remained protected. This approach encouraged honest and candid responses, as participants could freely express their experiences without concerns about potential repercussions.

In addition to anonymity, informed consent was obtained from all participants before they engaged in the survey. Respondents were informed about the purpose of the research, the use of their data, and their rights to withdraw their participation at any point without consequences. Ethical considerations also extended to the

responsible handling of data. All collected data was securely stored and accessible only to the research team. Furthermore, the results and findings presented in this paper maintain the utmost respect for the privacy and confidentiality of the SMEs and individuals who participated in the survey.

The research adhered to ethical principles, ensuring that it not only provided valuable insights into the impact of COVID-19 on SMEs but also upheld the ethical standards and considerations expected in academic and survey research.

## 4 Findings

### 4.1 Demographics of Respondents

The survey captures a wide variety of respondents with diverse backgrounds. An overwhelming majority, approximately 80.40% of the respondents, identify as male, while 19.60% identify as female. When it comes to age distribution, the largest group falls within the 18-30 age bracket, accounting for 60.69% of the total respondents. Those in the 46-60 and 31-45 age groups represent approximately 19.99% and 19.32% respectively.

In relation to the roles within the Small and Medium-sized Enterprises (SMEs), a significant majority of respondents (80.01%) report being the owners of their respective businesses. The remaining 19.99% indicate that they occupy managerial positions. Furthermore, when considering the size of the SMEs based on employee count, 60.08% belong to the category of 'Small (11-50 employees)', while 39.92% identify as 'Sole Proprietors'.

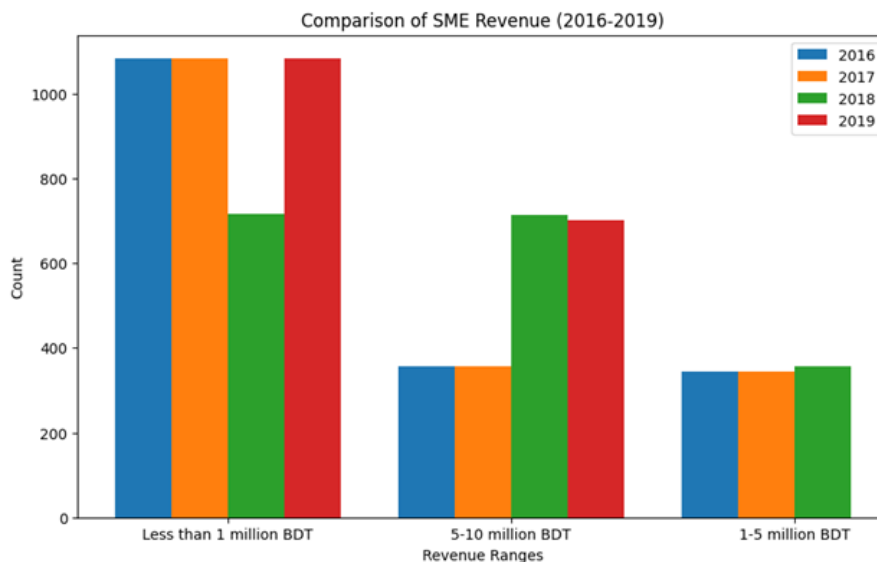


Figure 1: Comparison of SME Revenue (2016-2019)

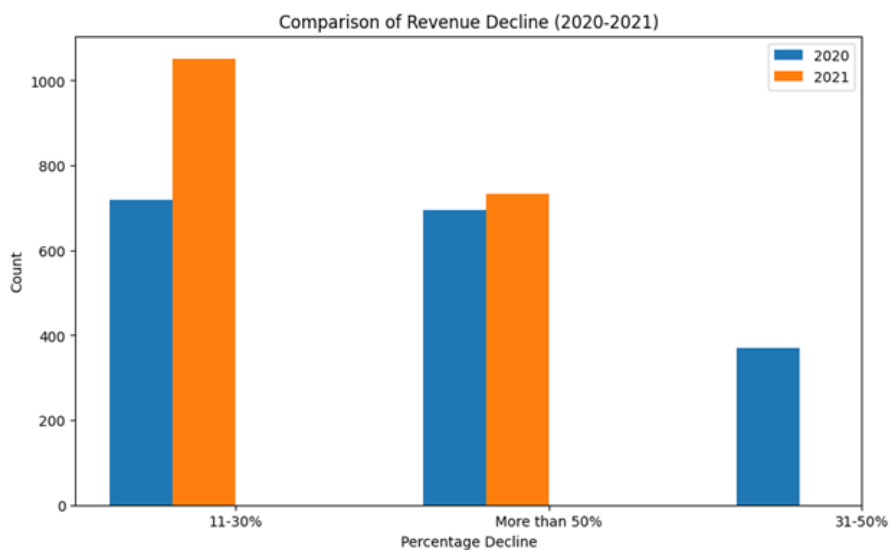


Figure 2: Comparison of Revenue Decline (2020-2021)

## 4.2 Impact of COVID-19 on SMEs

The COVID-19 pandemic brought unprecedented challenges to SMEs, as reflected in the survey responses regarding revenue decline. For the year 2020, 40.31% of SMEs reported a revenue decline of between 11-30% when compared to the previous year (2019). A significant portion, 38.91%, indicated that they experienced a steep decline of more than 50% in their revenue. Additionally, 20.77% of the respondents faced a revenue decline in the range of 31-50%.

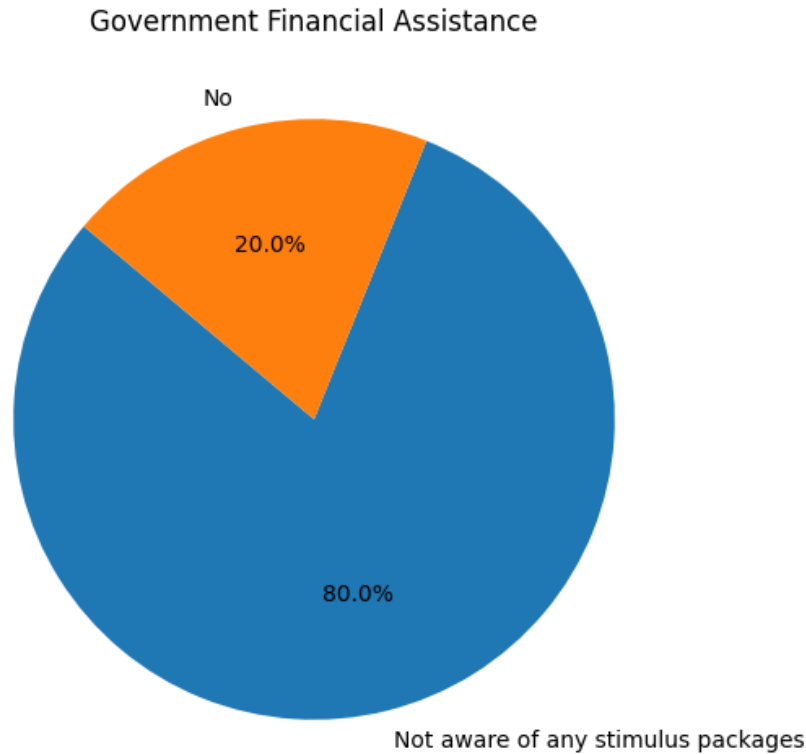


Figure 3: Government Financial Assistance

In the subsequent year, 2021, the trends in revenue decline showed some changes. A majority, 58.90%, reported a revenue decline in the range of 31-50%, while 41.10% experienced a decline of 11-30%.

In response to these revenue declines, a considerable portion of the SMEs (38.91%) implemented various measures, such as cost-cutting, reducing employee salaries, and laying off employees. Another 20.77% of SMEs responded by implementing cost-cutting measures and reducing employee salaries, without resorting to layoffs. Interestingly, 20.32% of SMEs sought new business opportunities in conjunction with implementing cost-cutting measures. Additionally, 19.99% of SMEs applied for government relief programs, combined with cost-cutting measures and layoffs.

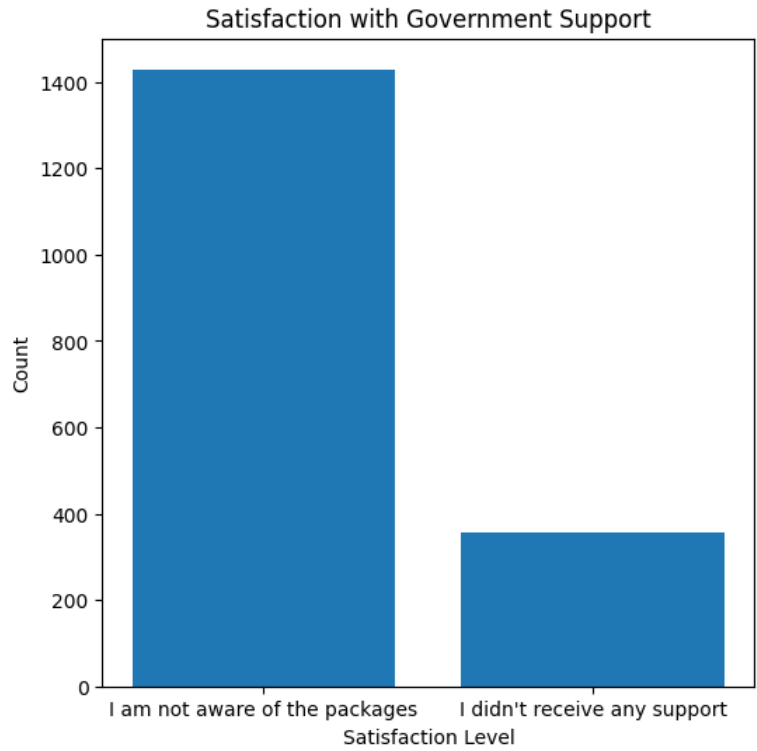


Figure 4: Satisfaction with Government Support

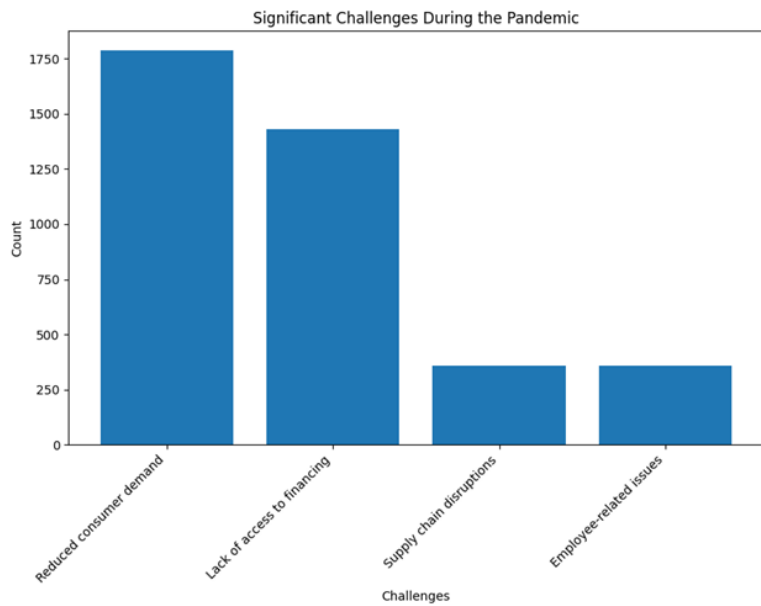


Figure 5: Significant Challenges During the Pandemic

### 4.3 Government Relief and Stimulus

Government interventions during the pandemic, especially in the form of financial stimuli, were pivotal in providing a lifeline to businesses grappling with the economic downturn. However, the survey responses present a striking observation: a significant 80.01% of the respondents were not even aware of any stimulus packages. Only 19.99% reported that they did not receive any financial assistance from the government’s stimulus packages. This lack of awareness is further corroborated by the responses to the satisfaction question, where again, 80.01% reported being unaware of the packages, and the remaining 19.99% expressed dissatisfaction, stating they didn’t receive any support. These findings underscore a potential communication gap between the government and the SMEs or possibly the accessibility and reach of these packages.

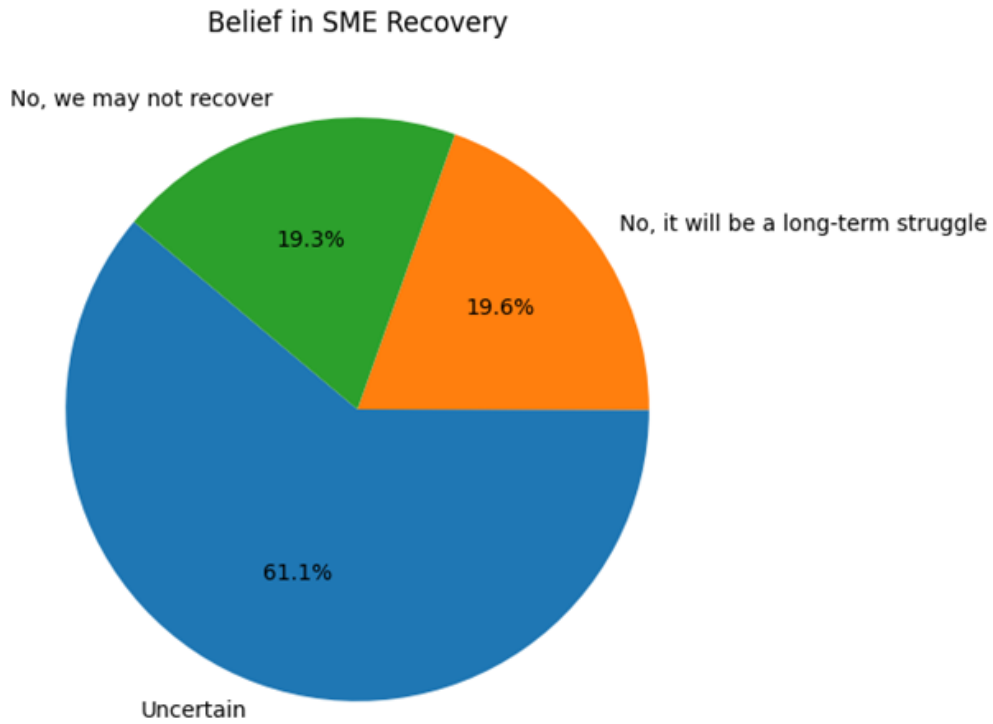


Figure 6: Belief in SME Recovery

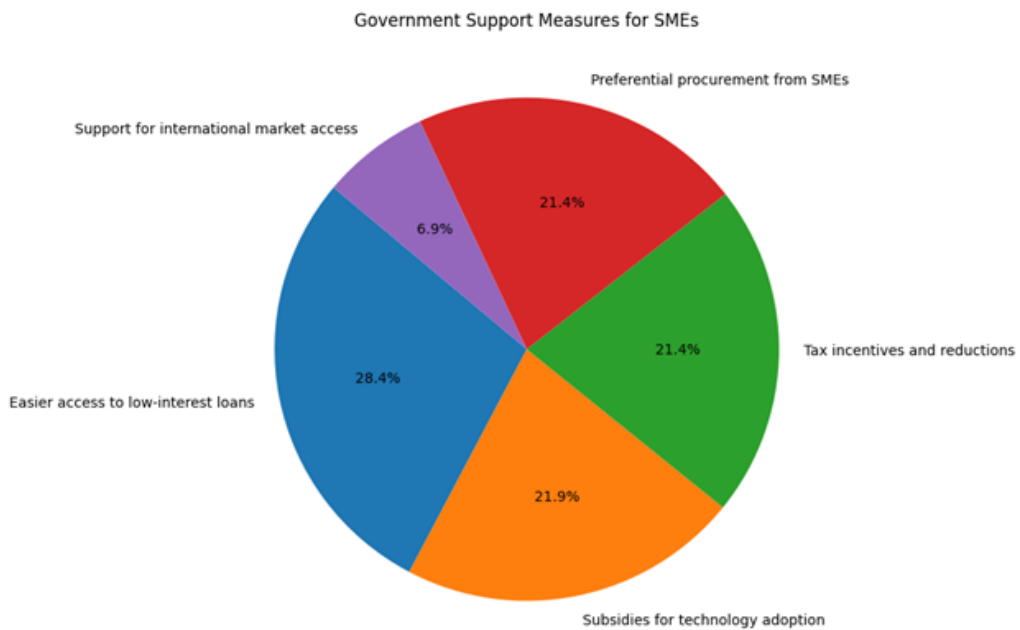


Figure 7: Government Support Measures for SMEs

#### 4.4 Challenges and Outlook

The pandemic has undeniably posed a multitude of challenges for SMEs. Analyzing the survey responses, a dominant 80.01% of respondents highlighted reduced consumer demand and a lack of access to financing as the most significant challenges faced during this period. Additionally, 19.99% of SMEs grappled with supply chain disruptions, reduced consumer demand, and employee-related issues concurrently, suggesting a multifaceted impact on their operations.



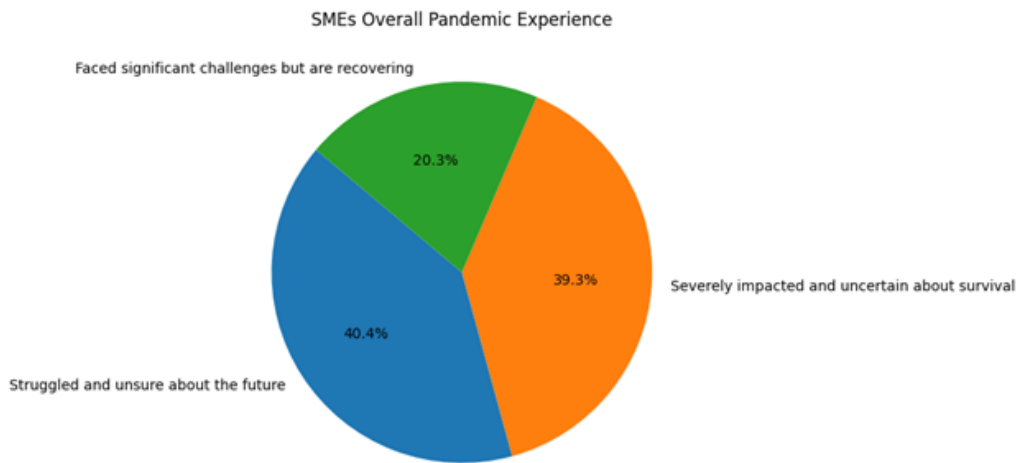


Figure 8: SMEs Overall Pandemic Experience

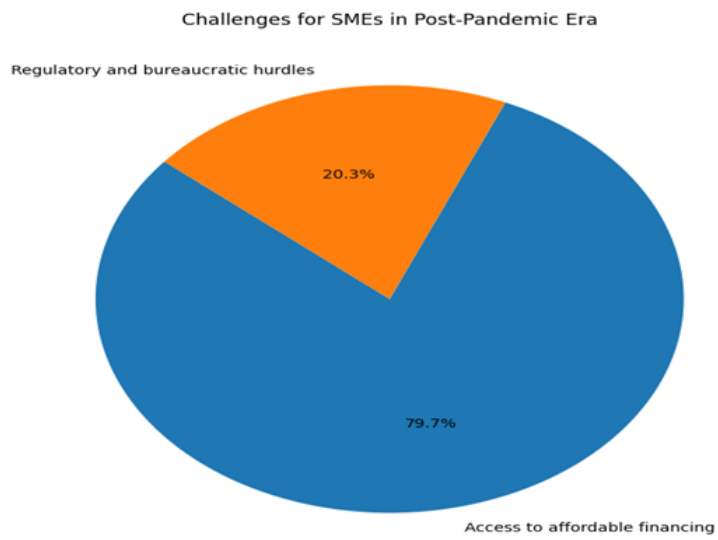


Figure 9: Challenges for SMEs in the Post-Pandemic Era

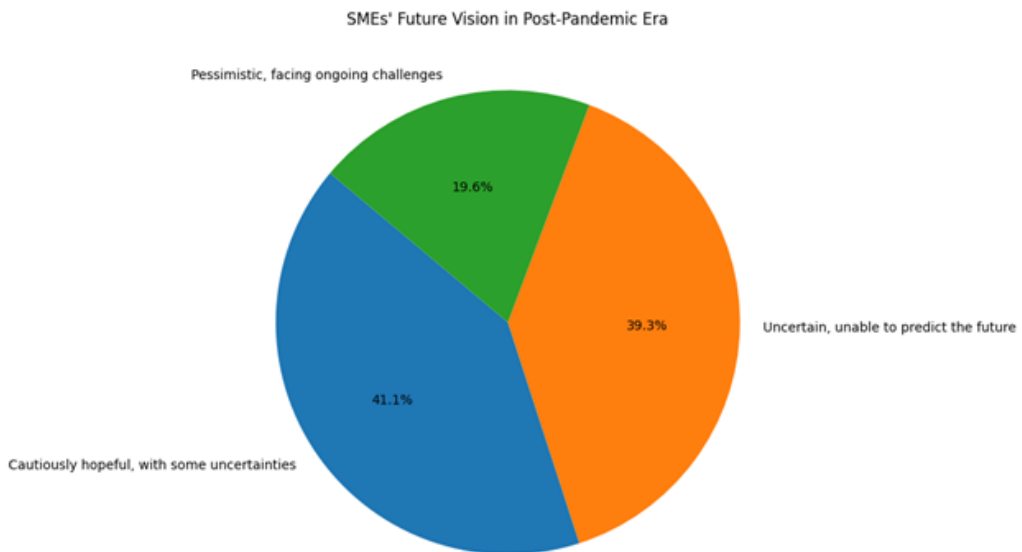


Figure 10: SMEs' Future Vision in the Post-Pandemic Era

In terms of recovery outlook, the future appears uncertain for a significant portion of SMEs. A notable 61.09% expressed uncertainty about the future, while 19.60% believed that recovery would be a long-term struggle. A concerning 19.32% of respondents were even more pessimistic, doubting the possibility of recovery at all. As for the desired governmental measures to aid recovery in the post-pandemic era, 40.31% of SMEs expressed a preference for easier access to low-interest loans and subsidies for technology adoption. Tax incentives and reductions, combined with subsidies for technology adoption and preferential procurement from SMEs, were preferred by 20.77% of respondents. Meanwhile, 19.60% wished for tax incentives, easier access to loans, and preferential procurement, and 19.32% wanted these measures in addition to support for international market access.

In conclusion, the survey results elucidate the profound impact of the pandemic on SMEs in terms of revenue decline, challenges faced, and concerns about the future. While governmental support is deemed crucial for recovery, there seems to be a gap in awareness and accessibility of the relief measures provided. The feedback from the SMEs can serve as a valuable guide for policymakers to tailor future interventions more effectively, ensuring they are both accessible and aligned with the needs of the SME community.

## 5 Discussion

The survey conducted in this study provides a comprehensive overview of the impact of the COVID-19 pandemic on Small and Medium-sized Enterprises (SMEs) in Bangladesh. It reflects the experiences and perspectives of SME owners, managers, and employees, shedding light on the challenges they faced and their hopes for recovery. In 2020, nearly 40.31% of the surveyed SMEs experienced a revenue decline of 11-30%, while a substantial 38.91% faced a more severe drop of over 50%. This economic shock had significant consequences, with many SMEs implementing measures such as cost-cutting, employee salary reductions, and layoffs. While 20.32% of SMEs sought new business opportunities, 19.99% applied for government relief programs, indicating a multifaceted approach to mitigate the downturn.

In 2021, the revenue decline trends shifted slightly, with 58.90% of SMEs experiencing a decline of 31-50% and 41.10% witnessing an 11-30% decrease. These findings signify a gradual but uneven recovery. One striking observation was that 80.01% of respondents were not aware of any government stimulus packages, and an additional 80.01% were unaware of the existence of these packages, reflecting a critical need for improved communication and accessibility of governmental support. The survey findings align with the broader context of the impact of the COVID-19 pandemic on SMEs in Bangladesh as discussed in the existing literature. The economic shockwaves felt by SMEs, resulting in significant revenue declines, are consistent with data indicating a 66% fall in revenue for the SME sector during the fiscal year 2019-20. The challenges faced by SMEs, such as supply chain disruptions, reduced consumer demand, and a lack of access to financing, resonate with the pre-pandemic challenges outlined in the literature. Moreover, the limitations in the disbursement and prioritization of government stimulus packages highlighted in the survey have been noted in previous reports. The survey underscores the urgent need to address these shortcomings to ensure that government support reaches those who need it most. The survey findings unveil significant implications for the SME landscape in Bangladesh, emphasizing the critical need for more efficient and widespread communication channels to inform businesses about government stimulus packages. The high percentage of respondents who were unaware of these packages underscores the importance of improving access to information. Ensuring that SMEs are well-informed about available support is vital to help them effectively benefit from government assistance.

As we look ahead to the post-pandemic era, SMEs in Bangladesh paint a picture of resilience and determination. Their outlook is marked by a mix of optimism and caution, reflecting the diversity of the SME community. While some SMEs anticipate growth and recovery, others anticipate a challenging path towards regaining stability. What unites them all is their unwavering resilience, determination to adapt, and investment in digitization. These businesses are actively exploring new markets and embracing valuable lessons from the pandemic to inform their strategic shifts and business model evolutions. In this post-pandemic era, SMEs in Bangladesh are charting a course towards resilience and growth. Their collective vision is focused on adapting to evolving market dynamics, investing in digital transformation, and seizing opportunities in both local and international markets. The pandemic's lessons have prompted SMEs to reevaluate their strategies, innovate their business models, and explore sustainable practices. This forward-looking approach not only fosters recovery but also positions SMEs to thrive in a transformed economic landscape. It serves as a vital roadmap for policymakers and support systems to align their efforts with the evolving needs and aspirations of SMEs in a post-pandemic world. Furthermore, the multi-faceted approaches adopted by SMEs to cope with revenue declines during the pandemic emphasize their adaptability and resilience. The lessons learned from this adaptability could be leveraged to enhance future business strategies and strengthen the SME sector's long-term

sustainability.

## 5.1 Policy Recommendations

Based on the survey findings, several policy recommendations emerge to support SMEs in Bangladesh as they navigate the post-pandemic era. These recommendations include:

1. **Enhanced Awareness Campaigns:** The government should implement extensive awareness campaigns to inform SMEs about available stimulus packages and support measures.
2. **Tailored Relief Measures:** Relief measures should be designed to suit the specific needs and challenges faced by SMEs in different industries and regions.
3. **Financial Literacy Programs:** Initiatives to improve financial literacy among SME owners and managers could empower them to make informed decisions in times of economic crises.
4. **Access to Low-Interest Loans:** The availability of low-interest loans can be a significant lifeline for struggling SMEs, helping them recover and invest in growth.
5. **Technological Adoption Support:** Support for technology adoption can enhance the resilience of SMEs by enabling them to adapt to evolving market conditions and consumer preferences.

While the survey provides valuable insights into the impact of COVID-19 on SMEs in Bangladesh, it is essential to acknowledge some limitations. The study relied on a self-reporting survey, and responses may be subject to respondent bias. The representativeness of the sample and the generalizability of the findings may also be limited. Additionally, the study focused primarily on quantitative data, with limited depth of exploration of qualitative responses. Future research may benefit from more extensive qualitative analysis to gain a deeper understanding of the experiences of SMEs. Despite these limitations, the study offers a timely snapshot of the challenges and opportunities facing SMEs in Bangladesh during the pandemic, serving as a foundation for future research and policymaking.

## 6 Conclusion

This study sought to investigate the immediate financial shock experienced by Bangladeshi SMEs during the COVID-19 pandemic. Through a comprehensive survey, it captured critical insights into the challenges faced by SMEs and their responses to the economic downturn. Several key findings emerge from the survey, shedding light on the profound impact of the pandemic on this vital sector of Bangladesh's economy. The first noteworthy finding is the significant revenue declines faced by Bangladeshi SMEs. In 2020, a staggering 38.91% of SMEs witnessed a drop of over 50% in their revenue compared to the previous year. This decline was accompanied by challenges such as supply chain disruptions, reduced consumer demand, and a lack of access to financing. Moreover, the survey revealed that many SMEs sought innovative ways to weather the storm, including cost-cutting measures, employee salary reductions, and, in some cases, layoffs. The survey also unveiled a concerning lack of awareness about government stimulus packages. An astonishing 80.01% of respondents reported being unaware of any stimulus packages. This highlights a critical gap in the accessibility and communication of governmental support, an issue that urgently requires attention. As the survey extended into 2021, a shift in revenue decline trends was observed, with more SMEs reporting a decline in the 31-50% range. This may indicate a gradual recovery; however, it remains uneven across the SME landscape. Despite the challenges, Bangladeshi SMEs demonstrated their adaptability and resilience. Many explored new business opportunities and embraced cost-cutting measures to survive the crisis. This adaptability is a key asset that can be leveraged in the post-pandemic era to enhance long-term sustainability and growth. In conclusion, this study has illuminated the immediate financial shock experienced by Bangladeshi SMEs during the COVID-19 pandemic. It underlines the need for a more effective and widely accessible communication system to inform SMEs about available government stimulus packages and support. Additionally, it accentuates the importance of tailored recovery measures, including financial literacy programs, access to low-interest loans, and support for technological adoption. As Bangladesh moves forward into the post-pandemic era, the lessons learned from this study should guide policymakers and business owners in making informed decisions that support the recovery and growth of SMEs. The resilience and adaptability demonstrated by SMEs during the pandemic are a testament to their potential to drive the nation's economic recovery and development. This study, while providing valuable insights, also acknowledges its limitations and the need for further research to deepen our understanding of the evolving landscape for SMEs in Bangladesh. It is our hope that the findings presented here serve as a foundation for future research and policy development, ultimately contributing to the growth and prosperity of Bangladeshi SMEs.

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