

Women-Led SMEs: Tapping Trade Finance for Global Growth

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Small and medium-sized enterprises (SMEs) are the backbone of the global economy, driving job creation, innovation, and GDP growth. Among them, women-led SMEs are emerging as key contributors, especially in regions like Africa and India. Despite their increasing significance, these enterprises face systemic barriers that limit their access to trade finance, a critical enabler for scaling businesses and entering global markets. Through digital trade finance and targeted policies, however, the landscape is changing, paving the way for inclusive economic growth.

Women entrepreneurs are a transformative force in the global SME sector, driving employment, innovation, and economic growth. According to the International Finance Corporation (IFC), women-owned businesses account for nearly one-third of all SMEs in emerging markets, creating millions of jobs and reshaping economies. To put their importance in context, SMEs represent over 90% of businesses, employing up to 70% of the workforce, and contributing half of the world's GDP. Yet, despite their critical role, SMEs face a global financing gap of \$5.7 trillion, which rises to \$8 trillion when including informal businesses.

In India, the MSME landscape mirrors these global trends, with 63 million MSMEs contributing 30% of GDP, over 40% of exports, and providing jobs to 110 million people. Among these, women entrepreneurs lead nearly 15 million MSMEs, primarily in manufacturing, driving innovation and redefining the business landscape. However, these women-led enterprises often encounter significant financial and societal challenges, with a financing gap of \$333 billion. Initiatives such as IFC's FY24 investments aim to bridge this gap by expanding access to credit and enabling 30 million MSME and microloans, a crucial step in addressing the hurdles faced by women entrepreneurs. ¹

Globally, the African continent stands out with the highest proportion of women entrepreneurs. According to the Global Entrepreneurship Monitor (GEM) 2016/17 is there a more recent report?) Women's Report, 25.9% of the female adult population in sub-Saharan Africa is engaged in entrepreneurship—meaning one in four women is actively involved in starting or managing a business. These efforts underscore the need for targeted empowerment and support to unlock the full potential of women entrepreneurs, ensuring sustainable economic development and greater inclusivity worldwide. ²

Despite their significant contributions, women-led SMEs continue to encounter barriers such as traditional trade finance systems that demand extensive collateral and credit histories, which they often lack. Cultural norms and biases further exacerbate these hurdles, particularly in Africa and India, where financing gaps are most pronounced. These challenges not only limit women's economic participation but also stifle innovation and growth. ³

Amid these challenges, digital trade finance solutions are emerging as transformative tools for women-led SMEs. Platforms like Contour, a blockchain-based trade finance network founded in Singapore, enable real-time processing of letters of credit, significantly reducing delays and improving access for women entrepreneurs in regions like India and Africa. Similarly, Taulia, a U.S.-

¹ <https://www.ifc.org/en/stories/2024/small-business-big-impact>

² IBID

³ <https://www.ifc.org/en/stories/2024/small-business-big-impact>

based company specialising in e-invoicing and supply chain finance, offers faster payments and improved cash flow management, benefiting SMEs globally, including those in emerging markets.⁴

In India, microfinance initiatives with mobile apps have empowered thousands of women-led SMEs to access trade finance, significantly boosting their participation in export markets. For example, the Self Employed Women's Association (SEWA), in collaboration with the Vodafone Foundation in India and the Cherie Blair Foundation for Women, developed a mobile-based management information system (MIS) that allows women entrepreneurs to capture sales and place orders for additional stock via SMS, enhancing efficiency and access to trade finance.⁵

In Kenya, blockchain-enabled platforms like AZA Finance, formerly known as BitPesa and based in Nairobi, provide secure, expedited access to trade finance, addressing risks and delays associated with traditional systems.⁶ These advancements underscore the transformative potential of digital solutions in overcoming entrenched barriers and enabling inclusive growth.

Along with digital solutions, several targeted programs and policies are actively working to bridge the financing gap for women entrepreneurs. Gender-sensitive policies are being implemented in both Africa and India to reduce compliance burdens, promote use of technology and digitisation, and encourage greater participation by women entrepreneurs in markets that have traditionally been male-dominated. These efforts help level the playing field and provide women entrepreneurs with the resources and opportunities to thrive.

Several key initiatives have been launched to support women entrepreneurs and SMEs across Africa, aiming to close the financing gap and promote gender equality in the business world. The African Development Bank's *Affirmative Finance Action for Women in Africa (AFAWA)* is a notable initiative designed to improve access to finance for women entrepreneurs by easing collateral requirements and enhancing financial inclusion across the continent.⁷ Another significant program is the ***She Wins Africa*** initiative by the International Finance Corporation (IFC), which provides training, mentorship, and networking opportunities for women entrepreneurs in sub-Saharan Africa to help them scale their businesses.⁸

Additionally in 2022, Speaking at the Finance in Common Summit in Abidjan, Thomas Östros, Vice-President of the European Investment Bank (EIB), announced the extension of the Bank's SheInvest initiative to mobilise an additional €2 billion of gender-responsive investments across Africa, Asia, and Latin America. Since its launch at the end of 2019, SheInvest has successfully mobilised €2 billion to promote gender equality and women's economic empowerment in Africa, working in collaboration with partners on the continent and through Team Europe.

The initiative focuses on supporting female entrepreneurs by enhancing their access to finance, thereby fostering economic growth and advancing gender equality globally.⁹ The *African Women in*

⁴ https://taulia.com/platform/suppliers/electronic-invoicing/?utm_

⁵ https://www.smefinanceforum.org/post/empowering-women-agri-entrepreneurs-a-mobile-application-unlocks-efficiency-gains-in-india?utm_s

⁶ https://azafinance.com/forbes-africa-fintech-finesse-founder-nairobi-bridged-african-currency-gap-aza-finance/?utm_

⁷ [Affirmative Finance Action for Women in Africa \(AFAWA\) | African Development Bank Group](#)

⁸ [She WINS Africa: Unlocking the Potential of Women-owned Startups in Africa](#)

⁹ [Women in the workforce - Wikipedia](#)

Business Initiative (AWIB), also from the African Development Bank, is dedicated to promoting financial inclusion and empowering women entrepreneurs throughout Africa.¹⁰

Furthermore, platforms like *Funding Space* and *Ebi Fund* are making significant strides by providing training and financial resources specifically for women entrepreneurs in West Africa.¹¹ These initiatives collectively represent a growing effort to create a supportive environment for women in business, helping them overcome the barriers that often limit their growth and impact.

Another essential factor in empowering women-led SMEs is fostering gender diversity within financial institutions. This creates a more equitable lending environment and helps address the unique needs of women entrepreneurs.

At **Euro Exim Bank**, we exemplify these principles by championing gender diversity and empowering women-led SMEs. Women constitute **75%** of our board and significant sales consultant numbers with a percentage of 45%, reflecting our commitment to inclusive leadership and equitable opportunities. This foundation enables us to understand and support the unique needs of women-led SMEs globally. Our advanced e-invoicing and e-KYC solutions streamline trade finance processes, ensuring efficiency and removing biases. Furthermore, with EEB's aspirations to build the largest trade sales force of independent sales consultants, executives and specialists, with the widest contact surface supporting businesses in over 180 countries, skilled women account for more than 26 % of our team - with the majority based in Africa and India. Their contributions underscore our dedication and encouragement to fostering inclusive representation and empowering women in the financial sector using our advanced trade platforms.

In her inspiring journey, Seema Singh, EEBs Lead HR & Talent Acquisition, has been a key player in several pioneering initiatives aimed at fostering financial inclusion and empowerment, particularly for women. With her vast experience, she has contributed significantly to the creation and success of major banks in India.

In 2013, the Government of India, with an allocated budget of Rs. 10000 Million, launched the Bharatiya Mahila Bank, with the goal of increasing access to financial services at affordable rates, promoting asset ownership, and fostering entrepreneurship to drive inclusive growth and empower women. Seema remarked, "I was honoured when I was selected as CFO & General Manager overseeing HR, Admin, Operations, Risk, Audit & Inspection, and Marketing." She said, "I was part of the founding team of this noble initiative, formulating policies, compliance and procedures to ensure the smooth operation of the bank, also handling quarterly surveys/inspections by the Reserve Bank of India."

In 2016, her expertise was recognised, when she was approached by the Government of India to help establish another bank, namely the India Post Payments Bank, as Chief Human Resource Officer. Again as first to join, she worked with Deloitte to set up the bank leading the recruitment, training, and placement of 2500 officers from across the country. More than 300,000 postmen and additional staff were trained and certified as per the Reserve Bank of India's mandated guidelines.

During this period, the role of CFO was also entrusted to her. The bank received an infusion of more than Rs. 20000 million from the Government of India. She said, "I also served as the Principal Officer of the bank for five years, ensuring compliance with regulatory guidelines for KYC/Anti Money Laundering." She added, "I was the face of the bank for the Financial Intelligence Unit."

¹⁰ [African Women in Business Initiative | African Development Bank Group](#)

¹¹ [Thelma Ekiyor - Wikipedia](#)

As a true role model and inspiration to women in finance she said, "I feel honoured to have been part of the founding team of the bank, which has achieved success in financial inclusion and provided accessible, affordable doorstep banking services to people in the last mile, in a country as demographically diverse as India."

Collaboration remains vital to building an inclusive trade finance environment. Governments must invest in digital infrastructure to support these platforms, while financial institutions should recognize and design tailored products to meet the unique needs of women-led SMEs. Technology providers play a crucial role in developing user-friendly solutions that make digital trade finance accessible. Capacity-building initiatives combining financial literacy with digital skills training empower women entrepreneurs to leverage these tools effectively.

The transformative potential of trade finance in empowering women-led SMEs is undeniable. In regions like Africa and India, where the economic impact of women entrepreneurs is often understated but truly immense, digital trade finance offers a pathway to sustainable growth.

Through innovative tools, supportive policies, and collaborative efforts, we can build and actively support a future where women entrepreneurs are not just participants but leaders in the global economy.