

***Comparative Analysis of Problems Encountered by Informal Sector Small and Medium Scale Enterprises in Pakistan and Sri Lanka – Lessons for Nepal***

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**Abstract**

The main objective of this paper is to highlight the problems encountered by SMEs both in Pakistan and Sri Lanka in comparative perspectives with special emphasis on their basic profiles such as definitional problems, sector-wise distribution and their contribution to national economies in terms of various indicators. The final outcome of this paper is filling of the vacuum of SME literature to direct the full attention of policy makers and researchers to develop SMEs to their full potentials rather leaving SMEs to find their own solutions to problems encountered in a very competitive globalised era.

**Key Words:** Small and Medium Scale Enterprises; SMEs, economic development, Pakistan, Sri Lanka.

**JEL Classification:** L, M and O

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