

Research Article

Bank of Industry's SMEs Financing and the Growth of Fashion and Beauty Enterprises in Anambra State, Nigeria

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Abstract

The Bank of Industry (BOI) was established to provide financial and advisory support services for SMEs in the formal and informal sectors of the Nigerian economy. Several studies have been conducted to evaluate the effects of commercial banks' credits on the growth of SMEs; however, empirical studies on the contributions of the BOI to the expansion of small businesses in Nigeria have remained inadequate. Against this backdrop, the study examined the effect of the BOI SMEs lending scheme on the growth of fashion and beauty businesses in Anambra state, from 2015 to 2025. Methodologically, the study employed a survey design, utilizing questionnaires and interviews to collect primary data. The quantitative and qualitative data were analyzed using descriptive statistics and qualitative descriptive methods. The survey results showed that the BOI SMEs lending initiative did not enhance the growth of the selected fashion and beauty enterprises in Anambra state during the study period. This is due to the BOI's strict lending conditions, which mandated that the SMEs' applicants must provide collateral (e.g., landed property) and high-ranking civil servants (as guarantors) as preconditions for loan procurement. The study recommends the review of the BOI lending policy to ensure that loan requirements, rates, maturities, and payback terms are flexible, complementary, and intended to enhance business profitability, stability, and growth of SMEs. The study also suggests that the operating facilities of the SMEs should be used as collateral, while the volume, frequency, and consistency of cash flows in their bank account statements should be used as a benchmark to determine the amount of money to lend to these businesses that they have the capacity to repay.

Keywords

Bank of Industry, Lending Scheme, SMEs, Growth, Profitability

1. Introduction

The BOI in Nigeria was officially established under its current form in 2001 following the restructuring and merger of the Nigerian Industrial Development Bank (NIDB), the National Economic Reconstruction Fund (NERFUND), and the

Nigerian Bank for Commerce and Industry (NBCI) [17]. As Nigeria's oldest and largest development finance institution, the BOI is committed to facilitating industrial growth and economic transformation in the country (ibid). Though the BOI is

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structured to achieve the above broad objective through the Micro, SMEs, and Large Enterprises Directorates, the BOI SME lending scheme is specifically designed to provide advisory and financial support to business startups, strengthen the existing ones, and revamp ailing SMEs [15]. The BOI SME Directorate was established in 2015 as a strategic business group aimed at improving access to finance by SMEs through the provision of innovative and competitive financial products and advisory services. The Directorate's operations were in synergy with the Federal Government's National Industrial Revolution Plan (NIRP), the Economic Growth Plan (EGP), and the SDG-8, which focused on revitalizing the Nigerian economy and the achievement of decent work and economic growth in all societies by the year 2030. The importance of SMEs in achieving economic diversity and wealth creation, addressing unemployment, and attaining sustainable economic growth is widely recognized in the literature [45, 46].

The rationale for the SME Directorate is focused on developing sustainable SME business models, aimed at unlocking the inherent potential of the SME sector. This is expected to improve SMEs' contribution to the achievement of SDGs through national economic growth, job creation, resource endowment, value chain development, skills and entrepreneurial development, poverty alleviation, exports expansion, import substitution, and overall GDP growth. The SMEs are funded using BOI's own resources and by collaborating with funding partners to boost economic activities and the operations of SMEs across Nigeria. These funding partners include development finance and corporate institutions, the high net-worth individuals (HNIs), and state governments, among others. For instance, on April 15, 2026, the BOI and German Society for International Cooperation (GSIC) formalized a partnership framework to promote micro, small, and medium-sized enterprises (MSMEs) as well as inclusive economic growth throughout Nigeria [22]. In the same vein, the African Development Bank (AfDB) approved a \$200 million financing facility for the BOI, aimed at expanding the growth and development of SMEs, especially those owned by women and youth [2].

The BOI project-based lending, cluster-based product programmes, on-lending facilities, and special intervention funds are some of the lending services tailored to meet the financing needs of SMEs in the short, medium, and long terms (BOI, 2022). Through the on-lending programme, the BOI reaches out to the economically active poor at the bottom of the economic pyramid (BoP) in partnership with licensed financial institutions, including microfinance and commercial banks offering traditional and non-interest banking products to a diverse customer base. Major target sectors of the BOI SMEs lending scheme include fashion and beauty, solid minerals, printing and publishing, agro and food processing across different value chains, healthcare, light manufacturing, education, quick-service restaurants (QSR), aquaculture, bakery, youth, and gender. In the past decade, the BOI has disbursed hundreds of billions of naira to strengthen MSMEs across Nigeria.

In 2025, for instance, the BOI disbursed N636 billion to more than 7,000 enterprises in Nigeria [39] and N1.27 trillion from 2023 to 2025 [13].

Meanwhile, the BOI-BoP Scheme is designed to provide credits to support business expansion for SMEs, including fashion and beauty, welding, local transportation, mining, cosmetics, and saloons, among others. The BOI signed up seven microfinance banks under the N5 billion BoP scheme towards on-lending to SMEs in Nigeria. Notably, the fashion and beauty industry is a lucrative and competitive subsector, and provides an important opportunity to diversify Nigeria's economy, create jobs, and enhance revenue streams. Nigeria is currently experiencing digital transformation and innovativeness of fashion design firms [8], which has resulted in an increase in the number of commercial centers and online shopping platforms that allow businesses and fashion designers to promote their brands to a wider audience. The global revenue from the fashion industry is over \$1 trillion, while Nigeria's e-commerce for fashion & apparel market is valued at \$5 billion [14, 25]. Considering the significance of the fashion and beauty industry to the Nigerian economy, the BOI in 2015 launched a N1 billion Fashion Fund, aimed at supporting the fashion value chain, including, but not limited to garment, women's shoes, handbags, jewelry, and accessories. The Fashion Fund is a specialized intervention loan dedicated to empower entrepreneurs, especially women across the Nigerian fashion value chain, with up to N30 million per enterprise [14]. Through Fashionomics, the AfDB is committed to encouraging investments in the fashion industry, expanding entrepreneurs' access to capital, and fostering and accelerating start-ups [3].

Despite streams of funding from development finance institutions (DFIs) like the BOI and the Central Bank of Nigeria (CBN), SMEs face multiple debilitating challenges, notably severe infrastructure deficits (e.g., irregular electricity supply and poor road networks), insufficient business capital, regulatory bottlenecks, multiple taxation, and high foreign exchange volatility [4]. Other challenges to government interventions on SMEs in Nigeria include:

Poor and inadequate planning at design and implementation level, high risk of loan default, politicization of the programme, corruption and nepotism by implementers, poor communication and coordination, poor identity management system, goal mismatch by policy makers, poor targeting and planning, ineligibility by the applicant, ineffective public-private partnership (PPP) in implementation, lack of transparency, weak institutional framework, technical issues, and high cost of creating awareness [46].

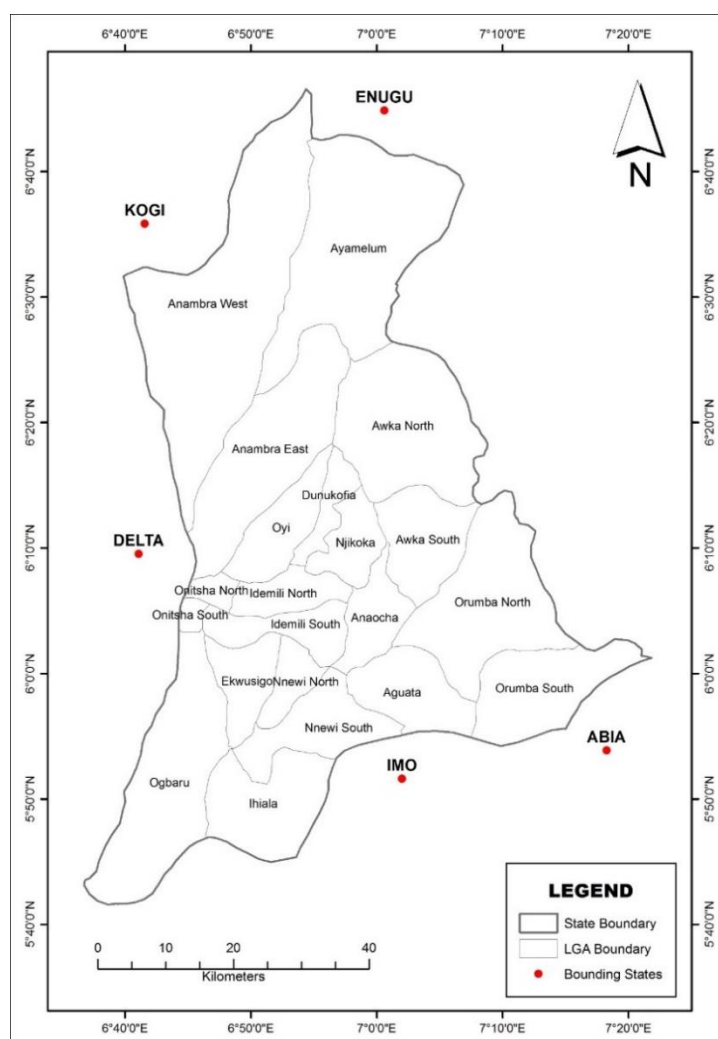
The role of bank credits on the growth of SMEs has elicited significant interest from researchers. While there is a profound academic debate regarding the effect of the BOI as well as the impact of the deposit money bank and microfinance lending on the growth of SMEs in Nigeria [10, 29, 32, 33, 47, 48], there are divergent findings or lack of uniformity among researchers on the effect of the BOI on the growth of SMEs in Nigeria. Some

studies [11, 12, 32, 36, 40] argued that the BOI has made positive contributions to the growth of SMEs in Nigeria, while the results of other related studies, such as [9, 29, 42, 43] and [48] revealed otherwise. Against this background, this study examined the effect of the BOI SMEs lending scheme (Bottom of the Pyramid, BoP) on the growth of fashion and beauty enterprises in Anambra state, from 2015 to 2025.

2. Brief Overview of the Study Area

Anambra is one of the five states that make up Nigeria's Southeast geopolitical zone. The state, which covers an area

of roughly 4844 km², is situated between latitudes 6°00' and 7°00'N and longitudes 6°45' and 7°20'E. As shown in Figure 1 below, Anambra state is bordered by Enugu state in the east, Delta state in the west, Kogi state in the north, Imo and Abia states in the south. Anambra state has 21 Local Government Areas (LGAs) and 179 communities, with the state capital located in Awka. According to the National Bureau of Statistics (NBS) 2017 report, Anambra state is a strategic commercial and industrial hub and plays a pivotal role in the Nigerian economy, with more than 2 million MSMEs and large enterprises operating in the state. This has made Anambra state a top location for business investors, such as development finance institutions (e.g. BOI).



Source: GIS Lab., Department of Geography, University of Nigeria, Nsukka.

Figure 1. Map of Anambra State.

3. Literature Summary

The academic literature reviewed so far from the works of [6, 9, 29, 31, 32, 36, 42, 47, 48], etc. examined the effect of

credits from the BOI and other relevant financial institutions on the growth and development of SMEs in Nigeria. The studies also highlighted the importance of the BOI and bank credits as catalysts for economic growth and development of SMEs in Nigeria. In another dimension, other scholarly works,

such as [10, 29, 42] and [33], among others, interrogated the contributions of the BOI and commercial financial services to the development of SMEs in Nigeria. Importantly, scholars such as [1, 16, 34], etc. assessed the effects of BOI and other financial interventions from the development financial institutions as well as the commercial banks on the growth and development of SMEs in Nigeria. Studies such as [23, 35, 37, 38, 44] and [41] examined various barriers faced by the SMEs in accessing loans from the BOI and other financial institutions in Nigeria. Meanwhile, studies like [21] and [7] examined non-financial factors militating against the growth and development of SMEs in Nigeria. Furthermore, studies such as [19] and [18] examined various challenges facing the operation of the BOI in Nigeria.

The review of literature shows that there are profound academic inquiries on the effect of the BOI, deposit money bank, and microfinance lending on the growth of SMEs in Nigeria. However, some of these studies argued that the BOI has contributed positively to the growth of SMEs in Nigeria, while the results of other related studies proved otherwise. Also, the existing literature focusing on the impact of the BOI on the growth of SMEs in Anambra state of Nigeria is found to be limited. However, studies such as [24] and [28] assessed the effect of loans from the deposit money and microfinance banks on the growth of MSMEs in Anambra state. Meanwhile [30] investigated non-financial factors impeding the growth and survival of SMEs in Anambra state. Thus, this study joined the existing debate by examining the impact of the BOI SMEs lending scheme on the growth of fashion and beauty enterprises in Anambra state.

4. Theoretical Framework

The study adopted information asymmetry theory as a framework of analysis. According to [26], “information asymmetry theory is the theoretical foundation for studying supply chain finance credit constraint problems”. The theory evolved in the literature in the 1970s, basically countering the neoclassical economic assumption of “perfect market information”. The development of this framework was pioneered by three economists, namely George Akerlof, Michael Spence, and Joseph E. Stiglitz [27]. Principally, the Akerlof, Spence, and Stiglitz analyses of information asymmetry in the marketplace examined what actions or decisions uninformed agents can take on a market characterized by asymmetric information. George Akerlof published a famous work titled “Market for Lemons” to demonstrate how information imbalance with respect to product quality can cause premium goods to lose market value [5]. The first formal analysis of markets with the informational problem of adverse selection is presented by Akerlof. Hypothetically, he examined a market in which the seller is better informed about the product’s quality than the buyer, thereby creating an informational asymmetry that may result in the collapse of an entire market or a negative selection of inferior products. In finance, Akerlof’s assumption

means that because some financial institutions are unable to differentiate between high-risk and low-risk borrowers, they are forced to either completely reject loans or raise interest rates for all borrowers, which keeps some reputable businesses out of the lending market [26]. Some examples in Akerlof’s treatise include constraints for the elderly to acquire individual health insurance and prejudice of minorities in the labor market [27]. Akerlof’s illustration of adverse selection is drawn from credit markets in India in the 1960s, where:

Local lenders charged interest rates that were twice as high as the rates in large cities. However, a middleman who borrows money in town and then lends it in the countryside, but does not know the borrowers’ creditworthiness, risks attracting borrowers with poor repayment prospects, thereby becoming liable to heavy losses (ibid).

Michael Spence proposed “signaling theory” in 1973, which explains how better-informed people in a market could legitimately “signal” their knowledge to less informed people to bridge the knowledge gap, or avoid problems associated with adverse selection [20]. Spence’s signal theory was an attempt to remedy market information asymmetry through education or awareness creation as a signal of productivity on the labour market. Joseph Stiglitz investigated “screening theory” and credit rationing with colleagues, demonstrating how the less informed party (such as an insurance company) might design various options or incentives to compel the more knowledgeable party to disclose their actual characteristics or risk levels. As with “credit rationing”, [43] argued that rather than merely raising interest rates in the face of information asymmetry (e.g., when the financial history of their prospective borrowers is not known), banks limit the amount or cut the loan supply. Additionally, information asymmetry can put financial institutions at higher risk when businesses use loans for non-productive reasons or evade repayment obligations (ibid.). Information asymmetry can also increase the potential for market breakdown arising from a fundamental lack of trust. In the case of financial institutions, banks or creditors are considered as uninformed agents, given that they are not always informed about the risk situations of individual clients or borrowers. Stiglitz and his colleagues therefore demonstrated how the less-informed party can give its clients (the informed party) effective incentives to “reveal” information on their risk situation through so-called screening [27].

There is, thus, a clear nexus between the assumptions of information asymmetry theory and ineffectiveness of the BOI in facilitating the growth of selected fashion and beauty enterprises in Anambra state. On the one hand, the selected fashion and beauty SME owners are faced with inadequate information on the operations of the BOI in Anambra state. On the other hand, the BOI did not have adequate data on the localized needs of selected SMEs in the state. In developing societies like Nigeria, policymakers often lack precise and up-to-date information about the localized requirements of small businesses. As seen among the selected fashion and beauty

SME owners in Anambra state, the government's SME funding initiatives often employ excessively strict, unrealistic collateral, and compliance criteria. This hinders credit support from reaching the intended beneficiaries, on account that most of the SMEs have poor financial record-keeping and lack bankable business plans.

5. Methodology

The study adopted a survey design, involving the use of questionnaires and interviews to generate primary data for empirical verification of the research problem. Using the purposive sampling technique, forty (40) fashion and beauty business owners in Anambra state filled the questionnaire through the Microsoft or google forms, and were interviewed accordingly with the aid of the telephone communication channel. The quantitative and qualitative data were analyzed using descriptive statistics and qualitative descriptive methods.

6. Data Presentation, Analysis and Discussion

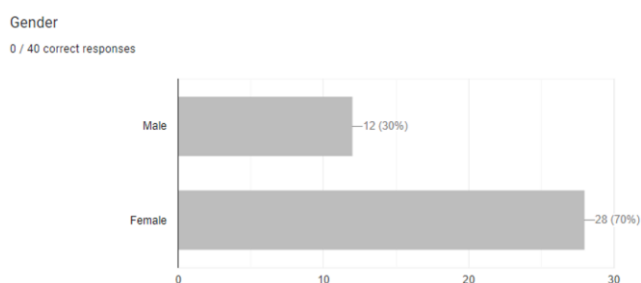
This section of the study presented, described, analyzed, and interpreted data on the effect of the BOI SMEs lending scheme on the growth of fashion and beauty businesses in Anambra state. This section is guided by the following sub-themes:

- 1) Data presentation and analysis of questionnaire results, and
- 2) Analysis of interview results.
- 3) Discussion

6.1. Data Presentation and Analysis of Questionnaire Results

The first section collected the respondents' socio-demographic and biodata, while the second section related to the extent of awareness and contribution of the BOI-BoP scheme to the growth of fashion and beauty in Anambra state. Meanwhile, section three generated data on the views of the respondents about the BOI loans, while section four elicited information on the barriers faced by the respondents in accessing the BOI loans. Finally, section five of the questionnaire explored the general sources of funds and challenges faced by the respondents' businesses in Anambra state.

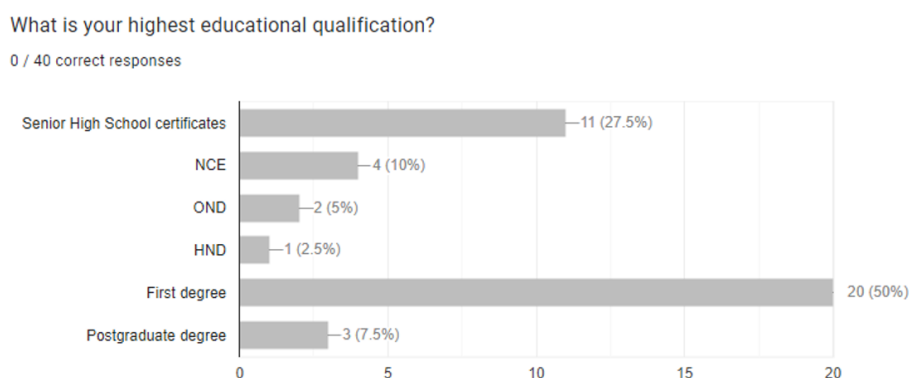
6.1.1. Socio-demographic



Source: Field survey, September, 2023

Figure 2. Gender.

Figure 2 presented data on gender distribution of the respondents. It shows that most of the respondents (70%) were females while the rest (30%) were males.



Source: Field survey, September 7, 2023

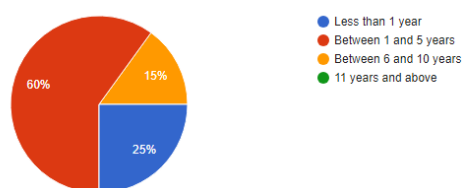
Figure 3. Educational qualifications.

Figure 3 presented data on educational qualifications of the respondents. It shows that majority of the respondents (50%) were First degree holders, while 27.5% of them had their Senior High School Certificates. Other respondents were

holders of the National Certificate on Education- NCE (10%), Ordinary National Diploma- OND, (5%), Higher National Diploma- HND (2.5%), and postgraduate degree (7.5%).

How long have you been into fashion and beauty business?

40 responses



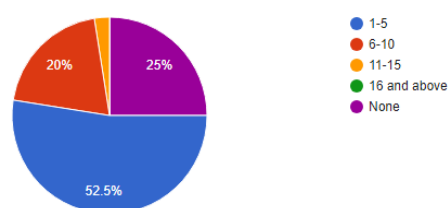
Source: Field survey, September 7, 2023

Figure 4. Years of fashion and beauty business operation.

Figure 4 shows that most of the respondents (60%) had been into fashion and beauty between 1 and 5 years, while 25% of them had operated for less than 1 year. Moreover, 15% of the respondents had spent between 6 and 10 years in the fashion and beauty enterprise.

How many people are employed by your fashion and beauty business?

40 responses



Source: Field survey, September 7, 2023

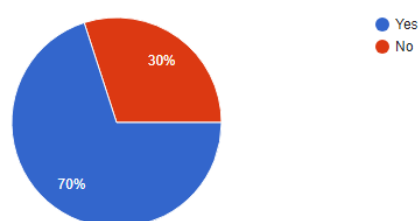
Figure 5. Number of workers employed by the fashion and beauty owners.

Figure 5 shows that 52.5% of the respondents employed 1 to 5 workers while 20% of them of them employed 6 to 10 people. However, only 5% of the respondents employed 11 to 15 people, while 25% them did not have workers.

6.1.2. The extent of Awareness and Contribution of the BOI to the Growth of Fashion and Beauty in Anambra State

Do you know about the Bank of Industry loans?

40 responses



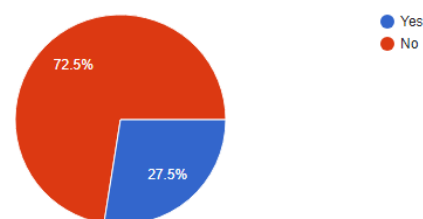
Source: Field survey, September, 2023

Figure 6. Awareness of the Bank of Industry loans.

Figure 6 shows that most of the respondents (70%) knew about the operations of the BOI while 30% of them did not know about the Bank.

Have you ever applied for loan from the Bank of Industry?

40 responses



Source: Field survey, September, 2023

Figure 7. Application for the Bank of Industry loans.

Figure 7 shows that 27.5% of the respondent had applied for the BOI loan, whereas the majority of them (72.5%) did not apply for the loan.

If your answer to the above question is "No", why have you not applied?

33 responses



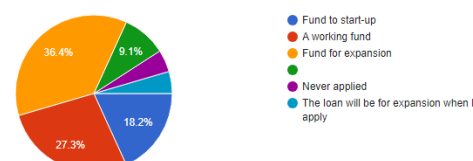
Source: Field survey, September, 2023

Figure 8. Reasons for refusal to apply for the BOI loan.

Figure 8 shows that majority of the respondents (42.4%) did not apply for the BOI loan due to the lack of awareness about the BOI loan, whereas 27.3% of them did not apply for the loan due to lack of collateral. Also, 12.1% of the respondents did not apply for the BOI loan because of high interest charges, while 9.1% of them disliked the BOI loan. Meanwhile, some of the respondents (3%) did not apply for the BOI loan due to insufficient information on how the loan works.

If your answer to the above question is "Yes", what was the purpose of your application for the loan?

22 responses



Source: Field survey, September, 2023

Figure 9. Rationale for applying for the BOI loan.

Figure 9 shows that the majority of the respondents (36.4%) applied for the BOI loan to procure funds for business expansion, whereas 27.3% of them applied for the purpose of

securing a working fund. On the other hand, 18% of the respondents applied for the BOI loan to secure start-up funds.

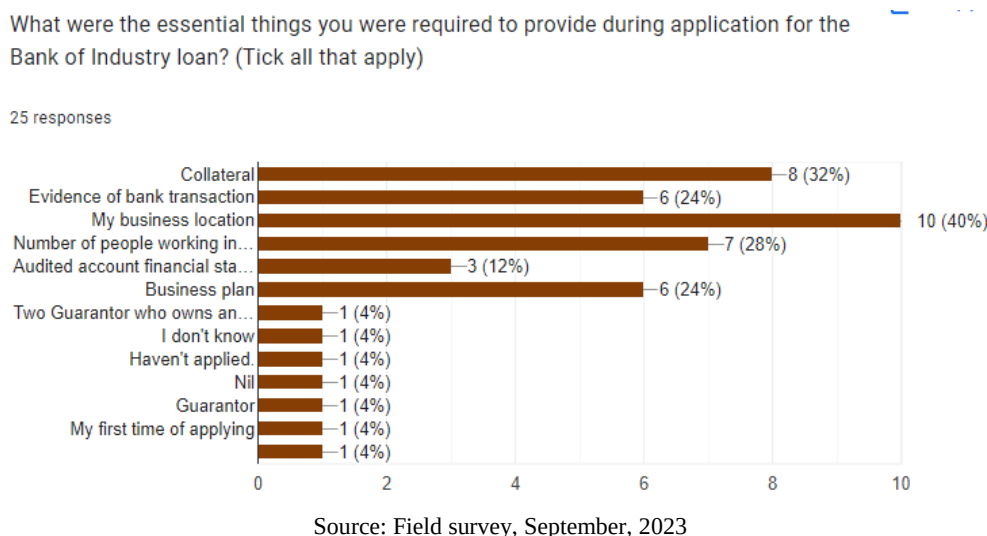


Figure 10. Requirements for application for the BOI loan.

Figure 10 shows the respondents' views on the requirements for the BOI loan. These include business location (40% of the responses), collateral (32%), number of workers (28%), business plan, and evidence of bank transactions (24%).

6.1.3. The Perceptions of the Respondents on the BOI Loans



Figure 11. Non-financial supports received from the BOI.

Figure 11 shows that majority of the respondents (60.6%) did not receive any non-financial support from the BOI, whereas 21.2% of the respondents received training and sensitization from the Bank. On the other hand, 18.2% of the respondents received working equipment.

What is your general rating of Bank of Industry contribution to your company?

32 responses

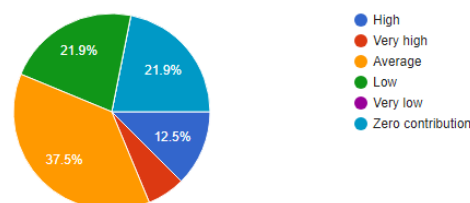
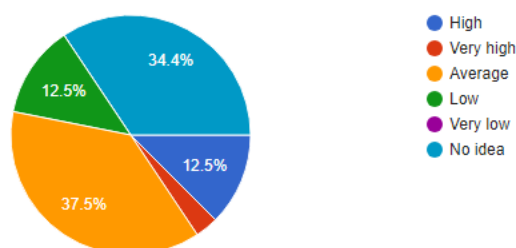


Figure 12. General rating of BOI contribution to fashion and beauty businesses in Anambra state.

Figure 12 shows that the majority of respondents (37.5%) rated the BOI contribution to their businesses as average, whereas 21.9% of them rated the Bank's input as low. Also, 21.9% of the respondents believed that the BOI had zero contribution to their businesses. On the other hand, only 12.5% and 6.3% of the respondents rated the BOI's contribution to their enterprises as high and very high.

What is your general rating of Bank of Industry interest charges?

32 responses



Source: Field survey, September, 2023

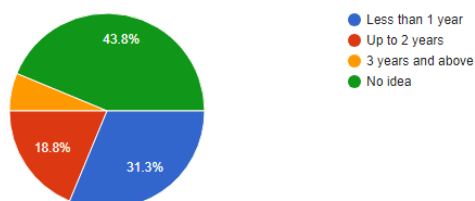
Figure 13. General rating of Bank of Industry interest charges.

Figure 13 shows that 37.5% of the respondents rated the BOI interest charges on loans as average, while 34.4% of them had no idea about the Bank's interest charges. Meanwhile, 12.5% of the respondents rated the BOI interest rate as low and high, while 3.1% of them believed that the Bank's interest rate was very high.

period was less than 1 year. The 18.8% of the respondents believed that the loan repayment period was up to 2 years, while 6.3% of the respondents said that more than 3 years were given for the loan repayment.

What was the duration for loan repayment?

32 responses



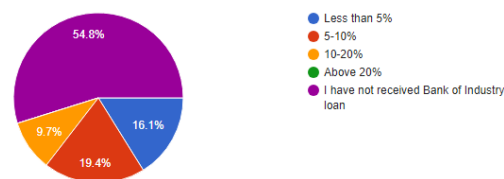
Source: Field survey, September, 2023

Figure 14. Duration for loan repayment.

Figure 14 shows that majority of the respondents (43.8%) had no idea about the duration for repayment of the BOI loans, whereas 31.3% of them believed that the loan repayment

At what percent of interest rate did you receive the loan from the Bank of Industry?

31 responses



Source. Field survey, September, 2023

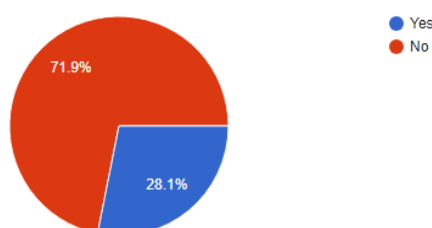
Figure 15. Evaluation of the BOI interest rates.

Figure 15 shows that 54.8% of the respondents were neutral because they had not received loans from the BOI, while 19.4% of them noted that the interest rate was 5 to 10%. Also, 16.1% of the respondents said the BOI interest rate was less than 5%, while others (9.7%) believed that the interest rate was 10 to 20%.

6.1.4. The Questions Below Relate to the Barriers Faced by the Respondents in Accessing the BOI Loans

Have you ever been denied opportunity to access loan from the Bank of Industry?

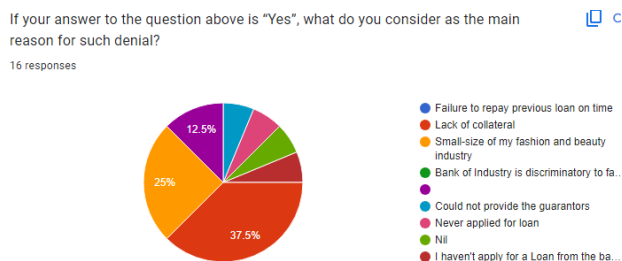
32 responses



Source: Field survey, September, 2023

Figure 16. Evaluating the extent of the BOI loan denial.

Figure 16 shows that while 71.9% of the respondents were not denied loan from the BOI, while 28.1% had experienced loan denials.



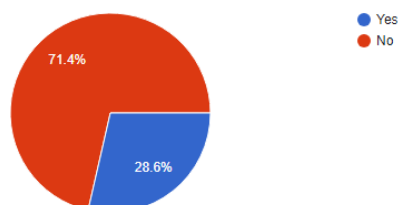
Source: Field survey, September, 2023

Figure 17. Reasons for the BOI loan denial.

Figure 17 shows that the majority of respondents (37.5%) were denied access to the BOI loan due to a lack of collateral, whereas 25% of them did not procure a loan due to the small size of their enterprises. However, 6.3% of the respondents did not secure the BOI loan due to the inability to provide guarantors.

Have you encountered challenges trying to repay Bank of Industry loan?

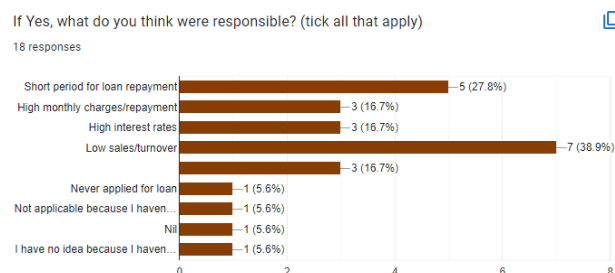
28 responses



Source: Field survey, September, 2023

Figure 18. Challenges faced by the respondents to repay the BOI loan.

Figure 18 shows that majority of the respondents (71.4%) did not have challenges repaying the BOI loan, whereas 28.6% of encountered difficulties.



Source: Field survey, September, 2023

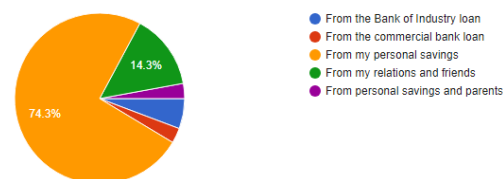
Figure 19. Reasons for loan repayment challenges.

Figure 19 shows that the respondents identified low sales/turnover (38.9%), short repayment period (27.8%), high interest rates, and high monthly deductions (16.7%), and other challenges were encountered by the respondents to repay the BOI loans.

6.1.5. The General Sources of Funds and Challenges for the Fashion and Beauty Business Owners in Anambra State

How did you generate money to start your fashion and beauty business?

35 responses



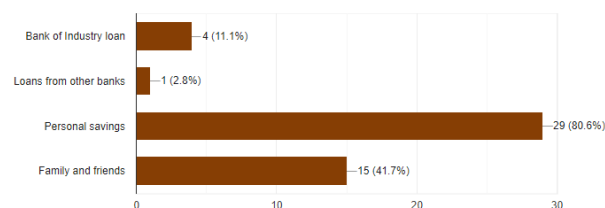
Source: Field survey, September, 2023

Figure 20. Sources of funds for fashion and beauty business start-ups in Anambra state.

Figure 20 shows that 74.3% of the respondents generated their business start-up funds through personal savings, whereas 14.3% of them got their funds from relatives and friends. Meanwhile, only 5.7% of the respondents generated their start-up funds from the BOI, while 2.9% of them generated their business start-up funds from the commercial banks.

What are the general sources of finance to your fashion and beauty business? (Tick all that apply)

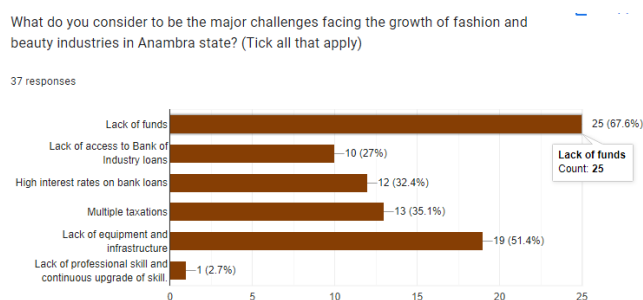
36 responses



Source: Field survey, September, 2023

Figure 21. General sources of finance for the fashion and beauty business owners in Anambra state.

Figure 21 shows that the majority of the respondents (80.6%) derived their business funds from personal savings, whereas 41.7% of them relied on funds from family and friends to operate their enterprises. Meanwhile, the BOI accounted for 11.1% of funds to the respondents, while loans from other banks accounted for 2.8% of funds to the respondents.



Source: Field survey, September, 2023

Figure 22. Major challenges facing the growth of fashion and beauty businesses in Anambra state.

Figure 22 shows that lack of funds (67.6%), lack of equipment and infrastructure (51.4%), high interest charges on bank loans (32.4%), multiple taxations (35.1%), and lack of access to the BOI loans (27%), among others were the major challenges facing the growth of fashion and beauty enterprises in Anambra state.

6.1.6. Summary of the Questionnaire Results

The survey result shows that the majority of the respondents (70%) were females, while 30% were males. An impressive number of the respondents received educational qualifications. Specifically, the majority of the respondents (50%) were first degree holders, followed by Senior High School Certificates (27.5%). Other respondents were holders of NCE (10%), OND (5%), HND (2.5%) and postgraduate degree (7.5%). The majority of the respondents (60%) had between 1 and 5 years' experience in fashion and beauty business in Anambra state, with most of them (52.5%) employing between 1 and 5 people.

The survey result shows that more than half of the respondents (70%) knew about the operations of the BOI, whereas others (30%) lacked its awareness. Out of those who knew about the BOI loans, only 27.5% of them had applied for the Bank's credit, while 72.5% of the respondents did not apply, despite lack of funds and working equipment, which were considered among their major challenges. Most of the respondents (42.4%) did not apply for the BOI loan due to inadequate information about the BOI loan, as well as the lack of collateral (27.3%) to deposit for the Bank's loan. Although most of the respondents applied for the BOI loan to procure working and expansion funds, the small sizes of their businesses, coupled with the lack of collateral hindered their access to the BOI loan. Meanwhile, a fraction of the respondents who managed to secure the BOI loan faced challenges of repayment. Some of these barriers include short repayment period, high monthly deductions and interest charges, low sales/turnover, and others. Also, the majority of the respondents (60.6%) were unable to secure non-financial services from the BOI. Thus, the BOI business support was rated average by the majority of the respondents.

Consequently, the majority of the respondents (74.3%) and a fraction of 14.3% relied on funds from personal savings,

family, and friends, respectively, to start their fashion and beauty businesses. In addition, the survey results showed that funds from personal savings (80.6%), family and friends (41.7%), and commercial banks (2.8%) constituted the general sources of funds. However, funds from the BOI only accounted for 11.1%. Thus, the analysis of the questionnaire results showed that the BOI SMEs lending scheme did not enhance the growth of fashion and beauty businesses in Anambra state from 2015 to 2025.

6.2. Analysis of Interview Results

The survey results generated with the aid of questionnaires were supplemented by the interviews with some owners of fashion and beauty businesses in Anambra state. From our personal conversations with selected key players in the fashion and beauty industry, some of the issues raised by the respondents to our questionnaires were clarified, and we were able to deduce the salient factors responsible for the inaccessibility of the BOI loan to the fashion and beauty owners in Anambra state. We conversed with a respondent who introduced himself as a tailor and fashion designer. He spoke about his business experience and challenges. He also spoke on behalf of several fashion and beauty clusters in Anambra state in relation to the level of support coming from the BOI. The respondent stated as follows: "I'm Mr. Chidiebere, the owner of the Tailoring, Fashion and Designing Trading Company, Nigeria, making textiles and clothing materials, and we started the business in July 2017, and have created about ten direct jobs". Mr. Chidiebere highlighted the challenges facing fashion and beauty industry as follows:

We are striving to cope with numerous challenges in order to remain in business. Chief among these barriers include paucity of funds, high cost of production- including rising cost of textile materials, which we use in making clothes, high cost of energy (arising from the use of diesel-powered generator as an alternative source of electricity). We lack funds for expansion of our industry. If we have more funds, we will procure better machines and purchase materials at cheaper rates. Sufficient funding reduces the cost of production.

Mr. Chidiebere also reflected on the major sources of funding to the majority of fashion and beauty business as owners in Anambra state follows:

We rely on our meager personal savings to finance our industry. Sometimes, when we need more funds to execute major projects, we go to the commercial banks for loan. But this comes at a huge cost to our business, considering the exorbitant interest rates of commercial bank loans. Although this is not healthy for business growth but we have no option. Loans from the commercial banks in Nigeria are given at high interest rates and the repayment tenor/period is often short- less than one year. For production, a lengthy repayment period for loans should be awarded in order to create reasonable window for profits and avert unnecessary

pressure on businesses. Most of the banks that we approached 'didn't' give more than six months or one year for repayment.

On the knowledge and contribution of BOI to fashion and beauty businesses in Anambra state, Mr. Chidiebere argued:

I know about the BOI. I am also aware of the conditions for loan procurement at the BOI. I once attempted to apply for the BOI loan but was deterred by the requirements to provide collateral and two (2) guarantors from level-16 upwards. I was actually looking at the BOI assisting me to procure working machines that worth millions of naira, and at this level, the Bank required me to provide a landed property with a titled Certificate of Ownership (C-of-O). These conditions for the BOI loan procurement are tough and stringent for SMEs like ours.

On how the BOI can improve its lending to private businesses, Mr. Chidebere noted:

If the BOI actually wants to assist us, going through the applicants' bank account statement would have been more useful. This is because, a businessman cannot provide in his account statement what he 'doesn't' worth. What the BOI should be looking at is the consistency and frequency of transactions. These are what make a stable businessman. By the time the BOI goes through the account statement of clients and makes assessment of financial flows in-and-out of the account as well as the consistency and frequency of these transactions, the Bank should be able to know the amount of money that the client can manage. If a businessman is turning on 100 million annually and comes for 50 million-naira loan, the BOI should have trust that the client has the ability to repay. There is no way the person will run away with 50 million naira because, the business' annual net profit is much higher than what is being borrowed.

We also interviewed another respondent named Mr. Chika, a fashion designer and an owner of fashion store that is based in Awka, Anambra state, with ten workers under its payroll, and has operated for more than seven years now". Mr. Chika highlighted the challenges facing his fashion business:

For me as an entrepreneur, my major challenge is paucity of finance. If I have access to sufficient finance, my dream is to have a big fashion-house where I produce clothes and variety of textile materials in large scale. With enough finance, I will procure a good location for the fashion-house as well as working equipment that will enhance our production processes.

On the knowledge about the BOI, Mr. Chika said:

I think I hear about the Bank of Industry, but I lack detailed information about it and what it can offer to businesses like mine. I once watched in the National Television one man testifying about receiving a loan from the BOI, which enabled him to start-up a bakery business. That is the much I know about the BOI. There is limited information and awareness on the activities of BOI in Anambra state. We 'can't' just know about them (the BOI); it is the Bank that should sensitize the business community in Anambra state

about its operations if the organization actually wants us to apply for its loan and explore other services it avails to private enterprises.

We interviewed another respondent who owns fashion and beauty enterprise located in Oko, Anambra state. The respondent, named Onyinyechukwuka, is the owner of Onyibest Fashion Designing and Interior Decoration, which has operated for more than ten years and has created over 15 direct jobs. Onyinyechukwuka shared her thought on the challenges facing fashion designers in the state as follows:

We need modern and advanced industrial tailoring and sewing machines. It remains a challenge how to get these machines. It is when we have them that we can build up our businesses. If we have them, time and cost of production will be reduced. But we lack finance to get them. Due to scarcity of working equipment, there are clothing designs that we may not be able to design. Alternatively, we start looking for where we can find the machine and end up spending extra money and time to accomplish the task. If we have these machines, they can quicken up our production process.

On the sources of fund to her business and knowledge about the BOI, Onyinyechukwuka stated:

At first, my elderly siblings supported me financially to start-up my fashion and design business. Currently, I sustain this business by reinvesting our meagre profits. For the BOI, I have heard about them but I lack detailed information about its operations in Anambra state. I suggest that the BOI should embark on awareness creation to sensitize fashion and beauty designers and other business owners about its operations to enable us procure business loan from the Bank.

7. Discussion

Consequently, the interview results showed that the BOI SMEs lending scheme did not enhance the growth of fashion and beauty enterprises in Anambra state. This agrees with the results generated from the questionnaires. However, the results of this study are opposed to the findings of some related studies, such as [12, 32, 36, 40] and [11], which argued that the BOI has made positive contributions on the growth of SMEs in Nigeria. On the other hand, the survey results aligned with the findings of related studies, such as [9, 29, 33, 42, 48] which showed that the BOI lending scheme did not have significant impact on the performance of SMEs in some locations in Nigeria.

8. Conclusion and Recommendations

The survey results showed that the BOI's SMEs lending initiative did not enhance to the growth of selected fashion and beauty enterprises in Anambra state within the period of the study. This is due to BOI's strict lending conditions, which

required that the SMEs applicants must provide collateral (e.g., landed property) and high-ranking civil servants (as guarantors) for loan procurement. Additionally, inadequate information about the BOI loan terms also hindered the fashion and beauty SMEs' access to the BOI loan and other non-financial services. As a result, many respondents relied on funds from their meagre personal savings, relatives and friends, and a fraction from the commercial banks to finance their businesses. Based on the findings of this study, therefore, the following recommendations were made:

- 1) There is the need to dismantle bottlenecks for the BOI loan by granting SMEs waivers for collateral - landed property/assets as a precondition for loan procurement. This is because, as shown in the survey results, most of the SMEs in Anambra state lacked money for business expansion and did not have landed assets to deposit as collateral security for the BOI loan. These SMEs are struggling businesses which need financial support for business growth and consolidation. Alternatively, the BOI should visit the business location of its SMEs loan applicants to see what they are actually doing. The bank should request for the business register, the sales books, the inventory, and other essential documents. Once the business is viable and has good track records, the BOI should grant them credit. Moreover, the operating facilities of these SMEs should be used as collateral. In addition, the volume, frequency and consistency of cash flows in their bank account statements should be used as a benchmark to determine the amount of money to lend to these businesses, that they have the capacity to repay.
- 2) Again, with the BVN, the BOI can lend money to SMEs. Since all bank account holders in Nigeria are linked to BVN, the banks including the BOI should use the mechanism of BVN to assess the volume of financial transactions routed through the bank accounts of its prospective SME customers or trace/track any bank accounts where its defaulters are holders.

Abbreviations

AfDB	African Development Bank
BOI	The Bank of Industry
BoP	Bottom of the Economic Pyramid
CBN	Central Bank of Nigeria
C-of-O	Certificate of Ownership
DFIs	Development Finance Institutions
EGP	Economic Growth Plan
GSIC	German Society for International Cooperation
HND	Higher National Diploma
HNIs	High Net-Worth Individuals
LGAs	Local Government Areas
MSMEs	Micro, Small, and Medium-sized Enterprises

NBCI	Nigerian Bank for Commerce and Industry
NBS	National Bureau of Statistics
NCE	National Certificate on Education
NERFUND	National Economic Reconstruction Fund
NIDB	Nigerian Industrial Development Bank
NIRP	National Industrial Revolution Plan
OND	Ordinary National Diploma
PPP	Public-Private Partnership
QSR	Quick Service Restaurants
SDG	Sustainable Development Goal
SMEs	Small and Medium Enterprises

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Conflicts of Interest

The authors declare no conflicts of interest.

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