

Chart 11 illustrates the percent of SMEs in each region who are interested in each BDS product.

Credit is the product in which the greatest percent of SMEs in Lenkeran and Masalli are interested. This may well be a result of the relative absence of credit products and programs in these non-IDP areas, and the belief that credit will solve all the problems of SMEs.

Note the high interest in Lenkeran and Masalli in the core BDS products - Production Technology, Quality Improvement, Business Planning and Transportation & Distribution.

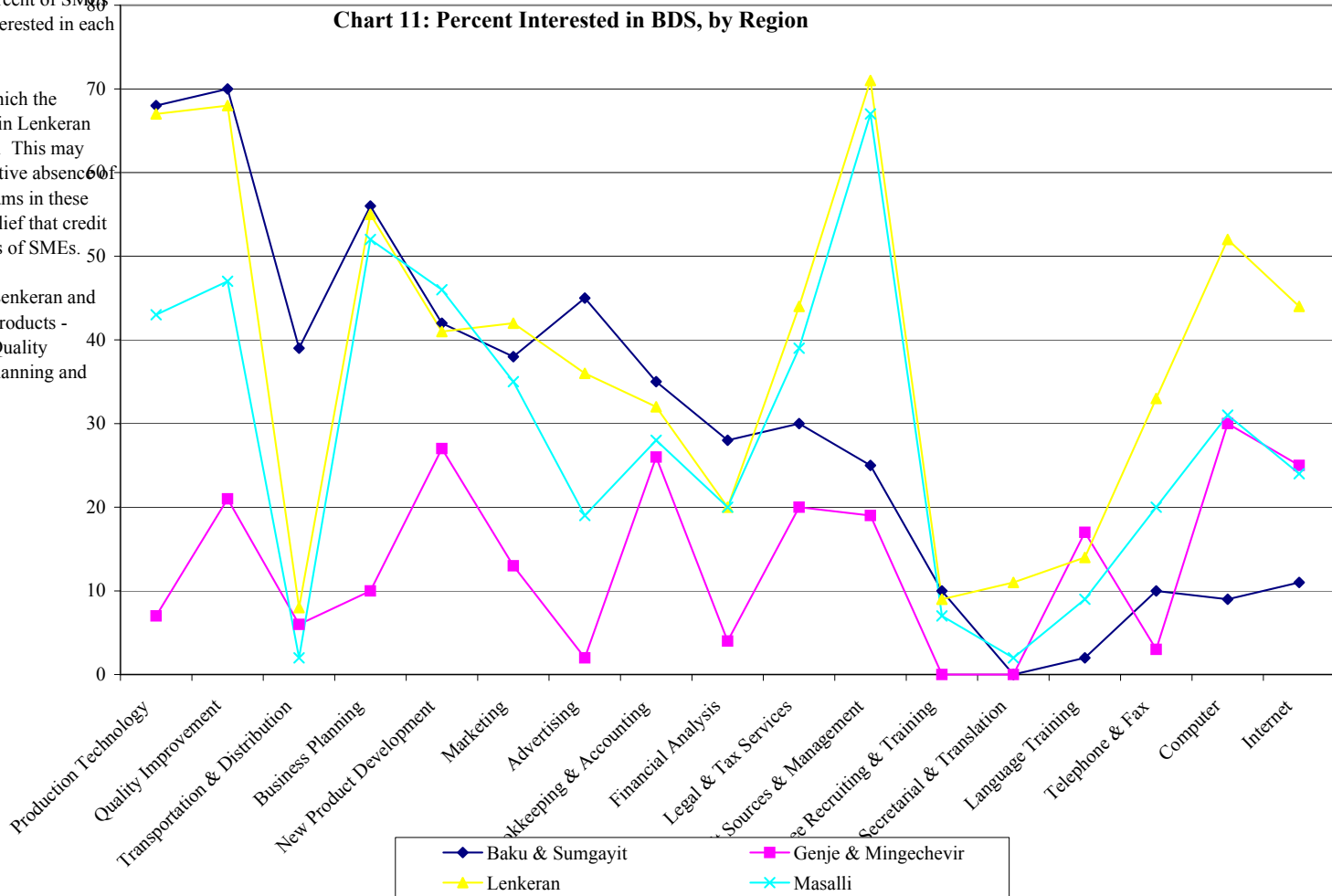


Chart 12 details the retention rates for each BDS product when SMEs that expressed interest in a product were asked if they would be willing to pay for it.

Note this is percent, not absolute value, of interest - although 100 % of Masalli SMEs that expressed interest in Secretarial & Translation services are willing to pay for these services, there was only one SME that expressed interest.

Absolute values are detailed in Charts 13a - e.

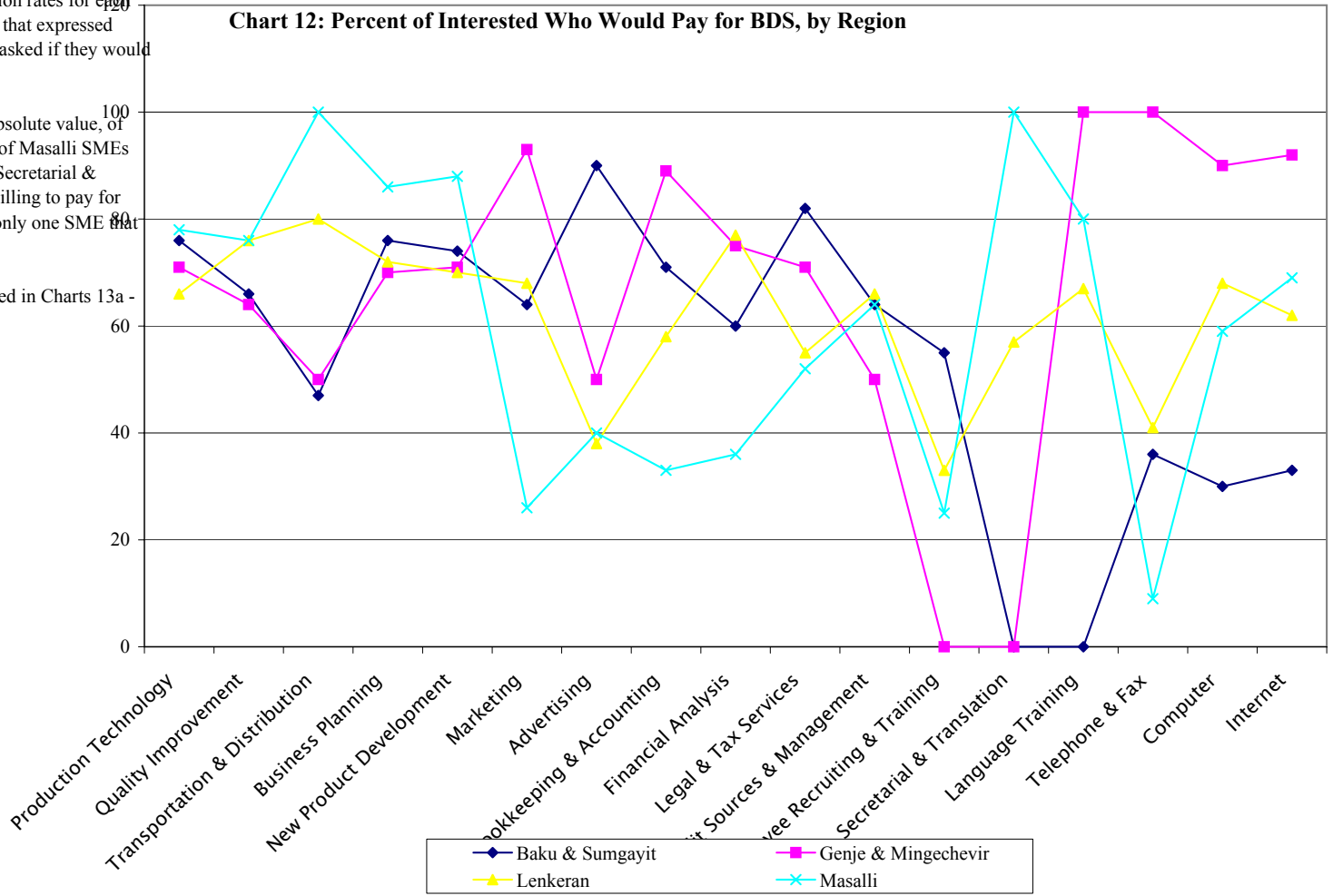


Chart 6 illustrates the percent of SMEs in each region, that provides BDS in-house.

Note that as number of surveys gathered in each region varies, 80 percent in Lenkeran (66 surveys) translates into fewer SMEs than 80 percent in Baku & Sumgayit (110 surveys).

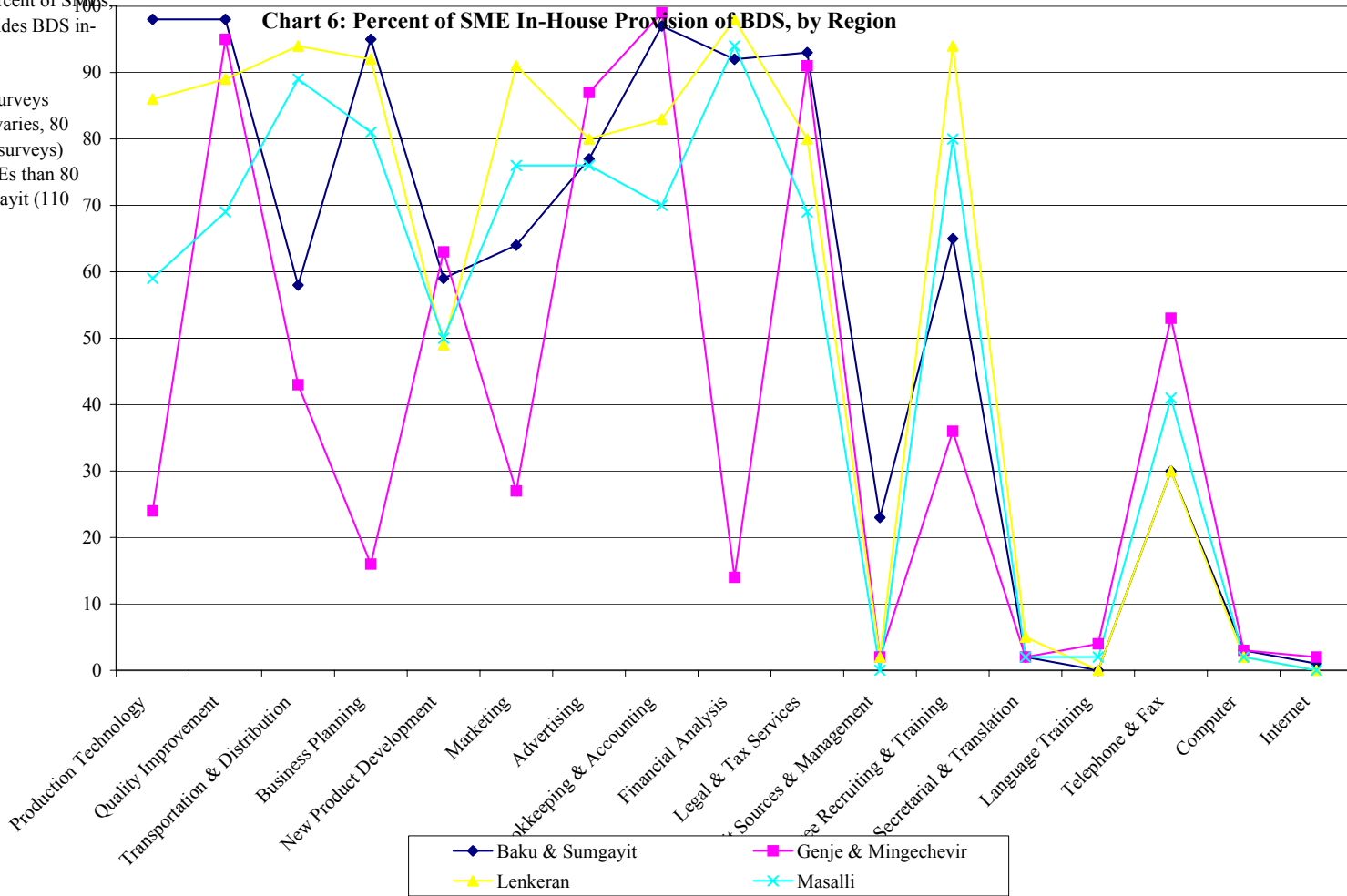


Chart 15a compares the current utilization of BDS products - either in-house or through an outside source - with the existing demand for those products.

For all BDS products except Credit, Language Training, Computer and Internet, current use outpaces demand. This holds true in each area (Urban, Central and South-Iran). Only Lenkeran has additional BDS products where demand is greater than current utilization (Secretarial & Translation and Telephone & Fax).

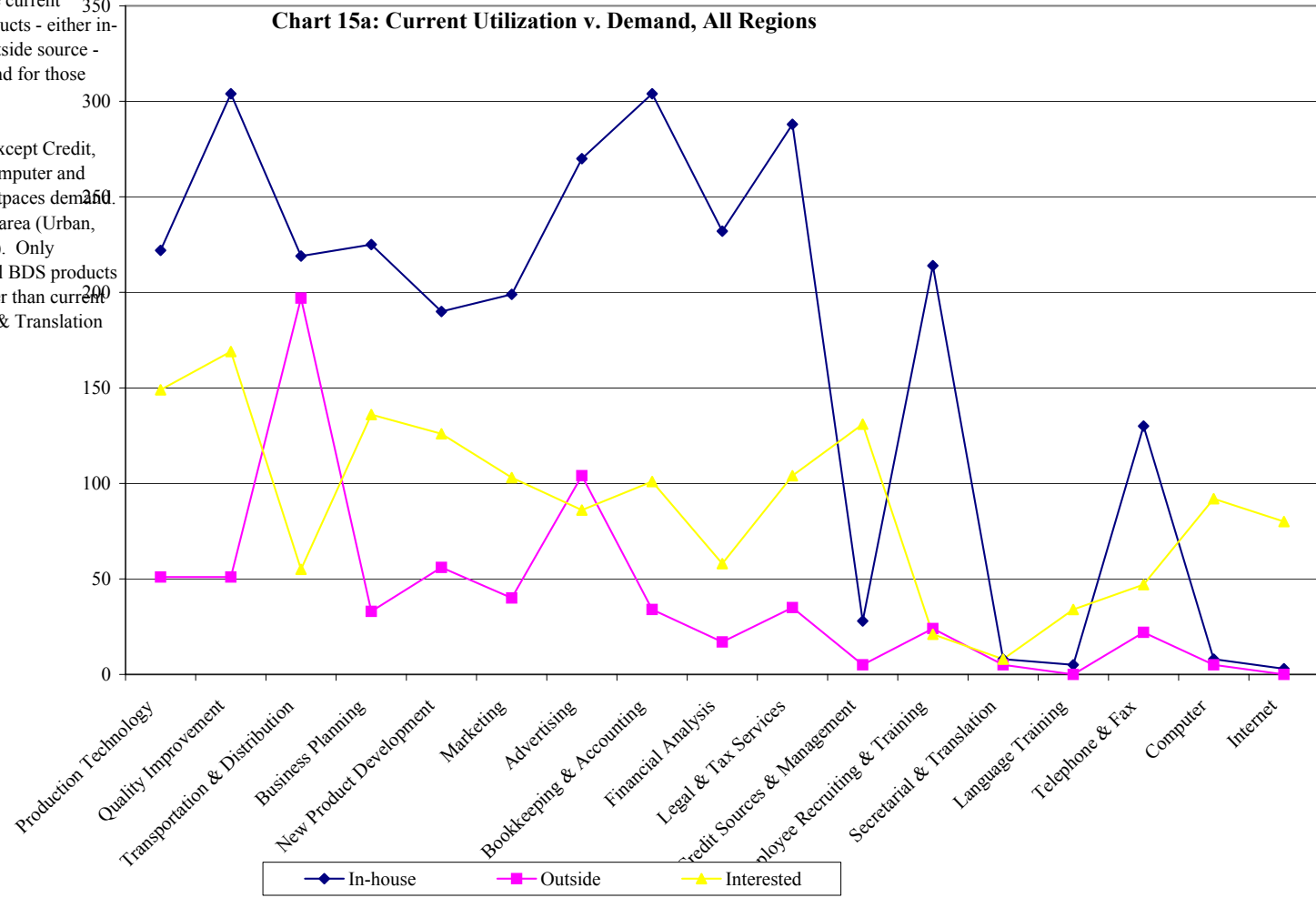


Chart 26a: Current Utilization, Demand and BDS Providers, All Regions

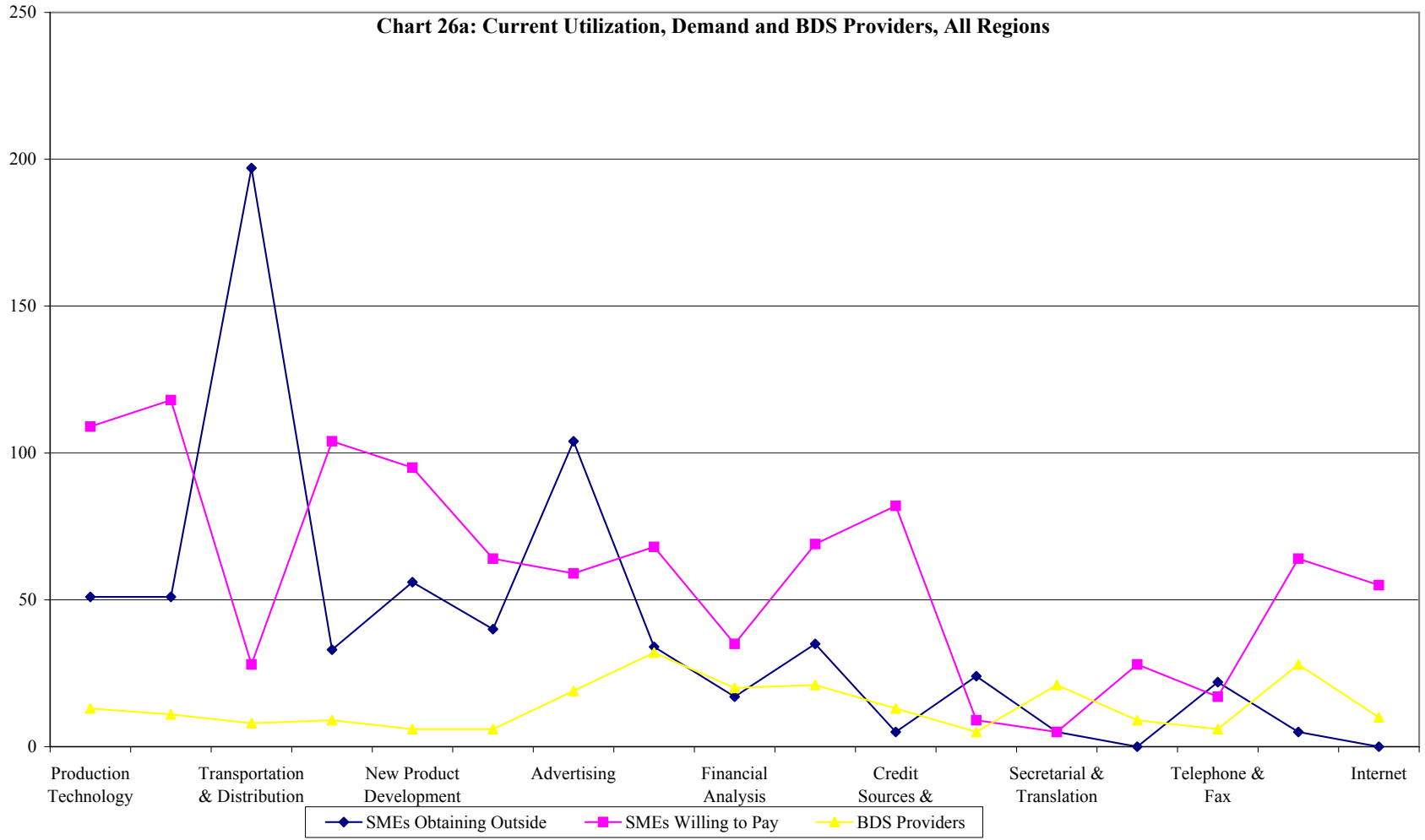


Chart 8a divides the BDS accessed outside into source - informal, private and public (see text for definitions).

The dominance of informal BDS utilization in all sectors raises questions regarding the role for interventions. If SMEs are using informal channels (e.g. friends, colleagues, trade journals, etc.) on a non-fee basis, is there room for Mercy Corps (as a facilitator) or private sector BDS providers in these relationships?

