

EIU SME STUDY



KEY FINDINGS

SMEs aspire to grow internationally

- Majority of SMEs expect to derive over 50 percent of revenues from international by 2019
- Competition, economic stagnation and pressure on margins are driving factors

KEY FINDINGS

SMEs see multiple barriers to international growth

- **Risks and challenges outweigh growth for most**
- **Infrastructure, cost, bureaucracy / corruption, political stability**
- **Cultural aspects – similar language and culture important for 84% of SMEs**

KEY FINDINGS

BRICM SMEs are better positioned in developing markets

- **32% of G7 SMEs operate in Europe vs. 7% of BRICM SMEs; 15% of BRICM SMEs operate in developing markets vs. 4% of G7 SMEs**

KEY FINDINGS

SMEs employ innovative tactics for international success

- **Piggy-backing on existing distribution networks**
- **Developing products that target niche markets, stable sectors and even instability**
- **Targeting developing markets to learn skills**

KEY FINDINGS

The growth potential of Africa is not recognized by many SMEs

- **40% of G7 and BRICM SMEs see no potential in Africa, citing infrastructure, corruption, low consumer spending**
- **Multi-national and state-owned companies capitalizing on growth story thanks to superior resources & firepower**

KEY FINDINGS

China is still an attractive growth market for SMEs

- **Majority of SMEs identified China as most attractive developing market, thanks to consumption and economic policy**
- **Entering China and succeeding still a challenge: strategy (i.e. entering with own presence or partners) needs to be carefully weighed**

THANK YOU!

