

dun & bradstreet



SME

BUSINESS EXCELLENCE

**AWARDS
2019**

10 Years of Excellence

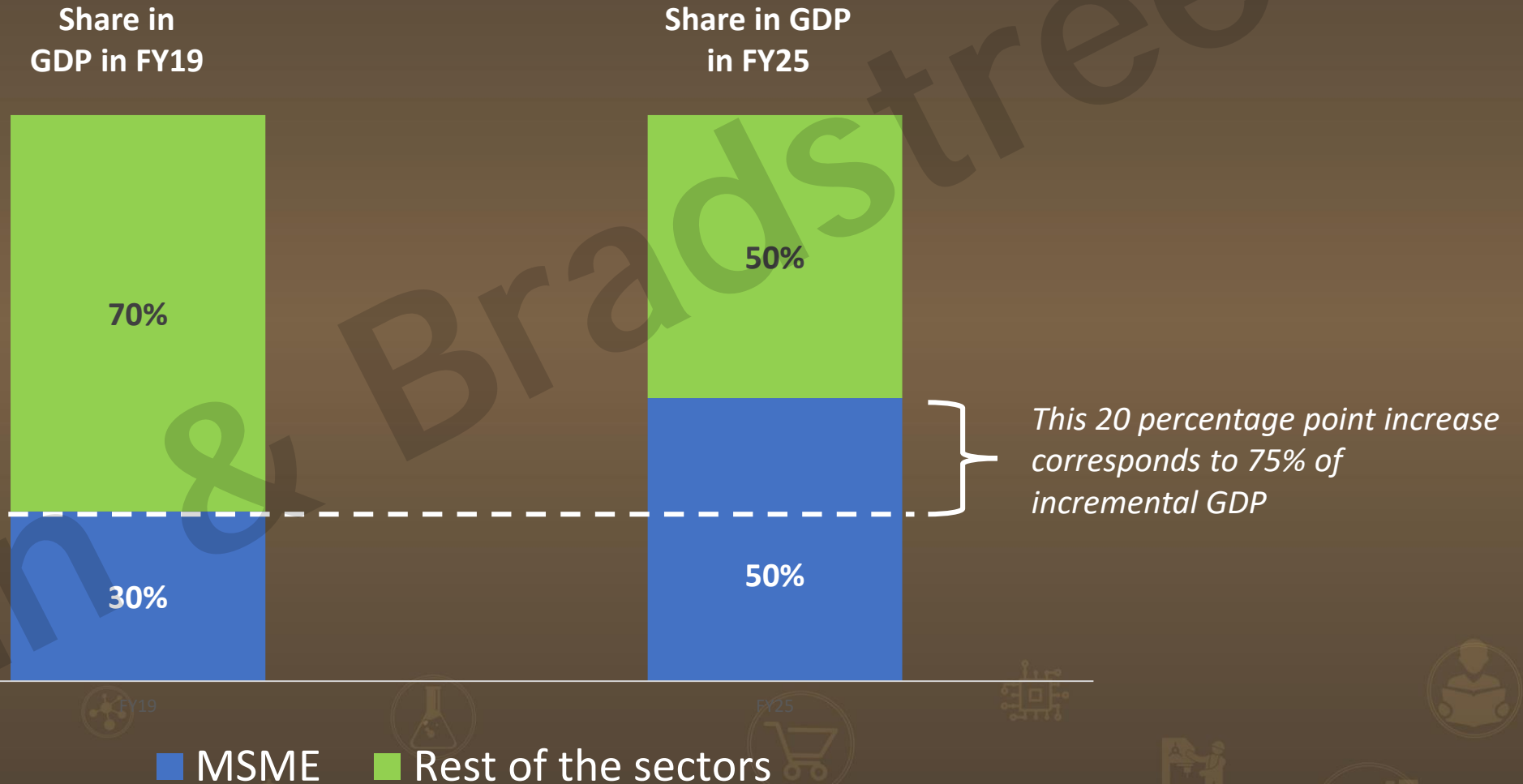
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INDIA TO BECOME A US\$ 5 TRILLION ECONOMY

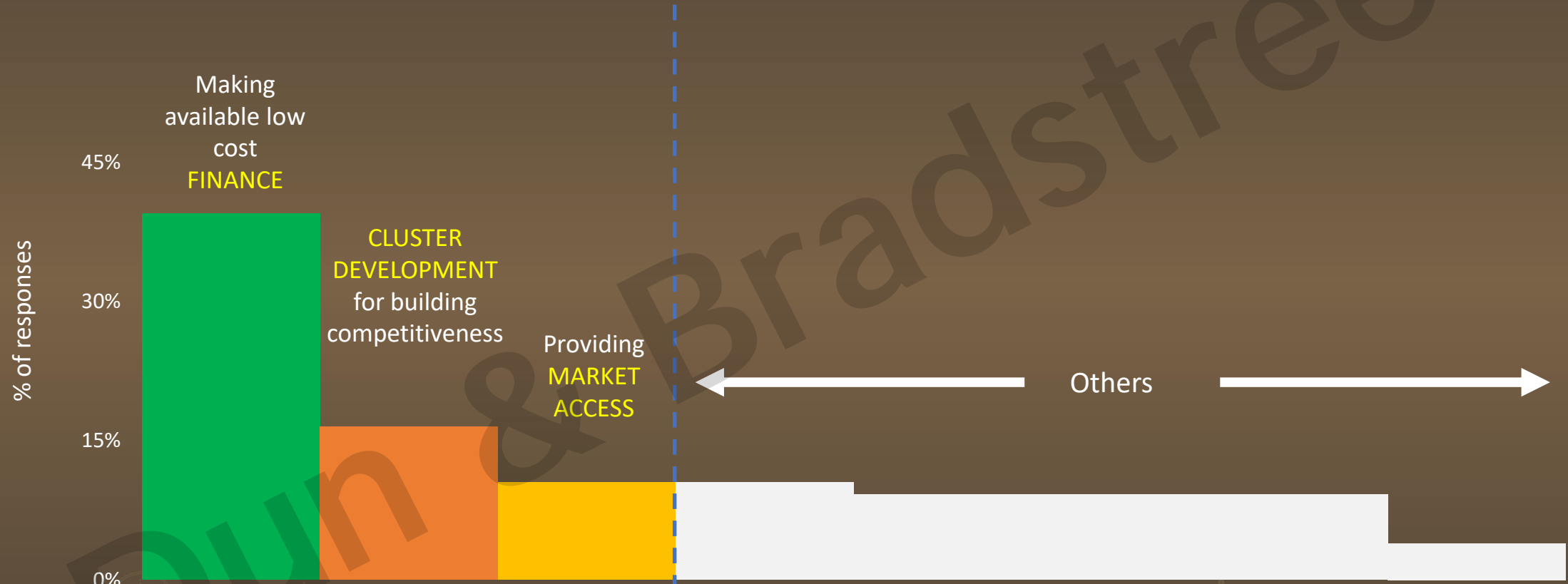
The government has forecast that MSMEs need to contribute 50% of GDP in order to achieve US\$ 5 trillion economy



Source: MOSPI and government of India, D&B Research

ACCELERATORS OF GROWTH FOR MSMEs TO ACHIEVE US\$ 2.5 TRILLION GDP

D&B's multiple surveys over last decade along with various research indicates that there are many accelerators which can help MSMEs to grow and contribute a larger share in GDP. But there are three accelerators which are critical and independent of others

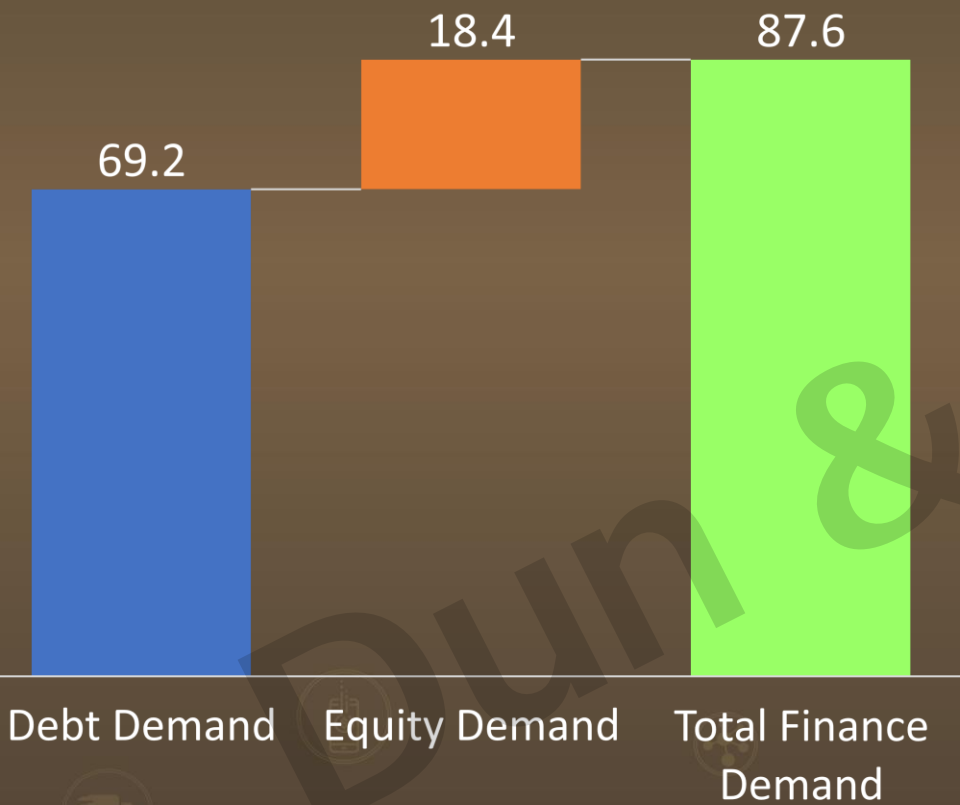


Source: Various Research, D&B survey and Research

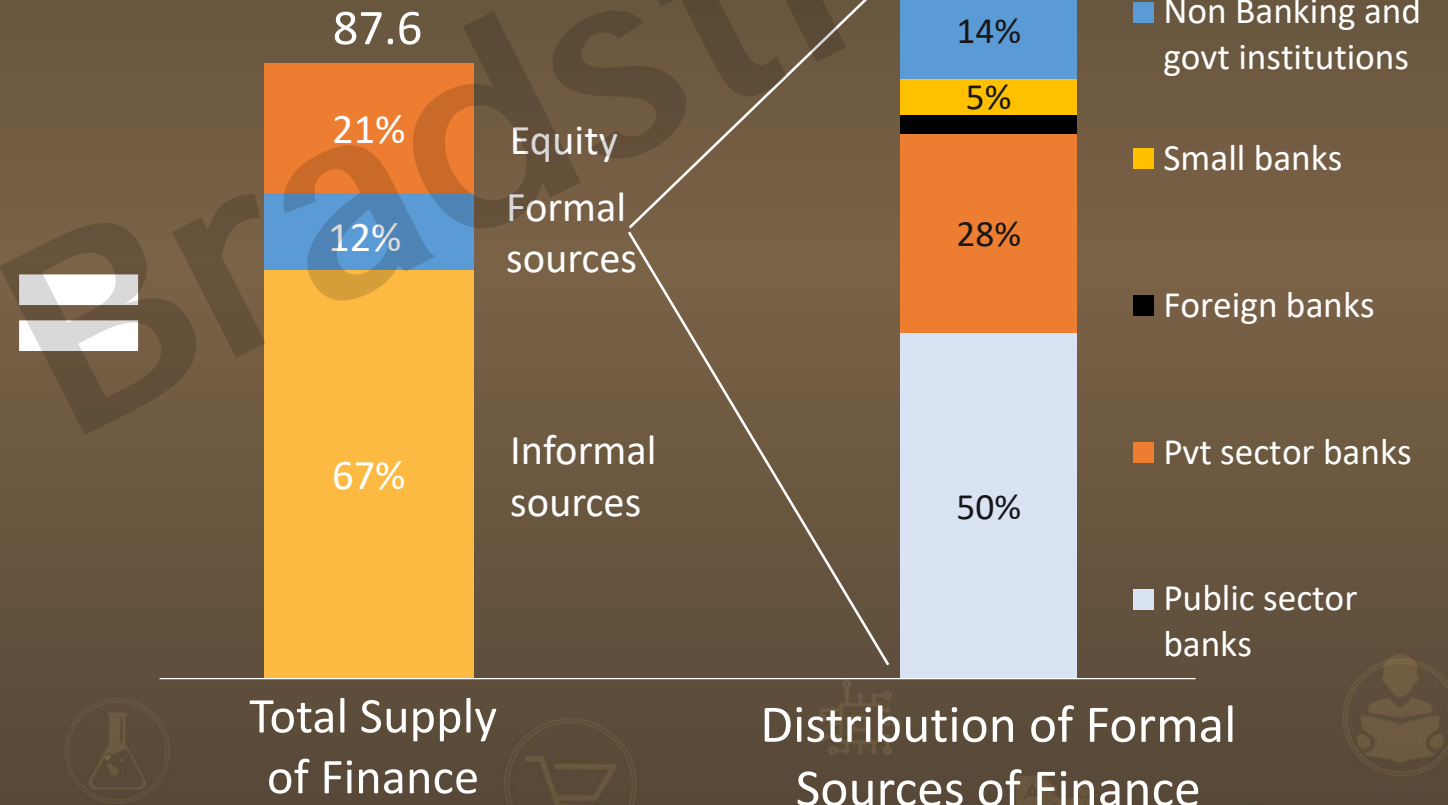
ACCELERATOR OF GROWTH FOR MSMEs – AVAILABILITY OF FINANCE

12% of supply for finance is disbursed by the formal sources. Within that more than 50% is provided by the government

Total Demand for Finance
by all MSMEs in India
(Rs trillion)



Total Supply of Finance
by all MSMEs in India
(Rs trillion)



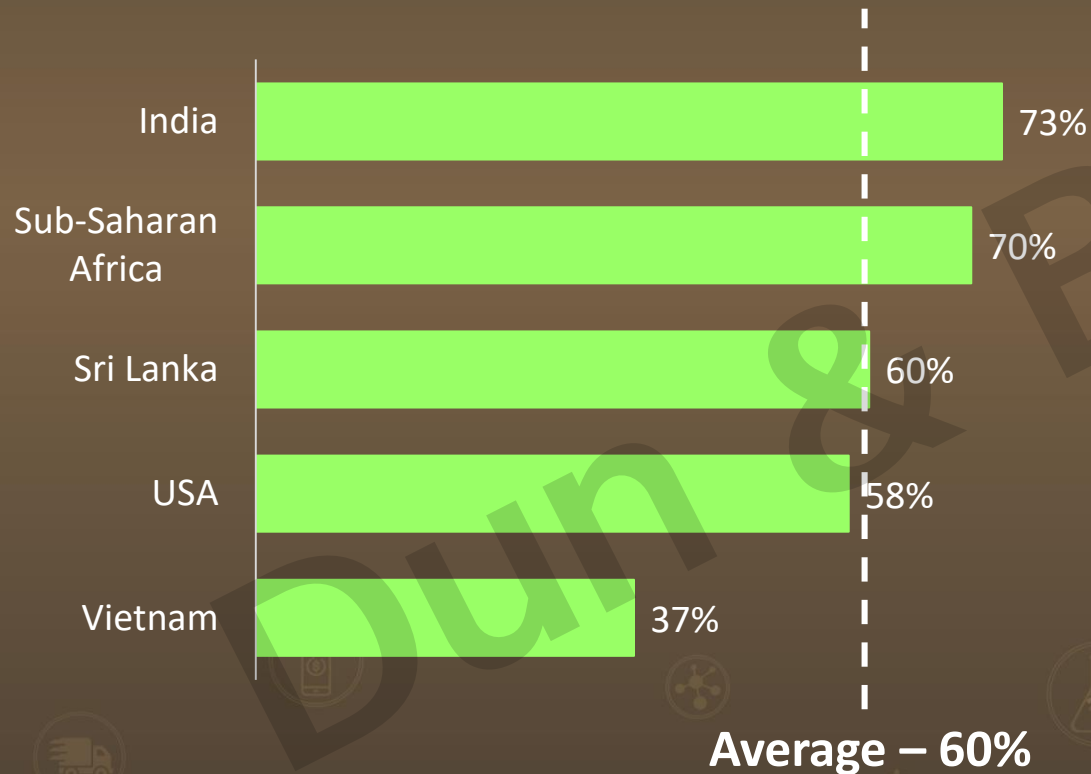
Source: IFC, World bank, D&B Research

ACCELERATOR OF GROWTH FOR MSMEs - IMPACT OF ACCESS TO FINANCE

MSMEs who have access to finance have higher returns on capital and higher profitability

Impact on profitability

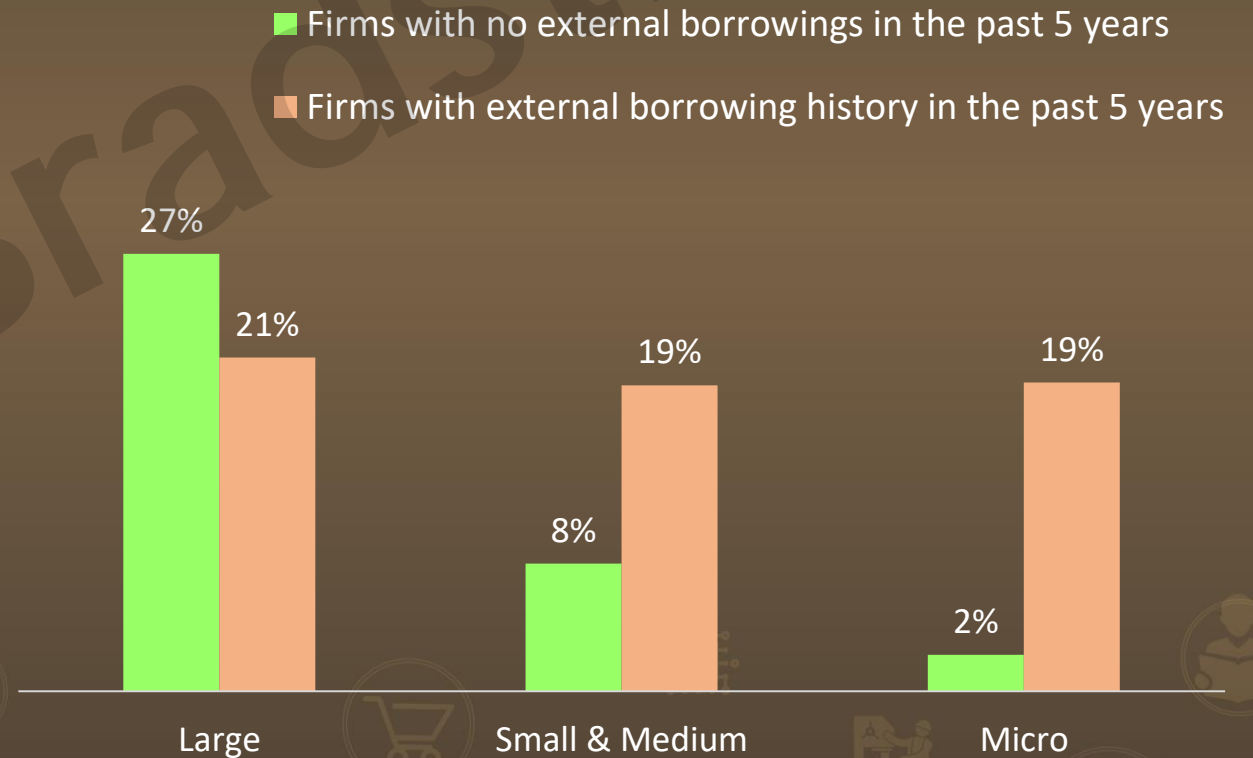
Cross country experimental research indicates that every incremental Rs 100 borrowed, Indian MSMEs generates Rs 73 marginal return to capital



Source: Various research, CMIE, D&B Research

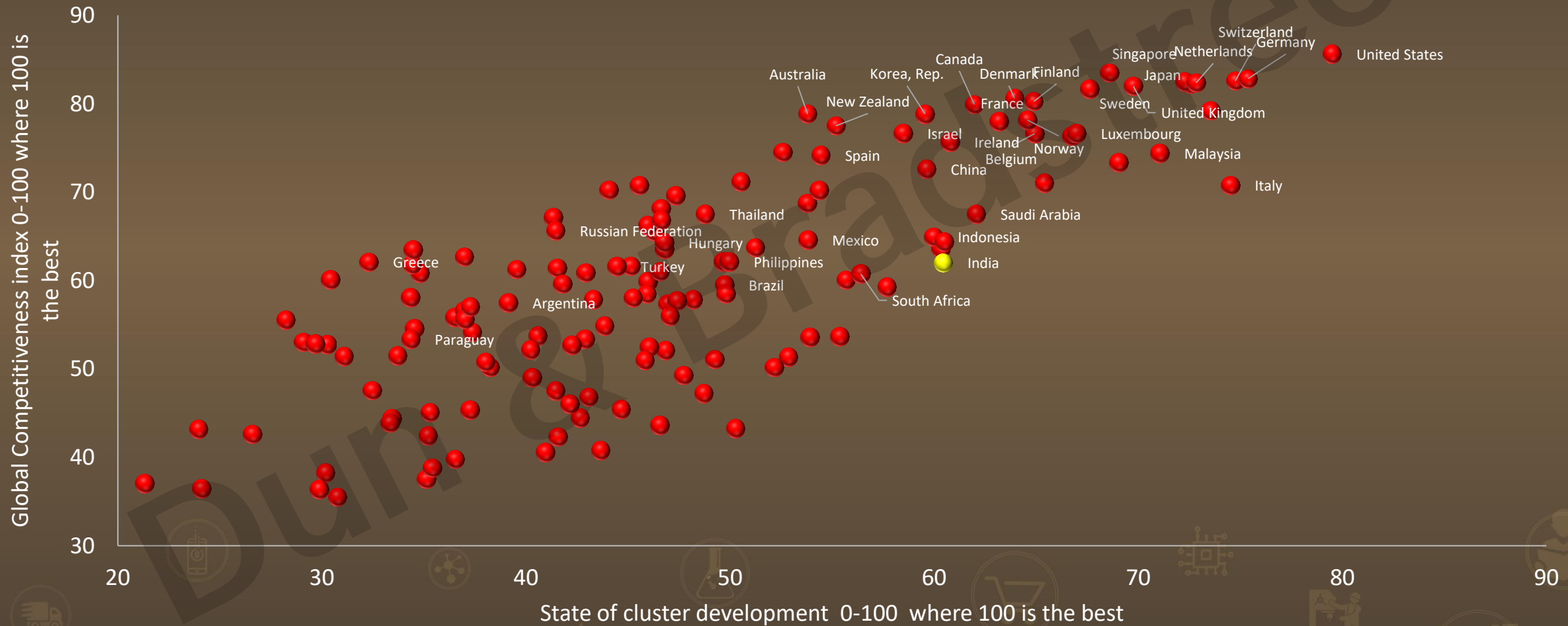
Return on capital employed

Indian micro enterprises which borrowed funds were able to generate return on capital employed by 19% as compared to just 2% by micro enterprises which did not borrow



ACCELERATOR OF GROWTH FOR MSMES – CLUSTER DEVELOPMENT

Cluster development drives competitiveness of firms. Countries in which clusters are deep and well-developed have high national competitiveness in certain segments of industry and vice versa. The focus has to be on cluster development along with developing human capital and providing enabling environment for firms to grow

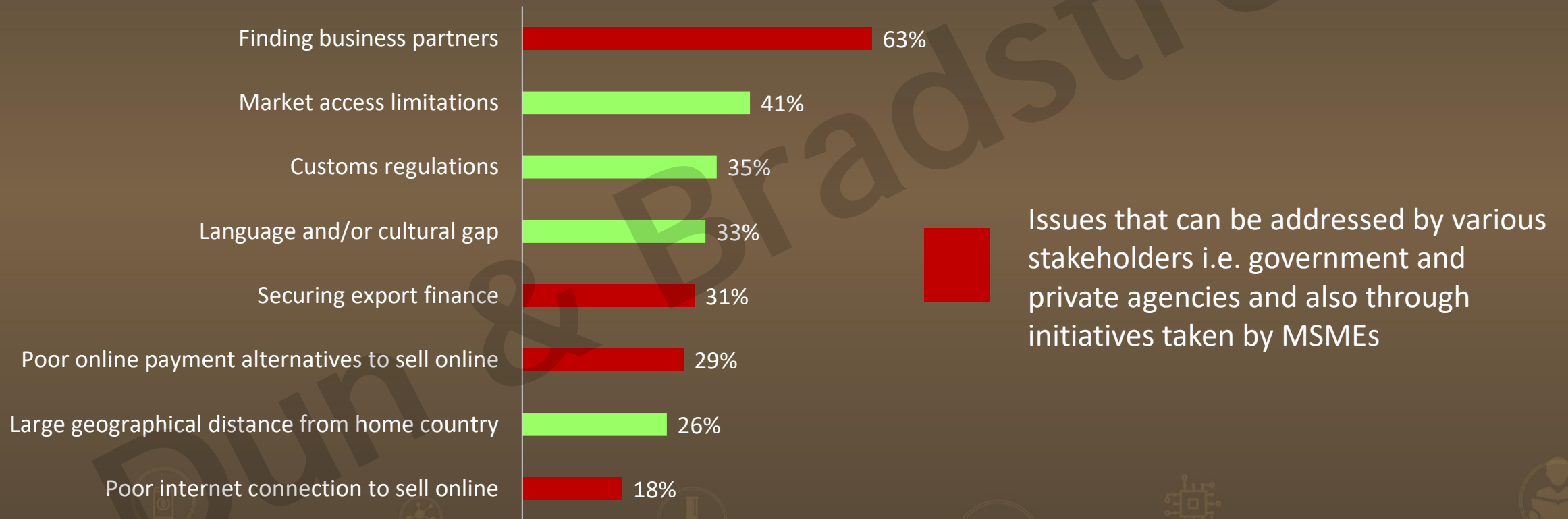


Source: World Economic Forum, D&B Research

ACCELERATOR OF GROWTH FOR MSMES – ACCESS TO MARKETS

MSMEs face multiple barriers to access markets. Some of those can be resolved by various stakeholders i.e. government and private agencies and also through initiatives taken by MSMEs themselves. In this, digitization can play a bigger and better role and help connecting businesses and consumers

BARRIERS TO TRADE

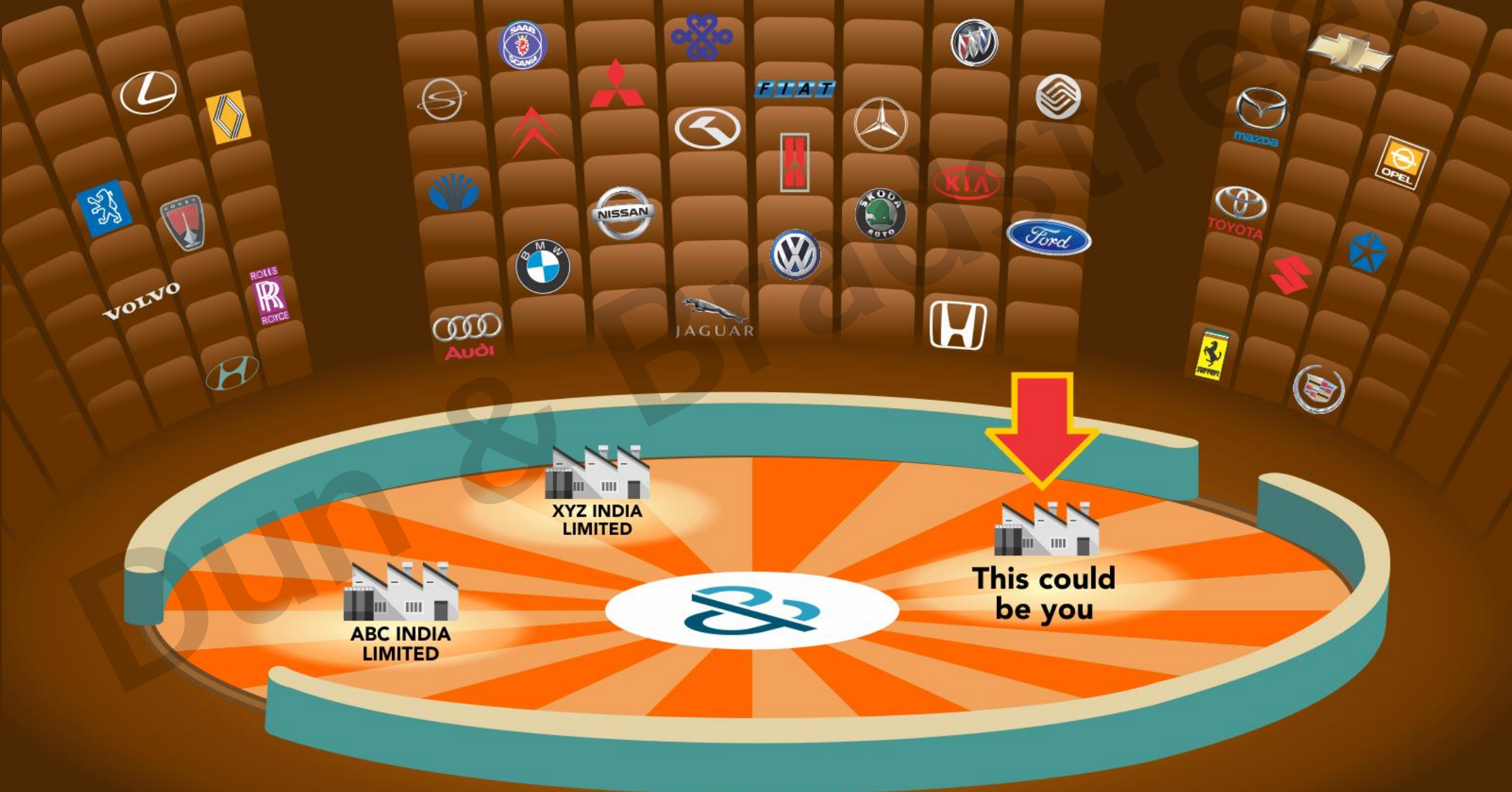


Note: The target population consists of SMEs that have an active social business Page and include both newer and longer-standing businesses, spanning across a variety of sectors. Period of survey for March-May 2017.

Source: World Bank, OECD, D&B Research

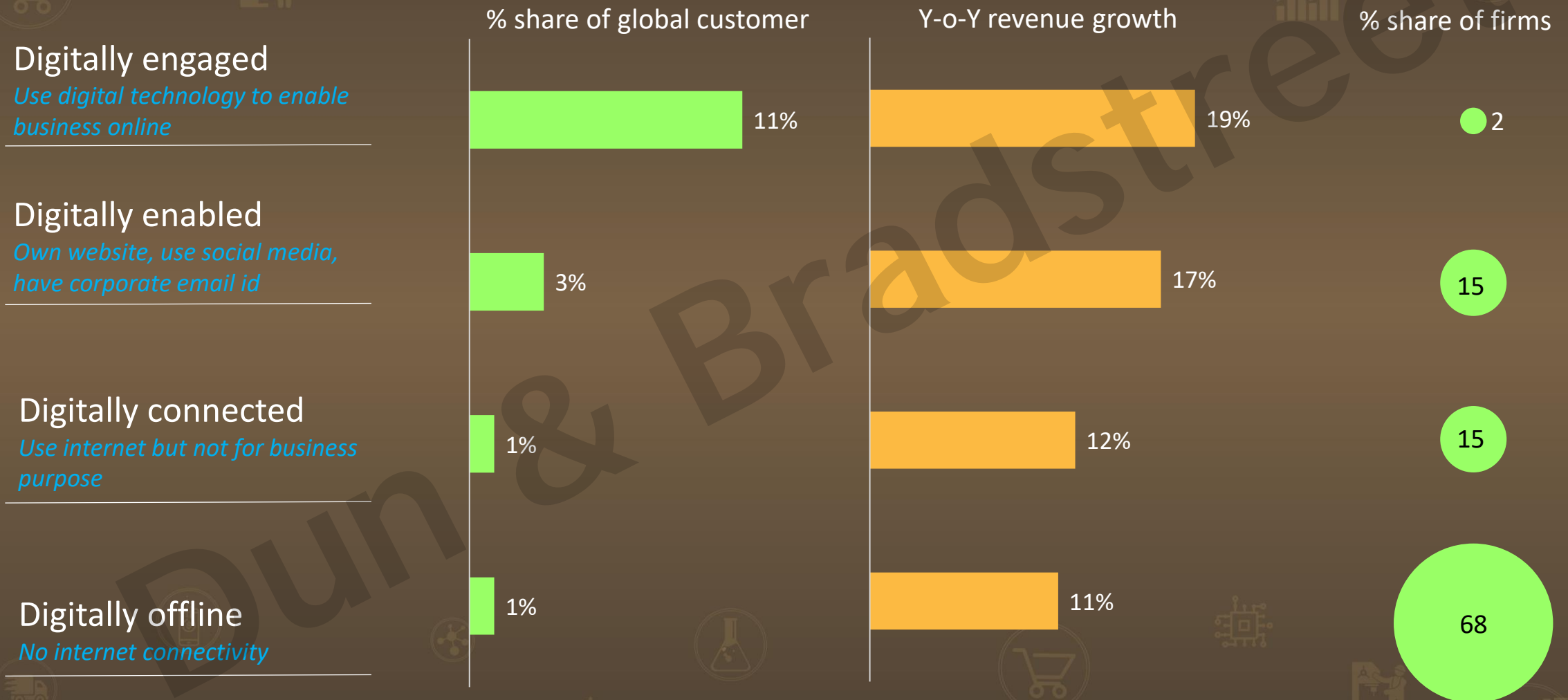
ACCELERATOR OF GROWTH FOR MSMES – ACCESS TO MARKETS

Over 250,000 global and domestic customers across 200 countries leverage D&B data



ACCELERATOR OF GROWTH FOR MSMES – ACCESS TO MARKET

MSMEs who are digitally engaged are able to access wider markets and generate more revenue than those who are not connected or choose to remain offline



Source: World Economic Forum, Google and KPMG, D&B Research

CONCLUSION

