



APEC
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PHILIPPINES

MSMEs in the time of the Pandemic: Opportunities for the Reactivation of SMEs and Entrepreneurship

Presented by

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MSMEs in APEC

Small and Medium

Enterprises (SMEs) account for more than 90 percent of all businesses in the APEC region and employ between 40 and 80 percent of the workforce.

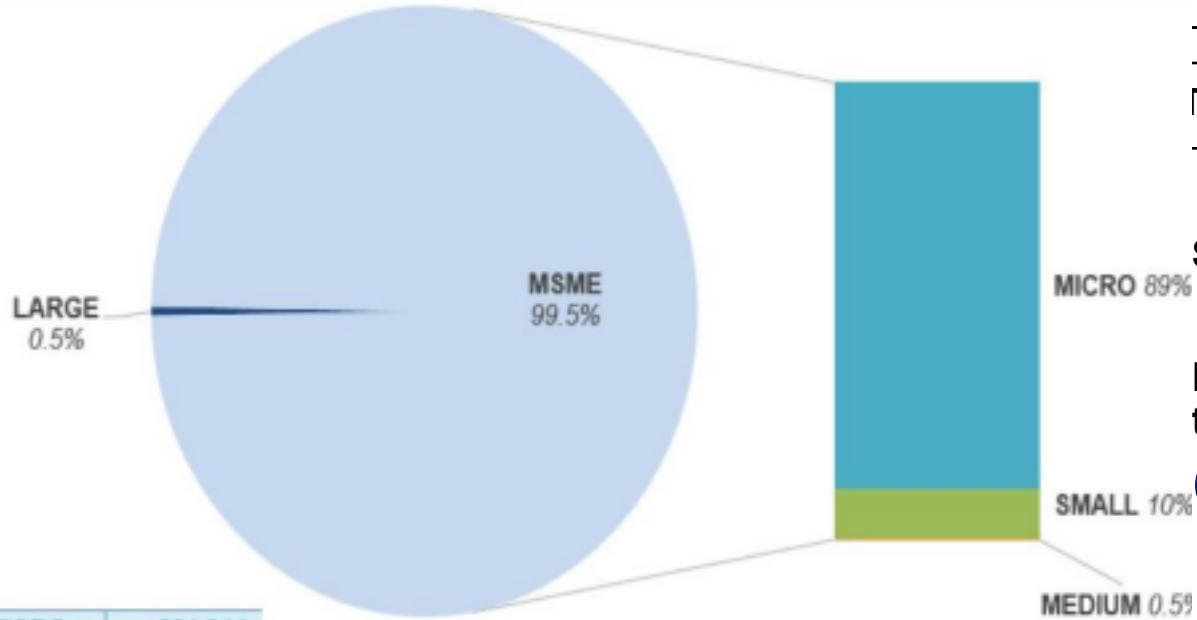
While APEC has always recognised the contributions of SMEs to their economies, they presently account for only about 30 percent of exports.

	Numl SM
Australia	2,309
Brunei Darussalam	5,8
Canada	1,280
Chile	944
China	21,92
Hong Kong	338
Indonesia	64,19
Japan	3,578
Korea	3,732
Malaysia	907
Mexico	4,169
New Zealand	518
Papua New Guinea	49,
Peru	1,899
Philippines	920
Russia	4,532

Singapore	262,6
Chinese Taipei	1,466,
Thailand	3,077,
United States	30,748
Viet Nam	507,8

MSMEs in the Philippines

99.5% of all businesses are MSMEs



MICRO	891,044
SMALL	99,936
MEDIUM	4,765
LARGE	4,761
TOTAL	1,000,506

Number of Establishments, 2019 List of Establishments, PSA

MEDIUM	651,391
LARGE	3,315,575
TOTAL	8,826,335

SMALL 99,936 MEDIUM 4,765 LARGE 4,761 TOTAL 1,000,506

Number of Establishments, 2019 Contribution of Establishments to Total Employment, 2019

COVID-19 Impact on SMEs Globally

MICRO 891,044

MICRO	2,631,165
SMALL	2,228,204

96%



**WERE IMPACTED BY THE PANDEMIC BY MARCH
2020 IN THE US**

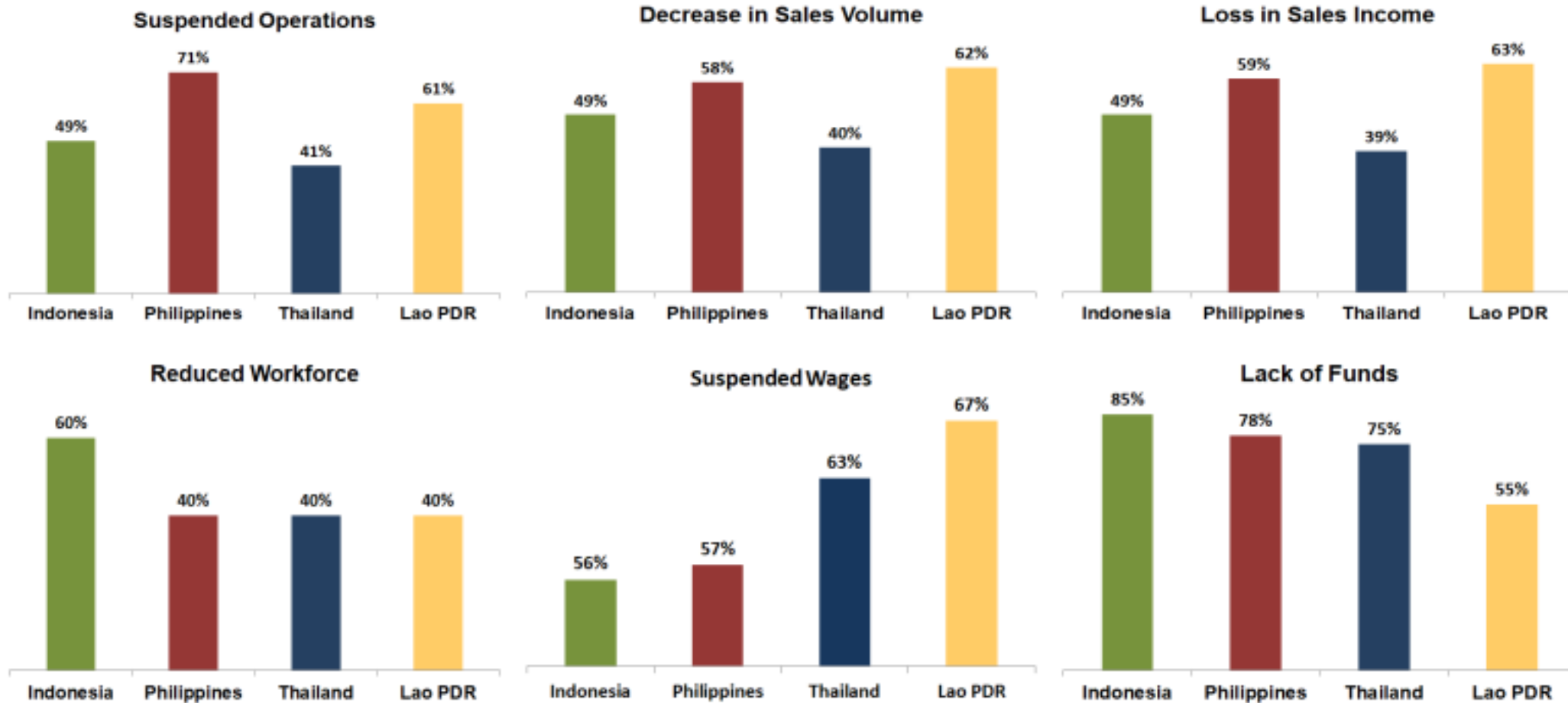
LAI D OFF 75% - 100% OF THEIR **40%**

STAFF IN THE UNITED KINGDOM

90% EXPECTED EXTREME REVENUE

LOSS IN THAILAND

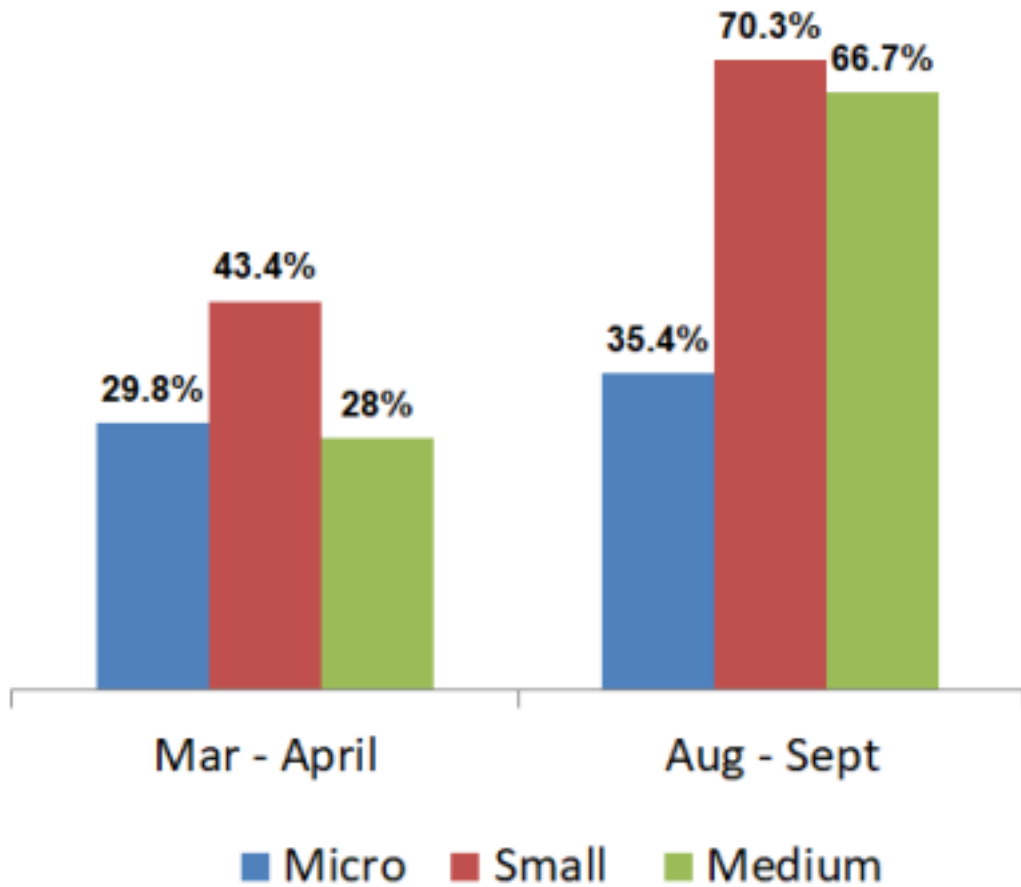
Immediate impact of COVID-19 outbreak, select ASEAN MSMEs



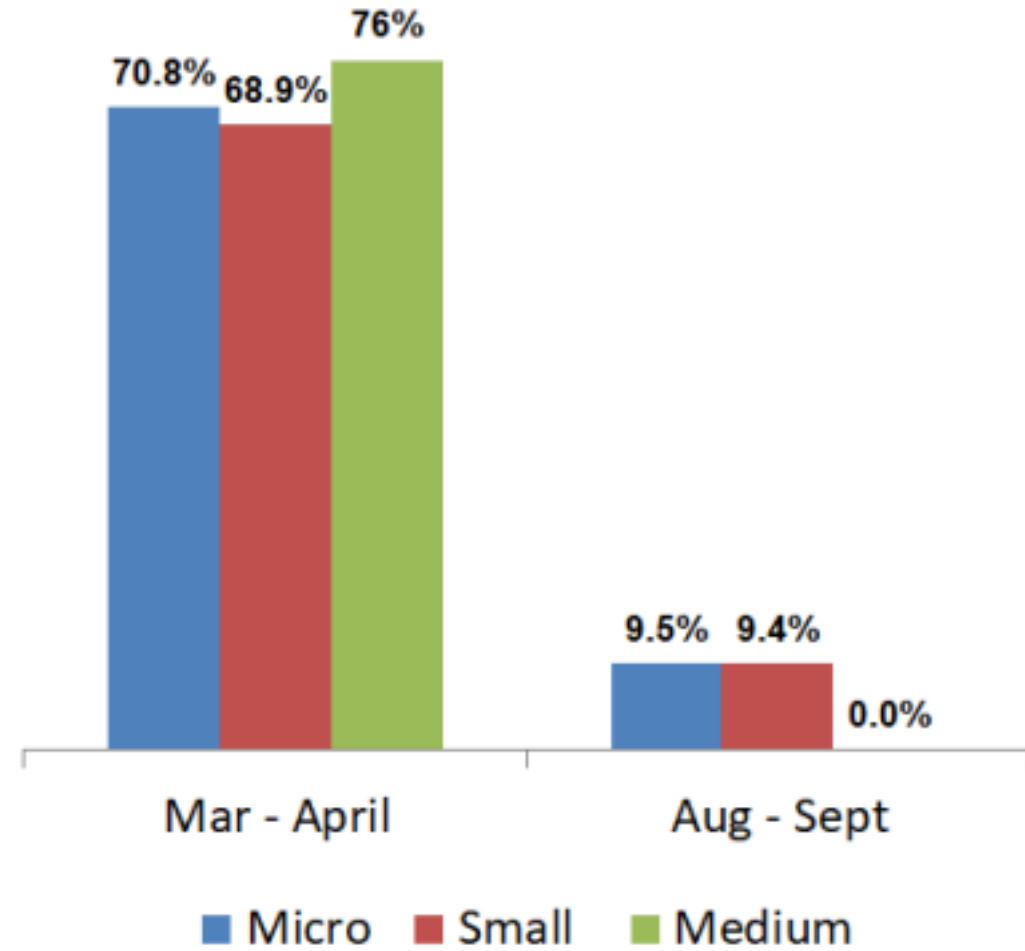
Based on over 3,800 MSMEs surveyed in Indonesia, Philippines, Thailand and Lao PDR, covering March to May 2020. Source: ADB, 2020

MSME Environment after COVID-19 Outbreak in the Philippines

DROP IN DOMESTIC DEMAND

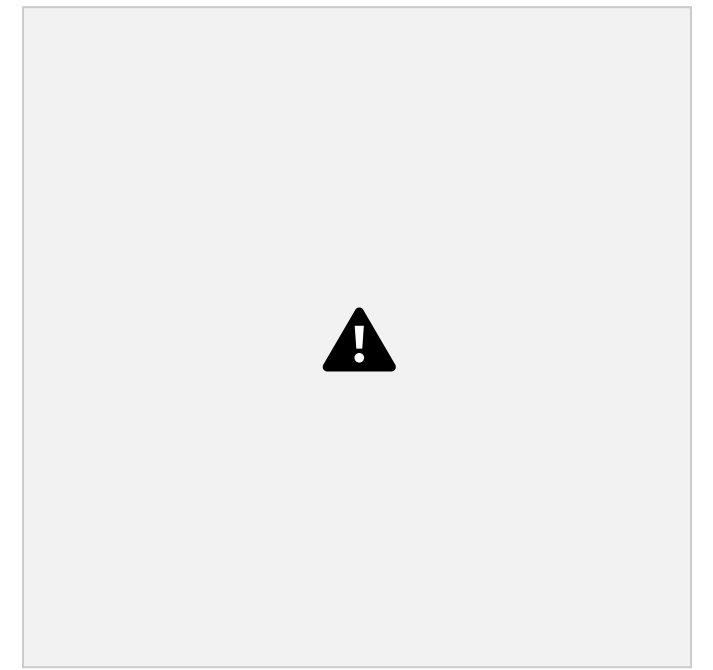
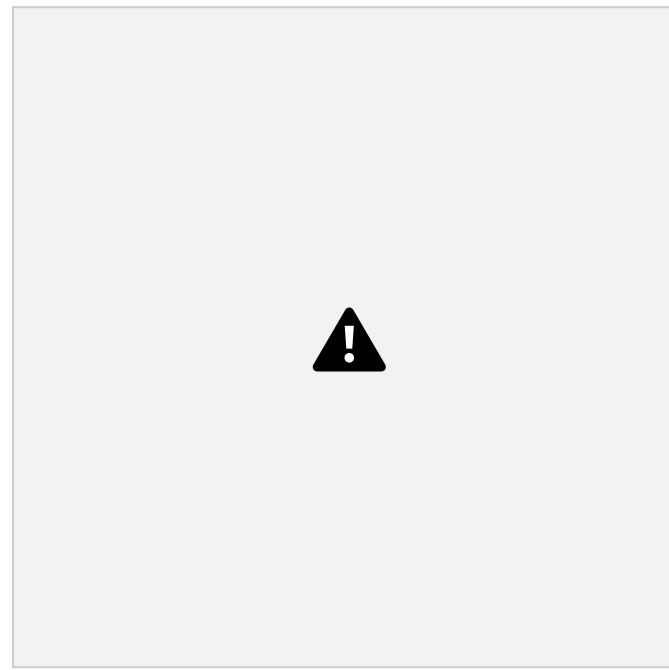


TEMPORARILY CLOSED



Source: ADB, 2020

Support Programs for Philippine MSMEs



Access to market

Access to finance

Features 788 home-grown brands in 144 stores nationwide



P3 (Pondo sa Pagbabago at Pag-Asenso) Program set aside P1B (\$20M) loan facility - \$100 to \$4,000 **collateral free** - to SMEs during the pandemic.

Capacity-building



1,165 Negosyo Centers in the Philippines

Assisted 11,823 Entrepreneurs

PH Businesses Registration on the Rise

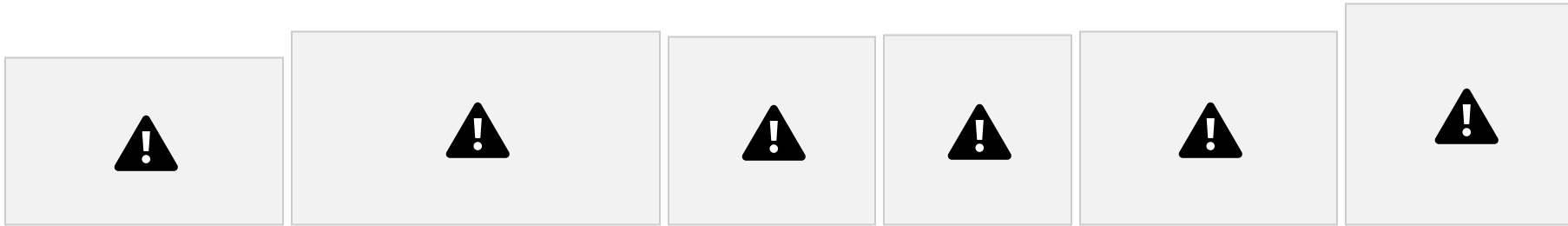


Despite the coronavirus pandemic, the number of newly **registered businesses** went up by almost **50%** from 637, 577 in 2019 to 916,163 in December 2020.

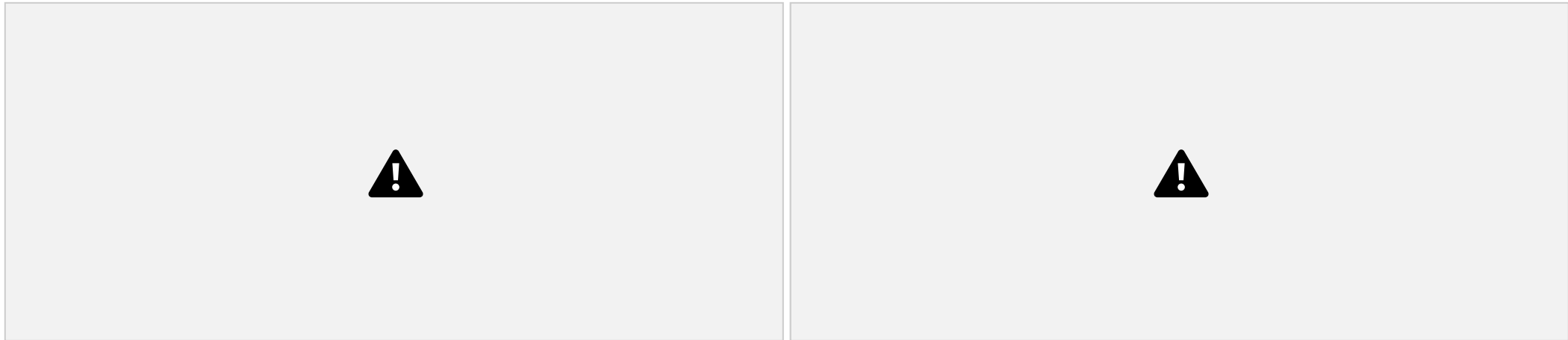


Registered Online Retailers

Government services too has gone online



Boom in B2B, B2C, C2C E-commerce Platforms



SHOPEE (Philippines)

- **54.6M MONTHLY** web visitors, Q1-2021
- **12 MILLION ITEMS SOLD IN 24 MINUTES** during 12.12 sale
- **500,000 merchants**, September 2020

LAZADA (Philippines)

- **38.3 M MONTHLY** web visitors, Q1-2021
- **2M ITEMS SOLD** during the 11.11 sale
- **155,000 sellers** in Southeast Asia



ALIBABA

- \$28.6M in sales revenue, March 2021 •
- 811M active consumers

AMAZON

- 150.6M USERS, 2019
- \$125.6B sales revenue, December 2020 •
- 1.9M merchants, 2021

Surge of e-payments and e-transactions

GCash

- 33 million registered users in 2020
- Over P1 trillion transactions have passed through GCash
- As high as 7.7 million logins per day
 - 1 in 3 Filipinos have GCash

- Daily users transact with GCash more than 2x a day

- **Over 600,000 merchants and social sellers** transact using GCash
- **3 million Filipinos opened GSave Accounts** as of November 2020



In light of the impact of COVID-19, **100,000 traditional business** in Indonesia onboarded onto Go-Jek's "super app" platform.

Go-Jek also provides advice to **620,000**

businesses in their ecosystem to help them accelerate digitalization processes.

Boost in Logistics Services 2/2





e MSMEs: Session Groceries

An app that delivers fresh produce from over 30 local farms and partner restaurants straight to customers' doorsteps.





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ultaMD



KonsultaMD provides affordable contactless healthcare

servicing rural communities, including SMEs, because small

business too need to be healthy in this time of the

pandemic.

This contactless approach has registered a **450% jump in the number of consultations** in April 2020 compared to January 2020.





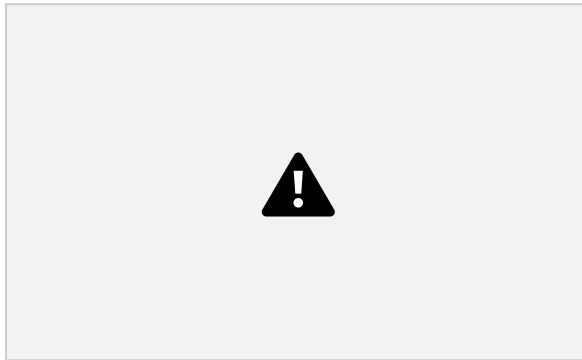
MSMEs: Auro Chocolate



An internationally awarded premium bean-to-bar chocolate brand which produces fine cacao and chocolate from directly-sourced beans from Mindanao (southern Philippines) farming partners.

Amid the pandemic, it was able to export **20,000 kg worth of cacao**

beans to the European market. In addition, Auro Chocolate was able to bag 10 int'l awards from the



Academy of Chocolate last 2020.

Some trends

- Going digital
- From Brick-and-Mortar to e-Commerce (or both; Hybrid)
- Use of fintech and digital banking
- Workplaces: Onsite, Home, Anywhere

- Need for new skills
- Dependence on Logistics



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Thank you!

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