Building the resilience of SMEs in the Philippines

Best positioned to support their local communities to build resilience

UNDRR Global Survey carried out from November 2019 through March 2020¹

SMEs comprise more than 90% of all businesses in most Asia-Pacific countries²

50% of companies in the Philippines are aware of tools that can be used to understand the risk

Significant Risks Identified by SMEs Responses in the Philippines

55% of companies in the Philippines have a risk reduction strategy in place

56% of companies in the Philippines carry out risk assessments prior to new investments

*Other: E.g. typhoons, Taal volcano eruption, brownouts, power outages, climate change impacts on banana production, shortage of raw materials, politics
Global impacts of COVID-19 amplify urgency to build SME resilience

Global statistics:

- ½ of SMEs surveyed globally fear to be out of business within 3 months without further support
- 480m jobs lost globally
- Only 15% of the measures implemented by OECD countries

Critical Success factors that strengthen SME Resilience

- Supporting and developing international and national policy frameworks that address the specific needs of SMEs
- Providing access to finance and financial products tailored to SMEs
- Combining Enterprise Risk Management and Business Continuity Management mechanisms to better incorporate and increase the focus on prevention
- Addressing interdependencies and inequities across value and supply chains

Top cited bottlenecks that delay business recovery (PHL)

- Lack of regulatory framework for recovery initiatives (34%)
- Uncertainty and lengthy bureaucratic procedures (29%)
- Lack of financial resources (72%)
- Top cited bottlenecks that prevent investing in SME Resilience (PHL)
  - Lack of capacity and resources: 39%
  - Lack of awareness of risks and potential impacts on business: 18%
  - Difficulty identifying effective measure: 18%
  - Not considered an immediate priority: 13%

INFOGRAPHIC

- Global impacts of COVID-19 amplify urgency to build SME resilience
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- Critical Success factors that strengthen SME Resilience

NOTES

1. Out of 444 responses from 33 countries, 394 responses from 12 countries were utilized. Note that it is likely that respondents to the UNDRR 2020 survey are interested and engaged in risk prevention, or could be part of the ARISE, the Private Sector Alliance for Disaster Resilient Societies. This might have led to certain bias in response for the questions.
3. OECD 2020.