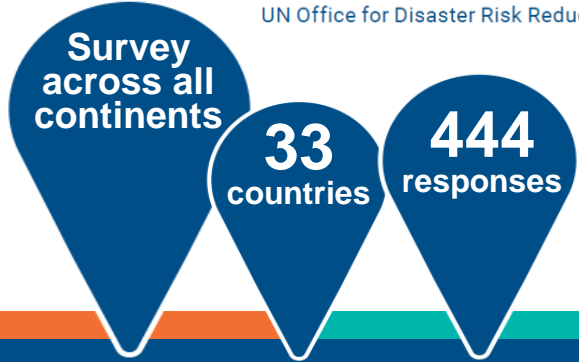


# Building the resilience of SMEs in India

Best positioned to support their local communities to build resilience

UNDRR Global Survey carried out from November 2019 through March 2020<sup>1</sup>

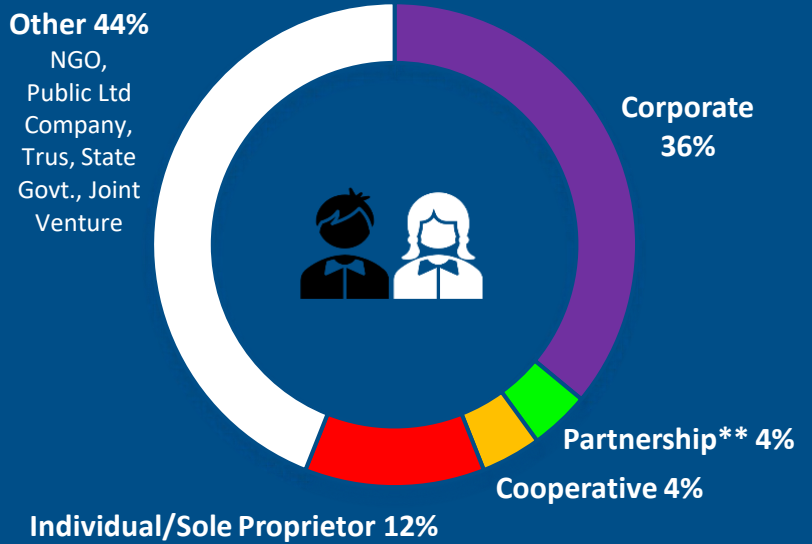


SMEs comprise more than **90%** of all businesses in most Asia-Pacific countries<sup>2</sup>

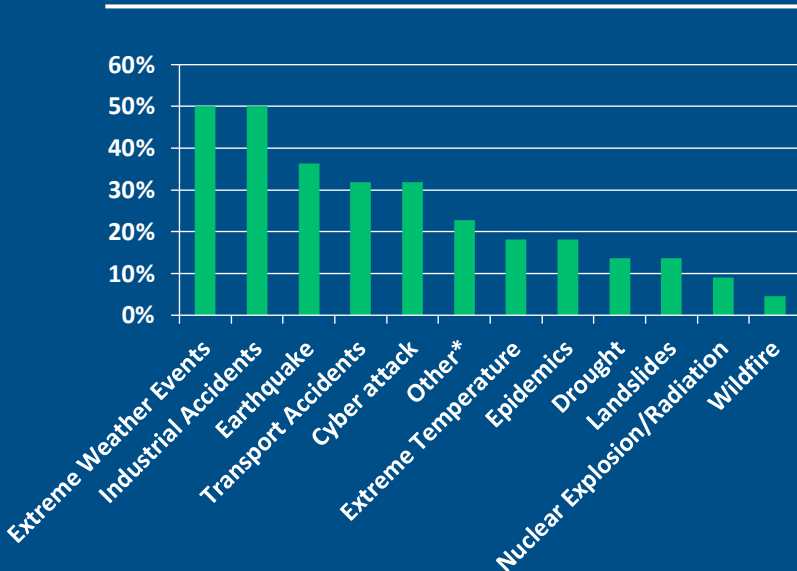
**38%** of companies in India are aware of tools that can be used to understand the risk

## Building the resilience of SMEs

Survey responders (India) by category



## Significant Risks Identified by SMEs Responses in India



**57%** of companies in India have a risk reduction strategy in place

**52%** of companies in India carry out risk assessments prior to new investments

\*Other: E.g. riots, displacement of communities by big projects, militancy, third party damage, budgeting, currency fluctuation

\*\*Partnership: an association of two or more persons to carry on as co-owners a business for profit

# 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<sup>3</sup>

**29%**

of companies in India participate in initiatives that can protect them from disasters

Working-hours losses due to the COVID-19 pandemic in the 2<sup>nd</sup> quarter of 2020<sup>3</sup>



**480m** jobs lost globally

Structural policies to strengthen longer-term resilience of SMEs<sup>4</sup>



Only **15%** of the measures implemented by OECD countries<sup>5</sup>

## Top cited bottlenecks that delay business recovery (India)

Lack of regulatory framework for recovery initiatives

**43%**



**48%**



Uncertainty and lengthy bureaucratic procedures

**57%**



Lack of financial resources

## Top cited bottlenecks that prevent investing in SME Resilience (India)

Not considered an immediate priority	38%
Difficulty identifying effective measures	19%
Lack of awareness of risk and potential impacts on business	13%

## Critical Success factors that strengthen SME Resilience<sup>6</sup>

- 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

**SEDAI FRAMEWORK**  
FOR DISASTER RISK REDUCTION 2015-2030



**UNDRR**

UN Office for Disaster Risk Reduction

<sup>1</sup>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.

<sup>2</sup>Business Resilience in the Face of COVID-19, UNDRR Asia Pacific COVID-19 Brief 2020.

<sup>3</sup>ILO Monitor 2020.

<sup>4</sup>OECD 2020.

<sup>5</sup>UNDRR estimate.

<sup>6</sup>Recommendations in UNDRR Guidance: Reducing Risk and Building Resilience of SMEs to Disasters, 2020.