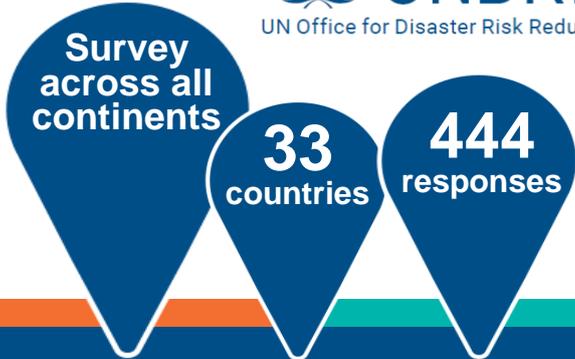


# Building the resilience of SMEs in Mexico

Best positioned to support their local communities to build resilience

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

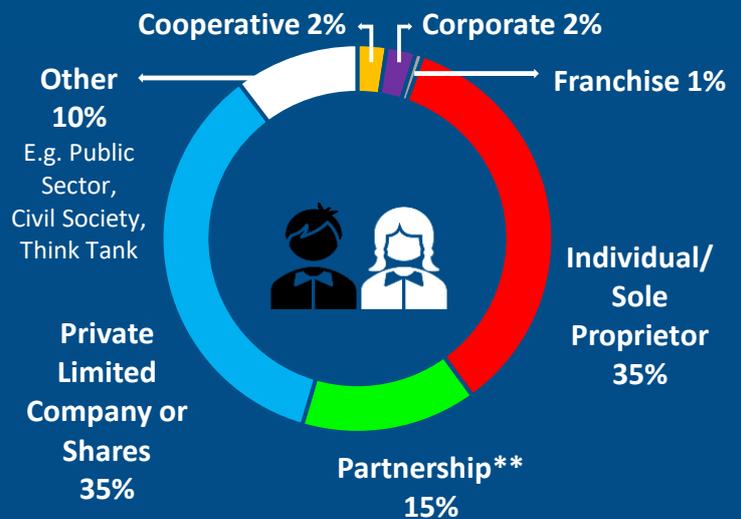


**99.5%**  
of firms in Latin America and the Caribbean are SMEs and they generate 60% of productive employment<sup>2</sup>

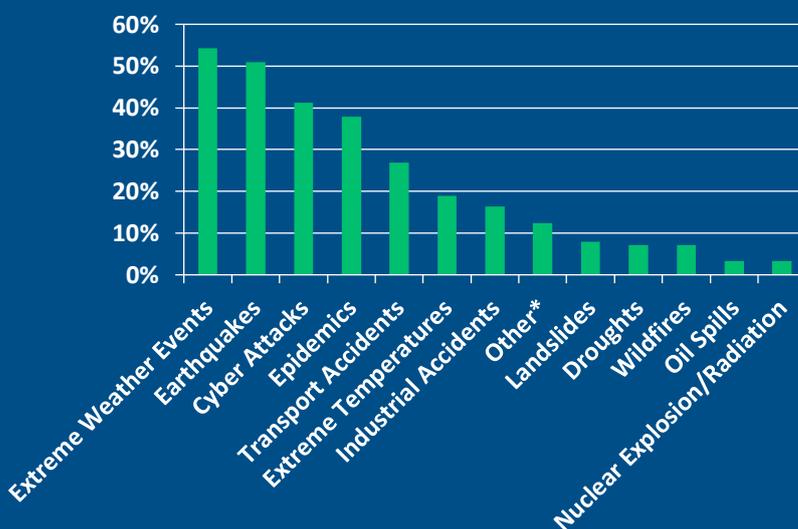
**60%**  
of companies in Mexico are aware of tools that can be used to understand the risk

## Building the resilience of SMEs

Survey responders (MX) by category



## Significant Risks Identified by SMEs Responses in Mexico



**52%**  
of companies in Mexico have a risk reduction strategy in place

**60%**  
of companies in Mexico carry out risk assessments prior to new investments

\*Other: E.g. fires, human impact on the environment, changes in compliance regulations, the economy, political instability, theft, blackouts, lack of government action

\*\*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>

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



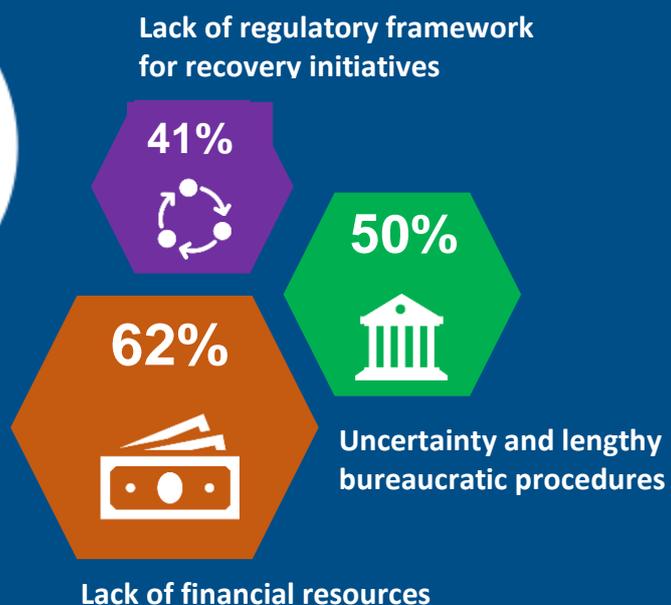
**480m** jobs lost globally

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 (MX)



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

Lack of capacity and resources	32%
Lack of awareness of risks and potential impacts on business	16%
Lack of incentives	14%
Difficulty identifying effective measure	13%
Not considered an immediate priority	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

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



<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>OECD/CAF Latin America and the Caribbean 2019: Policies for Competitive SMEs in the Pacific and Participating South American countries. Economies in the Americas and the Caribbean region are diverse. Statistics are recent estimates for the region.

<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.