

The MSME South Africa Landscape Study

Issued by [Kantar](#)

21 Feb 2020

Growing South Africa's small business sector



Small businesses can be engines of growth and job creation in South Africa. How can we unlock their full potential? The IFC, a member of the World Bank Group, in collaboration with Kantar, interviewed around 2,600 small businesses across the country, to better understand South Africa's small business sector.

The study which launched this week, highlights trends from access to finance and business infrastructure, to use of cash and banking services, with the goal to inform the design of regulation, provision of financial services and creation of tools that will meet the needs of this crucial sector to the economy.

The strategic output was to aid in unlocking the full potential of this sector to stimulate economic growth and job creation in the country.

Key findings include:

1. Unemployment is driving South Africans to start businesses.
2. Informal businesses are reluctant to formalise.
3. The formal and informal sector play a big role in job creation.
4. SMEs have limited access to formal sources of finance.
5. SMEs are not embracing business banking.
6. Cash dominates formal and informal business transactions and daily functions.
7. South African businesses operate with little access to business infrastructure.
8. Digital connectivity is limited for small businesses.
9. SMEs want non-financial services like training and capacity building.
10. Women-owned businesses face additional hurdles in business.

Strengthening initiatives

The MSME study demonstrates the big opportunity for financial and government stakeholders to strengthen the MSME environment. Shifting the MSME sector into a larger job creating engine requires support during the start-up and growth

phases of the MSME business lifecycle. Based on the findings from the interviews with small business owners, we categorise our recommended initiatives across three pillars:

Unlock SME banking

- Increase access to finance.
- Boost banking.
- Create specialised MSME insurance.

Support formalisation

- Increase awareness.
- Smooth the process.

Build better business management

- Improve access to knowledge.
- Increase financial recording.
- Support resilience.

Read the full report online at IFC.org:

<http://wrlid.bg/H9uw30qhZLY>

- " **The Blueprint for Brand Growth. An evidence-based framework that defines the future of marketing** 15 May 2024
- " **South Africa shines in the global 2024 Kantar Creative Effectiveness Awards** 25 Apr 2024
- " **Creative trends 2024: Crafting effective digital ads** 1 Feb 2024
- " **Navigating media trends in 2024: adapting strategies for consumer engagement** 25 Jan 2024
- " **10 marketing trends for 2024** 5 Dec 2023

Kantar

KANTAR

Kantar is the world's leading evidence-based insights and consulting company. We have a complete, unique and rounded understanding of how people think, feel and act; globally and locally in over 90 markets. By combining the deep expertise of our people, our data resources and benchmarks, our innovative analytics and technology we help our clients **understand people** and **inspire growth**.

[Profile](#) | [News](#) | [Contact](#) | [Twitter](#) | [Facebook](#) | [RSS Feed](#)

For more, visit: <https://www.bizcommunity.com>