

# Foreword

Small and medium-sized enterprises (SMEs) and entrepreneurs have been at the epicentre of the COVID-19 pandemic. In those sectors most exposed to containment measures, SMEs were disproportionately represented, and, in turn, disproportionately impacted. With limited cash reserves to survive lockdowns and drops in sales, the crisis represented an existential risk to millions of SMEs and entrepreneurs. The unprecedented speed and scale of government support has however avoided that risk turning into a reality.

The 2021 version of the OECD SME and Entrepreneurship Outlook looks back at the measures taken over the last year and the approaches used by SMEs and entrepreneurs to survive - and indeed in many cases thrive. Drawing on lessons learnt, the report then looks forward to consider the longer-term effects of the crisis and how countries can create the conditions of a greener, more sustainable and inclusive recovery. Building on and expanding the proven methodology of the first edition, the report harnesses a wealth of data and policy analysis from across the OECD, thus forming a unique, multi-dimensional monitoring tool for policy makers.

Chapter 1 of the Outlook focuses on the short-term impact of the crisis. Using the most recent macroeconomic and business statistics, as well as new results from the Facebook-OECD-World Bank Future of Business Survey, that was conducted on a monthly basis during the height of the crisis, it looks at how emergency support measures were taken up by SMEs and entrepreneurs within and across countries, and assesses their impact on business performance.

Part I, which draws on the new OECD SME&E data lake - a unique knowledge infrastructure to support policy analysis-, explores topics of relevance for future policy making through three thematic chapters. It starts by discussing the immediate concerns around SME indebtedness and the need to avoid this turning into a debt crisis. It then looks at risks and opportunities presented by possible reconfigurations of global value chains that might occur through industrial transitions, in particular driven by a greater emphasis on resilience. Finally, it analyses the surge in SME digitalisation, innovation and entrepreneurship during the crisis and the avenues available and policies needed to continue the momentum.

Part II is composed of 38 individual country profiles providing insights on national SME performance and entrepreneurial trends, and assessing the factors of vulnerability and resilience of the SME sector in each country. Country profiles also present national SME and entrepreneurship policy frameworks and recent policy initiatives to sustain SME liquidity and support the recovery.

This report was developed by the Centre for Entrepreneurship, SMEs, Regions and Cities (CFE), as part of the Programme of Work and Budget of the OECD Committee on SMEs and Entrepreneurship (CSMEE) and the OECD Statistics and Data Directorate (SDD). A first draft was discussed on 6-7 April 2021 (CFE/SME(2021)4/PART1 and CFE/SME(2021)4/PART2) and the final report was approved by written procedure on 31 May and 16 June 2021 (for the profiles) (CFE/SME(2021)4/PART1/FINAL, CFE/SME(2021)4/PART2/FINAL and CFE/SME(2021)4/PART3).

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Sandrine Kergroach (Head of the SME and Entrepreneurship Performance, Policies and Mainstreaming Unit, CFE) and Pierre-Alain Pionnier (Acting Head of the Trade and Productivity Statistics Division, SDD) coordinated the production of the 2021 edition. Céline Kauffmann and Lucia Cusmano, Head and Deputy Head of the CFE SME and Entrepreneurship Division supervised the project.

Chapter 1, “SME and entrepreneurship performance in times of COVID-19”, was prepared by Pierre-Alain Pionnier with input from Gueram Sargsyan (SDD).

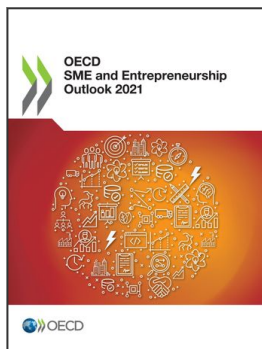
Part I on “SME & Entrepreneurship policies for a fair and sustainable recovery”, including Chapter 2 (SME indebtedness), Chapter 3 (globalisation) and Chapter 4 (innovation and entrepreneurship), was prepared by Sandrine Kergroach (CFE).

Part II is made of country profiles and was designed by Sandrine Kergroach and produced jointly with Bruno De Menna (CFE) and Gueram Sargsyan (SDD). Thanks to Lora Pissareva (CFE) for input on policy recovery packages.

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