

SMEs and market proximity

Key findings

- Generally, compared to large firms, small firms are more likely to export to markets relatively close to their home country – evidence of the fixed costs related to breaking into new markets that tend to be relatively higher for smaller firms. Barriers to SMEs importing appear less onerous than those for exporting.
- The share of SMEs in the number of firms that export to (or import from) China and India is typically lower than their share of trade at the global level. However, the contribution of SMEs to overall exports to China and India is higher in the Czech Republic, Portugal and Turkey, and to overall import is higher in Korea, Latvia, Belgium, Netherlands and the United Kingdom.
- In all countries, the share of SMEs importing from China is systematically higher than the share of SMEs importing from India.

Relevance

Data on trade participation by partner country and size class can highlight important barriers to participation in international trade, particularly for smaller firms, and in turn stress the importance of examining indirect channels of integration into global value chains.

Definitions

The *share of SMEs among exporters (importers)* is the number of exporting (importing) SMEs divided by the total number of exporting (importing) enterprises. The *share of SMEs among exporters (importers) to country x*

is calculated as the number of SMEs exporting (importing) to country x divided by the total number of enterprises exporting (importing) to that country.

SME share of exports to (imports from) country x is calculated as the value of SME exports to (imports from) country x divided by the total exports to (imports from) that country.

Comparability

Data cover all sectors of the economy.

Source

OECD Trade by Enterprise Characteristics Database (TEC), http://stats.oecd.org/Index.aspx?DataSetCode=TEC1_REV4.

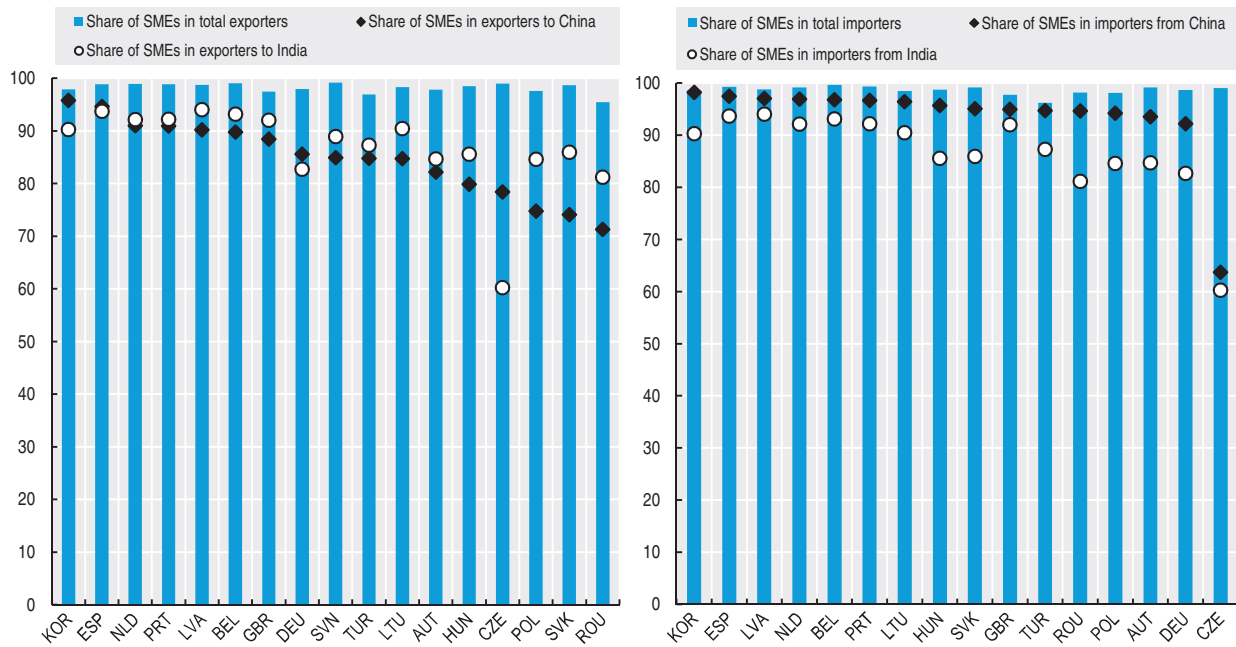
Further reading

Nordic Council of Ministers and OECD (2016), *Nordic Countries in Global Value Chains 2016*, <http://www.dst.dk/Site/Dst/Udgivelses/GetPubFile.aspx?id=28140&sid=nordglobchains>.

OECD (2016), “Who’s Who in International Trade: A Spotlight on OECD Trade by Enterprise Characteristics data”, OECD Insights Blog, <http://oecdinsights.org/2016/04/25/statistical-insights-whos-who-in-international-trade-a-spotlight-on-oecd-trade-by-enterprise-characteristics-data/>.

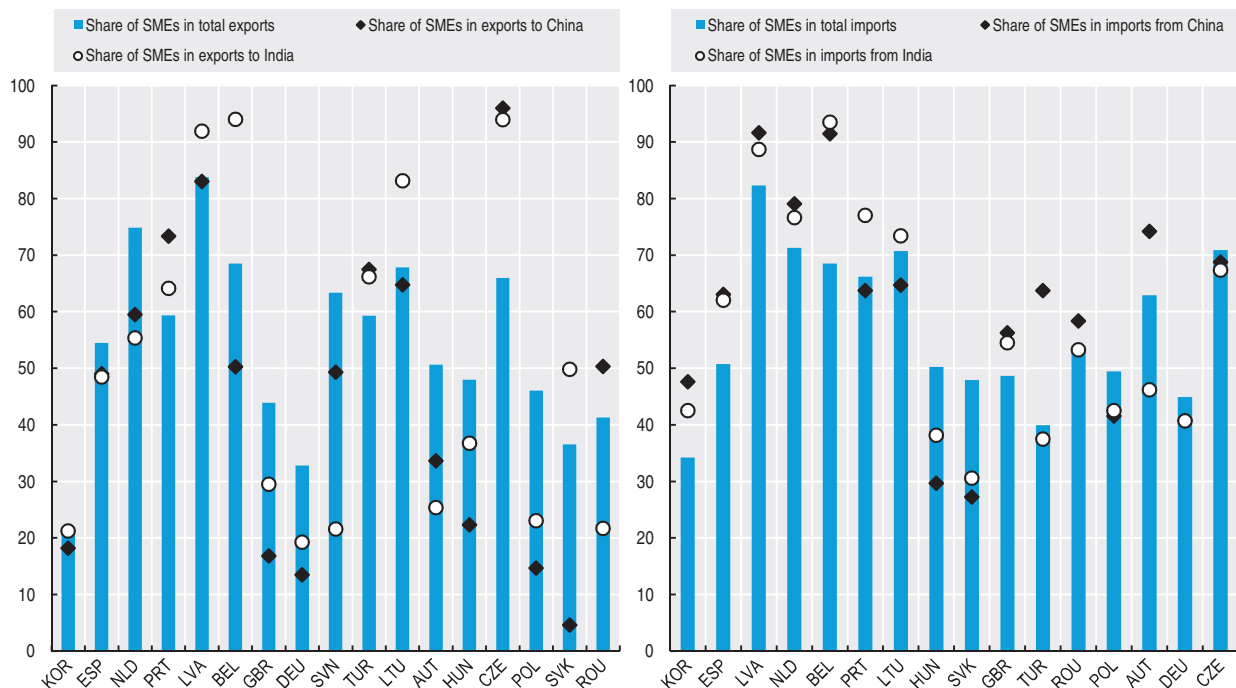
OECD (2009), “Top Barriers and Drivers to SME Internationalisation”, Report by the OECD Working Party on SMEs and Entrepreneurship, OECD, <https://www.oecd.org/cfe/smes/43357832.pdf>.

Figure 5.12. **Share of SMEs engaged in trade with China and India, total economy**
Percentage, 2014, or latest available year

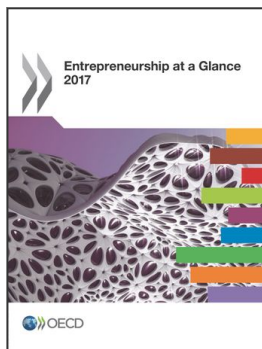


StatLink <http://dx.doi.org/10.1787/888933564367>

Figure 5.13. **SME share of trade with China and India, total economy**
Percentage, 2014 or latest available year



StatLink <http://dx.doi.org/10.1787/888933564386>



From:

Entrepreneurship at a Glance 2017

Access the complete publication at:

https://doi.org/10.1787/entrepreneur_aag-2017-en

Please cite this chapter as:

OECD (2017), "SMEs and market proximity", in *Entrepreneurship at a Glance 2017*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/entrepreneur_aag-2017-20-en

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