

Facebook publishes the Global State of Small Business Report

Facebook has published the Global State of Small Business Report. Compiled in partnership with the World Bank and the OECD. It surveyed over 30,000 small business owners and employees from around the world in over 50 countries.



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In South Africa, the survey reveals that despite the challenges, SMBs are telling us they're optimistic, but that there is a long-term jobs crisis on our hands.

Digital plays key part in economic recovery

Over 44% of operational SMBs on Facebook feel optimistic about the future of their business, with 42% of female led SMBs on Facebook (and 66% of male led SMBs) currently operational or engaging in revenue led activities. However, among operational South African small businesses (SMBs) on Facebook, 45% expect cash flow to be a challenge in the next few months, whilst the same amount having had to reduce the number of employees/workers as a result of the Covid-19 pandemic. Of those that are operational, 67% reported that their sales this year were lower than last year.

Digital continues to play a key part in the economic recovery of these businesses, with 59% of operational SMBs on Facebook reporting 25% or more of their sales were made digitally in the past month.

"Small businesses are the heart of our communities – from coffee shops, and bookstores to plumbers, taverns and graphic designers," said Nunu Ntshingila, regional director, Facebook Africa. "But we know they are facing the challenge of a lifetime. These survey results further highlight what we are already seeing, that the Covid-19 pandemic isn't just a public health emergency, but also an economic crisis that is hitting SMBs exceptionally hard, and one that collectively as a community we need to urgently address."

Weathering the storm

The global survey also highlights that globally the tourism and hospitality sector worldwide has borne the brunt of Covid-19 related restrictions and reduced consumer spending – with around half of businesses in these sectors reporting that they have had to close. Smaller businesses, those owned and operated by one person, have seen these closures at a greater rate than others, with globally 26% of SMBs reported that they had closed between January and May 2020 - over 50% in

some countries.

Ntshingila added:

“ Globally more than 160 million businesses use Facebook, Instagram, Messenger, or WhatsApp every month to reach their customers, sell their products or services and ultimately to grow. They are the heartbeat of Facebook’s community and since the early days of the pandemic we have taken steps to help them weather the storm. These are tough times for businesses all over the world, we would like to help with their recovery. ”

As part of its ongoing commitment, Facebook recently launched Facebook Shops in South Africa to make it easier to sell online, and also created a Business Resource Hub where SMBs can get training, advice, and information – including from healthcare experts.

Download the [Global State of Small and Medium Business Report](#) (PDF File: 12.3MB).

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