SME FINANCE

FORUM

Methodology Note regarding MSME Economic Indicators

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This Methodology Note regarding Micro, Small and Medium Enterprises Economic Indicators (MSME-EI) should be read along with the economy-specific comments in the MSME-EI Excel workbook before using the data. The MSME-EI presents secondary data. The original data were collected by various institutions (statistical institutes, ministries, international organizations, small business promotion agencies, research institutions and others) using a variety of methods (mainly censuses). As a result, the data are not always standardized across economies and time, which may hamper data comparability and aggregation, among other things. The International Finance Corporation (IFC) is not responsible for the quality, accuracy, reliability or completeness of the data provided by these sources.

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Database Description

The Micro, Small, and Medium Enterprises Economic Indicators (MSME-EI) database is curated by the International Finance Cooperation (IFC).[2] The database aims to provide cross-economy and time-series data related to MSMEs from all available official sources. Since its beginning in 2007, this database has been used by policy makers, researchers, and private sector companies working on MSME-related topics.

This 2019 update is the fourth since 2007, following an approximate four-year updating cycle. The 2019 MSME-EI database covers formally registered MSMEs across 199 economies. The information and data presented here include MSME definitions, number and size of MSMEs, MSME contributions to the economy, including employment generation, and so on. The 2019 MSME-EI database uses only official data sources and includes multiple sources if available.

2019 Update: What's New?

The 2019 update of the MSME-EI database expands both the number of economies and the number of indicators covered. Specifically, this update includes 44 additional economies, primarily in low-income and lower middle-income economies — bringing the total list of economies reviewed to 199 (as compared to the 2014 update which covered 155 economies). Newly collected data on formally registered MSMEs are available for 169 economies.

While progress has been made in data collection, 30 economies still do not have publicly available data related to their MSMEs. These economies are largely concentrated in the Sub-Saharan Africa region or have very small populations. These include 23 newly added

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[2] The SME Finance Forum's data team, under the Financial Institution Group (FIG), partnered with IFC's Sector Economics and Development Impact team to update this database.

economies and seven economies[3] which were included in the 2014 update, but which no longer report updated data. The data for the seven economies from the 2014 update were pre-populated into the 2019 version of the database. The data for the 2019 update were collected between July 2018 and December 2018.

The 2019 update includes the latest economy-level data available along a number of dimensions, including the various MSME definitions; the number of enterprises by size; MSME employment contributions by size of enterprise; MSME contributions to the economy as measured by value added; and time-series data for the above-mentioned indicators. In addition, the 2019 update introduced new variables such as MSME lending, MSME loan quality, women-owned MSMEs, and informality. The 2019 update maintains multiple official data sources, if available. For example, there are up to four sources in the cases of Argentina, Brazil, Colombia and the United States of America.

Navigating the Database

The MSME-EI database's Excel workbook consists of:

- Cover sheet with basic information about the dataset;
- Cross economy data sheet for the latest year available across all sources (see Snapshot 1); and
- Time series data sheet, which goes back as far as the year 2000 in the case of Nepal and Tunisia (see Snapshot 2).

These economies include: Gabon, Guinea, Libya, Niger, Pakistan, Tajikistan, and the Republic of Yemen.

Snapshot 1. Cross-economy Data Sheet for the Latest Available Year

Country	Source	Year	Country Code	GNI per capita, Atlas method (current US$)	Population, total	Income Group	Region
Afghanistan	Source 1	2015	AFG	600	33,736,494	Low income	South Asia
Albania	Source 1	2017	ALB	4,320	2,873,457	Upper middle income	Europe & Central Asia
Algeria	Source 1	2017	DZA	3960	41,318,142	Upper middle income	Middle East & North Africa
American Samoa	Source 1	2016	ASM	11200	55,599	Upper middle income	East Asia & Pacific
Angola	Source 1	2016	AGO	3,450	29,784,193	Lower middle income	Sub-Saharan Africa
Angola	Source 2	2011	AGO	3390	24,218,565	Lower middle income	Sub-Saharan Africa
Antigua and Barbuda	Source 1	2007	ATG	13860	91,381	High income	Latin America & Caribbean
Argentina	Source 1	2017	ARG	13040	44,271,041	High income	Latin America & Caribbean
Argentina	Source 2	2018	ARG	13040	44,271,041	High income	Latin America & Caribbean
Argentina	Source 3	2018	ARG	13040	44,271,041	High income	Latin America & Caribbean
Argentina	Source 4	2018	ARG	13040	44,271,041	High income	Latin America & Caribbean
Armenia	Source 1	2016	ARM	3770	2,930,450	Upper middle income	Europe & Central Asia
Australia	Source 1	2017	AUS	51360	24,598,933	High income	East Asia & Pacific
Austria	Source 1	2016	AUT	45850	8,809,212	High income	Europe & Central Asia
Austria	Source 2	2016	AUT	45850	8,809,212	High income	Europe & Central Asia
Azerbaijan	Source 1	2016	AZE	4760	9,862,429	Upper middle income	Europe & Central Asia
Bahrain	Source 1	2016	BHR	21350	1,492,584	High income	Middle East & North Africa
Bangladesh	Source 1	2013	BGD	1010	157,571,292	Lower middle income	South Asia
Barbados	Source 1	2015	BRB	15310	284,217	High income	Latin America & Caribbean
Barbados	Source 2	2016	BRB	15210	284,996	High income	Latin America & Caribbean
Belarus	Source 1	2017	BLR	5280	9,507,875	Upper middle income	Europe & Central Asia
Belgium	Source 1	2016	BEL	42640	11,372,068	High income	Europe & Central Asia
Belgium	Source 2	2016	BEL	42640	11,372,068	High income	Europe & Central Asia
Belize	Source 1	2016	BLZ	4480	366,954	Upper middle income	Latin America & Caribbean
Belize	Source 2	2012	BLZ	4260	336,701	Upper middle income	Latin America & Caribbean
Benin	Source 1	2008	BEN	750	8,696,916	Low income	Sub-Saharan Africa
Bermuda	Source 1	2017	BMU	106140	65,441	High income	North America
Bhutan	Source 1	2017	BTN	2720	807,610	Lower middle income	South Asia
Bolivia	Source 1	2010	BOL	1810	9,918,243	Lower middle income	Latin America & Caribbean

Cover Sheet | **Latest Year Available** | Time Series | ⊕

Snapshot 2: Time Series Data Sheet

Country	Source	Year	Country Code	GNI per capita, Atlas method (current US$)	Population, total	Income Group	Region
Argentina	Source 1	2014	ARG	12260	42,981,515	High income	Latin America & Caribbean
Argentina	Source 1	2013	ARG	12770	42,539,925	High income	Latin America & Caribbean
Argentina	Source 1	2012	ARG	11790	42,096,739	High income	Latin America & Caribbean
Argentina	Source 1	2011	ARG	10610	41,656,879	High income	Latin America & Caribbean
Argentina	Source 2	2018	ARG	13040	44,271,041	High income	Latin America & Caribbean
Argentina	Source 2	2017	ARG	13040	44,271,041	High income	Latin America & Caribbean
Argentina	Source 2	2016	ARG	11940	43,847,430	High income	Latin America & Caribbean
Argentina	Source 2	2015	ARG	12300	43,417,765	High income	Latin America & Caribbean
Argentina	Source 2	2014	ARG	12260	42,981,515	High income	Latin America & Caribbean
Argentina	Source 2	2013	ARG	12770	42,539,925	High income	Latin America & Caribbean
Argentina	Source 2	2012	ARG	11790	42,096,739	High income	Latin America & Caribbean
Argentina	Source 2	2011	ARG	10610	41,656,879	High income	Latin America & Caribbean
Argentina	Source 2	2010	ARG	9170	41,223,889	High income	Latin America & Caribbean
Argentina	Source 2	2009	ARG	7730	40,799,407	High income	Latin America & Caribbean
Argentina	Source 2	2008	ARG	7610	40,382,389	High income	Latin America & Caribbean
Argentina	Source 2	2007	ARG	6470	39,970,224	High income	Latin America & Caribbean
Argentina	Source 3	2018	ARG	13040	44,271,041	High income	Latin America & Caribbean
Argentina	Source 3	2017	ARG	13040	44,271,041	High income	Latin America & Caribbean
Argentina	Source 3	2016	ARG	11940	44,271,041	High income	Latin America & Caribbean
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Cover Sheet | Latest Year Available | **Time Series**

Data Sources

The data collection process was conducted at the IFC by a team of consultants over a 6-month period from July to December 2018. The process involved primary desk research to collect publicly available data from various official sources for each economy. Separately, the team undertook a data verification process for each economy which included a review by regional IFC financial sector specialists, as well as by peer reviewers from inside and outside of the IFC. The team also conducted numerous data quality checks to ensure the accuracy of the data. All data sources are cited in the MSME-EI Excel workbook.

List of Types of Data Sources

The principal sources of information for the MSME-EI database include the following:

- Statistical Institutes, such as National Statistical Committee, the Office of Statistics, and so on;
- Ministries, such as the Ministry of Finance, the Ministry of Industry and Commerce,
- Central Banks, and so on;
- Regional and international organizations, such as Eurostat (of the European Commission), and the Organization for Economic Co-operation and Development (OECD);
- Small business promotion government agencies, such as the Small Business Administration; and
- Research institutions.

Definition of Indicators

The 2019 MSME-EI database has a total of 12 indicators (Table 1), including four auxiliary global indicators (that is, gross national income (GNI) per capita; total population; income group classification; and regional classification).

Table 1: MSME-EI Indicators

Indicators	Definitions
GNI per Capita, Atlas Method (current US$)	GNI per capita (formerly GNP per capita) is the gross national income, converted to U.S. dollars using the World Bank Atlas method, divided by the mid-year population.[a]
Population, total	The total population is based on the de facto definition of population, which counts all residents regardless of legal status or citizenship.[b]
Income Groups	For the current 2019 fiscal year, low-income countries are defined as those with a GNI per capita of US$995 or less in 2017, calculated using the World Bank Atlas method; lower middle-income economies are those with a GNI per capita of between US$996 and US$3,895; upper middle-income economies are those with a GNI per capita of between US$3,896 and US$12,055; and high-income economies are those with a GNI per capita of US$12,056 or more.[c]
Regional Classification	As defined by the World Bank Group.[d]
MSME Definition	By number of employees.
	By total assets (in local currency).
	By turnover (in local currency).
Number of Enterprises	The number of MSMEs by size, that is, micro, small, and medium, in an economy according to its definition.
MSME Density	Number of enterprises per 1,000 people.
MSME Lending	The outstanding loan amount to MSMEs (in local currency). MSME loan amount as a percentage of total business loans.
MSME Loan Quality	The ratio of MSME non-performing loans (NPLs) to total MSME loans.
MSME Participation in the Economy	The total number of employees in MSMEs. The value added of MSME enterprises (in local currency).
Informality	The number of informal MSMEs.
Women-owned Enterprises	The definition of women-owned MSMEs, and the number of women-owned MSMEs.

Notes:

[a] World Development Indicators database. GNI is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad. GNI, as calculated in national currency, is usually converted to U.S. dollars at official exchange rates for comparison across economies. An alternative rate may be used when the official exchange rate is

judged to diverge by an exceptionally large margin from the rate actually applied in international transactions. To smooth fluctuations in prices and exchange rates, a special Atlas method of conversion is used by the World Bank. This applies a conversion factor that averages the exchange rate for a given year and the two preceding years, adjusted for differences in rates of inflation between the country, and through 2000, the G-5 countries (including France, Germany, Japan, the United Kingdom, and the United States). From 2001, these countries include the Euro area, Japan, the United Kingdom, and the United States.

[b] World Development Indicators database.

[c] World Bank Country and Lending Groups: https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups.

[d] World Development Indicators database.

Scope

Unless otherwise mentioned in the economy-specific comments of the MSME-EI Excel workbook:

1) Data cover private businesses. However, the data do not cover public establishments.

2) For sector coverage, please check the Sector Distribution sources.

Corrections and Revisions

The data and analysis that appear on the MSME-EI website were compiled by the IFC staff at the time of this publication. All efforts are made to ensure their timeliness, accuracy, and completeness. When errors are identified, corrections and revisions are listed and incorporated into the online database.

Additional Information

Inquiries about the content of the MSME-EI database should be sent to the SME Finance Forum at: smefinanceforum@ifc.org.