



SMEs play a critical role in the world's economies in generating growth, employment and exports.

SMEs: the backbone of economy

SMEs are better in adopting innovation and building team spirit but faces greater challenge of running the business. Christine Brendle, president of Hong Kong CCE section shares her views on the role and development of SMEs.

This very issue featuring SMEs gives us an opportunity to remind ourselves of the essential role SMEs play in the economy. Reading through media headlines, one could be led to believe that only big brand names and large conglomerates move the needle of financial markets or the economy. But in reality SMEs and micro enterprises make up the backbone of the economy:

- In Hong Kong, 300,000 small and medium enterprises account for 98% of total business units and employ 1.2 million people - about half the total workforce.

- In Europe similarly, 99% of all businesses are SMEs. They provide two thirds of jobs in private sectors and contribute to more than half of the total value-added created by businesses in the EU.
- In the United States, SMEs account for the vast majority of firms, the primary source of jobs and approximately half the gross domestic product generated by non-agricultural sectors. SMEs are also the largest group of U.S. exporters.

Having held senior roles in large corporations and been an entrepreneur, I can contrast the opportunities and challenges that both represent. In my experience, one of the key advantages of working for an SME is the ability to shape a corporate with culture of performance, adopting innovation faster than in large groups and building a team spirit that strives on challenging the status quo. One of the largest challenges for SMEs however is the lack of means - the cash flow's tyranny that painfully forces patience and shrewd prioritization on entrepreneurs, particularly in rough economic times as we have seen since 2008. Remaining focused on the bigger business opportunities while keeping cash flow in check is one of the most challenging problems for an entrepreneur.

Within the Hong Kong CCE section, representatives of large corporations and SMEs have a common goal to help SMEs expand in Hong Kong. Working in close association with each other, the French Trade Commission and the French Chamber of Commerce have made several initiatives to improve SMEs' awareness of the network of support at their disposal. One of the advantages that SMEs are increasingly adopting is the Volunteer for International Experience Scheme (VIE): young professionals in Europe explore new business opportunities abroad. We will tell you more about it in the next issue of HongKongEcho when the third PRIX VIE launches! **E**