



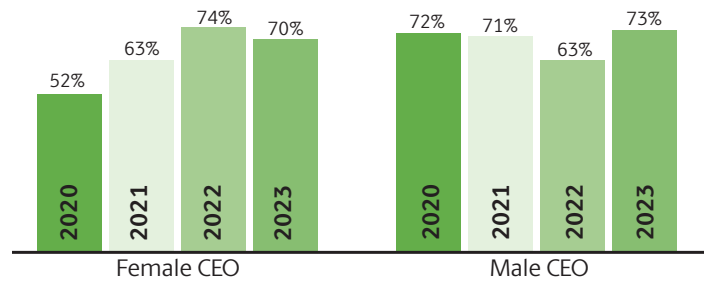
CHILE



PATH TO RECOVERY

Women-led SMEs saw more revenue growth throughout COVID-19 recovery, while male-led SMEs were steady in their revenue growth. For example, by 2022, 74 percent of women-led firms registered positive revenue growth, up considerably from 52 percent in 2020 (figure 1).

% of SMBs with positive revenue growth in 2020-23, by gender of CEO (figure 1)



E-commerce Trends and Challenges

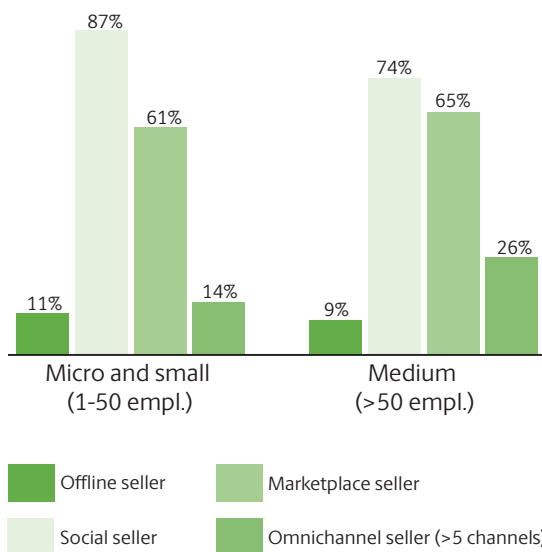
Primary e-commerce challenges in 2023

As many as 61 percent of micro and small enterprises in Chile used some type of marketplace to sell their goods and services. 14 percent of micro and small firms, and 26 percent of medium firms were omnichannel sellers (figure 2).

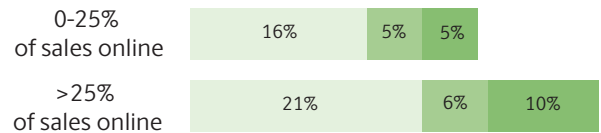
Is e-commerce a priority?

In turn, e-commerce is enabling Chilean SMBs to engage in trade and access new markets: 37 percent of firms that use e-commerce intensively diversified their export markets in 2021-22 (figure 3). By 2022, 22 percent of micro and small businesses and 33 percent of medium businesses exported to three or more markets, up 2 percent for micro and small firms in 2020, and down 21 percent in 2020 for medium-sized businesses (figure 4).

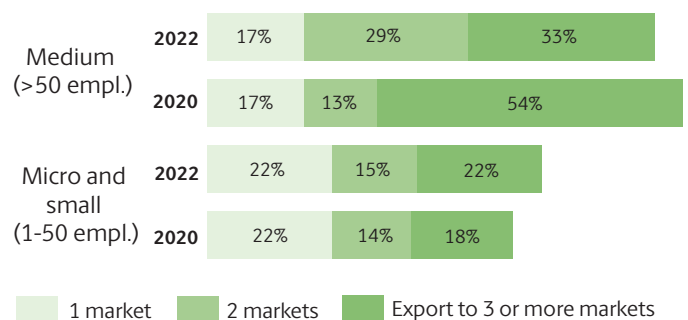
Use of digital marketing and sales channels in 2022, by firm size (figure 2)



% of SMBs that diversified export markets in 2022 from 2020, by online sales intensity (figure 3)



Number of export markets in 2020 and 2022, by firm size (figure 4)

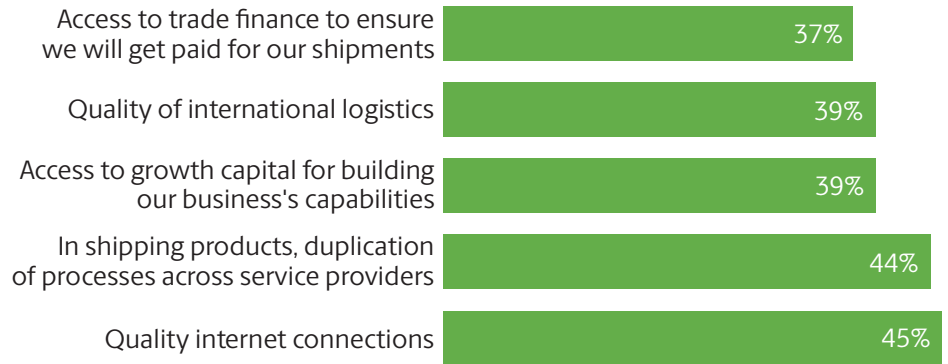




Challenges for SMBs

Quality of internet connections continue to be an obstacle for Chilean firms toward growth through trade and e-commerce. Some 44 percent of SMBs also struggle with the duplication of processes in shipping products. Other top-5 challenges include quality of international logistics, access to growth capital, and access to trade finance. Over a third of the surveyed SMB exporters cited quality and cost of international logistics, tariffs, and quality of warehousing as “extremely important barriers” (figure 5).

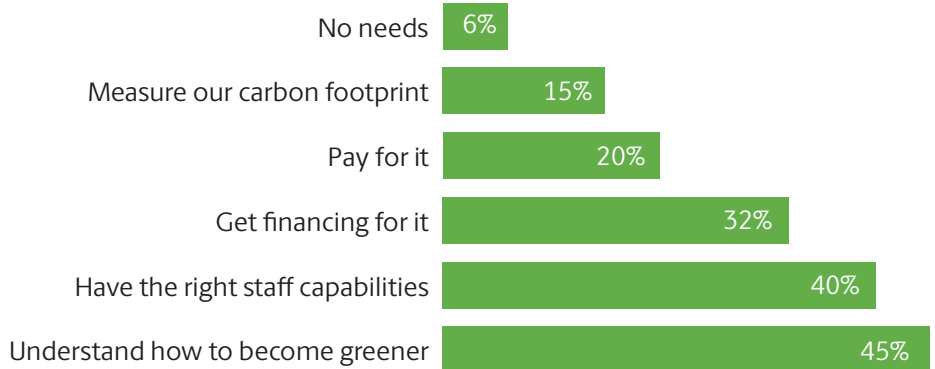
Top-5 “extremely important” challenges facing SMBs revenue growth and exports in 2023-24 (figure 5)



SMBs need to become more sustainable

To make their green transition, SMBs call for a better understanding of the ways in which they can become greener and access to the right staff capabilities to make their operations greener (figure 6).

SMBs needs to become more sustainable (figure 6)



Policy Recommendations



Resiliency: To ensure SMB resiliency, governments should focus on reducing trade costs through simplification of trade processes, trade liberalization, and improvements in logistics quality.



E-commerce and Trade: To encourage SMB exports through e-commerce, ensure quality internet connections and capacity-building to grow presence on global online market-places, and digitized trade processes to streamline online seller-SMBs to export.



Gender: To support the continued growth of women-led SMBs, promote women’s access to digital technologies, financing, and new export markets.



Sustainability: Support SMBs with their green transition through awareness-building on optimal methodologies to green their businesses, measurement of their carbon footprint, and financing.