

Small SA businesses display resilience: Key findings from Mastercard's latest SME Confidence Index

From surviving to thriving in the post-Covid world, small and medium enterprises (SMEs) in South Africa are projecting similar or increased revenues in 2023. These are the findings of the second edition of the Mastercard Eastern Europe, Middle East and Africa (EEMEA) SME Confidence Index.



Source: [Unsplash](#)

The 2021 inaugural SME Confidence Index delved into the impact of the pandemic on SMEs across sectors, products and services, and how they are embracing a digital future. As a continuation, the second edition of the survey reveals that while 91% of medium-sized businesses across South Africa are confident about business growth, omnichannel payments present the biggest opportunity.

As companies recover from the pandemic and return to the normalisation and growth phase, the research shows that 86% of SMEs in South Africa are concerned about the rising cost of doing business in 2023 and 79% about inflation.

More than half of SMEs in South Africa are optimistic about the future

While medium and large-sized businesses are extremely confident about the future, the survey reveals that more than half of micro and small businesses are optimistic about the next 12 months.

The survey highlights top three areas for support required by SMEs in Africa –training and upskilling staff (91%), digitising businesses (88%) and access to a wider range of financial services (88%).

Majority of SMEs (88%) are also looking for business advisory support, education and a network of mentors. Over 80% would also like to explore e-commerce opportunities and accept digital payments.

Access to omnichannel payment services among top drivers of growth

SMEs in South Africa have identified accepting omnichannel digital payments (73%), digitizing business operations (87%) and access to training and development support (84%) as the main drivers of growth.

Adoption of digital payment solutions is on the rise in South Africa, with 95% of consumers in South Africa having used at least one emerging digital payment method in 2022. Consumers are relying on digital tools to accomplish everyday financial tasks, with 71% of South Africans using fintech for five or more tasks, with banking and paying bills emerging as top use cases.

Most consumers know about open banking and are using it to pay their bills, do their banking, secure or refinance loans, and make BNPL payments.

Three out of four SMEs in South Africa are unanimous about the rising cost of doing business

As markets navigate an increasingly dynamic economic landscape, SMEs in South Africa continue to face a multitude of challenges. These include steep incline in the cost of goods and services (86%), long-term effects of the pandemic (71%) and insufficient access to credit (43%).

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