Methodology Note regarding MSME Economic Indicators
Terms of Use and Disclaimer

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.

1 The authors would like to acknowledge the valuable contributions of Khondoker Tanveer Haider, Mahima Khanna, Minerva Adei Kotei, Khrystyna L. Kushnir, Tracy Lindsay, Sandeep Singh, and Ziyu Zhang.
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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). 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 economies.

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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.
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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).

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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
### Snapshot 2: Time Series Data Sheet

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**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

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Definitions</th>
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| 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  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 |
| 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  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.  
      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.  
   
   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.

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.