



# India

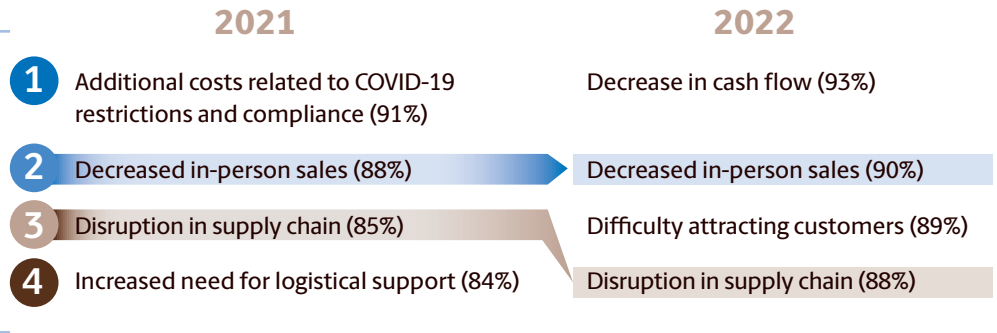
## Supporting SMB Growth: Unlocking Recovery through E-commerce



UPS, in partnership with Nathan Associates and India SME Forum, surveyed 104 SMBs in India to better understand how national and international trade policy can best support SMBs to compete in the global online marketplace. 50 percent of the surveyed SMBs were women-owned. Below are some of the challenges, trends, and recommendations that emerged from this survey.

### Ongoing Impacts of COVID-19

Decreased in-person sales and disruption in supply chain were also reported as top pandemic-related challenges in a similar 2020-2021 survey.



## E-commerce Trends and Challenges

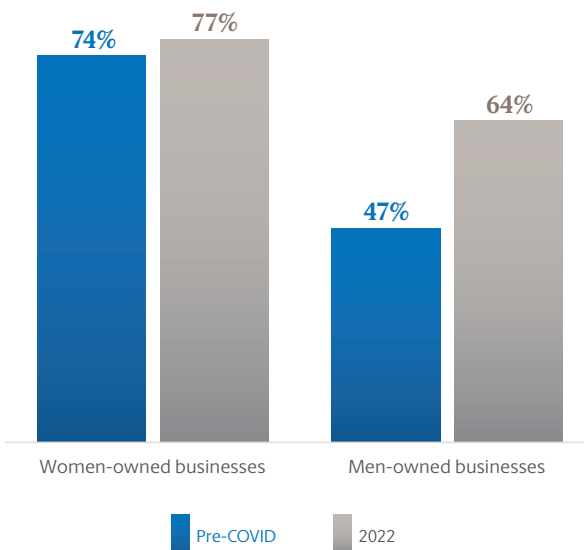
### Primary e-commerce challenges in 2022

- Supply chain disruptions
- Learning about and complying with digital laws and regulations
- Access to information about how to run an e-commerce business
- Management of online sale platforms

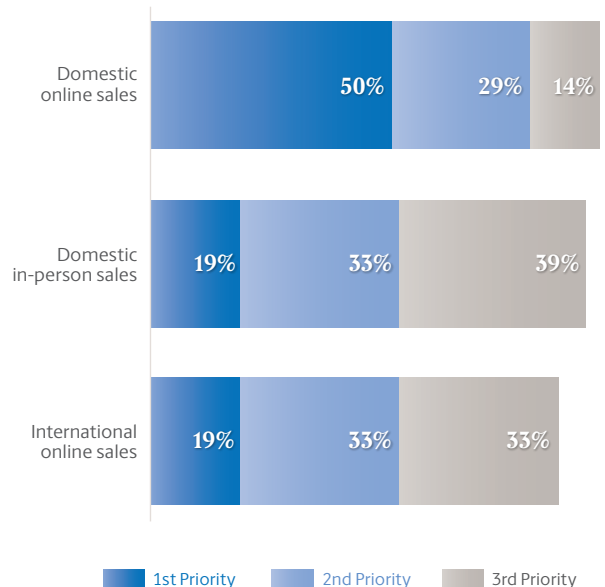
### Is e-commerce a priority?

For SMBs that are currently selling online, e-commerce is a priority area of growth for their business with domestic online sales as their highest priority. SMBs were equally interested in growing their international online sales and domestic in-person sales.

SMBs Selling Online from Pre-COVID to 2022



SMB Business Growth Goals for the Next Two Years

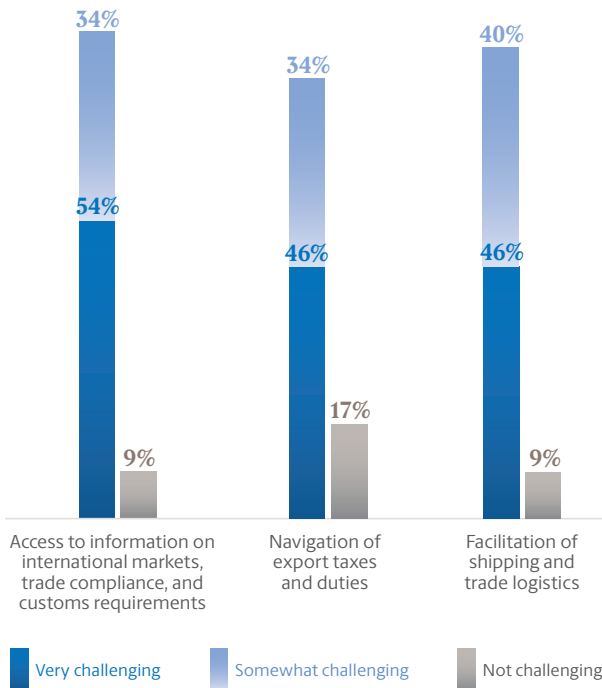




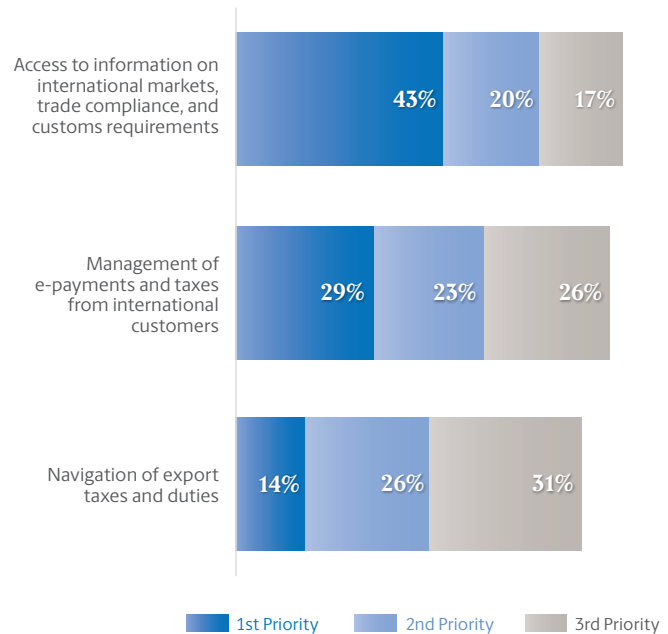
## Export Trends and Challenges

Half of the surveyed SMBs were currently selling internationally, and 74 percent of these SMBs said that exporting has gotten easier since the COVID-19 pandemic began. As in 2021, trade compliance and complexities around customs and export requirements were top challenges for SMBs. In 2022, facilitation of shipping and trade logistics was also identified as a top challenge. However, over 75 percent of SMBs also identified management of e-payments and taxes from international customers and protecting intellectual property rights as “very” or “somewhat” challenging.

### Challenges to SMB E-commerce Exports



### SMB Policy Intervention Priorities to Support E-commerce Exports



## Policy Recommendations



**Expand SMB Access to Information About E-commerce.** Government-sponsored trainings and resources could support more access to information about setting up and running e-commerce businesses, complying with digital laws and regulations, and international trade.



**Strengthen Digital Infrastructure.** Expand investment into a broad set of digital tools to address SMBs’ concerns regarding challenges managing e-payments, inventory, returns, and contactless delivery.



**Develop a Data Governance Framework.** The framework should help protect SMBs from cybersecurity threats which limit trust.



**Simplify E-commerce Rules and Regulations.** Easier-to-understand regulations and procedures would require less external assistance – and therefore costs – to navigate.



**Boost Financing.** Scale up existing government-financed business credit offerings, whether through increasing the volume of financing available or encouraging more small businesses to take advantage of existing programs through awareness-raising initiatives.



**Support Supply Chain Resilience.** Provide information and resources for SMBs to build more resilient supply chains by forecasting demand and threats, diversifying suppliers, and digitizing supply chain processes.