

Facebook, World Bank, and OECD Survey: Digital Sales by Small Businesses in the MENA Region Surpass Pre-COVID-19 Figures

Egypt, UAE, Saudi Arabia-- 14 December 2020: Facebook, in partnership with the World Bank and Organisation for Economic Co-operation and Development (OECD), published the sixth [Global State of Small Business Report](#), the last in a series of surveys of small business owners conducted in 2020. Planned before the pandemic, the report now reveals the extent of the impact of the novel coronavirus, shining a light on some of the starkest challenges facing more than 150,000 small and medium businesses across the Middle East, North Africa and around the world.

Published on 7 December, the latest installment in the series was conducted between October 23 - 31 and is based on a survey of more than 25,000 owners, managers, and employees in approximately 50 countries and regions including the UAE, Saudi Arabia, and Egypt. The results show that while business conditions have improved since the first survey, a substantial number of small businesses remain closed and a majority continue to report reduced sales and employment, even as the economy as a whole shows signs of improvement.

The report reveals the percentage of SMBs on Facebook that were operational or engaging in any number of revenue-generating activities in October. Across the region, these figures total to 83% in UAE, 88% in Saudi Arabia, and 79% in Egypt. Survey results also showed that 56% of operational SMBs on Facebook in UAE, 38% in Saudi Arabia, and 61% in Egypt reported sales achievements in the past month that were lower than the same month last year. Even with global economic conditions showing signs of recovery, SMBs in the region were still faced with the burden of reducing their number of employees in October: 45% in the UAE, 29% in Saudi Arabia, and 45% in Egypt.

Though conditions remain challenging for SMBs, business owners and managers remain resilient. The survey shows that despite everything, 72% in UAE, 58% in Saudi Arabia, and 56% in Egypt remain optimistic about the future of their business. Many have acted creatively to find new ways to reach customers, increasing the proportion of sales they have made digitally during the course of the pandemic. In the Middle East, 47% of operational SMBs in the UAE, 37% in Saudi Arabia, and 38% in Egypt reported that 25% or more of their sales were made digitally in the past month. Even more promising are the figures representing the proportion of sales they made digitally compared to before the COVID-19 pandemic, with 30% in the UAE, 19% in Saudi Arabia, and 15% in Egypt reporting that these figures had in fact increased. Still, looking ahead, SMBs are managing their own expectations for the future, with 37% in the UAE, 26% in Saudi Arabia, and 28% in Egypt indicating that they predict cash flow will be a challenge in the next few months.

Ramez Shehadi, Managing Director, Facebook MENA, said: “Small businesses have a critical role to play when it comes to the growth and evolution of our economy in a post-COVID world. At Facebook, we’ve made it our priority to facilitate their access to the tools they need to navigate their transition to the digital space since the early days of the pandemic. In this final installment of the report, we saw this shift represented by a significant number of SMBs in our region, who reported an increase of **25% or more** in digital sales. Though the path to recovery remains unseen, what is for certain is that small businesses have shown a sense of resilience and a propensity to think outside of the box in finding new ways to reach customers. As they continue to forge their paths into the future, we will remain committed to ensuring our platforms act as a gateway for supporting their need to survive and thrive online.”

More than 200 million businesses use Facebook and its family of apps every month to create virtual storefronts and reach customers. As the last in a series of six studies monitoring the impact of COVID-19 on SMBs, this report examined the outcomes and key trends observed in recent months in the areas of access to finance, digital engagement, gender differences, and micro-businesses and sought to analyze in further detail both the provision and efficacy of financial support. The report also analyzed SMB owners' future expectations and assessed the additional support they may require.

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