

**A STUDY ON SMALL AND MEDIUM ENTERPRISES (SMEs)  
IN CAVITE**

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## ABSTRACT

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A study was conducted that aimed to analyze and evaluate the small and medium enterprises (SMEs) in Cavite. Specifically, the study was conducted to present a profile of the characteristics and situation of small and medium enterprises in Cavite; identify the current number of small and medium enterprises in Cavite by town; examine the trend (growth or decline in number) of SMEs in Cavite in a five-year time frame; identify the contribution of SMEs to employment and income of Cavite; and identify the possible problems generally encountered by SMEs in Cavite as recognized by the Department of Trade and Industry and other agencies or organization that have authority and knowledge to small and medium enterprise development.

The small and medium enterprises in Cavite constitute to 98% of the total business establishments in Cavite. A total of 13,010 business establishments belong to the SME category. Of all the towns in Cavite, Dasmariñas came up with the highest number of small and medium enterprises, with 3,289 business establishments. District 2 has the most number of SMEs with a total of 7,259 enterprises.

The Micro enterprises in Cavite comprise of 94.86%, the Small enterprises constitute of 2.78% of the enterprises in Cavite, and the Medium enterprises are represented with 2.36%.



The economic activity of SMEs is classified as retailer, wholesaler, manufacturing/producer, exporter and service. More than half (above 51% in each district) of the small and medium enterprises in Cavite are engaged in the retailer activity.

There was an increase in new business establishment of SME nature in 2004, having 20% of new established business enterprises, the highest percentage over the last five years. The newly established SMEs have an average of 9.91%.

The SME sector in Cavite provides 14.88% of the total employment in the province. In enterprise category, micro enterprises in Cavite employs about 26.07%, totaling to 40,818 employees. Small enterprise sector employs 27,328 (17.45%) and the medium enterprise sector provides 31,852 (20.34%) employment in Cavite. The results of the *t*-test for the comparison of employment among the three districts revealed that District 3 is significantly different in comparison against the two other districts.

A cumulative report on income and revenues was the only available data on the contribution of the business sector, through business tax/income. In 2004, the business sector in Cavite provides Php 354,825,909.30 or 12.07% of the province's total income of Php 2,939,734,128.42.



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