



# **Developing Business Linkages between Large Firms and Local SMEs in South Africa: A Survey Approach**

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## **Abstract**

South Africa's economy is characterized by a significant disparity between large firms and small and medium-sized enterprises (SMEs). Despite this gap, there is potential for mutual benefits through enhanced business linkages. A structured questionnaire survey was conducted among a diverse sample of both large firms and SMEs across various industries in South Africa. Data were analysed using descriptive statistics and thematic analysis. The survey revealed that while approximately 60% of participating SMEs reported receiving orders from large firms, only 45% had formal business agreements with them. The most common challenges cited included transactional risks and regulatory hurdles. Despite initial interest, the establishment of sustainable business linkages between large firms and local SMEs in South Africa faces significant practical obstacles that need to be addressed through targeted interventions. Policy makers should facilitate a more supportive regulatory environment, while training programmes for SME owners could enhance their competitiveness. Large firms can also benefit from structured procurement processes.

**Keywords:** *Sub-Saharan, econometric, partnership, entrepreneurship, networks, growth, innovation*

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