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Resilience in Crisis: A Multiple Case Study of Adaptive Strategies and Coping Mechanisms among Nigerian SMEs following the Fuel Subsidy Removal

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Abstract
The removal of the Premium Motor Spirit (PMS) subsidy in Nigeria represents a pivotal macroeconomic shock that drastically escalated operational costs, threatening the survival of the non-oil sector. This study investigates the resilience of Small and Medium Enterprises (SMEs) by exploring the adaptive strategies and coping mechanisms these businesses have employed in the wake of this policy reform. Adopting a multiple case study design, the research utilizes in-depth semi-structured interviews and observational data from 20 SMEs across the manufacturing, retail, and service sectors. The analysis reveals a complex spectrum of survival strategies, ranging from immediate cost-cutting measures such as staff downsizing, inventory rationing, and reduction of operating hours to more structural adaptations, including the aggressive passing of costs to consumers and the tentative shift toward alternative energy sources. The findings indicate that while SMEs exhibit significant organizational resilience, these coping mechanisms are predominantly reactive and increasingly unsustainable, pushing many firms to the brink of insolvency. The study concludes that ensuring the longevity of the SME sector requires government interventions that move beyond general palliatives to include targeted fiscal relief, subsidized energy tariffs, and access to low-interest credit facilities tailored to the post-subsidy economic reality.

Keywords: Nigerian SMEs, Fuel Subsidy Removal, Business Resilience, Adaptive Strategies, Coping Mechanisms, Economic Crisis.

Introduction

Small and Medium Enterprises (SMEs) are widely acknowledged as the engine of economic growth and development in both developed and developing nations. They serve as a critical vehicle for poverty alleviation, employment generation, and wealth creation. In the context of Nigeria, the strategic importance of this sector cannot be overstated. The sector contributes approximately 48% of the national Gross Domestic Product (GDP) and accounts for about 96% of businesses, employing over 84% of the country's labor force (SMEDAN & NBS, 2021). By providing a vast array of goods and services, fostering entrepreneurship, and utilizing locally available raw materials, SMEs act as the backbone of the Nigerian economy. They are essential for achieving the government's objectives of industrial diversification, import substitution, and the reduction of the burgeoning youth unemployment rate. However, despite their numerical

significance and contribution to economic output, Nigerian SMEs operate in an environment fraught with formidable challenges that threaten their survival and growth.

The operating environment for businesses in Nigeria is notoriously volatile, characterized by infrastructural deficits, regulatory inconsistencies, and inconsistent power supply. Among these challenges, the cost of energy specifically petroleum products has historically been a critical determinant of business viability. For decades, the Nigerian government has maintained a fuel subsidy regime, artificially suppressing the price of Premium Motor Spirit (PMS), commonly known as petrol, and Automotive Gas Oil (AGO), or diesel. This subsidy mechanism acted as a socio-economic buffer, shielding both the masses and the business community from the full impact of global crude oil price fluctuations. It effectively lowered the cost of transportation, which in turn reduced the cost of goods and services, and significantly lowered the operational cost of running generators, which remain the primary source of power for many businesses due to the unreliability of the national grid (Erhun, 2015).

The landscape of Nigeria's economic management underwent a seismic shift on May 29, 2023, when President Bola Ahmed Tinubu, during his inaugural address, declared the end of the fuel subsidy regime. This policy pronouncement signaled the removal of the long-standing fiscal support that had kept fuel prices low.

The immediate aftermath was a dramatic and unbridled increase in the pump price of petrol, which surged from approximately N189 per liter to over N500 per liter and later settled at levels that are more than 200% higher than pre-subsidy removal rates (World Bank, 2023). This sharp escalation represented one of the most significant macroeconomic shocks to the Nigerian economy in recent history. While the policy was rationalized by the government as necessary to free up fiscal resources for critical infrastructure and social programs, and to halt the predatory activities of rent-seekers in the downstream sector, its immediate impact on the real sector, particularly SMEs, has been jarring.

The removal of the fuel subsidy has precipitated a perfect storm for Nigerian SMEs, creating an existential threat to their operations. The ripple effects of the price hike have permeated every facet of the Nigerian economy. First and foremost, it drastically increased the cost of logistics and transportation. Given Nigeria's poor road networks and inefficient rail system, road transport remains the dominant means of moving raw materials and finished goods. For the average SME owner, the cost of sourcing raw materials from the market and distributing finished products to consumers has skyrocketed. Second, because of the chronic power deficit in the country, the vast majority of SMEs rely on petrol-powered generators to power their operations. The cost of diesel for industrial use has similarly surged, pushing the cost of

electricity generation for businesses to unsustainable levels (Adeniran & Raheem, 2019). Consequently, the cost of production has increased exponentially.

Furthermore, the subsidy removal has triggered a general inflationary spiral. The removal of the subsidy led to a sharp increase in the general price level, eroding the purchasing power of consumers. For SMEs, this presents a double-edged sword: while their operating costs are escalating, the demand for their goods and services is contracting as consumers prioritize essential needs. The disposable income of the average Nigerian has shrunk, leading to a decline in patronage for non-essential goods and services typically provided by SMEs. This economic contraction forces business owners to make difficult decisions regarding the sustainability of their enterprises.

In the face of crises such as the COVID-19 pandemic, economic recessions, and now the fuel subsidy removal, SMEs are forced to activate their resilience mechanisms. Literature on business resilience suggests that SMEs, due to their flexibility and lack of bureaucracy, are often more agile than large corporations in adapting to changing environments. They can pivot quickly, reduce overheads, and innovate to stay afloat (Kwasi et al., 2020). However, the magnitude of the shock caused by the subsidy removal presents a unique challenge. Unlike the pandemic, which was largely a health shock that disrupted supply chains and mobility, the fuel crisis is a structural shock that directly alters the fundamental cost structure of every business.

Furthermore, the Nigerian government, in an attempt to cushion the blow of the subsidy removal, rolled out various palliative measures and relief funds. The effectiveness of these interventions at the grassroots level remains a subject of debate. It is essential to understand whether the adaptive strategies adopted by SMEs are self-sustaining or merely temporary stopgaps. Are they moving towards efficiency and innovation, or are they engaging in a gradual liquidation of assets? Understanding the quality of their resilience is critical.

Therefore, this study seeks to bridge the knowledge gap by examining the lived experiences of SMEs following the fuel subsidy removal. It aims to explore the specific challenges these businesses face, analyze the survival strategies they have adopted, and assess the long-term implications of these coping mechanisms on their sustainability. By focusing on the adaptive behaviors of SMEs, this research provides critical insights into the capacity of the non-oil sector to withstand structural economic shocks. The findings will be instrumental for policymakers, financial institutions, and development partners in designing targeted interventions that can bolster the resilience of the SME sector, ensuring that the economic reform agenda does not inadvertently decimate the engine of the Nigerian economy.

Literature Review

Small and Medium Enterprises (SMEs) constitute the backbone of the Nigerian economy, serving as the primary driver of employment generation, poverty alleviation, and industrial diversification. According to the National Bureau of Statistics and the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), MSMEs contribute over 46% to the national Gross Domestic Product (GDP) and account for approximately 96% of businesses in the country (SMEDAN & NBS, 2021). These enterprises play a pivotal role in absorbing the surplus labor force and utilizing local raw materials to produce goods and services. However, despite their numerical dominance and economic significance, the sector is characterized by inherent fragility. A significant percentage of new businesses fail within their first five years of operation, a phenomenon largely attributed to a hostile operational environment marked by inadequate infrastructure, particularly power supply, and inconsistent regulatory regimes (Fadason et al., 2019).

For over four decades, the Nigerian government maintained a fuel subsidy regime that kept the price of Premium Motor Spirit (PMS) artificially low. While this policy was widely criticized by economists for incentivizing corruption and draining national revenue, it served as a crucial economic buffer, effectively subsidizing the cost of logistics and production for businesses. The landscape shifted dramatically on May 29, 2023, when the Federal Government formally announced the removal of this subsidy, leading to an immediate and sharp increase in fuel prices. The pump price of petrol surged from N189 to over N500 per liter, representing one of the most severe macroeconomic shocks in recent history (World Bank, 2023). Economic literature on subsidy removal emphasizes its inflationary potential and distortionary effects on market pricing. Erhun (2015) argues that while fuel price deregulation is essential for fiscal health, it inevitably triggers short-term shocks that ripple through the economy. The removal has drastically increased the cost of transportation, which is the primary means of moving goods in Nigeria. Furthermore, because the national power grid is unreliable, SMEs rely heavily on petrol-powered generators. Consequently, the removal of the subsidy has led to a surge in operational costs, effectively reducing profit margins for businesses that cannot pass the full cost to consumers (Adeniran & Raheem, 2019).

In the face of such structural shocks, the concept of business resilience becomes paramount. Resilience in organizational studies refers to the capacity of an enterprise to anticipate, prepare for, respond to, and adapt to incremental changes and sudden disruptions in order to survive and prosper (Holling, 1973). It is not merely a passive state of bouncing back, but an active process of adaptation. In the context of developing economies, resilience is often linked to the

concept of "bricolage" which is the ability to make do with whatever resources are at hand (Baker & Nelson, 2005). Literature on SME resilience highlights that smaller firms often possess higher agility than large corporations due to their flat structures and reduced bureaucratic inertia (Littunen, 2000). Studies examining previous crises in Nigeria, such as the 2016 economic recession and the COVID-19 pandemic, reveal that SMEs employ a variety of adaptive strategies. These typically include cost-cutting measures like downsizing, diversification of revenue streams, and strategic alliances (Kwasi et al., 2020). For instance, during the COVID-19 lockdown, many SMEs pivoted to digital platforms and home delivery services to survive (Adeoye et al., 2021).

Specific studies on coping mechanisms in high-inflationary climates suggest that businesses often resort to defensive strategies. These include inventory rationing—buying only what can be sold immediately to avoid stockpiling capital—and reducing the scale of production (Etim, 2017). In the energy sector, the removal of subsidies often leads to a shift in energy consumption patterns. Businesses may transition to alternative energy sources or operate for shorter durations to save fuel costs. While quantitative studies have documented the negative correlation between energy costs and industrial output (Okafor, 2015), there is less understanding of the dynamic behavioral changes SMEs undertake as they navigate this transition. The literature suggests that resilience is often limited by the depletion of financial buffers; once these are exhausted, businesses are forced into insolvency or informalization. However, a significant gap remains in understanding how these businesses balance the rising cost of production against the inability of consumers to pay more, a dilemma exacerbated by the removal of the subsidy.

A review of the existing literature reveals a robust body of knowledge regarding the economic importance of SMEs, the theoretical underpinnings of resilience, and the macroeconomic effects of fuel subsidy removal. However, there are distinct limitations in the current body of work. First, the majority of studies on SME resilience in Nigeria focus on the COVID-19 pandemic or the 2016 recession. While these provide useful insights, the fuel subsidy removal is a different class of shock, one that is structural and directly impacts the cost of energy and logistics permanently. There is a paucity of empirical studies that examine the specific adaptive strategies employed by SMEs in the immediate aftermath of the 2023 subsidy removal. Second, existing studies on the impact of energy costs on SMEs are predominantly quantitative. They utilize surveys to measure turnover loss, profit decline, and job cuts (e.g., Adeniran & Raheem, 2019). While these studies quantify the impact, they fail to explain the process of adaptation. There is a lack of qualitative research that digs into the "how" and "why" of survival. Why does

one SME choose to downsize while another chooses to pivot? How do they make these decisions in real-time? Finally, literature often assumes a somewhat linear relationship where higher input costs lead to higher output prices. However, in the current Nigerian context where purchasing power is extremely low, the coping mechanisms employed by SMEs to manage this disconnect are under-researched. This study seeks to address these gaps by exploring the lived experiences of SMEs and the specific adaptive mechanisms they have adopted to survive the economic turbulence induced by the fuel subsidy removal.

Methodology

This study adopts a qualitative multiple case study design to explore the adaptive strategies and coping mechanisms of Nigerian SMEs following the fuel subsidy removal. This design is particularly appropriate for answering "how" and "why" research questions, as it allows for an in-depth, holistic investigation of a contemporary real-life event within its real-life context (Yin, 2018). The target population consists of SMEs operating in the North-Central zone of Nigeria. A purposive sampling technique was utilized to select four distinct cases across the manufacturing, retail, and service sectors. These cases were chosen based on their vulnerability to energy costs and their operational history both before and after the subsidy policy.

Data for the study was collected primarily through semi-structured interviews with business owners and key managers. This method provided the flexibility to probe deeper into the decision-making processes behind the firms' survival strategies. The interviews were audio-recorded with consent, transcribed verbatim, and subjected to thematic analysis following the six-step framework proposed by Braun and Clarke (2006). The process involved familiarization with the data and searching for overarching themes such as "cost-cutting," "service innovation," and "strategic pricing." To ensure rigoUr, the study employed pattern-matching logic to compare findings across the four cases, enhancing the internal validity of the conclusions drawn regarding SME resilience.

Discussion of Findings

The analysis of the four case studies encompassing the manufacturing, retail, and service sectors reveals a profound reconfiguration of business operations triggered by the removal of the fuel subsidy. The findings indicate that the adaptive strategies employed by Nigerian SMEs transcend mere cost-cutting; they represent a fundamental restructuring of the business model to survive a hostile macroeconomic environment. The discussion of these findings, viewed through the lens of resilience theory, reveals that while SMEs are exhibiting high degrees of agility, a hallmark of entrepreneurial bricolage, these coping mechanisms are increasingly precarious (Baker & Nelson, 2005). The "lived experience" of the post-subsidy era is one of

continuous trade-offs, where business owners are forced to choose between immediate survival and long-term growth.

The most pervasive finding across all cases was the immediate and severe impact of rising logistics costs. The removal of the subsidy resulted in an exponential increase in transportation costs, which serves as the circulatory system for SMEs that rely on road networks to move raw materials and finished goods. The findings reveal that for the retail and manufacturing cases, the cost of logistics doubled within the first month of the policy implementation. This aligns with the World Bank's (2023) projection that subsidy removal would lead to significant cost-push inflation. However, the nuance uncovered in this study lies in the inability of these businesses to pass these costs to consumers. The theoretical expectation in a free market is that input cost shocks are transmitted to consumers via price hikes. However, the findings reveal a severe inelasticity of demand. The interviewed SMEs reported that any attempt to raise prices commensurate with their cost increases resulted in a drastic drop in sales volume.

This finding has significant implications for the sustainability of the SME sector. It suggests that the SMEs are absorbing a significant portion of the macroeconomic shock themselves, effectively acting as a buffer that prevents the full inflationary impact from hitting the consumer, but at the expense of their own liquidity. This creates a "profit squeeze" where revenue might remain nominally stable, but margins are eroded to near zero. The implication of this finding is that the sector is operating in a state of financial fragility. They are trading without a working capital buffer. If they absorb these costs to retain market share, they lack the funds to replenish inventory. If they pass the costs, they lose their customer base to the informal sector or larger competitors who have deeper pockets. This pricing dilemma is the primary driver of the "survival mode" identified in the cases. It highlights the limitations of market-based pricing mechanisms in an economy where purchasing power has been decimated by the same policy shock. Consequently, the resilience observed is not indicative of robustness, but of "endurance", the ability to withstand pain without collapsing.

Another critical finding emerging from the study is the shift in energy utilization patterns. The manufacturing case, in particular, highlighted a drastic reduction in the use of diesel generators due to the soaring cost of the product. The adaptive strategy here was twofold: a shift to operating hours and a transition to alternative energy sources. The findings show that SMEs are increasingly engaging in "energy rationing." Rather than running their generators throughout the workday, they now operate in fits and starts using power only for critical machinery and relying on natural light or manual processes for other operations. This mirrors

the findings of Adeniran and Raheem (2019), who noted that energy costs force manufacturers to sub-optimize production.

However, a more surprising adaptive strategy was the move towards "cannibalization" of capital assets and a tentative shift to Liquefied Petroleum Gas (LPG) for smaller generators. While this demonstrates the concept of institutional bricolage, making do with available resources. The implications are concerning for productivity. The reduction in operational hours directly translates to lower output. While the business may remain open, its capacity to generate revenue has been structurally reduced. The reliance on LPG, while cheaper than diesel, introduces safety risks and supply chain dependencies that are unstable. This finding suggests that the resilience of Nigerian SMEs is currently being sustained by a degradation of their operational standards. They are producing less, serving fewer customers, and compromising on service speed to save energy. The implication of this finding is that the post-subsidy Nigerian economy may see a shift from efficiency-driven manufacturing to subsistence-driven production, which undermines the industrialization goals of the federal government.

Furthermore, the study found a significant shift in inventory management strategies triggered by the fuel crisis. Traditionally, SMEs relied on bulk purchasing to benefit from economies of scale. However, the findings reveal a widespread adoption of "Just-in-Time" inventory management, not for efficiency, but for cash flow preservation. The high cost of fueling trucks to transport goods has been compounded by a shortage of cash. SMEs reported that they could no longer afford to tie up capital in bulk inventory because the turnover rate had slowed down due to reduced consumer demand.

This shift has profound implications for the broader supply chain. By moving from bulk to spot-buying, SMEs are subjecting themselves to the volatility of daily market prices, which are fluctuating wildly due to the same subsidy removal. This eliminates the stability that inventory buffers usually provide. It also weakens the bargaining power of the SME with suppliers. The inability to buy in bulk means they cannot negotiate discounts, further squeezing their profit margins. This finding suggests that the informal sector is becoming increasingly atomized, with individual businesses operating on a day-to-day survival basis. This micro-level behavior aggregates to a macro-level slowdown in economic velocity, as goods move through the supply chain in smaller batches and at higher transaction costs.

The human resource dimension of the adaptive strategies presents perhaps the most challenging finding. The cases revealed a distinct trend of "labour downgrading." Rather than massive layoffs which trigger legal issues and severance costs that businesses cannot afford. SMEs are engaging in subtle reduction of labour costs. This includes replacing permanent staff with

casual labour, freezing wage increments despite the inflation, and in some instances, the business owners taking on additional operational roles themselves to save on salaries. This aligns with the findings of Kwasi et al. (2020) regarding labour adjustments during crises, but adds a layer of nuance regarding the quality of employment.

The implication of this labour strategy is a dual blow to the economy. First, it reduces the disposable income of the workforce, which are also the consumers of these SMEs' products. By suppressing wages, SMEs are inadvertently contributing to the demand crunch they are complaining about. Second, it leads to a degradation of workforce skills. Relying on casual labour prevents the accumulation of firm-specific human capital. Once the crisis abates, these firms will find themselves with a deskilled workforce, hampering their ability to bounce back. The "resilience" here is being built on the backs of exploited labour, which is not a sustainable long-term strategy. It highlights a lack of social protection mechanisms for the sector; without access to credit to cover salary shortfalls, the SME is forced to cannibalize its human capital.

The study also uncovered a divergence in adaptive capabilities based on sector. The retail and service sectors demonstrated a higher degree of resilience through "digitalization" and "service diversification" compared to the manufacturing sector. Retailers in the study adopted social media platforms and direct-to-consumer delivery models to reduce the cost of physical shop operations and transportation. This aligns with the agility thesis of Littunen (2000). However, the manufacturing sector, constrained by the need for physical machinery and heavy raw materials, found it harder to pivot. Their coping mechanisms were largely subtractive—doing less with less.

This divergence has critical policy implications. It suggests that the fuel subsidy removal is accelerating a structural shift in the economy towards services and retail, while exerting a de-industrializing pressure on manufacturing. The manufacturing SMEs are the ones most likely to exit the market if the shock persists, which contradicts national goals of value addition. The resilience of the service sector masks the vulnerability of the production sector. If the manufacturing base erodes, the service sector will eventually suffer from a lack of goods to trade. The implication is that palliatives and support mechanisms must be sector-specific. A "one-size-fits-all" approach to SME support will likely fail to save the manufacturing firms, whose capital requirements and energy intensity make them uniquely vulnerable to fuel price shocks.

Furthermore, the study found that the concept of "resilience" is currently being redefined by the SMEs. Resilience is no longer viewed as "growth" or "expansion," but simply as "avoiding insolvency." The mental model of the entrepreneurs has shifted from profit maximization to

loss minimization. This psychological shift has significant implications for entrepreneurship. It discourages long-term investment and innovation. Business owners are reluctant to invest in new equipment or expand their product lines because the uncertainty is too high. The finding that SMEs are hoarding cash rather than investing it back into the business is a classic sign of economic anxiety (Holling, 1973). This behavior creates a liquidity trap where money does not circulate, further stagnating the economy. The government's stimulus packages have failed to unlock this trapped capital because the perceived risk of the operating environment remains too high.

The study highlights the role of social capital as a coping mechanism. The findings reveal that SMEs are increasingly relying on trade credit, cooperative contributions (esusu), and informal community networks to survive. This indicates a regression to the informal safety nets. While this demonstrates the strength of social cohesion, it implies that the formal financial system is failing to provide the necessary buffer. Banks are not lending to these SMEs, likely due to the perceived risk, forcing them back to informal financing which often carries higher interest rates and risks of social friction. This reliance on informal credit is a short-term survival tactic that creates long-term vulnerability, as it exposes the business to social shocks and interpersonal conflicts that can disrupt operations.

In conclusion, the discussion of findings suggests that while Nigerian SMEs are exhibiting a high degree of adaptive resilience, this resilience is brittle and unsustainable. The adaptive strategies ranging from cost absorption and energy rationing to inventory fragmentation and labour downgrading are essentially defensive tactics. They mitigate the immediate impact of the fuel subsidy removal but erode the structural capacity of the businesses. The findings imply that the current model of resilience is leading to a "hollowing out" of the SME sector in which businesses are surviving, but they are smaller, less efficient, and less productive than they were a year ago. The critical gap is the lack of external shock absorbers. In the absence of reliable power, affordable transport, or accessible credit, the SME is forced to internalize the macroeconomic shock. This internalization has reached its limit. The implication for policy is that cash transfers and low-interest loans are palliatives. The structural issues of energy cost and logistics must be addressed to move these businesses from a survival mode to a growth mode. Without this structural intervention, the "adaptive strategies" currently observed are merely stages in a gradual process of attrition.

Conclusion

This study investigated the adaptive strategies and coping mechanisms of Small and Medium Enterprises (SMEs) in Nigeria following the removal of the fuel subsidy in 2023. The objective was to understand the lived experiences of these businesses in the wake of one of the most severe macroeconomic shocks in the nation's recent history. Through a multiple case study approach, the research uncovered a landscape of resilience that is characterized by agility and adaptation, but also by profound fragility and risk. The findings of the study reveal that Nigerian SMEs are operating in a state of "survivalist resilience." Faced with the immediate and drastic escalation of logistics and production costs, SMEs did not simply pass these costs to consumers, as traditional economic theory might suggest. Instead, they engaged in a complex calculus of cost absorption. The "profit squeeze" where businesses absorb rising costs to maintain market share in the face of dwindling consumer purchasing power was the dominant finding. This highlights the precarious position of the sector, serving as a buffer that absorbs macroeconomic shocks at the expense of their own capital buffers. Furthermore, the study identified a shift in the business model across manufacturing, retail, and service sectors. The adaptive strategies employed, ranging from energy rationing and the reduction of operating hours to the fragmentation of inventory and the downgrading of labour, are inherently subtractive. These strategies are mechanisms of "bricolage" making do with less (Baker & Nelson, 2005). While this demonstrates the entrepreneurial agility of the Nigerian SME, it also points to a concerning trend of structural degradation. Manufacturing SMEs, in particular, are experiencing a de-industrialization pressure, forced to produce less and rely on manual labor to circumvent high energy costs. The resilience observed is therefore "brittle"; it is holding the sector together in the short term but eroding its long-term productive capacity. The study also underscores the limitations of current policy interventions. While the government has rolled out palliative measures and funding schemes, the findings suggest that the primary pain points logistics and energy are not being addressed at the structural level. The regression to informal financing and social capital for survival indicates a failure of the formal financial system to provide the necessary liquidity for these businesses to pivot rather than shrink. In conclusion, while the removal of the fuel subsidy was a necessary macroeconomic reform, it has imposed a disproportionate burden on the non-oil sector. The "resilience" currently exhibited by SMEs is largely defensive and unsustainable. To ensure that the engine of the Nigerian economy does not grind to a halt, policy interventions must move beyond temporary palliatives. There is an urgent need for targeted support in the form of subsidized energy solutions, dedicated logistics networks for SMEs, and accessible credit facilities. Without these structural interventions, the

current adaptive strategies will transition from coping mechanisms to permanent closure, eroding the critical contribution of SMEs to national development.

Recommendations

1. The government should establish a dedicated fund to subsidize the importation and installation of renewable energy solutions, such as solar panels and inverters, to reduce the crippling operational costs of petrol-powered generators.
2. To mitigate the exorbitant cost of logistics, the government should implement a subsidized transportation scheme or create dedicated freight corridors specifically for SMEs to lower the cost of moving raw materials and finished goods.
3. Financial institutions and the Central Bank must collaborate to provide accessible, single-digit interest rate loans and tailored working capital grants that allow SMEs to replenish inventory without eroding their capital buffers.
4. Policymakers should implement a temporary tax moratorium and a reduction in regulatory fees to help small businesses recover their depleted working capital and stabilize their operations during this transition period.
5. Relevant government agencies should provide technical assistance and digital skills training to enable SMEs to leverage e-commerce platforms, thereby reducing their reliance on physical logistics and expanding their market reach.

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