

IPO Activity on SME Exchanges: A Study of Selected Countries

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Abstract: This paper examines the growth performance of IPO activity on SME exchanges in India along with its international counterparts, namely Growth Enterprise Market (GEM) in Hong Kong, Alternative Investment Market (AIM) in United Kingdom and ChiNext in China. We empirically study the trend and behaviour of variables; those are total proceeds raised by IPOs, number of IPOs and average size of IPOs. Test for structural break(s) in the data is conducted by using dummy variable: structural growth equation both for intercept and slope. The empirical results for SME IPOs in India and AIM IPOs provide evidences that periods of large volume of issues are followed by periods when only a handful of companies get listed in the market. Further, it is observed that for each SME IPO market, the structural breaks correspond to the presence of exogenous and/or endogenous shocks in that country's economy.

Keywords: Small and medium enterprise, Initial public offering, ChiNext, Growth Enterprise Market, Alternative Investment Market, BSE SME, NSE Emerge

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