Key points

Past & future SME performance: SMEs account for 99.8% of businesses in France, which is in line with the rest of the EU. They provide about two thirds of total employment and account for nearly 58% of total value added. The French economy has been developing at a relatively modest rate over recent years. The number of new business registrations stagnated in 2014 and early 2015. The number of SMEs is set to grow at around 0.4% until 2016. SME employment is also expected to remain close to current levels. Nevertheless, the outlook for SME value added is more optimistic: from 2014 to 2016, it is expected to grow by nearly 5%, which is almost double the projection for large enterprises.

Implementing the Small Business Act for Europe (SBA): France’s SBA profile is solid and broadly in line with the EU average. Good framework conditions are in place for the creation of businesses, but their growth has been hampered by size-related criteria in regulations. In 2014, important progress was made in the area of public procurement, enabling SMEs - in particular recently established ones - to have easier access to public tenders. The bill for growth, economic activity and equal economic opportunities contains a number of policy measures aiming to cut red tape, stimulate investment and modernise the labour market. Opportunities offered by the single market remain to be seized.

SME policy priorities: While a real effort has been made to implement a simplification strategy, the overall business environment remains complex and unstable. This is due to continuous changes in legislation, and progress may be counteracted by new regulations being adopted without exhaustive impact assessments. It would therefore be beneficial to promote a more stable environment by focusing on major modifications in the regulatory framework, which themselves would bring extensive simplification. The French ‘SME test’ includes a set of instruments that are used on a case-by-case basis and could be used more widely. The ‘think small first’ approach could be extended further across the public administration.

About the SBA Fact Sheets

The Small Business Act for Europe (SBA) is the EU’s flagship policy initiative to support small and medium-sized enterprises (SMEs). It comprises a set of policy measures organised around 10 principles ranging from entrepreneurship and ‘responsive administration’ to internationalisation. To improve the governance of the SBA, the 2011 review of it called for better monitoring. The SBA fact sheets, published annually, aim to improve the understanding of recent trends and national policies affecting SMEs. Since 2011, each EU Member State has appointed a high-ranking government official as its national SME envoy. SME envoys spearhead the implementation of the SBA agenda in their countries.
Table of Contents

1. SMEs — basic figures .................................................. 2
2. SBA profile .................................................................. 3
3. SBA principles ................................................................ 4
   3.0 ‘Think Small First’ .................................................. 4
   3.1 Entrepreneurship ...................................................... 5
   3.2 ‘Second chance’ ........................................................ 6
   3.3 ‘Responsive administration’ ........................................ 7
   3.4 State aid & public procurement ................................... 8
   3.5 Access to finance ....................................................... 9
   3.6 Single market ........................................................... 10
   3.7 Skills & innovation ..................................................... 11
   3.8 Environment ............................................................. 12
   3.9 Internationalisation ................................................... 13
4. Interesting new initiative ............................................... 14

1. SMEs — basic figures

<table>
<thead>
<tr>
<th>Number of enterprises</th>
<th>Number of persons employed</th>
<th>Value added</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Share</td>
</tr>
<tr>
<td>Micro</td>
<td>2 733 251</td>
<td>94.5%</td>
</tr>
<tr>
<td>Small</td>
<td>132 340</td>
<td>4.6%</td>
</tr>
<tr>
<td>Medium-sized</td>
<td>20 808</td>
<td>0.7%</td>
</tr>
<tr>
<td>SMEs</td>
<td>2 886 399</td>
<td>99.8%</td>
</tr>
<tr>
<td>Large</td>
<td>4 401</td>
<td>0.2%</td>
</tr>
<tr>
<td>Total</td>
<td>2 890 800</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

These are estimates for 2014 produced by DIW Econ, based on 2008-2012 figures from the Structural Business Statistics Database (Eurostat). The data cover the ‘non-financial business economy’, which includes industry, construction, trade and services (NACE Rev. 2 sections B to J, L, M and N), but not enterprises in agriculture, forestry and fisheries and the largely non-market service sectors such as education and health. The advantage of using Eurostat data is that the statistics are harmonised and comparable across countries. The disadvantage is that for some countries the data may be different from those published by national authorities.

The share of SMEs in the ‘non-financial business economy’ in France is practically the same as the EU average. They represent 99.8% of all enterprises, provide about two out of every three jobs and account for close to 58% of total value added. French productivity, measured as value added per head, is above the EU average. SMEs are prevalent in most sectors, which is also the case across the EU. The two main contributors to SME total value added are the wholesale and retail trade sector and the manufacturing sector. These two sectors also account for over 40% of total SME employment.

The ‘non-financial business economy’ as a whole has been developing at a relatively modest rate, with a growth in total value added of 3.5% since 2008. During this period, the number of micro enterprises (up to 9 persons employed) rose by 25%, but the number of medium-sized businesses fell by 7%. A significant increase in SME employment in 2009 and 2010 was generated by the ‘auto-entrepreneur’ scheme.

One of the important driving forces behind the recovery is the luxury industry, which employs approximately 130 000 people and has a turnover of about EUR 34 billion. With the exception of a few large luxury groups, this industry relies heavily on SMEs, particularly on micro enterprises. Exports provide 84% of its turnover.

The accommodation and food service sector had strong growth throughout the crisis. Up until 2014, the SME value added in this sector increased by almost 12%, and the number of businesses also grew. This positive trend is helped by France being a major tourist destination.

From February 2014 to January 2015, the number of new business registrations stagnated: 548 718 new companies were created, which is about 1% more than in the previous period. However, the number of bankruptcies rose by 1.3% to 63 297. In particular, micro companies are vulnerable, whereas the situation is improving for all other categories of company.
The current situation is slightly better than it was between 2012 and 2013. During that period, business registrations fell by 1.4%, and the rise in bankruptcies (at 3.2%) was even higher. Two main factors caused uncertainty. Firstly, new government policies, such as the introduction of early pension collection and administrative obligations arising from tax modifications, have offset the effects of the government’s previous business-friendly initiatives. Secondly, late payments have been the main cause for a quarter of company closures. This mainly affects SMEs, as large companies usually have easier access to funds.

The outlook for the ‘non-financial business economy’ as a whole, and especially for SMEs, is positive to some extent. Until 2016, the number of SMEs is set to remain relatively unchanged, growing at around 0.4%. SME employment is also expected to remain close to the current levels, given the estimated increase of 1% in the number of persons employed, thus creating about 102 400 additional jobs. The outlook for SME value added is more optimistic: from 2014 to 2016, it is expected to grow by nearly 5%, which is almost double in comparison with the projection for the large enterprises.

2. SBA profile

France’s SBA profile is balanced, with performance on most of the principles broadly on a par with the EU average. Solid framework conditions are in place for the creation of businesses and for SME participation in public procurement. Opportunities offered by the single market remain to be seized. There is unused potential in entrepreneurial activity, which could be strengthened by encouraging more people - and not only the younger ones - to become entrepreneurs.

Although France has not adopted a specific strategy for implementing the SBA, it is paying growing attention to SMEs and progress has been made since 2008, in particular concerning the single market. The parliament is discussing several pieces of legislation aimed at reducing administrative burden, and the government has committed to reducing costs arising from decrees. Nevertheless, challenges remain. While a real effort has been made to implement a simplification strategy and to reduce administrative burden, the overall business environment remains complex and unstable owing to continuous changes in legislation. Progress may be counteracted by new regulations being adopted without exhaustive impact assessments. The ‘think small first’ approach is spreading slowly and the ‘SME test’ could be used more widely when preparing legislation. SMEs feel that their voice is not heard enough during parliamentary debates, although they are consulted to some extent in the early stages of drafting legislation. Reinforcing cooperation between educational institutions and businesses could benefit French SMEs, providing more internships and apprenticeships and allowing SMEs to find qualified interns and apprentices. The consultative national committee for education and economy (Conseil national éducation-économie) contributes to this objective. Measures have been taken to simplify the network of operators who help to stimulate trade and exports. Nonetheless, there are still too many operators and public services with overlapping responsibilities in the area of helping SMEs to go international; this can be confusing, as SMEs do not know whom to turn to for their specific needs.

In 2014 and the first quarter of 2015, important progress was made in the area of public procurement. SMEs will have easier access to public tenders, for example by using a single registration number. This will avoid the need to resubmit supporting documents that were previously submitted to public authorities. The new PEPITE programme supports entrepreneurial projects of higher education students who can now benefit from a student-entrepreneur status. In the context of the ‘responsibility pact’, the government reduced employer contributions for independent workers and those on low wages, i.e. on wages up to 1.6 times the minimum wage. The ‘Macron law’, a bill for growth, economic activity and equal economic opportunities, contains a number of policy measures aiming to cut red tape, stimulate investment and modernise the labour market. However, there is still room for improvement in tackling the impediments related to size thresholds, in particular concerning reducing the additional administrative burden and costs associated with attaining the threshold of 50 employees. The government’s reform plan aims to address this and to introduce further simplifications for businesses.
3. SBA principles

3.0 ‘Think Small First’

The ‘think small first’ principle is meant to be a guiding principle for all policy- and law-making activities. It requires policymakers to take SME interests into account at the early stages of the policy-making process. The principle also calls for newly designed legislation, administrative rules and procedures to be made simple and easy to apply.

In France, all significant legislative proposals must be backed up by a regulatory impact assessment. Since 2014, the ex ante assessment of potential impacts on SMEs - the ‘SME test’ - is to be an integral part of regulatory impact assessments. The French ‘SME test’ includes a set of instruments used on a case-by-case basis. A few pilot ‘SME panels’ have been conducted by asking some SMEs directly for their opinion on the regulatory impacts in a regional context. The tools and processes to apply the ‘SME test’ are waiting to be applied more widely. Several pieces of legislation aimed at reducing administrative burden are under discussion in the parliament, and the government has committed to reducing the costs arising from decrees.

SME stakeholders would welcome the establishment of a network of SME correspondents based in each government ministry whose activities have a significant impact on SMEs. These stakeholders would support the SME envoy in promoting the ‘think small first’ principle and help to make the French business environment more responsive to the needs of SMEs, in particular by focusing on further reducing the overall complexity of the system while ensuring its stability over time. Furthermore, SMEs feel that their voice is not heard enough during parliamentary debates, although they are consulted to some extent in the early stages of drafting legislation.
3.1 Entrepreneurship

France’s performance on entrepreneurship is in line with the EU average. Individual indicators nevertheless point to quite variable situations. The early-stage entrepreneurial activity, which includes those who are about to start an entrepreneurial activity or who started it no more than 42 months ago, is the third lowest in the EU. However, there are signs of improvement as such activity grew from 4.6% in 2013 to 5.3% in 2014. This was mostly due to female early-stage entrepreneurship, which increased from about 3% to about 4% over the same period. This was in part due to a specific 2013 action plan focused on promoting female entrepreneurship, with the aim of women representing 40% of all French entrepreneurship by 2017. The established business ownership rate - the percentage of the population that owns an operating business - is the lowest in the EU and fell from above 4% in 2013 to below 3% in 2014. On the other hand, entrepreneurial activity driven by opportunity (as opposed to not finding another option for work) is the highest in the EU: it increased from 61% in 2013 to 69% in 2014. Media attention on entrepreneurship - based on the percentage of people often seeing stories in the public media about successful new businesses - is among the three lowest in the EU. It used to be 45-50% from 2008 to 2011, but decreased from 41% in 2013 to 39% in 2014. Entrepreneurship as a desirable career choice rose from 55% in 2013 to 59% in 2014, thus getting closer to the rates of around 65% achieved during previous years. Furthermore, from 2013 to 2014, entrepreneurial intentions increased in France from 12.6% to 14.2%, whereas they decreased in the EU from 13.5% to 12.1%.

Since 2008, France has introduced several initiatives to encourage entrepreneurship, such as the ‘auto-entrepreneur’ statute (which simplified administering businesses), the EIRL statute (allowing entrepreneurs to separate their personal assets from business assets) and the NACRE programme (supporting unemployed to start or take over a company). As from 2014, the PEPITE programme supports entrepreneurial projects of higher education students by providing training and personalised coaching, and other support, for bringing projects to life. Student-entrepreneurs benefit from their specific status. Progress has been made in establishing cooperation between educational institutions and businesses, but it needs to be strengthened to provide more internships and apprenticeships and to allow SMEs to find qualified interns and apprentices. Pilot initiatives in entrepreneurial education are to be introduced in secondary schools in 2015-2016. However, the complex and unstable legislative environment is a disincentive to entrepreneurship and reduces French entrepreneurial potential.
3.2 ‘Second chance’

‘Second chance’ refers to ensuring that honest entrepreneurs who have gone bankrupt get a second chance quickly. Regarding this principle, France performs in line with the EU average. There were no significant changes in the indicators as compared with the previous year. The percentage of the population with positive perceived opportunities who indicate that the fear of failure would prevent them from setting up a business remained almost the same at 41%. Such fear was significantly higher in 2008 (52%) and 2009 (47%), but then decreased to come closer to the EU average. It is worth mentioning that the degree of support for a second chance, i.e. the percentage of respondents agreeing that people who have started their own business and have failed should be given a second chance, dropped from 86% in 2009 to 80% in 2012.

Over recent years, the most important policy initiative concerning ‘second chance’ was the abolition of the ‘040’ listing. This listed the names of bankrupt entrepreneurs, but since this abolition they can enjoy somewhat easier access to bank loans if they went bankrupt only once over the previous five years. However, although the ‘040’ listing was abolished in France’s central bank, commercial banks still keep their own records and these may be an obstacle when trying to start again. France also introduced measures aiming at completion of bankruptcy-related procedures within one year. The time to be fully discharged, which on average takes about 15 months in France, is well below the EU target of 3 years. No significant new policy measures related to ‘second chance’ were implemented or announced during 2014 and the first quarter of 2015.
### 3.3 ‘Responsive administration’

<table>
<thead>
<tr>
<th>Metric</th>
<th>France</th>
<th>EU Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time to start a business (in calendar days)</td>
<td>2014: 4</td>
<td>2015: 5</td>
</tr>
<tr>
<td>Cost of starting a business (in euros)</td>
<td>2014: 312.89</td>
<td>2015: 312.89</td>
</tr>
<tr>
<td>Paid-in minimum capital (percentage of income per capita)</td>
<td>2015: 0</td>
<td>2016: 0</td>
</tr>
<tr>
<td>Time required to transfer property (in calendar days)</td>
<td>2015: 49</td>
<td>2016: 49</td>
</tr>
<tr>
<td>Cost required to transfer property (percentage of property value)</td>
<td>2015: 6.1</td>
<td>2016: 6.1</td>
</tr>
<tr>
<td>Number of tax payments per year</td>
<td>2015: 8</td>
<td>2016: 8</td>
</tr>
<tr>
<td>Time it takes to pay taxes (hours per year)</td>
<td>2015: 137.7</td>
<td>2016: 137.7</td>
</tr>
<tr>
<td>Cost of enforcing contracts (percentage of claim)</td>
<td>2015: 17.4</td>
<td>2016: 17.4</td>
</tr>
<tr>
<td>Fast-changing legislation and policies are a problem for doing business (percentage of respondents who agree)</td>
<td>2013: 90%</td>
<td>2015: 90%</td>
</tr>
<tr>
<td>The complexity of administrative procedures is a problem for doing business (percentage of respondents who agree)</td>
<td>2013: 83%</td>
<td>2015: 83%</td>
</tr>
<tr>
<td>SMEs interacting online with public authorities (%)</td>
<td>2013: 95.57</td>
<td>2015: 95.57</td>
</tr>
<tr>
<td>Licences and permit systems (1=lowest level of complexity, 6=highest level of complexity)</td>
<td>2014: 12</td>
<td>2016: 12</td>
</tr>
<tr>
<td>Burden of government regulations (1=burdensome, 7=not burdensome)</td>
<td>2014: 2.8</td>
<td>2016: 2.8</td>
</tr>
</tbody>
</table>

**Note:** Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

‘Responsive administration’ refers to public administration being responsive to the needs of SMEs. In this area too, France is broadly in line with the EU average. That said, it is particularly noticeable that 90% of French respondents — the third highest rate among Member States, where the average was 70% — believed that fast-changing legislation and policies were a problem for doing business. Moreover, France held exactly the same low ranking in the EU concerning the complexity of administrative procedures being a problem for doing business, as observed by 83% of French respondents against 63% on average in the EU. On the positive side, the score for the burden of government regulations, which remains below the EU average, has slowly but steadily been improving since 2008. There is a high percentage of SMEs, over 95%, interacting online with French public authorities, and France has no capital requirements for starting a business.

In terms of policy measures introduced over recent years, real efforts have been made to implement a simplification strategy and to reduce administrative burden. In each semester as from 2014, the government has announced 50 new actions to further simplify administrative tasks for SMEs. Some of them have already been implemented by streamlining the day-to-day management of companies. The draft ‘Macron law’ for growth contains a number of policy measures aiming to stimulate investment, modernise the labour market and cut red tape, such as giving a freer hand to bailiffs and notaries in choosing where they want to set up business. However, there is still room for improvement in tackling the impediments related to size thresholds, in particular concerning reducing the additional administrative burden and costs associated with attaining the threshold of 50 employees. The government’s reform plan aims to address this and to introduce further simplifications for businesses. The overall business environment remains complex and unstable owing to continuous changes in legislation. Progress may be counteracted by new regulations being adopted without exhaustive impact assessments. Six different institutions are the ‘single points of contact’ for businesses, depending on the sector of activity.
3.4 State aid & public procurement

Regarding state aid & public procurement, France performs above the EU average. This was also the case in previous years. At 50%, the percentage of French businesses participating in public tenders is one of the highest among Member States, where the average is 37%. The percentage of businesses submitting proposals in a public electronic tender system increased from 12.5% in 2012 to 18.6% in 2013. The average delay in payments by public authorities decreased by one day per year during the period 2012-2014, and stood at 19 days in 2014, as against 28 days on average in the EU.

On the policy side, measures in favour of SMEs have been put in place since 2008, such as the splitting of large tenders into smaller lots and introducing proportionality of qualifications and financial requirements. All public tenders launched by the government are centralised on one website, but this does not include tenders launched by local authorities or agencies. In 2014, the procurement code and several related decrees were modified to allow SMEs, in particular those recently established, to have easier access to public tenders. This modification simplified application files, as it bans public purchasers from requesting supporting documents that have previously been submitted to public authorities, but this will only be implemented gradually by 2018. For the first time, the government also committed to a specific target of 25% of the overall volume of public procurement going to SMEs in 2015. This target is monitored across ministries and helps to create a culture that is supportive to SMEs.
3.5 Access to finance

French performance on access to finance is in line with the EU average. The cost of borrowing for small loans compared with the cost for large loans has somewhat increased. In 2013, small loans were 15% more expensive than large loans, whereas in 2014 their cost was about 19% higher than the cost for large loans of over EUR 1 million. The willingness of banks to provide a loan, measured by the percentage of respondents that indicated a deterioration, has gradually improved. Some 27% of French respondents indicated such a deterioration in 2014, as compared with 37% in 2012. A better situation is also seen in the percentage of rejected loan applications and unacceptable loan offers, which fell from 13.6% in 2013 to 11.8% in 2014; over the same period in the EU generally, this rate increased from 14.4% to 16.7%. However, there has been a steady rise, from 28.5% in 2011 to 31.6% in 2014, in the percentage of French respondents that indicated a deterioration in access to public financial support including guarantees. The bad debt loss, i.e. the amount of receivables that has to be written off as a consequence of not being paid, remains among the lowest in the EU. The total time it takes to be paid has slowly been decreasing since 2009, but still remains above the EU average and continues to contribute significantly to business failures.

Since 2008, France has introduced several important policy measures to ease access to bank loans, business angel funds, venture capital and guarantees. Personal investments in SMEs and crowdfunding have been encouraged. The role of the public investment bank Bpifrance as a source of funding for SMEs has been strengthened, and it focuses on helping innovative companies, mid-cap companies and larger SMEs. For SMEs supported by Bpifrance or business associations such as Initiative France, it becomes much easier to get loans from commercial banks. By the same token, Bpifrance’s support is increasingly viewed by commercial banks as a ‘precondition’ for providing a loan. In 2015, in the context of the ‘responsibility pact’, the government reduced employer contributions for independent workers and those on low wages, i.e. on wages up to 1.6 times the minimum wage, thus allowing SMEs to use retained financial resources for their core activities.
3.6 Single market

Single market is the only principle on which France performs below the EU average, with its score being the second lowest in the EU. However, France has made significant improvement since 2008, as its progress in this area was higher than for any of the others. Despite a modest increase in 2014, France has steadily reduced the number of pending infringement proceedings. The average transposition delay for overdue directives increased slightly from 2013 to 2014 - whereas it slightly decreased in the EU - but France continues to be among the 10 fastest Member States in this respect. Further seizing the opportunities of the single market, such as in exports of goods to other EU countries, is possible, since the percentage of EU counterparts doing so in 2012 was almost double that of French SMEs.

No significant new policy measures related specifically to the single market were reported in 2014 and the first quarter of 2015.
On skills & innovation, France is in line with the EU average. From 2011 to 2014, the percentage of French SMEs selling online was generally unchanged at around 11 %, whereas it grew in the EU from 12.4 % to 14.6 %. Sales of new-to-market and new-to-firm innovations in 2012 were among the five highest in the EU, but there were only minor differences on this indicator across the EU.

Online purchasing by French SMEs increased from 2013 to 2014 - from 13.3 % to 16 % - compared with an increase from 17.7 % to 22 % in the case of their EU counterparts.

In previous years, France put in place a number of policy measures to support R&D and, to some extent, innovation. Funding aimed at strengthening innovation incubators was provided and a statute of young innovative companies was introduced, providing for income tax cuts and exoneration of social contributions on the research and innovation wage bill. Bpifrance established regional single points of contact for information on the funding of innovation. Tax credits (Crédit Impôt Recherche, CIR) that reduce the cost of research and contribute to the attractiveness of France for high value-added activities were also provided. As these tax credits focus on research - whereas research and innovation are closely linked - SMEs find it difficult to understand if they will benefit from these tax credits. Efforts are being made to address this issue. The innovation tax credit (CII) has been created as an extension of the research tax credit (CIR) and specifically targets SMEs having innovation projects: it offers a tax credit amounting to 20 % of expenses regarding prototypes conception and pilot projects on new products, up to EUR 400 000. Furthermore, 71 clusters have been labelled as 'pôles de compétitivité' by the government and are therefore eligible for specific government support. The industrial policy (la Nouvelle France industrielle) includes 34 sectoral plans, reduced to nine industrial solutions, aiming to encourage all companies to modernise their production base and use digital technologies to transform their business models. In order to acquire skills, SMEs with more than 10 employees pay 1 % of their turnover - as compared to 0.55 % for less than 10 - to institutions in charge of organising professional training. Better cooperation between educational institutions and businesses has been established, building also upon the July 2014 social conference that reiterated the need for training to be adapted to competence needs. However, businesses still feel that the vocational training system is not yet meeting their needs, as trainees and apprentices are not sufficiently prepared in terms of skills and understanding of the business environment. In particular, aerospace and other industries lack technically skilled labour. In 2014, a reform of vocational training was adopted. The financial contribution for firms with less than 10 employees remained at the same level. The Law of 5 March 2014 provides for the pooling of payments to support the funding of training, which is beneficial for businesses with fewer than 50 employees. SMEs nevertheless fear that the costs of training will increase. Incentives to hire apprentices have been reduced, and subsequently the number of apprentices has dropped significantly, as less than 5 % of French businesses hire apprentices.
3.8 Environment

The performance of France regarding the environment is in line with the EU average. A rather low proportion of SMEs (14% in 2013) generate most of their turnover with green products or services. This was the fifth lowest score among Member States, but represented an improvement from the previously even lower score of 9% in 2012. Progress was also made in the percentage of SMEs offering green products or services, which rose from 26% in 2012 to 30% in 2013, compared with a fall from 33% to 27% in the EU as a whole.

On policy, progress has been made in recent years. A good example of this was the Grenelle 2 law, which stimulated green growth through measures such as tax credits for energy efficient investment choices. In 2015, new legislation is under discussion regarding the transition to a low-carbon economy and further strengthening green growth, also by stimulating green building renovations.
3.9 Internationalisation

Regarding the area of internationalisation, France performs broadly in line with the EU average. However, there are big differences when looking at individual indicators. Concerning the number of documents required both to export and to import, France is the top performer in the EU requiring only two documents whether for export or import. On the other hand, the costs of importing or exporting are among the five highest in the EU. The percentage of French manufacturing SMEs that export to non-EU countries has marginally decreased, from 10.6 % in 2008 to 9.4 % in 2012.

Policy measures taken since 2008 have aimed at simplifying the network of operators which help to stimulate trade and export. Nonetheless, there are still too many operators and public services with overlapping responsibilities in the area of helping SMEs to go international. This can be confusing: SMEs do not know whom to turn to for their specific needs, and may therefore not benefit from any support. Hence, more can be done in terms of better coordination and synergies among all those involved, and some of this seems to be taking place in 2015. The French agency for export promotion (UBIFRANCE) and the French agency for international investment (AFII) were merged on 1 January 2015 to form the Business France agency. Bpifrance launched new financial services to support exports also of lower amounts.
4. Interesting new initiative

Below is an example of a new initiative from France to show what governments can do to support SMEs:

‘SME panels’

Since 2008, regulatory impact assessments are mandatory for legislative texts and since 2011 for decrees. The government has decided to go further in addressing the consequences of regulatory framework modifications - particularly on SMEs - by introducing the ‘SME panel’, which complements impact assessments with more detailed information on SMEs. The ‘SME panel’ directly seeks the opinion of SMEs on the impacts of upcoming legislative texts and decrees. Thus, when a civil servant in charge of preparing a legislative text or a decree realises that the ‘SME panel’ is needed, a request is sent to the government’s general secretariat (Secretariat général du Gouvernement) to verify the completeness of the request. It is then transmitted to the government services, DIRECCTE, located in the regions. The regional DIRECCTE (direction régionale des entreprises, de la concurrence, de la consommation, du travail et de l'emploi) receiving the request conducts the ‘SME panel’ in about 6 weeks and reports back. The ‘SME panel’ usually consults around 15 companies. Four ‘SME panels’ were conducted in 2013 and 2014, involving 69 companies in seven regions. These panels were used, for example, in drafting the decree relating to the security of transporting cash. However, the ‘SME panel’ is not mandatory and is not yet extensively used. SME stakeholders are ready to help, including by proposing lists of relevant businesses, to speed up and scale up the process. Additionally, future civil servants are being trained in impact assessments during their studies.

References:

http://simplification.modernisation.gouv.fr/mesure/simplifier-la-production-normative-par-la-conduite-de-tests-pme

http://www.assemblee-nationale.fr/14/rap-infoi2268.asp

http://www.direccte.gouv.fr
Important remarks

The European Commission Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) produces the SBA fact sheets as part of the SME Performance Review (SPR), its main vehicle for economic analysis of SME issues. They combine the latest available statistical and policy information for the 28 EU Member States and 7 non-EU countries that also contribute to the COSME programme. Produced annually, they help to organise the available information to facilitate SME policy assessments and monitor SBA implementation. They take stock and record progress. They are not an assessment of Member State policies. Rather, they should be regarded as an additional source of information to improve evidence-based policy-making.

For example, they cite only policy measures national SME policy experts consider relevant. They do not and cannot reflect all measures the government has taken over the reference period. There is more policy information on a database accessible from the SPR website.

SME Performance Review:


grow-spr@ec.europa.eu

Small Business Act:


European Small Business Portal:

http://ec.europa.eu/small-business/index_en.htm

Endnotes

1 The two graphs below present the trend over time for the variables. They consist of index values for the years since 2008, with the base year 2008 set at a value of 100. As from 2013, the graphs show estimates of the development over time, produced by DIW Econ on the basis of 2008-2012 figures from Eurostat’s Structural Business Statistics Database. The data cover the ‘non-financial business economy’, which includes industry, construction, trade and services (NACE Rev. 2 sections B to J, L, M and N). They do not cover enterprises in agriculture, forestry and fisheries or largely non-market service sectors such as education and health. A detailed methodology can be consulted at: http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/index_en.htm

2 These statistics employ the Eurostat definition of a company which focuses on the ‘legal entity’. This differs from the France’s definition that uses the concept of ‘economic groups’. Differences between statistics from the France’s National Institute for Statistics and Economic Studies (INSEE) and the data above are due to the different concepts.


5 Banque de France, https://www.banque-france.fr/economie-et-statistiques/stats-info/detail/defaillances-dentreprises.html, last accessed 11.03.2015


8 The 2015 SBA fact sheets benefited substantially from input from the European Commission’s Joint Research Centre (JRC) in Ispra, Italy. The JRC made major improvements to the methodological approach, statistical work on the dataset and the visual presentation of the data.
The quadrant chart combines two sets of information. Firstly, it shows current performance based on data for the latest available years. This information is plotted along the X-axis measured in standard deviations of the simple, non-weighted arithmetical average for the EU-28. Secondly, it shows progress over time, i.e. the average annual growth rates from 2008 to 2015. These are measured against the individual indicators which make up the SBA area averages. Hence, the location of a particular SBA area average relative to the EU average at a given point in time, but also about the extent of progress made between 2008 and 2015. All SBA principles, with the exception of the ‘think small first’ principle for which there is not enough statistical data available, are calculated as composite indicators following the OECD/JRC Handbook guide. For more information on the methodology see Saisana and Dominguez-Torreiro 2015 on the webpage of the SME Performance Review: http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/index_en.htm

The policy measures presented in this SBA fact sheet are only a selection of the measures the government took in 2014 and the first quarter of 2015. The national SME policy expert that CARSA Spain (DG GROW’s lead contractor for the 2015 SBA fact sheets) contracted made the selection. The experts were asked to select only the measures they considered the most important, i.e. the ones expected to have the highest impact in the SBA area in question. The complete range of measures the experts compiled in producing this year’s fact sheets will be published alongside the fact sheets in the form of a policy database on the DG GROW website.