

2017 SBA Fact Sheet

Poland

Key points

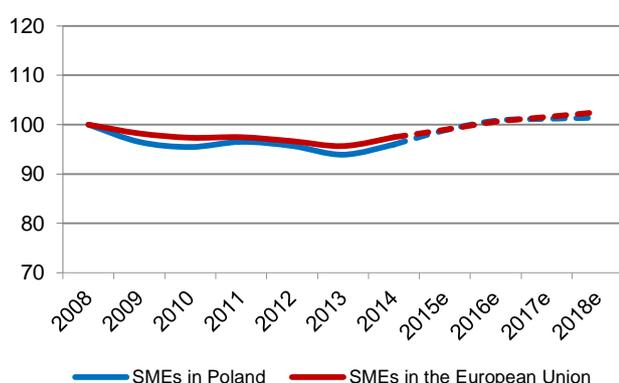
Past & future SME performance¹: In 2015-2016, SME value added stopped growing while SME employment continued to rise, by 2 %. As a result of overall growth since 2012, employment in SMEs and their value added finally recovered to pre-crisis levels in 2016. The outlook for SMEs, and for the non-financial business economy as a whole, is mixed. In 2016-2018, SME value added is forecast to increase by 10.9 %. In contrast, overall SME employment is forecast to grow by only 0.6 %. This represents an increase of around 35 800 jobs, with employment in medium-sized firms forecast to fall, while employment in micro firms and small firms is forecast to rise.

Implementing the Small Business Act for Europe (SBA): Poland's SBA profile is very uneven. Most progress in recent years was made in 'responsive administration', with many measures introduced to reduce administrative requirements for SMEs. Access to finance also moved in line with the EU average, as did state aid & public procurement, environment and internationalisation. The main areas where performance still needs to improve are 'second chance', the single market and especially the most problematic area, skills & innovation. Although Poland has recently taken measures in these areas, the statistics do not yet reflect this.

SME policy priorities: The biggest problems were identified in the area of skills & innovation, where additional policy efforts will be crucial, e.g. to improve access to vocational training and skilled employees, particularly for micro businesses, and to foster innovation partnerships and commercialise innovations. Improvements in SME advisory services on cross-border activities might also help Polish SMEs improve their low trade performance. Under 'second chance', costly and lengthy insolvency procedures are still hindering honest but failed entrepreneurs' efforts to restart businesses. Their potential could be better used by opening up the many measures to help set up a company that they cannot access. Last year, the government's main focus was on updating its strategic development plans, and it finally adopted the 'Strategy for Responsible Development'. This strategy may be helpful in many SBA areas, especially if accompanied by comprehensive SME tests for draft laws. Ongoing management, coordination, monitoring and evaluation of all proposed strategic projects will be vital.

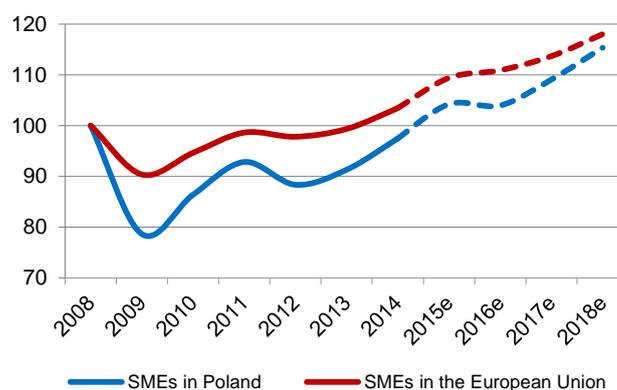
Number of persons employed in SMEs

(Index: 2008=100, estimates as from 2015 onwards)



Value added of SMEs

(Index: 2008=100, estimates as from 2015 onwards)



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.

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1. SMEs — basic figures

Class size	Number of enterprises			Number of persons employed			Value added		
	Poland		EU-28	Poland		EU-28	Poland		EU-28
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	1 535 595	95.3 %	93.0 %	3 235 347	36.8 %	29.8 %	35.3	18.4 %	20.9 %
Small	58 203	3.6 %	5.8 %	1 218 976	13.9 %	20.0 %	26.5	13.8 %	17.8 %
Medium-sized	14 735	0.9 %	0.9 %	1 559 771	17.8 %	16.7 %	39.1	20.4 %	18.2 %
SMEs	1 608 533	99.8 %	99.8 %	6 014 094	68.4 %	66.6 %	100.9	52.5 %	56.8 %
Large	3 188	0.2 %	0.2 %	2 772 820	31.6 %	33.4 %	91.1	47.5 %	43.2 %
Total	1 611 721	100.0 %	100.0 %	8 786 914	100.0 %	100.0 %	192.1	100.0 %	100.0 %

These are estimates for 2016 produced by DIW Econ, based on 2008-2014 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 following size-class definitions are applied: micro firms (0-9 persons employed), small firms (10-49 persons employed), medium-sized firms (50-249 persons employed), and large firms (250+ persons employed). 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.

SMEs make a telling contribution to Poland's non-financial business economy, generating 52.5 % of value added and 68.4 % of employment. However, their contribution to overall value added is lower than the EU average of 56.8 %, while their share of employment is close to the EU average. Micro firms are particularly important for employment, providing more than a third of all jobs. The average SME in Poland employs 3.7 people, which is slightly lower than the EU average of 3.9. More than 50 % of SME value added and employment comes from two sectors, *wholesale and retail trade* and *manufacturing*. These sectors are important for SMEs as a rule, but they are even more so for Polish SMEs.

Mirroring the positive development of the non-financial business economy as a whole, Polish SMEs experienced moderate growth

from 2012 to 2016. SME employment and value added rose by 5.3 % and 17.7 % respectively. Growth was strongest in small firms, particularly micro firms; employment in micro firms increased by 7.7 % and value added by 38.1 %. Most recently, in 2015-2016, SME value added stopped growing while SME employment continued to rise, by 2.0 %. As a result of overall growth since 2012, employment and value added in SMEs finally recovered to pre-crisis levels in 2016.

In the *information and communication* sector, SMEs generated high growth of 15.4 % in both employment and value added in 2012-2016. There are two main reasons for this. First, there has been growing domestic demand arising from computerisation and digitisation across all sectors of the economy, including public administration². Second, high levels of foreign investment

have fuelled the growth in the IT sector.³ Poland has highly educated IT specialists and still relatively low salary costs compared with other EU countries⁴. SMEs in this sector are particularly successful because of their ability to quickly adapt to the changing demands of the global marketplace⁵.

In the *administrative activities* sector, SME value added and employment grew by 21.1 % and 11.8 % respectively in 2012-2016. Growth was particularly strong in *business support activities*, in which SME value added increased by 41.2 % and employment rose by 37.8 %. Business support centres established in Poland by large global corporations are responsible for this growth. These centres offer mainly IT, financial and accountancy services and employed around 150 000 workers in 2014⁶. Like the *information and communication* sector, this sector's attractiveness to foreign investors is largely due to the highly educated workforce and relatively low labour costs compared to other EU countries⁷.

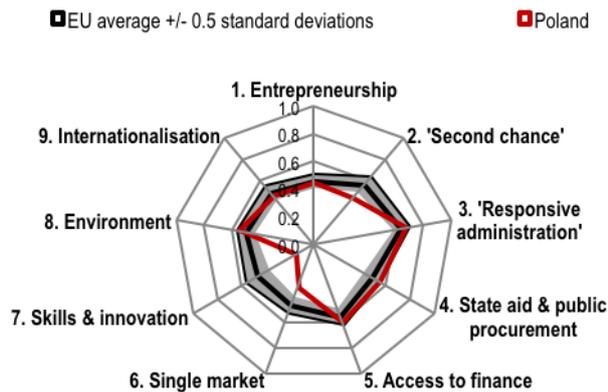
In the *real estate* sector, SMEs performed well in 2012-2015, with SME employment increasing by 6.3 % and SME value added by 20.7 %. The main factor was increased demand for office space, largely driven by the growing *business support activities* sector. Some 7.5 million square metres of office space was available to businesses in 2014, with another 1.4 million square metres under construction in 2015⁸.

In 2016, 340 405 new companies were registered, 0.6 % less than in 2015⁹. Since 2011, the number of new companies funded with foreign capital has been rising¹⁰. 2015 was a record year, with 52.7 % more new businesses with foreign capital funding than in 2014¹¹. In 2016, there were 606 companies in bankruptcy proceedings, 19.2 % fewer than in 2015¹².

Self-employment accounted for 17.7 % of overall employment in 2016, 3.8 percentage points higher than the EU average¹³. Some 9.5 % of all firms in the overall business economy were high-growth firms in 2014, which is close to the EU average of 9.2 %¹⁴. The sector with the highest share of high-growth firms is *information and communication*, in which 13.6 % of firms are fast-growing; however, this indicator is even higher in the EU as a whole, at 15 %¹⁵.

The outlook for SMEs, and for the non-financial business economy as a whole, is mixed. In 2016-2018, SME value added is forecast to increase by 10.9 %, with micro firms experiencing the highest growth, at 12.5 %. In contrast, overall SME employment is forecast to grow by only 0.6 % in 2016-2018. A fall of 1.5 % in employment is predicted for medium-sized firms. However, since employment in micro firms and small firms is forecast to rise, the net effect is an expected increase of around 35 800 SME jobs by 2018.

2. SBA profile¹⁶



Overall, Poland has made progress in implementing the Small Business Act since 2008. Most progress in recent years was made in 'responsive administration', with many measures introduced to reduce administrative requirements for SMEs. Access to finance also improved in line with the EU average, as did state aid & public procurement, environment and internationalisation. The main areas where additional progress is needed are still 'second chance', the single market, and skills & innovation. Although Poland has recently taken measures in these areas, the statistics do not yet reflect this.

Poland has not adopted a specific strategy for implementing the SBA. However, the 'Strategy for Responsible Development' (*Strategia na rzecz Odpowiedzialnego Rozwoju*) is a major government document that also summarises the national strategy for SBA implementation and the approach followed in many SBA areas. The main bodies responsible for implementation are the Ministry of Economic Development and the Polish Agency for Enterprise Development (the body responsible for EU and national entrepreneurship funds). The SME envoy plays an effective role as an intermediary between stakeholders and the Ministry of Economic Development, helping improve the flow of information between the two parties and collecting information from other ministries on how to apply SBA criteria.

In recent years, the main focus was on reducing the administrative burden by simplifying procedures and tax requirements for SMEs. The main measures adopted include:

- electronic access to public administration
- the introduction of 'common commencement dates' and amendments to the Restructuring Law.

Considerable effort has also gone into the area of state aid & public procurement by providing for simplification of public procurement procedures and access to an electronic platform (*eKatalogi*). Furthermore, a dedicated Second Chance policy has been introduced in the area of 'second chance' (*Polityka Nowej Szansy*).

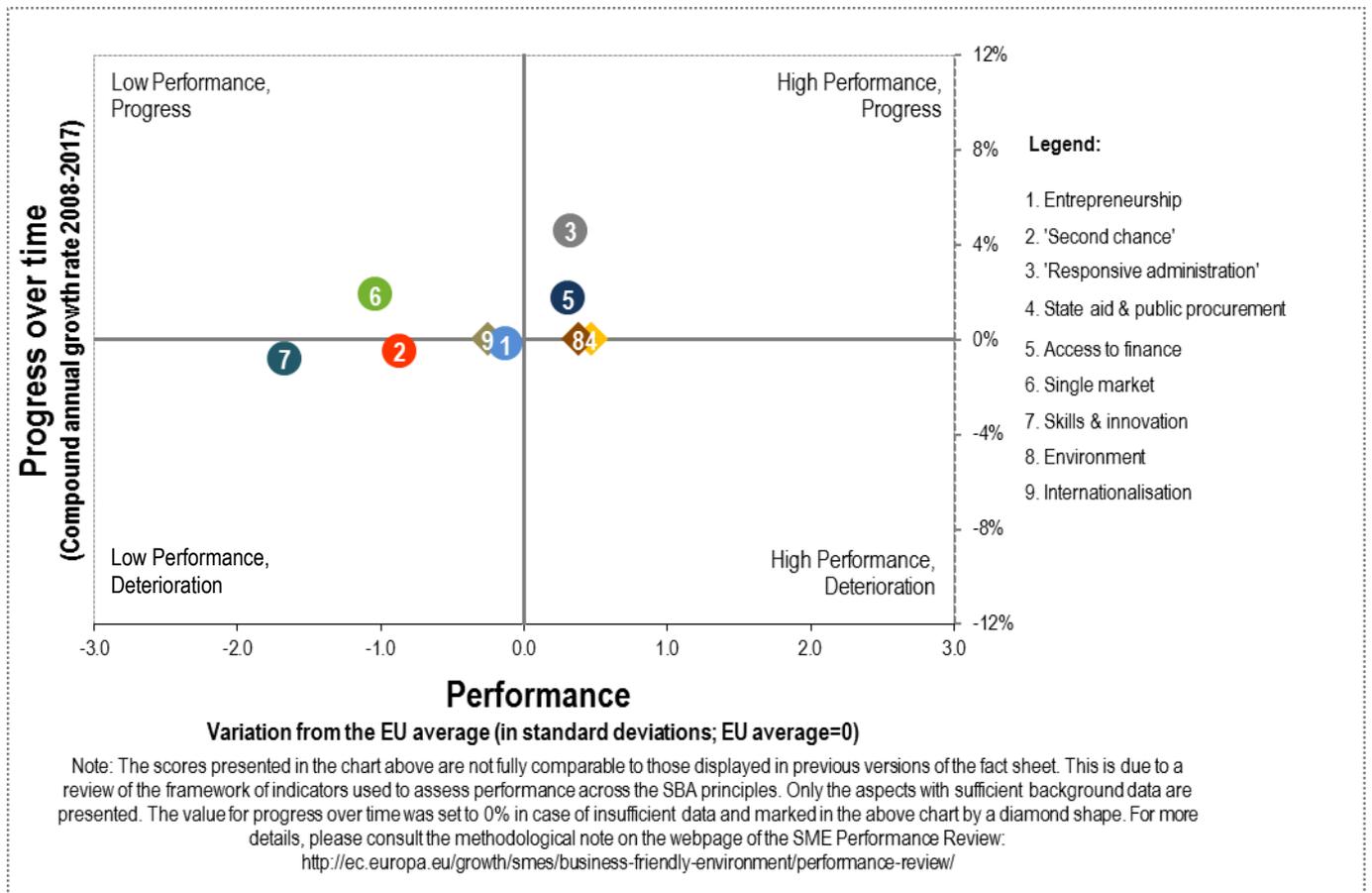
Stakeholders indicate that the authorities' approach to companies has improved, and significant steps have been taken to enhance transparency. Although it is often emphasised that various measures are being introduced to help business start-ups, there are still not many initiatives to give existing SMEs adequate support.

Some progress has been made in the area of the single market since the previous report, which ranked Poland among the three worst performing EU countries.

In 2016 and the first quarter of 2017, (the reference period for policy measures in this year's fact sheets), Poland adopted 11 policy measures addressing 5 out of the 10 policy areas under the Small Business Act. Important measures have been adopted in the area of 'Think Small First' focusing mainly on tax law for entrepreneurs and making it easier for small companies to do business. In the area of skills & innovation, measures were taken to boost the country's start-up ecosystem through the Scale UP pilot programme and to encourage R&D activities through tax incentives.

Overall, stakeholders acknowledge that moderate progress has been made in implementing the SBA.

SBA performance of Poland: state of play and development from 2008 to 2017¹⁷



3. SBA principles¹⁸

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 recent years, some progress has been made in Poland in this area, though further improvements are required especially in terms of more attention to micro and small firms, which should be addressed with more targeted measures. Stakeholders still indicate that many of the changes are more beneficial to bigger companies than to individual entrepreneurs or small firms. Furthermore, following recent changes in the government, the role and visibility of the SME envoy has shrunk, in contrast with the crucial role played in previous years and the active approach taken to SME policy.

In terms of policy-making, Poland introduced three measures in 2016 under the 'Think Small First' principle. The measures relate to tax regulations, with the overall aim to simplify business transactions for small business owners as follows:

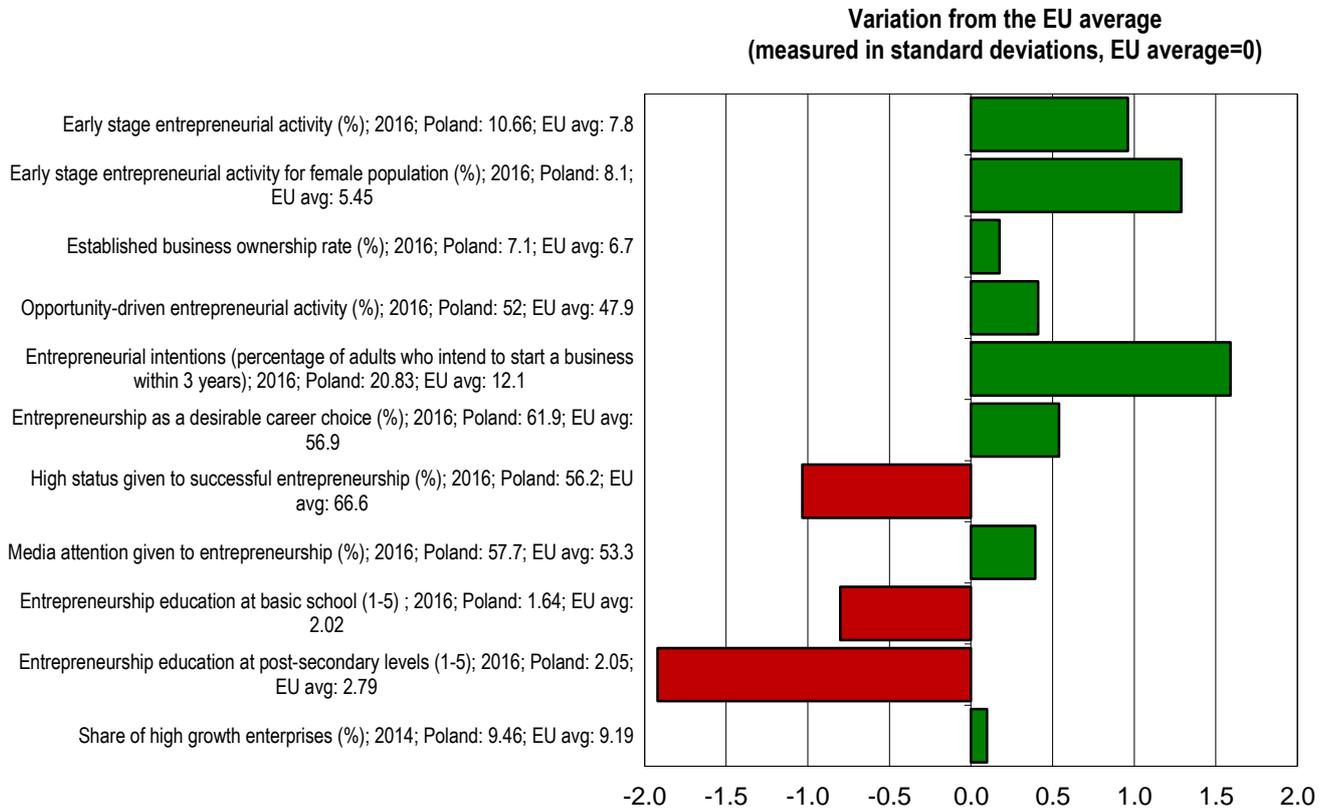
- The 'Act amending several acts on income tax for natural and legal persons' introduced a 15 % corporate income tax rate for small taxpayers or new taxpayers starting a business in their first year of operation.

- The tax exemption threshold was increased, administrative accounting procedures simplified and the administrative burden reduced.
- A new law made the calculation of acquisition costs simpler for small businesses.

Although SME stakeholders welcome the simplification measures, Poland still needs to put some fundamental elements of the 'Think Small First' principle in place. The SME test and the mechanism for assessing the impact on business competitiveness are still not perfect. However, some progress is expected given the adoption in early 2017 of the general provision in law requiring the impact on SMEs to be assessed¹⁹. Tax regulations change frequently; this makes it difficult for entrepreneurs to keep up with the latest requirements.

A proposed Business Charter includes basic rules on setting up and expanding businesses in Poland, such as equal rights, transparency and the right to information, fair competition and the presumption of an entrepreneur's innocence. It aims to simplify the existing law on business activity. SME representatives believe it will be a significant tool in making 'Think Small First' a policy priority in the country.

3.1 Entrepreneurship



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

In 2016, Poland performed in line with the EU average, which represents a small improvement on the previous year. However, no major changes occurred in entrepreneurship, and indicators of entrepreneurship education and adequate preparation at school for starting up and growing new firms still show low levels of performance. Overall, there has been no progress in this area since 2008.

The high level of entrepreneurial intentions, which positions Poland among the top three countries in the EU, is not supported by effective action to boost entrepreneurship education or business management at school.

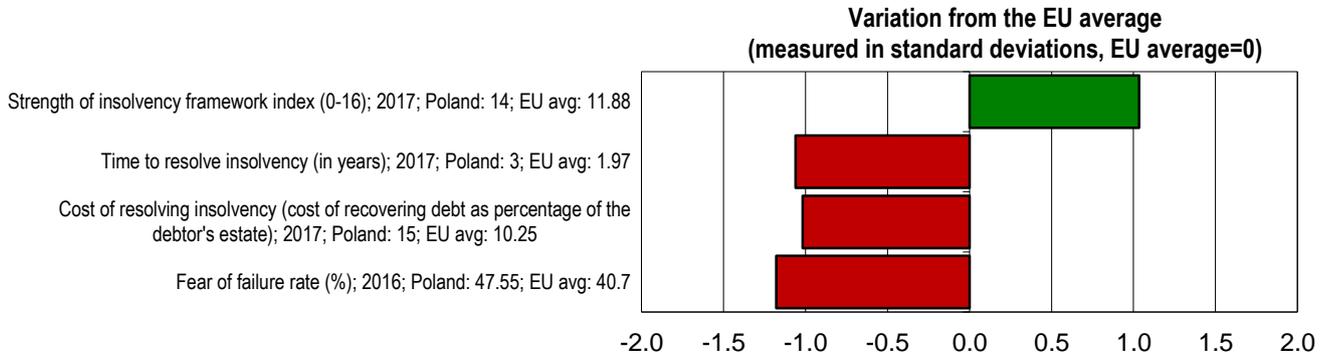
Concerning policy initiatives on entrepreneurship, since 2008 a number of measures have been taken to promote entrepreneurial activity and to redefine school curricula. However, the policy efforts have not managed to improve actual conditions for entrepreneurship.

In 2016 and the first quarter of 2017, no significant additional measures were introduced in this area. Stakeholders indicate that much can be done, especially in terms of developing schemes to ensure successful business transfers.

On support for start-ups, initiatives taken so far have led to an improved policy framework. The 'Start In Poland' programme includes numerous government initiatives aimed at start-ups locating their business in Poland. It creates favourable conditions for their activity at every stage of development, from incubation and acceleration through to development and international expansion. It includes a component specific to Eastern Poland. The programme is closely linked to legislation aimed at improving operating conditions for innovative companies.

In the IT/ICT sector analysed by the Startup Poland Foundation²⁰, there were around 2 700 start-ups in 2016. Most of them were in the early stage of the business cycle. On access to finance for this type of business, half are using their own resources to start the business, 24 % EU funding, 22 % venture capital and 17 % business angels' funds. There are various forms of support for start-ups provided by the Polish Development Fund and the Polish Agency for Enterprise Development as part of the 'Start In Poland' programme.

3.2 'Second chance'



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

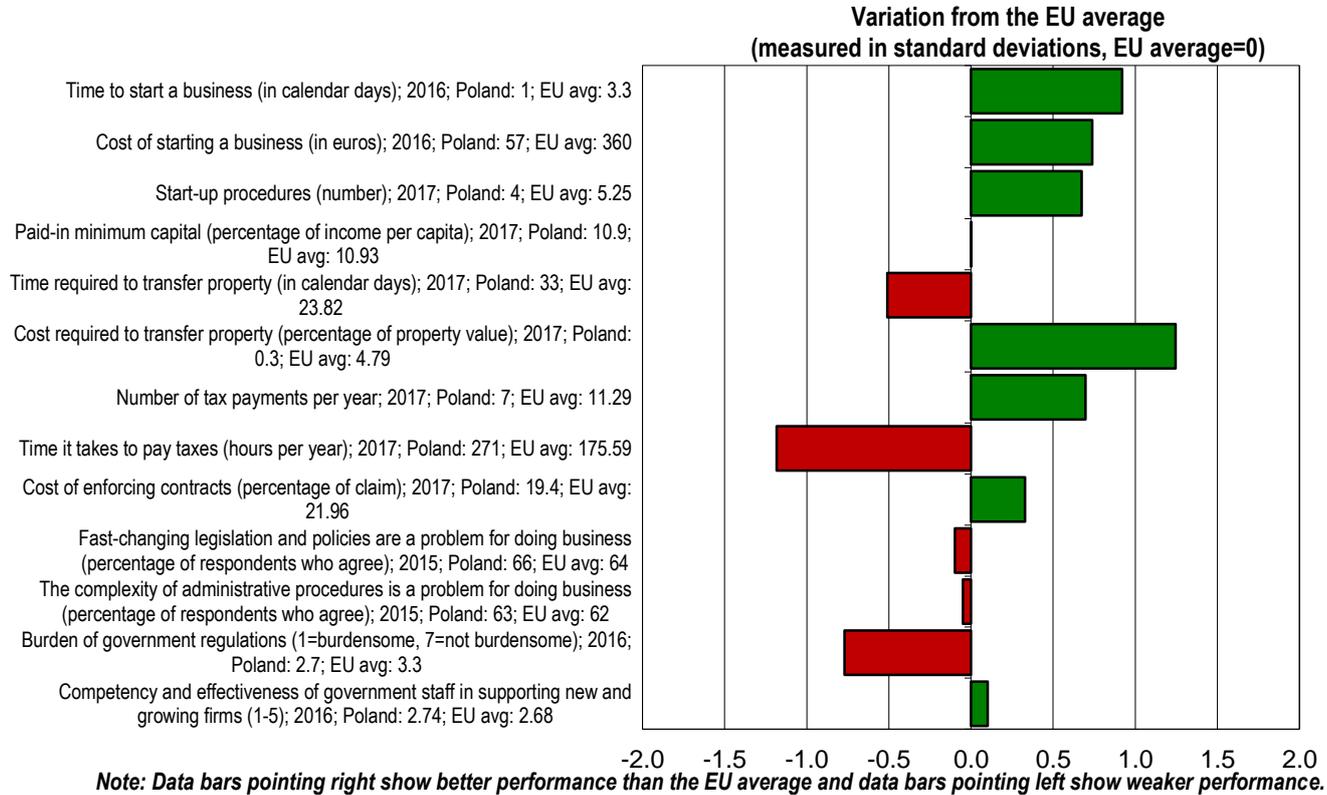
'Second chance' ensures that honest entrepreneurs who have gone bankrupt get a second chance quickly. Poland's performance remains below the EU average. There were no significant changes from the previous year and no major progress since 2008. Lengthy procedures and high costs to resolve insolvency remain the main challenges.

In 2014, to address the major issues, Poland implemented the 'New chance policy', a programme aimed at preventing bankruptcies, simplifying bankruptcy procedures and supporting the re-launch of business activities. A second chance policy has

been promoted that includes the following elements: psychological support in the form of coaching and mentoring, and consulting services to make it easier to start a new business and create a positive image of those who failed.

No new policy measures were introduced in 2016 and the first quarter of 2017. The government's efforts focused mainly on implementing the 'New chance policy' launched in 2014. One of the problems identified by stakeholders was that many measures making it easier to set up a company are not accessible to people whose businesses have failed.

3.3 'Responsive administration'



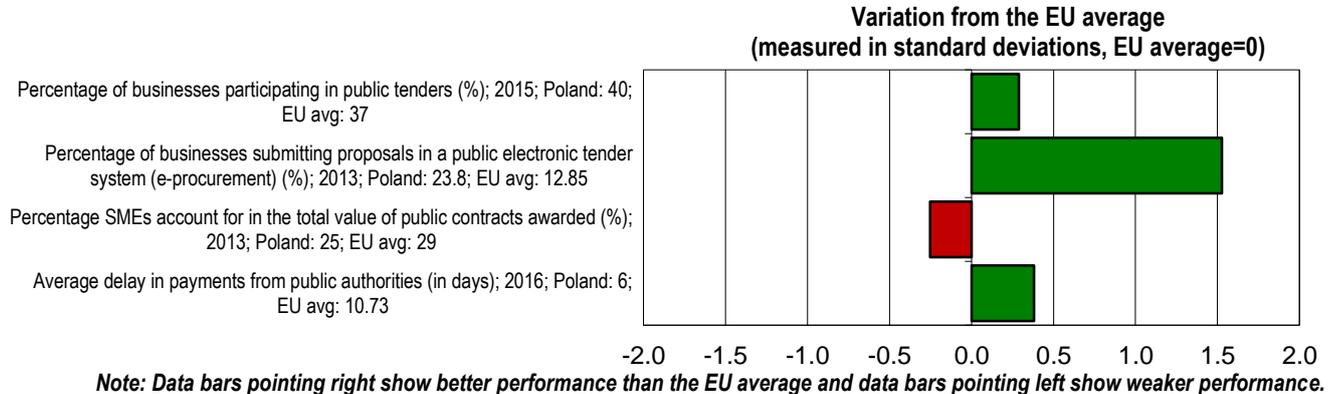
'Responsive administration' refers to public administration being responsive to the needs of SMEs. In Poland, this area has seen the most progress in SBA implementation since 2008. However, compared with other EU countries, Poland's performance remains average. Indicators for the time taken and costs incurred to start a business are better than the EU average. Administrative requirements have been simplified since 2008, with the number of procedures to start a business reduced from 10 to 4 and a substantial reduction in the time needed to pay taxes (from 420 to 271 hours per year). Despite these improvements, the administrative burden and the time needed to comply with tax and social security requirements remain a significant challenge for companies. In 2016, there were no major changes in the other indicators. Stakeholders declare that

the complexity of the tax regulations and frequent amendments to the law affect their ability to follow the situation. They also highlighted the administrative procedures on setting up a company as a burden on micro firms.

The government expects the policy situation to improve once the Business Charter (*Konstytucja dla Biznesu*) is introduced. This draft law should simplify the administrative framework for SMEs. It sets out basic rules applicable to entrepreneurial activities such as transparency, the presumption of honesty and fair competition. The first steps to adopt it were taken in early 2017.

No significant new measures were adopted in 2016 and the first quarter of 2017.

3.4 State aid & public procurement



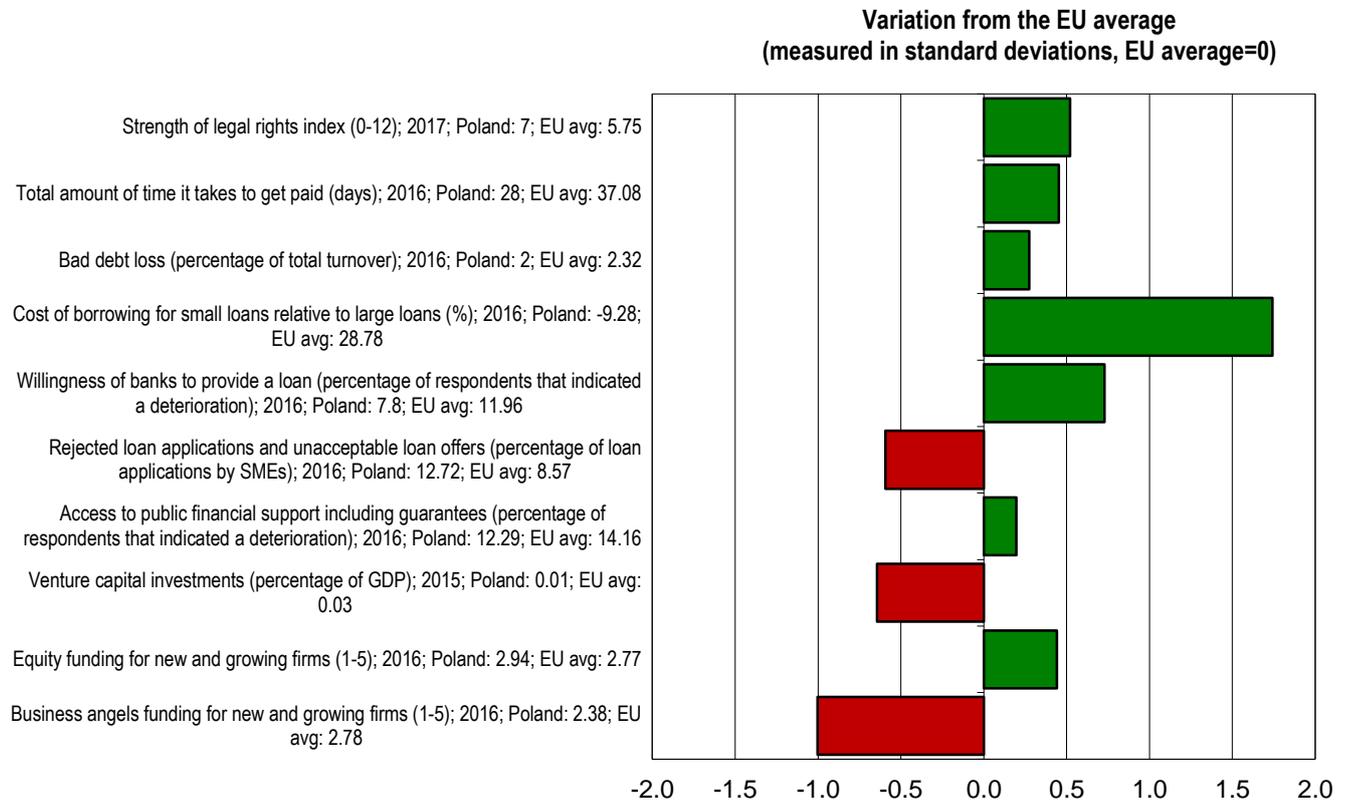
Poland’s performance in state aid & public procurement is in line with the EU average. The proportion of businesses taking part in public tenders is stable; the percentage of SMEs awarded public contracts is still below the EU average. Delays in public payments have been further reduced (from 11 to 6 days).

Since 2008, Poland has introduced some changes in this area, including the extension of public procurement award criteria and the implementation of various e-services making the public procurement process easier. However, many supplementary initiatives have been delayed in recent years, in particular the lowest price criterion for public bids, better e-procurement procedures and generally making public tendering more accessible to SMEs.

Poland is continuing to implement the EU directives on public procurement, but the quality of its transposition measures still needs to be assessed. The level of total aid earmarked for SMEs is lower than in other EU countries.

In 2016, public procurement legislation was amended to support SMEs’ participation. The amendments implement the new EU public procurement directives. The aim is to create better conditions for SMEs to participate in public procurement procedures and to simplify procedures. The new provisions also address the issues of dividing tenders into lots and legal protection in the case of public contracts worth less than the EU thresholds.

3.5 Access to finance



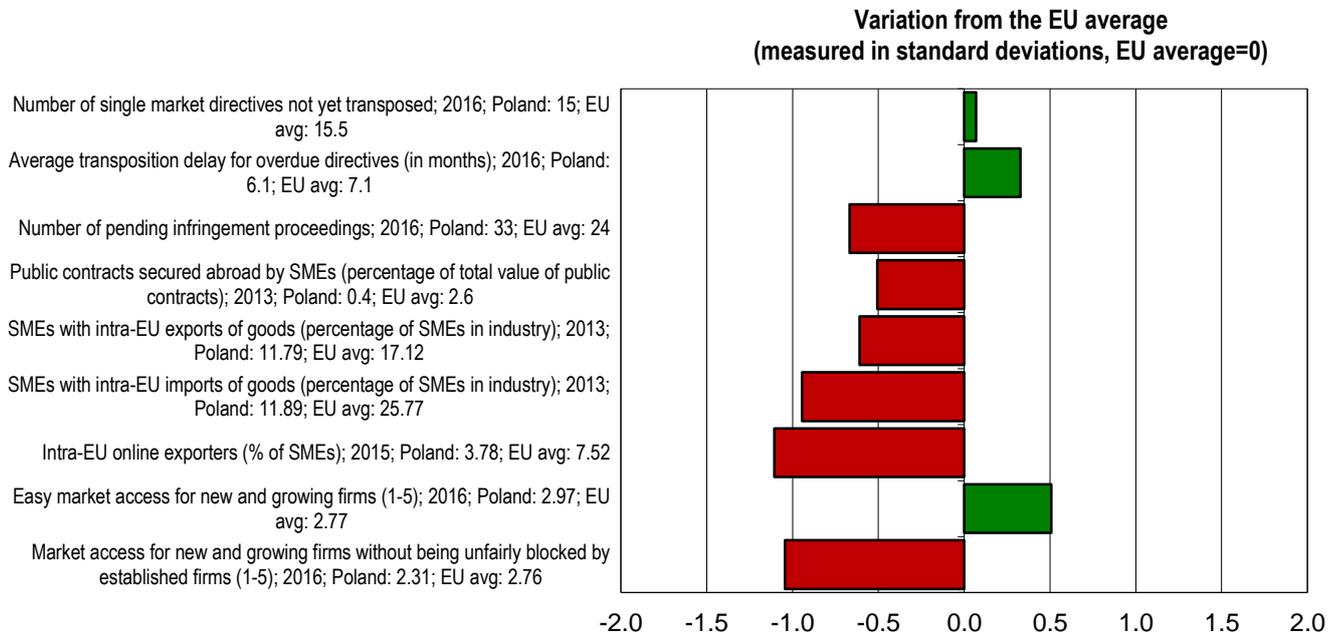
Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

Poland's performance in this area is broadly in line with the EU average, with the country making progressing in recent years. However, in 2016 some indicators fell. A higher percentage of rejected loan applications was recorded than in 2015, although bank loans and credit lines remain the most common sources of financing for SMEs. According to the SAFE 2016 results²¹, 3 % of SMEs did not apply for a bank loan because they feared rejection. This percentage is, however, below the EU average of 6 %. In addition, the cost of borrowing is lower for small loans than for large loans. However, the share of venture capital investment in enterprises still falls short. Funding offered by business angels to new firms was scarcer than in 2015. On access to liquidity, indicators show that since 2008 the waiting time to be paid has fallen from 42 to 28 days. Access to public financial support and banks' willingness to provide loans are also improving.

Poland has taken many measures on access to finance since 2008, as this sector was considered a priority for growth. There is now a wide range of financing sources available to SMEs, such as: loan instruments and state guarantees, grants and access to tax and export credits.

In 2016, a fund was set up to provide loans to innovative micro- and small enterprises that need to find a capital investor (a venture capital fund or business angel) before the loan is granted. The goal is to help them access finance not readily available from traditional financial institutions due to the high risk involved in innovative projects at early stages of development.

3.6 Single market



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

Poland's performance in this area remains below the EU average, but some improvement was made compared with 2015, when the country was among the three worst EU performers. In December 2015, implementation of 15 directives was overdue and the average transposition delay had fallen from 10 to 6.1 months.²² Poland is still one of a group of countries with the highest number of single market infringement cases, although the size of its market may partly explain this. The EU Single Market Scoreboard 2016 showed 33 pending cases against Poland in 2016. This represents a sharp decrease from 50 cases at the end of 2014²³ but is still much higher than the EU average.

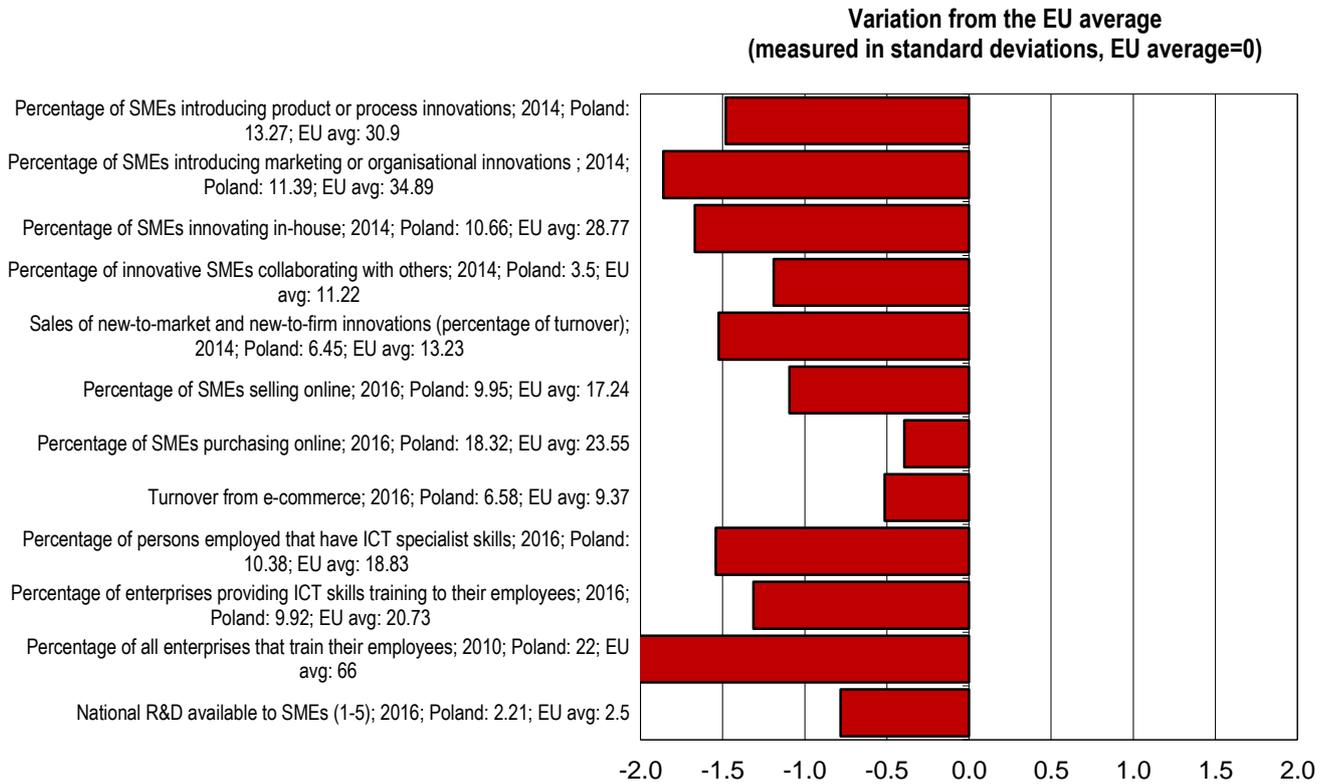
Since 2008, the number of SMEs with intra-EU imports and intra-EU exports has been far below the EU average. Poland is

also among the three worst EU performers in terms of the percentage of SMEs exporting online in the EU market.

Since 2008, Poland has introduced policy measures addressing almost all SBA recommendations on the single market. However, these measures have not yet been particularly effective. Stakeholders also indicate that advisory services on SMEs' cross-border activities are not very effective, and few SMEs are aware of them.

In 2016 and the first quarter of 2017, no significant new measures were introduced in this area.

3.7 Skills & innovation



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

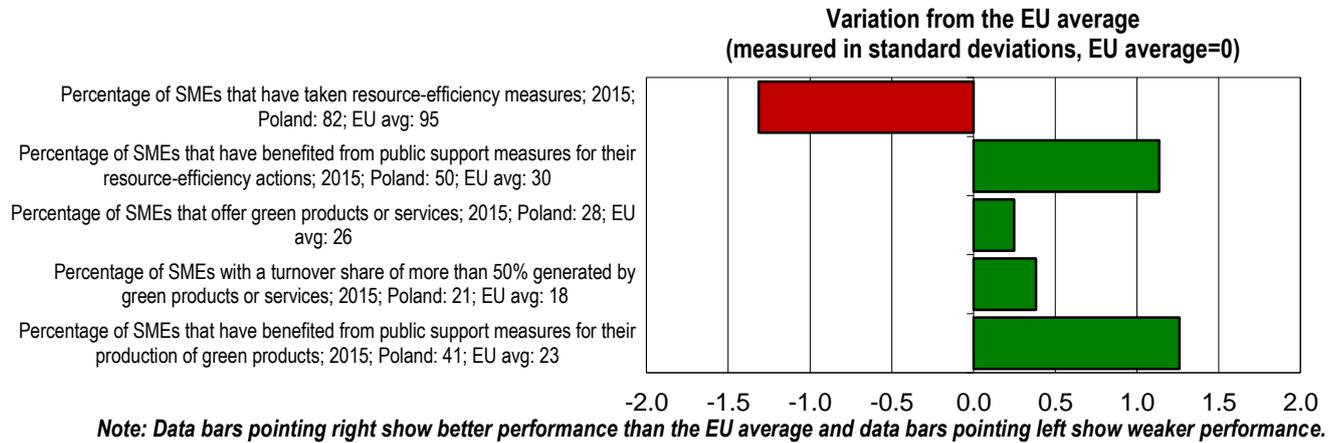
Poland's performance remains significantly below the EU average, and the situation has deteriorated since 2008. Almost all indicators in this area are below the EU average, although some were not updated in 2016. Some indicators also put Poland among the three worst performing countries in the EU (e.g. SMEs innovating in-house, or introducing product or process innovations). Knowledge and technology transfer from universities and public research centres to new and growing firms remains limited. Stakeholders also indicate that access to training and skilled employees is more problematic for micro firms.

In terms of current policies in this area, Poland implemented the Scale UP pilot programme in 2016, which is the first action under the 'Start in Poland' government programme. The objective is to combine the potential of beginners and creative

entrepreneurs with the infrastructure, experience and resources of large corporations, including state-owned companies. The initiative provides for acceleration programmes for selected start-ups. Young companies will receive financial assistance to develop and test their own solutions, obtain access to first-class mentors, and have the chance to gain experience and build a network of contacts, business partners and potential investors.

To further boost innovation, Poland amended the law on innovative activities. New regulations provide for tax exemptions for contributions in kind in the form of industrial and intellectual property. It expands the list of eligible R&D expenses, increases the percentage of deductible R&D expenses, extends the period for deduction and introduces cash refunds for start-ups conducting R&D activities.

3.8 Environment



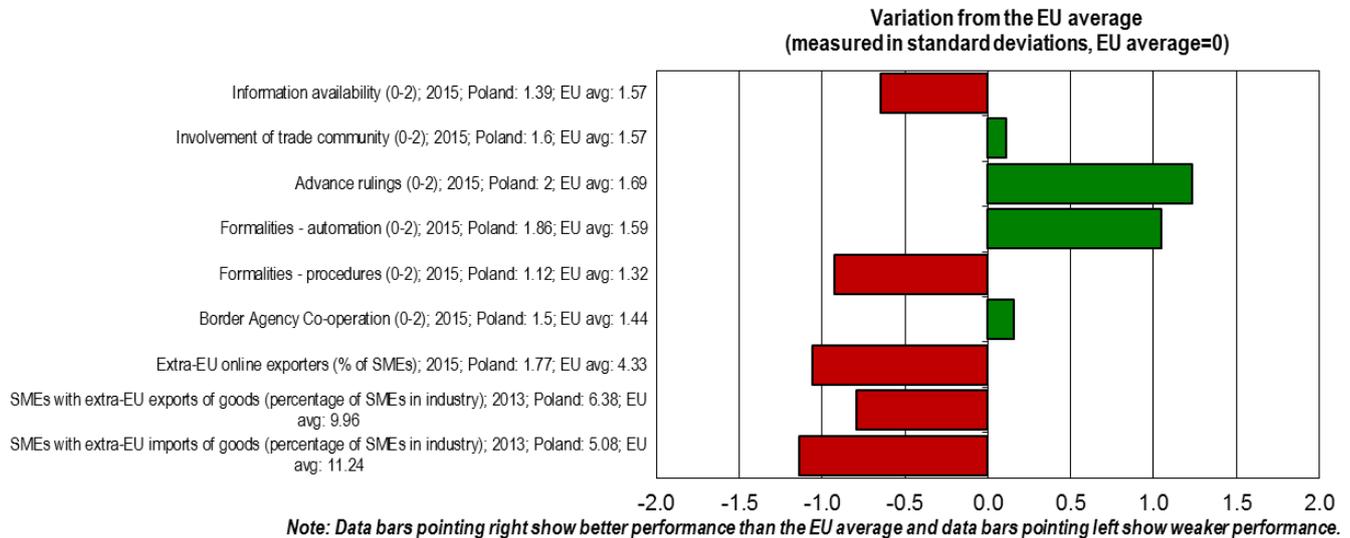
Poland’s performance is in line with the EU average. The percentage of SMEs benefiting from public support measures to manufacture green products is one of the highest in the EU (41 % in 2015). By contrast, the proportion of SMEs taking resource efficiency measures has fallen and is below the EU average (82 % in 2015; 92 % in 2013).

Since 2008, Poland has put in place several policy measures to address most of the SBA recommendations in this area.

However, they have not resulted in real benefits yet and further action is required, especially to simplify reporting and administrative obligations. SME stakeholders indicate that the reporting requirements are a burden, with low awareness of environmental issues among SMEs. There is room for improvement, particularly on the use of renewables by SMEs.

No significant new measures were introduced in 2016 or the first quarter of 2017.

3.9 Internationalisation



Important methodological changes have been introduced for this principle in this year's fact sheet. All World Bank indicators (time and cost to export and import) have been replaced by six OECD trade-facilitation indicators (following a scale where 0 is the worst and 2 is the best score).²⁴ Therefore, the overall performance in this area cannot be compared to last year's.

Overall, Poland's performance is in line with the EU average. On some indicators, it performs less well than other EU countries. Especially problematic are the percentage of SMEs exporting to or importing from outside the EU and the percentage of SMEs exporting online to non-EU countries. These reflect the low number of SMEs with intra-EU imports, exports or online exports in the EU market (see Section 3.6 — Single market). This suggests an important issue in general with the trade figures for Polish SMEs. Some progress has been made on several indicators recently, such as advanced rulings and the involvement of the trade community, and on border agency cooperation initiatives.

A number of policy measures have been implemented in this area since 2008. However, stakeholders indicate that performance on these measures leaves room for improvement as the support offered is considered to be limited and in some cases not very helpful.

The recommendations made in previous years remain valid, e.g. on improved coordination of existing policy measures. Information availability remains very low, and formalities related to internationalisation remain a burden.

In 2016, the Polish Agency for Enterprise Development launched the 'Go to Brand' initiative, which promotes Polish brands with the involvement of SMEs. Enterprises can use various tailor-made tools to obtain support for internationalisation. The overall aim is to provide support to entrepreneurs participating in sectoral and general promotion programmes.



4. Interesting initiative

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

Scale UP pilot programme

The Scale UP pilot programme is the first initiative implemented under 'Start In Poland', a programme launched by the Polish Ministry of Development to develop and support start-ups. Under the umbrella of the Polish Development Fund, the programme provides for a set of initiatives to boost the incubation, acceleration and development of start-ups.

The Scale UP pilot programme is one of these initiatives. Its main objective is to combine the potential of micro and small start-up companies with the infrastructure, experience and resources of large corporations, including state-owned companies. The Ministry intends to involve state-owned companies as future customers of services and products provided by start-ups in the programme. The strategic objective is to speed up the development and growth of start-ups in cooperation with large enterprises.

The initiative provides for acceleration programmes for the selected companies. Start-ups will receive financial support and assistance to develop and test their own solutions on the basis of needs expressed by large corporations. Solutions developed by those taking part in the programme will fit into the subject-based sections of the National Smart Specialisation. Access to first-class mentors as well as the chance to gain experience and build a network of contacts, business partners and potential investors are the expected benefits for those involved.

In late 2016, the Polish Agency for Enterprise Development signed contracts with accelerators to act as intermediaries with start-up beneficiaries. The total budget available for the Scale UP programme is EUR 13.6 million. The pilot programme will be implemented over 15 months. Each acceleration round lasts 3-6 months.

For more information:

<https://www.mr.gov.pl/strony/plan-na-rzecz-odpowiedzialnego-rozwoju/kluczowe-projekty/program-start-in-poland-pakiet-instrumentow-dla-innowacyjnych-firm/>

<https://poir.parp.gov.pl/scaleup/scaleup>

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. 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:

<http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/>

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Small Business Act:

http://ec.europa.eu/growth/smes/business-friendly-environment/small-business-act/index_en.htm

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 2015, the graphs show estimates of the development over time, produced by DIW Econ on the basis of 2008-2014 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/>

² Press release on PwC Report (2016), available at <http://www.forbes.pl/rosnie-sila-polskiej-branzy-it,artykuly,204772,1,1.html>, last accessed 29.3.2017.

³ Ibid.

⁴ Ibid and Eurostat (2016), *Hourly labour costs in the European Union*, http://ec.europa.eu/eurostat/statistics-explained/index.php/Hourly_labour_costs, last accessed 27.3.2017.

⁵ Press release on PwC Report (2016), available at <http://www.forbes.pl/rosnie-sila-polskiej-branzy-it,artykuly,204772,1,1.html>, last accessed 29.3.2017.

⁶ Raport ABSL (2015), Sektor nowoczesnych usług biznesowych w Polsce 2015, available at <http://www.karierawfinansach.pl/w-branzy/artykul/polska-magnesem-na-inwestorow>, last accessed 27.3.2017.

⁷ Ibid and Eurostat (2016), *Hourly labour costs in the European Union*, http://ec.europa.eu/eurostat/statistics-explained/index.php/Hourly_labour_costs, last accessed 27.3.2017.

⁸ Raport ABSL (2015), Sektor nowoczesnych usług biznesowych w Polsce 2015, available at <http://www.karierawfinansach.pl/w-branzy/artykul/polska-magnesem-na-inwestorow>, last accessed 27.3.2017.

⁹ Centralny Ośrodek Informacji Gospodarczej, 2017, available at <http://www.coig.com.pl/nowe-firmy-w-polsce-2016-2015-2014-2013.php>, last accessed 27.3.2017.

¹⁰ Centralny Ośrodek Informacji Gospodarczej, 2017, available at <http://www.coig.com.pl/inwestorzy-zagraniczni-w-Polsce-w-2016-r.php>, last accessed 27.3.2017.

¹¹ Ibid.

¹² Centralny Ośrodek Informacji Gospodarczej, 2017, available at http://www.coig.com.pl/20162016_upadlosci_firm-upadlosci-firm.php, last accessed 27.3.2017.

¹³ Persons employed and self-employed persons refer to persons aged 15–64. Source of the data is Eurostat. To calculate the 2016 value, quarterly data from the LFS series were averaged over all quarters for which information was available on 20.3.2017.

¹⁴ In line with Commission Implementing Regulation (EU) No 439/2014, high-growth enterprises are defined as firms with at least 10 employees at the beginning of their growth and average annualised growth in number of employees greater than 10 % per annum, over a three-year period. The share of high-growth enterprises is the number of high growth enterprises divided by the number of active enterprises with at least 10 employees. Source of the data on high-growth enterprises is Eurostat (http://ec.europa.eu/eurostat/web/products-datasets/-/bd_9pm_r2, last accessed 10.04.2017). Due to data availability on Eurostat, the data on high-growth firms refers to the 'business economy', which covers sections B–N including section K (financial activities, except activities of holding companies). The non-financial business economy excludes section K.

¹⁵ Ibid.

¹⁶ The 2017 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.

¹⁷ 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 2017. These are measured against the individual indicators which make up the SBA area averages. Hence, the location of a particular SBA area average in any of the four quadrants provides information not only about where the country is located in this SBA area relative to the EU average at a given point in time, but also about the extent of progress made between 2008 and 2017. 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. A detailed methodology can be consulted at: <http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/>

¹⁸ The policy measures presented in this SBA fact sheet are only a selection of the measures the government took in 2016 and the first quarter of 2017. The national SME policy expert that CARSA Spain (DG GROW's lead contractor for the 2017 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.

¹⁹ *Ustawa z dnia 26 stycznia 2017 r. o zmianie ustawy o swobodzie działalności gospodarczej (Dz. U. poz. 460)* <http://isap.sejm.gov.pl/DetailsServlet?id=WDU20170000460>

²⁰ <http://biznes.onet.pl/praca/w-2016-r-w-polsce-jest-ponad-2-670-startupow/78qd9s>

²¹ <http://ec.europa.eu/DocsRoom/documents/22529>

²² The data for 2016 were compiled in December 2016, while the 2015 data were collected in May 2015.

²³ http://ec.europa.eu/internal_market/scoreboard/performance_by_member_state/poland/index_en.htm#maincontentSec1

²⁴ Please see Moisés, E., T. Orliac and P. Minor (2011), 'Trade Facilitation Indicators: The Impact on Trade Costs', OECD Trade Policy Papers, No 118, OECD Publishing, Paris. <http://dx.doi.org/10.1787/5kg6nk654hmr-en> for more information on the methodology applied to construct the indicators; further information is available at: <http://www.oecd.org/trade/facilitation/indicators.htm>, last accessed 06/07/2017.