

**DISCLAIMER:** Please note that SME Fact Sheets are not standalone instruments, do not constitute a comprehensive assessment of Member States' policies and should be regarded as a supplement to, and not a substitute for, available national publications. **Please refer to the methodological note before reading this SME Fact Sheet.**

## 1. SMEs in Belgium – a brief fact check:

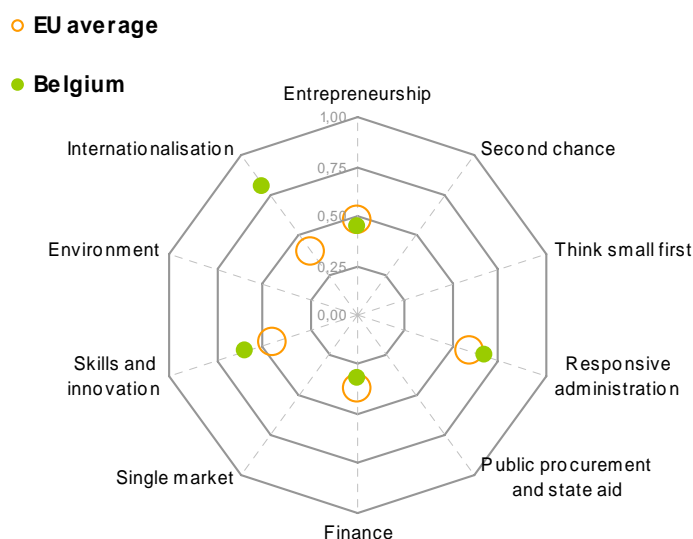
There are approximately 38 SMEs per 1000 inhabitants in Belgium, which is almost in line with the EU-27 average of ca 40. However, since this is mainly due to a smaller overall number of businesses, the proportion of SMEs to all enterprises is analogous to the EU average, as well as the SME share of total employment and value added. This also holds true when looking at the micro, small and medium-sized enterprise level.

	Number of enterprises			Number of persons employed			Value added (MEUR)		
	Value	%	EU-26 average	Value	%	EU-24 average	Value	%	EU-26 average
Micro	365.769	92,4%	91,8%	716.209	29,8%	29,6%	26.563	18,7%	21,1%
Small	25.622	6,5%	6,9%	509.633	21,2%	20,6%	28.449	20,1%	19,0%
Medium	3.804	1,0%	1,1%	375.755	15,6%	16,8%	26.305	18,6%	17,8%
<b>SMEs</b>	<b>395.195</b>	<b>99,8%</b>	<b>99,8%</b>	<b>1.601.597</b>	<b>66,6%</b>	<b>67,1%</b>	<b>81.317</b>	<b>57,4%</b>	<b>57,9%</b>
Large	796	0,2%	0,2%	802.120	33,4%	32,9%	60.353	42,6%	42,1%

Source: Eurostat SBS data base, 2004 and 2005 data.

## 2. Belgium's SBA profile<sup>1</sup>

The SBA policy radar for Belgium yields an overall positive picture: Belgium outperforms the EU average in three of the five SBA sections with sufficient data for averages to be calculated ("Responsive administration", "Skills and innovation" and "Internationalisation"). In particular, Belgium is especially successful in internationalising its small and medium-sized enterprises in the European context. In one area ("Entrepreneurship"), Belgium is in line with the average. On the other hand, Belgium trails the EU-average in the "Finance" segment. In the four sections where no category-average could be calculated the existing indicators are predominantly positive.



Source: European Commission, DG Enterprise

<sup>1</sup> It should be noted that the different dimensions of the radar correspond to the set of 10 principles foreseen in the European Commission's Small Business Act.



**I. Entrepreneurship:** Belgium's performance in this category is, overall, in line with the EU average. However, there are some considerable differences among the indicators. The figure for Belgium on the desire to become self-employed is among the lowest compared to all EU countries (with only 18% expressing such a wish in Belgium, as compared to 30% on EU average). The share of Belgians believing that new businesses get a lot of media attention is also considerably below the EU average (40% as compared to ca 50%). These results are somewhat in contradiction with the degree to which school education is seen to help to develop an entrepreneurial attitude, where Belgians are more supportive than the average EU citizen (almost 61% as compared to ca 50%).

**II. Second chance:** For the single available indicator for this section – degree of support for allowing a second chance, Belgians seem to be more supportive than the average EU citizen, with 85% in comparison with 80% on the European level.

**III. Think small first:** The two available indicators for this section – the degree of support among SMEs for current regulations and the time it takes to comply with administrative obligations - show inconclusive results, with the first being above the EU average of 29% (39% in Belgium) and the second one showing relatively less positive results (12% in Belgium as opposed to 8% EU average of total working time).

**IV. Responsive administration:** For this category, Belgium's results are above the EU average. On the level of individual indicators there are, however, substantial oscillations. In terms of the time required to start up a business Belgium is among the European top performers with only 4 days, as compared to the EU average of ca 20 days. It should be noted that these findings, based on World Bank data, differ from corresponding figures obtained directly from the Member States through the Lisbon process according to which it only takes 1,5 days in Belgium (corresponding EU average is 9 days). Data also suggest a comparatively flexible labour market, and rather inexpensive business closure procedures. On the other hand, registering property in Belgium costs ca 13% of the property value, which is considerably higher than the average of ca 4%.

**V. Public procurement and State aid:** The two available indicators for this section yield a mixed picture. The share of SMEs in public procurement contracts is somewhat lower in Belgium, but the

proportion of state aid devoted to SMEs is much above the EU average (31% as compared with 11%).

**VI. Finance:** Belgium's results hint at room for improvement in this category, as compared to the EU-average. However, on the level of individual indicators there are important variations. Belgium outperforms the EU average in terms of having a comparatively small interest rate spread between loans up to EUR 1 million and loans above that amount, thereby offering relatively cheap credit also to smaller companies. The average delay in payments is also lower in Belgium (37,7 % of the average number of contract days as opposed to 50% for the EU average). On the other hand, Belgium ranks below other EU countries in terms of the extent of guarantees for SMEs (0,03% of GDP in Belgium as compared to 0,18% on average). The strength of the legal rights is also quite weak in comparison with most other EU Member States, whereas the share of SMEs experiencing problems with access to finance is higher than average (29% compared to 21%).

**VII. Single market:** The three available indicators for this section put Belgium below the EU-average. All indicators are related to the implementation and transposition of EU directives linked to the Single Market, and they show figures below the EU average. There seems thus to be room for improvement in this domain, in particular in terms of the number of directives overdue for more than two years.

**VIII: Skills and innovation:** In this section, Belgium performs above the EU-level. This result seems to hold true in particular for the first policy area covered in this segment. Belgium is, for example, significantly above the EU average in terms of the percentage of employers providing training (ca 40% as compared to 26%). The average number of hours spent in such training in Belgium is also high in the European context (12 hours per employee a year, as compared to 9 hours). On the other hand, figures for Belgium regarding innovation show less positive marks (only 7% of the turnover of Belgian SMEs results from new or significantly improved products or services, whereas the EU average is 12%).

**IX: Environment:** Two indicators are available for Belgium for this section. Both of them – the share of SMEs having comprehensive systems for energy savings, and the share of SMEs applying simple measures to save energy – hint at a performance above the EU average at 6%



and 39% respectively, as compared to the EU average of 4% and 29%, in that order.

**X: Internationalisation:** Belgium performs well above the EU average in this section, and seems to have comparatively efficient procedures for exporting and importing. The number of days

required to import and export is substantially below the EU average (8-9 days as compared to ca 13 days). Belgium is also far above average in terms of the share of SMEs turnover resulting from exports (15,2% as compared to 4,6%) and the share of SMEs gaining any income from subsidiaries and/or joint ventures abroad (12,7% as compared to 4,8%).

#### **Example for a good practice in SME policy**

*To illustrate the efforts of the Government to promote SMEs, the statistical information of the fact sheet is enriched by an example of a good practice in SME policy – as singled out in the European Commission's Communication on "Think small first – A Small Business Act for Europe":*

*Title of the Project: Cap'Ten*

*Cap'Ten stimulates entrepreneurship in primary school children aged 10 to 12 using resources that sharpen their creativity, independence, openness, responsibility and communications skills. Participants pick their own challenge and exploit their personal talents with the support of a kit of project management tools specially adapted to their age. A particular objective is to change the mindset in the EU Member State with the least number of people wanting to set up their own companies. Moreover, the project offers a real methodology rather than just a 'book of instructions'. Since the launch of the project in 2004, more than 30 000 pupils in the French Community in Belgium have been involved – over a quarter of the age category. The scheme was tested in the Flemish region of Belgium in the 2006/2007 school year and will be available on a large scale in Dutch language from autumn 2007.*

*For further information: [www.ipec-pme.be](http://www.ipec-pme.be)*

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