

**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 Italy – a brief fact check:

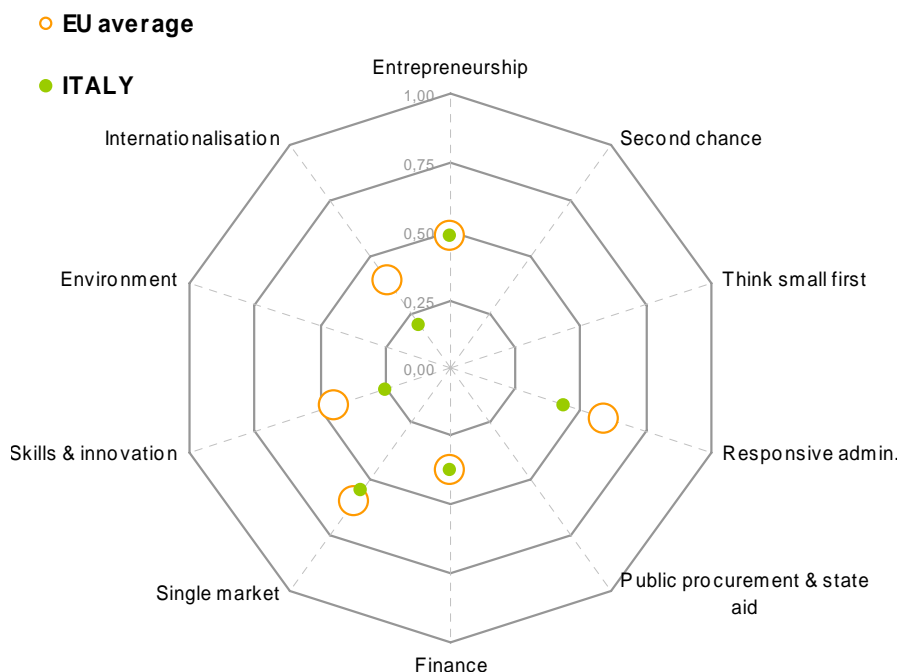
There are approximately 65 SMEs per 1000 inhabitants in Italy, which is substantially above the EU-27 average of ca 40. In line with this, the relative importance of SMEs for the Italian economy exceeds by far the EU average, as illustrated by a considerably above-EU-average share of persons employed and value added accounted for by SMEs. It should be noted, that this elevated importance is mainly due to the micro enterprises, while medium enterprises are, in fact, underrepresented vis-à-vis the EU average.

	Number of enterprises			Number of persons employed			Value added (MEUR)		
	Value	%	EU-26 average	Value	%	EU-24 average	Value	%	EU-26 average
Micro	3.615.729	94,6%	91,8%	7.066.111	47,1%	29,6%	188.012	31,8%	21,1%
Small	183.662	4,8%	6,9%	3.257.900	21,7%	20,6%	137.145	23,2%	19,0%
Medium	19.354	0,5%	1,1%	1.858.001	12,4%	16,8%	94.756	16,0%	17,8%
<b>SMEs</b>	<b>3.818.745</b>	<b>99,9%</b>	<b>99,8%</b>	<b>12.182.012</b>	<b>81,3%</b>	<b>67,1%</b>	<b>419.913</b>	<b>70,9%</b>	<b>57,9%</b>
Large	2.943	0,1%	0,2%	2.804.688	18,7%	32,9%	172.234	29,1%	42,1%

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

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

Data available on Italy suggest room for improvements in almost all areas. It appears that "Entrepreneurship" and "Finance" are the only areas where Italy matches the performance of its EU peers and even there the performance is mixed. Public Administration, Skills and Innovation as well as Internationalisation are the categories in which the figures for Italy trail the EU-average by the largest margin. Also, in the 4 sections where category-averages could not be calculated the existing indicators are predominantly unfavourable.



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.



### **2.1. Entrepreneurship:**

Available data place Italy in line with the EU average. The strongest performance in this segment relates to the desire to become self-employed (39 % as opposed to 30% for the EU average) and the “media coverage for new businesses”. All other positive indicators exceeded the respective EU-average only by a very narrow margin. These positive results are cancelled out by unfavourable marks of the remaining indicators. A good example is the degree to which schooling had an impact on developing an entrepreneurial attitude (41% versus an EU average of 50%). There is also relatively little female entrepreneurial activity plus a sub-average ratio of high growth firms among all SMEs (3% versus 4,2% for the EU).

### **2.2. Second chance:**

The one available indicator in this category - degree of support for allowing a second chance - puts Italy below the average EU (71% to almost 80% for the EU).

### **2.3. Think small first:**

There is not enough information for allowing the calculation of an average, but the available indicators - time it takes to comply with administrative obligations (8% versus 10% for the EU-average) and the share of support among SMEs for the existing regulations-are below EU-average (21% versus 29%).

### **2.4. Responsive administration:**

The figures for Italy in this category are below the EU average. Most indicators in this segment trail the EU average, while there are only a few indicators ahead of it, which include a relatively short time required to start-up a business and low costs of property registration. Italy is also doing well on the indicator for e-government availability. In contrast to this, there is a long list of indicators which suggest a less favourable situation as compared to the average EU marks, most notably those related to the administrative-costs - social security, costs to start up a business and, in particular, costs related to closure where Italy finds itself at the end of the EU scale (22% of the estate value as opposed to less than 11% for the EU-average).

### **2.5. Public procurement and State aid:**

On both indicators available in this section, the share of SMEs in public procurement contracts

and the proportion of state aid devoted to SMEs, Italy scores well above the EU-average. In fact, for state aid it ranks first within the EU (33% as opposed to 11% for the EU-average).

### **2.6. Finance:**

Overall figures for Italy are on a par with the EU average in this category. The majority of indicators, however, trail the EU average and the overall performance in this area. Some positive indicators tilt the balance back towards an average performance for the overall mark in this category. These include the extent of guarantees for SMEs, the “Getting credit – depth of credit information index”, plus the indicators measuring the expenditures earmarked for SMEs as part of the EAFRD and structural funds. The list of indicators with sub-EU-average values includes venture capital ones, where the country appears to be furthest away from the EU-average.

### **2.7. Single market:**

The data available for Italy in this area, are more or less in tune with the EU average. However, the overall mark is based on heterogeneous performances of individual indicators. The performance as regards the number of 2 years overdue directives is actually close to the best in the EU. The category average is dragged down most notably by the share of SMEs exporting to other EU countries compared to all SMEs (1,1% versus 2,9%).

### **2.8. Skills and innovation:**

The information gathered suggests that Italy is significantly below the EU average in this area. On the positive side, the indicator with an above EU-average performance is the “Participating rate in learning activities in micro-enterprises”. All innovation related indicators and the vast majority of training and skills related indicators are below EU average. Among the most remarkable are the share of SMEs that offer training in all SMEs, the share of SME staff with tertiary education - where Italy ranks last in the EU (13 as opposed to 26% for the EU-average) - and the indicators describing the use of on-line facilities for businesses.



## **2.9. Environment:**

This category does not allow for a general assessment given that only three indicators are available. For the share of SMEs having comprehensive systems for energy-saving Italy is on a par with the EU average (4% each). However, as regards those that apply at least simple energy saving measures, the position of Italy is considerably below the EU-average. The average expenditure on environmental protection is also substantially less as compared to the EU-average (ca. €300 as opposed to €900) in 2004.

## **2.10. Internationalisation:**

All indicators in this segment show values below the EU average mirroring Italy's performance in the Single market section. All indicators are well below EU average in this category, including those related to export or import performance and those describing the administrative procedures such as the number of days required for importing or exporting. The share of SMEs exporting outside EU-27 in total SMEs is also slightly below EU-average.

### ***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 practise 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: Joining together to compete on world markets (Sprint)*

*The purpose of the project is to provide small businesses with access to national funding for long-term plans to expand their business abroad.*

*This measure aims at small businesses in the Emilia-Romagna region that are looking to expand their business abroad and have applied to SIMEST (the institution that promotes Italian businesses abroad). With SIMEST guarantees covering some of the funding, the regional fund acts as co-guarantor, supplementing the SIMEST coverage. Firms can access the guarantees provided by the fund by applying to credit consortia and craft cooperatives. Along with the main organizer Sprint, these provide information and assistance with applications.*

*For further information: [www.sprint-er.it](http://www.sprint-er.it)*

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