

Enterprise and Industry

2014 SBA Fact Sheet

FRANCE



In a nutshell

The French business economy includes a significant number of SMEs, which together account for 59 % of value and 63 % of employment. Microenterprises are comparatively more prevalent, making up 94 % of all businesses. Most French SMEs are active in services (45 %), the wholesale and retail trade (26 %) and construction (19 %).

The SME sector in France was hit hard by the global recession in 2008-09 but experienced a quick recovery in 2010-11, followed by some ups and downs since then. Nevertheless, in 2013 the French economy seemed to have recovered to its pre-crisis level. SMEs in real estate, accommodation and food services performed particularly well, while those in the construction sector are trailing significantly behind.

French SMEs continue to benefit from good framework conditions for trade, an administration that is becoming more responsive to the needs of small businesses, and good access to state aid and public procurement opportunities. Nevertheless, the country's overall performance on the SBA grid continues to be hampered by below-average results when it comes to seizing the opportunities of the internal market and by a somewhat weaker culture of entrepreneurship.

About the SBA Fact Sheets¹

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 the Act called for improved monitoring. The SBA Fact Sheets are published annually and aim to improve understanding of recent trends and national policies affecting SMEs.

1. SMEs in France — basic figures

| | Number of enterprises | | | Number of employees | | | Value added | | |
|--------------|-----------------------|---------------|---------------|---------------------|---------------|---------------|-------------|---------------|---------------|
| | France | | EU-28 | France | | EU-28 | France | | EU-28 |
| | Number | Proportion | Proportion | Number | Proportion | Proportion | Billion € | Proportion | Proportion |
| Micro | 2 439 919 | 93.7% | 92.4% | 4 374 942 | 28.7% | 29.1% | 253 | 27.8% | 21.6% |
| Small | 136 364 | 5.2% | 6.4% | 2 915 947 | 19.1% | 20.6% | 148 | 16.3% | 18.2% |
| Medium-sized | 21 740 | 0.8% | 1.0% | 2 295 614 | 15.1% | 17.2% | 133 | 14.6% | 18.3% |
| SMEs | 2 598 023 | 99.8% | 99.8% | 9 586 503 | 63.0% | 66.9% | 534 | 58.7% | 58.1% |
| Large | 4 843 | 0.2% | 0.2% | 5 641 783 | 37.0% | 33.1% | 377 | 41.3% | 41.9% |
| Total | 2 602 866 | 100.0% | 100.0% | 15 228 286 | 100.0% | 100.0% | 911 | 100.0% | 100.0% |

These are estimates for 2013 produced by DIW Econ, based on 2008–11 figures from the Structural Business Statistics Database (Eurostat). The data cover the '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.

Like other EU countries, France's business economy includes a significant number of SMEs, which account for 59% of value added and 63% of employment. Microenterprises are more prevalent than in the EU as a whole and make up 94% of all French businesses. Most SMEs are active in services (45%), the wholesale and retail trade (26%) and construction (19%)².

Due to the economic crisis which began in 2008, France experienced a decline in real GDP of -2.5% between 2008 and 2009. This was followed by a quick recovery in 2010-11 and some fluctuations in the following years. Nevertheless, real GDP grew by 9.2% between 2009 and 2013 and the French economy surpassed its pre-crisis level of GDP³.

SME data indicate weaker growth in value added (+4%) between 2008 and 2013 compared to the performance of large companies (+8%). However, over the same time period employment grew by 16% in SMEs and large firms alike. This growth was likely spurred on by the introduction of the 'auto-entrepreneur' (small entrepreneur) regime in 2009 which reduces taxes and other costs for the self-employed.

Between 2008 and 2013, value added generated by SMEs grew by 29% and growth in employment was even stronger at 34%. The performance of real estate stands apart from other sectors. Unlike other sectors facing strong international competition, real estate activities maintained high growth levels as firms were able to pass on increased costs from taxes and

regulation to consumers⁴. The prices of private houses and commercial estates therefore remained high due to the sector's lack of flexibility, high transaction costs, complex regulation of building permits and the lack of available houses and apartments⁵. However, this trend may change as the number of transactions is currently falling⁶.

Another fast-growing sector is accommodation and food services, which recorded growth of 21% in value added and 7% in employment between 2008 and 2013. France remains popular with tourists and is one of the countries with the highest tourism revenues.⁷

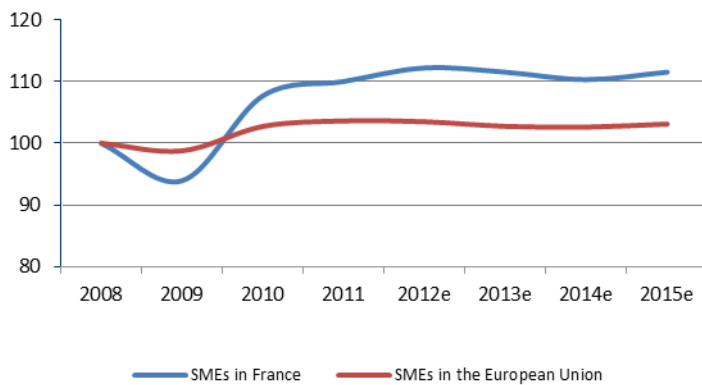
In contrast to these developments, SMEs in the construction sector declined by 6% in terms of value added, whereas large firms in the same sector posted strong growth of 24%. This disparate development is due to the fact that of the few large construction firms, taking advantage of positive economic developments in other countries, have generated their revenues from large projects abroad. SMEs, on the other hand, have less financial capacity and are more dependent on domestic demand for houses and apartments as well as on the renovation market, which have fallen. However, after a second downturn in 2012, the situation seems to have improved in 2013 for the microenterprises active in the sector⁸.

In 2013, business registrations stood at more than 500 000 firms, which is 1.4% lower than in 2012. However, the number has been growing again since November 2013⁹. Most business start-ups are in the business support sectors, education, health and social activities, with more than half of the newly registered

SME trends in France¹⁶

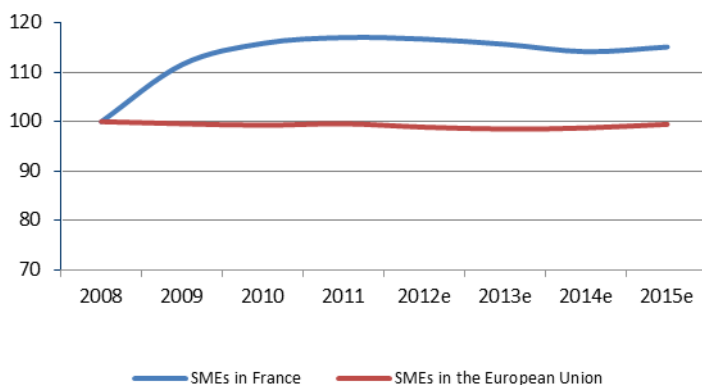
Number of SMEs

(Index: 2008=100, estimates from 2012 onwards)



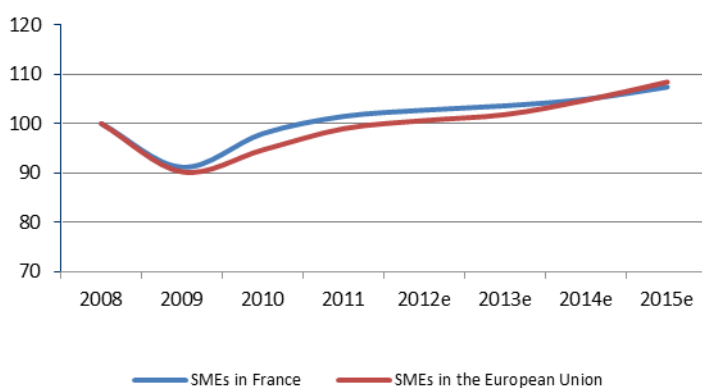
Employment in SMEs

(Index: 2008=100, estimates from 2012 onwards)



Value added of SMEs

(Index: 2008=100, estimates from 2012 onwards)



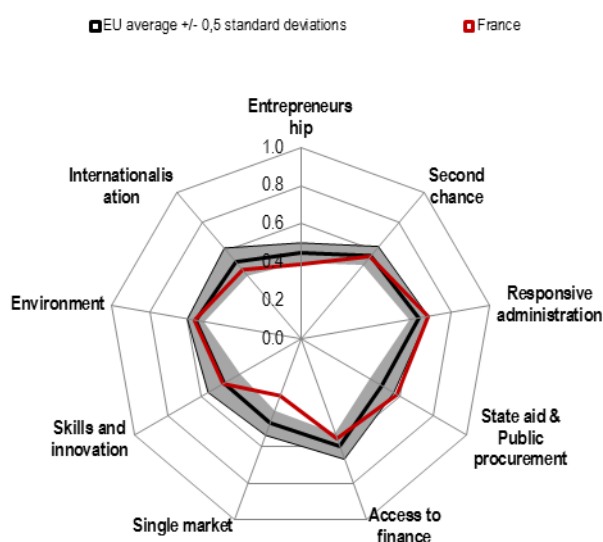
companies having auto-entrepreneur status. Since the launch of the auto-entrepreneur regime the businesses registered as auto-entrepreneurs generated a total turnover of EUR 15 billion¹⁰.

At 62 485, the number of company insolvencies was 3.3% higher in 2013 than in 2012¹¹. Most bankruptcies occurred in the accommodation and food sector and in real estate, with microfirms particularly affected¹². Liquidity problems were one of the major causes, accounting for 25% of all corporate bankruptcies in France¹³.

Against this background, the French government has adopted the Pact for Growth, Competitiveness and Employment. This aims to lower taxes and business costs, facilitate access to finance, support innovation and ensure a simpler and more stable regulatory, administrative and tax environment¹⁴.

Overall, France's economic growth in 2014 and 2015 is expected to be limited, driven mainly by an increase in private consumption due to improved consumer confidence. Entrepreneurial confidence is expected to increase moderately. Exports are likely to rise only slowly, while imports are projected to increase more strongly due to growing domestic demand. The contribution of net exports to GDP growth is therefore likely to be low in 2014 and negative in 2015¹⁵.

2. France's SBA profile¹⁷



French SMEs continue to benefit from good framework conditions for trade, an administration that is becoming more responsive to the needs of small businesses, and relatively good access to state aid and public procurement opportunities. Nevertheless, the country's overall performance on the SBA grid remains hampered by below-average results when it comes to seizing the opportunities of the internal market, and by a somewhat weaker culture of entrepreneurship.

Although the French government has not adopted a specific strategy to give effect to the SBA, it is implementing a set of actions that is bringing progress. France is also monitoring the quarterly implementation of the SBA, and SME stakeholders are regularly consulted. In 2013, France focused its policy interventions on improving the framework conditions for entrepreneurship and access to finance for SMEs.

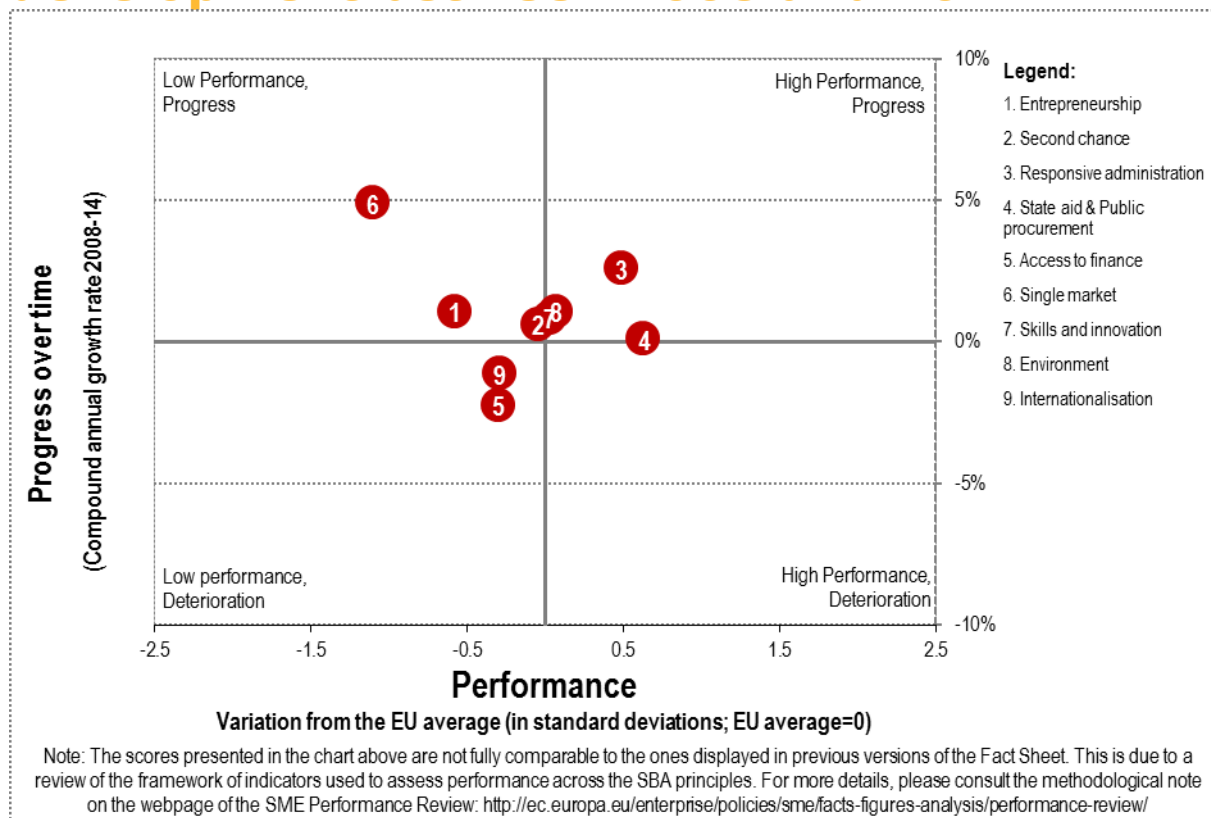
Moreover, on 31 December 2013 the government proposed the Liability Pact ('Pacte de responsabilité') aimed at making drastic structural reforms to boost the competitiveness of industry. If implemented, the Liability Pact is expected to represent a big step forward for SMEs on many areas of the SBA. Its measures include cutting labour costs through a gradual phase-out of the tax for funding family policy;

reducing the number of company taxes and fixing their level for the 2014-17 period; cutting the number of norms and standards; and monitoring the number of jobs created by the reforms through an observatory ('observatoire des contreparties').

France needs to step up its efforts to implement the SME tests on a larger scale as the tools, processes and a dedicated administration ('Secrétariat Général pour la Modernisation de l'Action Publique' – SGMAP) are all in place and waiting for the green light. The few tests already carried out have proved the effectiveness of the process.

The widespread success of the auto-entrepreneur regime, with nearly 500 000 new companies registered per year, has highlighted France's potential for entrepreneurship. More communication to promote entrepreneurship in France could tap into this potential. Attracting and keeping talent is another issue that can be tackled by the government by improving employment law and providing incentives for SMEs to hire highly skilled employees. School or university programmes about entrepreneurship could also make a big contribution to promoting an entrepreneurial culture and state of mind in the country.

France's SBA performance: status quo and development between 2008 and 2014¹⁸



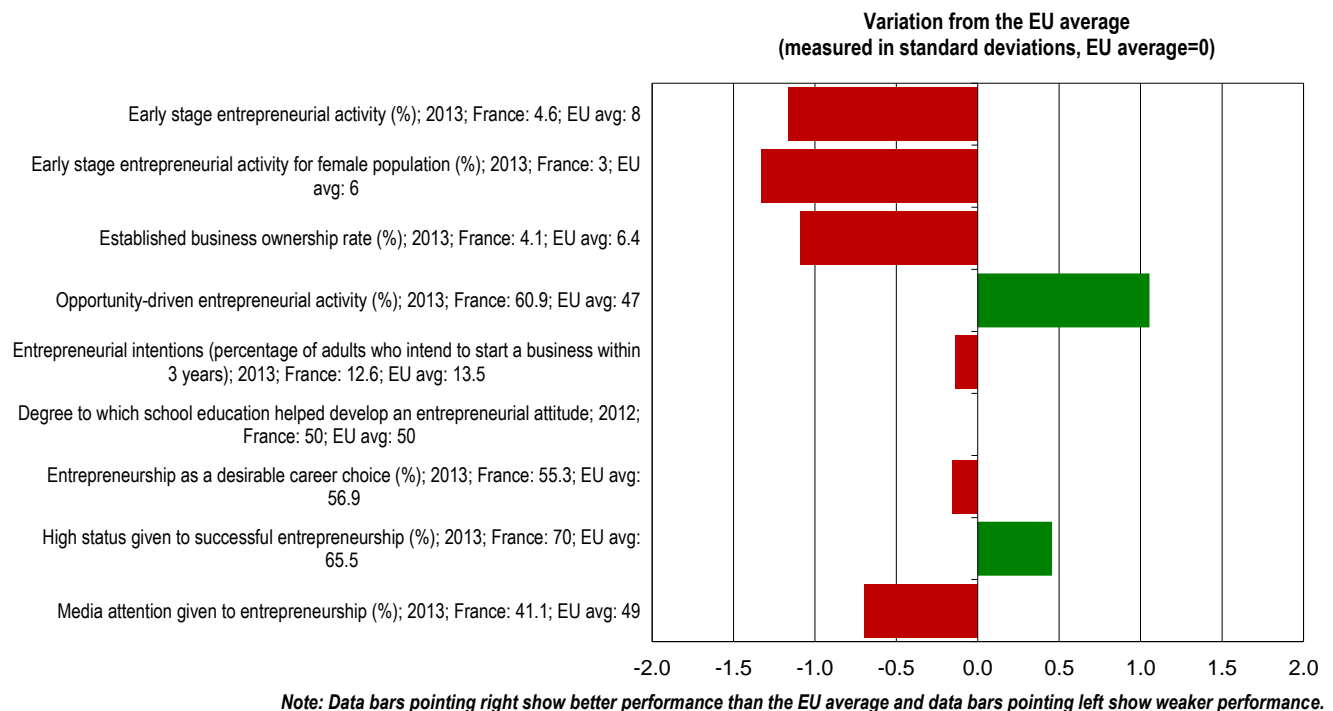
'Think small first' principle

The 'think small first' principle aims to ensure that SME concerns are mainstreamed into EU and national legislation and policies. Policy makers at all levels are expected to consult small businesses and keep their needs and limitations in mind during all phases of legislative and policy processes.

In France, all significant legislative proposals must be backed up by a Regulatory Impact Assessment (RIA). Since 2014, the French administration has made the ex-ante assessment of the potential impact on SMEs (the so-called SME test) an integral and mandatory component of RIAs. This follows a pilot phase in which three trials of the test's practical application were conducted in close collaboration between SMEs, stakeholders and the SGMAP. These trials proved very useful, and several regulations have already been amended as a result of consultations with SMEs. SME stakeholders have confirmed that the tools and processes to apply the SME test consistently and systematically are now in place, and the French administration is ready to apply it on a larger scale.

The administration is currently making efforts to disseminate the guidelines for applying the SME test and to develop specific expertise within the various ministries. By spring 2014 around 92 civil servants had received training in the methods and tools necessary for evaluating the impact of regulatory proposals on SMEs and the best methods to consult stakeholders. This training is now part of the regulatory control process set up by the government and entrusted to the 'Secrétariat général du Gouvernement', which is in charge of administrative simplification.

Entrepreneurship



France's score in entrepreneurship trails the EU average but has improved in recent years. The situation regarding individual indicators is a bit more nuanced. On the one hand, the intensity of entrepreneurial activity, as measured by the proportion of people involved in entrepreneurial ventures, lags behind the average – a situation common to many advanced European economies. The French – men and women alike – are less likely to be involved in managing a new or established business. However, these indicators do not capture the higher level of entrepreneurial activity triggered by the introduction of the auto-entrepreneur regime in 2009, which was followed by a peak in self-employment in subsequent years.

On the other hand, future entrepreneurial intentions are on a par with the EU average, with almost 13% of the working population intending to start a business in the near future. Moreover, the quality of entrepreneurial activity is high: 61% of French entrepreneurs claim they were motivated to start their company by a market opportunity they identified and by a desire to be self-employed and increase their income.

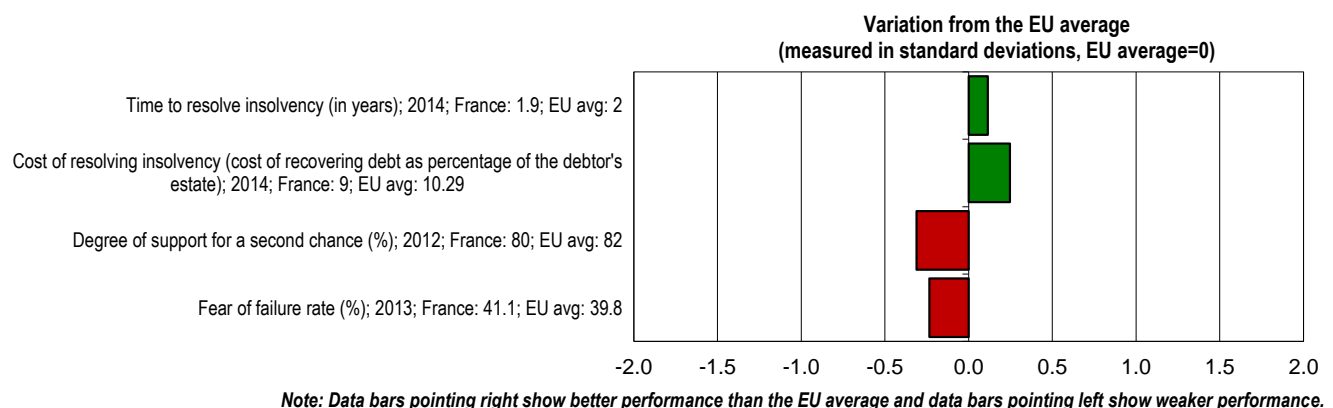
The entrepreneurial culture and social attitudes to entrepreneurship are also relatively positive in France. Respect for entrepreneurs is high, and public perception suggests that entrepreneurship is more valued and admired than in other EU countries. This is instrumental in making it a very desirable career choice for young people. At the same time, however, the French media seems to pay less attention to covering stories of successful entrepreneurs.

On the policy side, a broad consultation of stakeholders ('Assises de l'entrepreneuriat') was launched in January 2013, with nine working groups set up to seek ways of increasing the number of high-growth businesses. The conclusions of the work were presented in April 2013 and were fed into a five-year entrepreneurship action plan which includes 18 key measures. Five of the 18 measures have been adopted through the 2014 Financial Act (State Budget). Thus, the taxation of capital gains on sales of securities has been reduced and the modalities simplified. A specific bank account – 'PEA-SME' – was created to channel a proportion of the savings to French SMEs. Finally, the financing and exemption from social charges enjoyed by young innovative

companies ('Jeunes entreprises innovantes' – JEI) has been extended to jobs linked to research and innovation (prototyping, design, etc.). Other measures have been implemented too, such as the abolition of the Bank of France's '040 file' (see Second chance section), 'euro-croissance' life insurance contracts

(adopted through an amendment to the 2013 Financial Act) which encourage the flow of private savings to EU companies, a better legal framework for participatory finance, and the extension of tax credits for innovation ('crédit d'impôt innovation CII') to young innovative companies.

Second chance



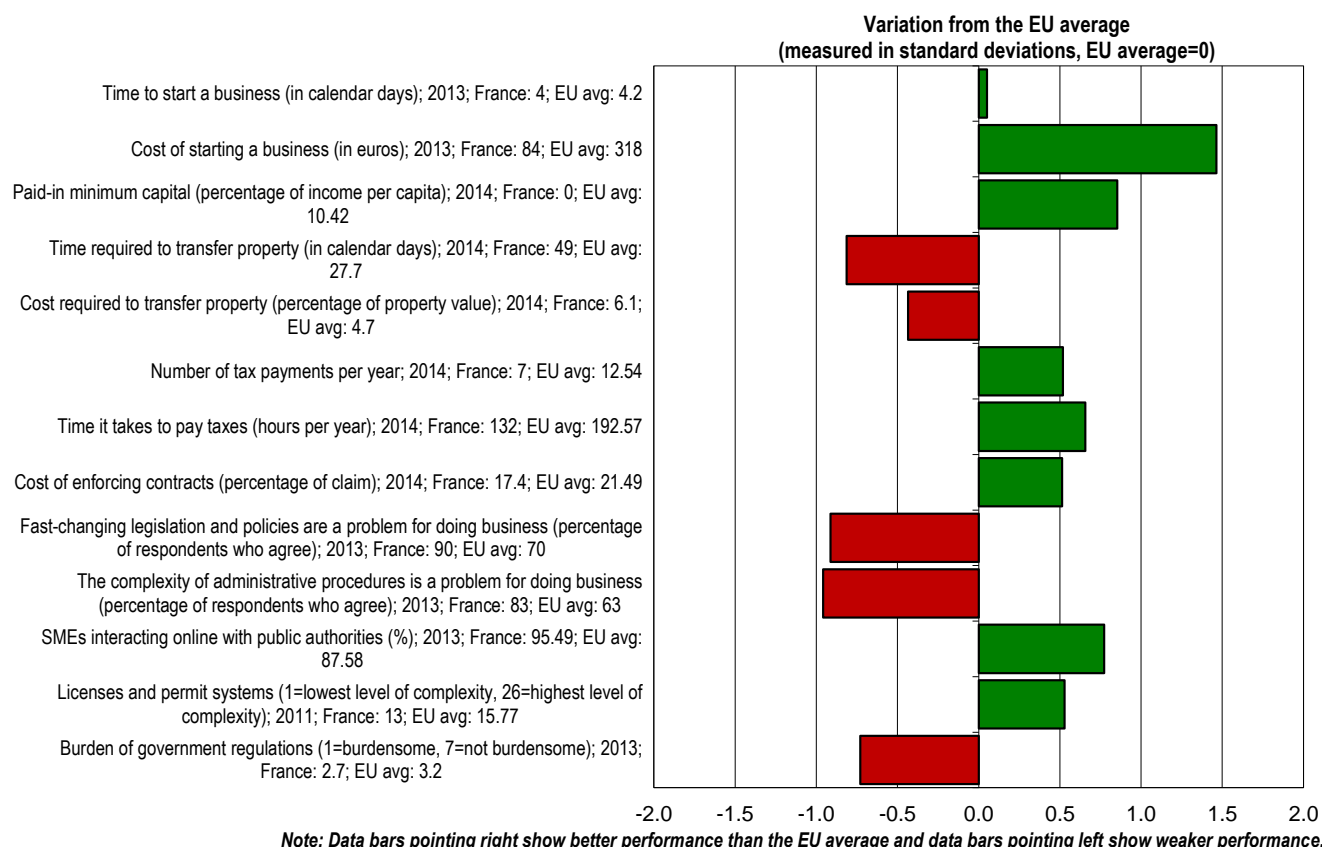
The indicators measuring 'second chance' give a positive picture, but also show stagnation recently. In essence, France continues to offer comparatively favourable conditions for honest entrepreneurs who have failed and want to start again. However, one significant barrier which remains is the French fear of failure and high level of risk aversion. This seems to have increased further as a result of the global economic crisis, with the proportion of adults who believe honest entrepreneurs deserve a second chance falling from 86 % in 2009 to 80 % in 2012.

On the policy front, a major law passed in September 2013 provided for the abolition of the Banque de France file ('Fichier 040') listing the names of entrepreneurs who failed and went into bankruptcy. Some 144 000 entrepreneurs who were previously

recorded in this file should now enjoy easier access to bank loans. This is a step forward in terms of treating non-fraudulent entrepreneurs who are starting again on an equal footing with those starting for the first time.

On 13 January 2014, the ministry in charge of SMEs organised a 'second chance' conference on the theme 'There is no easy success or definitive failure.' An audience of business leaders, students and personalities from various backgrounds (arts and letters, sports, business, etc.) spoke about 'bouncing back' and how it can be encouraged. The event ended with the signing of a 'charter on second chance conferences'. Organisations supporting the second chance will build on this charter to organise similar conferences at local level.

Responsive administration



France's modern public administration scores above the EU average, but has only marginally improved its performance in recent years. There is still room for progress. This is confirmed by a majority of entrepreneurs, who believe that the burden of administrative procedures and the legislative and policy framework's lack of stability and predictability are major obstacles to doing business in France. Frequent changes in administrative rules and procedures make daily administrative tasks difficult and time consuming for SMEs.

It is currently possible to start a business in France in four days, at a cost of EUR 84, with no capital requirements. Since 2012, entrepreneurs have been able to start their business online. Nevertheless, while it is very easy and cheap to start a business, running it on a daily basis typically brings additional obstacles. For example, transferring property is slowed by complicated and costly bureaucratic procedures. Other important indicators relating to day-to-day business operations, such as the number of and time

needed for tax payments or the cost of enforcing contracts, give a generally positive picture. At the same time, stakeholders report that there is room for improvement on certain aspects not captured by statistics, such as the delivery of legal, tax, social or bankruptcy-related public advisory services for SMEs.

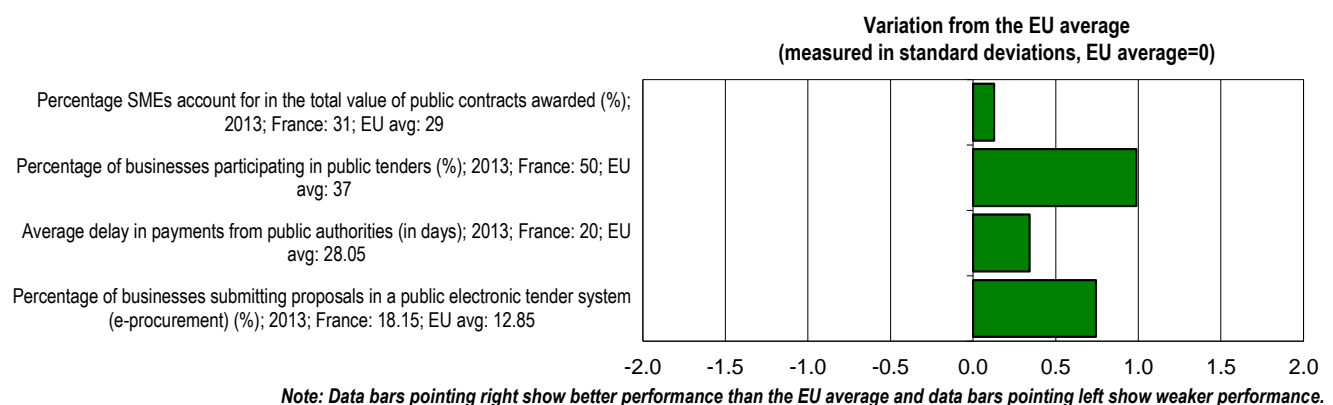
On the public policy side, several actions were taken in 2013 to address the challenges identified above and further simplify administrative tasks for SMEs ('Simplifier les démarches'). Thus, the government has committed itself to simplifying the number of administrative tasks for companies and their associated burden. Thierry Mandon, former deputy and now Secretary of State responsible for State Reform and simplification reporting to the Prime Minister, has prepared a report on simplification with a timetable for a reform to cut 80 % of the costs related to the complexity and slowness of procedures, while simplifying the work of administrations. The measures adopted in 2013 took the form of reduced accounting obligations (especially for small companies),

electronic invoicing of all state invoices, and a progressive decrease in the number of requests for similar information. To do so, the state is developing joint information systems linking different administrative departments (the programme is called only once – ‘dites le nous une fois’). Furthermore, the law giving the government powers to simplify relations between the administration and citizens, adopted in November 2013, has introduced a new principle of tacit consent.

The law on securing employment (‘loi de sécurisation de l’emploi’) was adopted in June 2013, based on a deal reached by representatives of employees and employers. The agreement has been transposed into law in a way that reflects the balance struck in the

negotiations. The law gives employees new rights: mandatory, supplementary social insurance provided by the employer, vocational training accounts for each employee and access for workforce representatives to the board of directors in big companies and to company information in other cases. For employers, the law discourages the use of redundancies by favouring company negotiations and internal and external mobility, and by preventing judicial insecurity when redundancy cannot be avoided. This led companies with bad financial prospects, in particular, to negotiate to maintain workforce levels in exchange for flexibility on salaries or working conditions, following the German example.

State aid and public procurement



France continues to offer comparatively favourable conditions for SME access to public contracts.

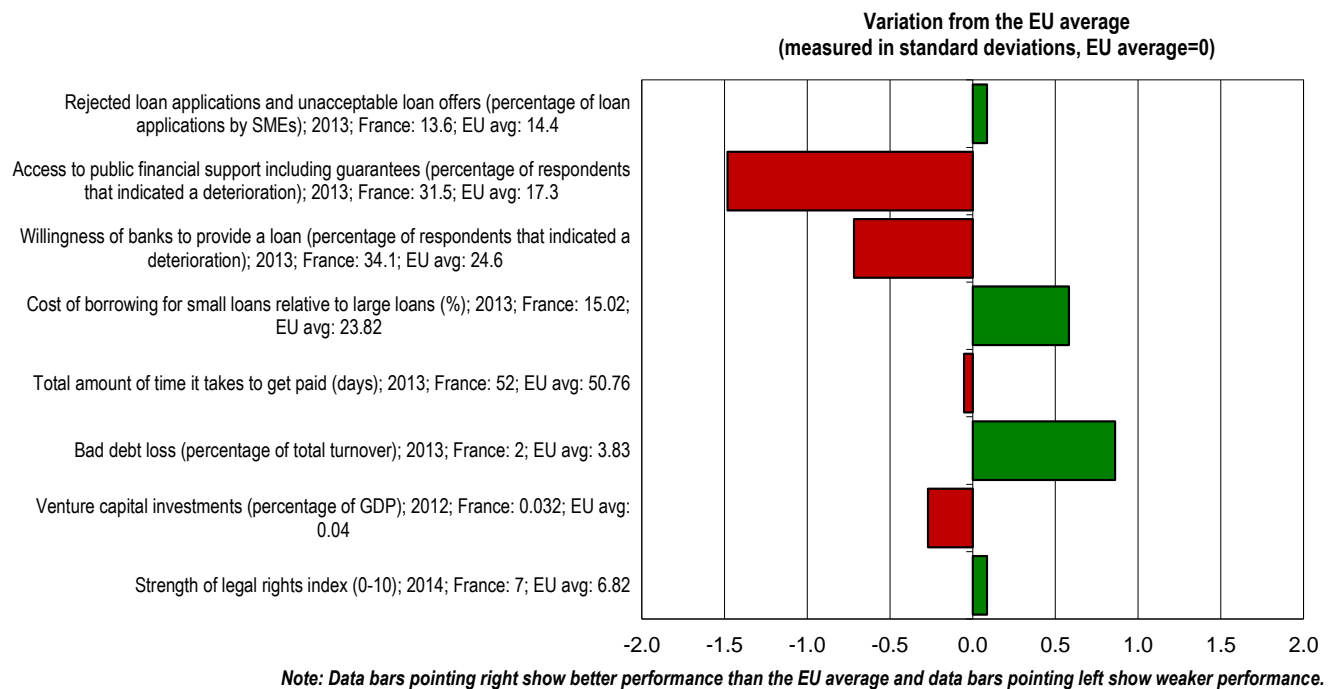
SMEs’ share of the value of public procurement contracts is declining, having reached 31 % in 2013, although it is still higher than the EU average of 29 %. At the same time, SMEs’ rate of participation in public tenders, at 50 % of all businesses, is one of the highest in the EU, suggesting that French SMEs are less successful in securing public contracts than their EU peers. It should be noted, however, that the amount of public works and services actually performed by SMEs is probably higher than the figures reveal, because in many cases small businesses are acting as subcontractors to larger firms, and the value of these subcontracting agreements is not captured by the statistics. French SMEs also make better use of e-procurement services than their EU counterparts, and benefit from faster

payment by public authorities. Regarding late payments, stakeholders make a distinction between the national level, where payments are generally made on time, and the local level, where they are less reliable. Public entities, such as hospitals, are often criticised for their slow payment, which can even endanger the survival of SMEs which act as providers in the health sector. The Consumption law (‘Loi consommation’) was introduced in early 2014 with the aim of better enforcing payment within 60 days, without further postponement, for both the public and private sectors.

Finally, an e-procurement portal was introduced in 2013 to centralise public procurement offers. It allows companies to search for all types of notice (pre-information, tender, award), download the tender documents and submit their bids online. The e-procurement platform is seen as major progress for

public tenders, even though it is not specifically tailored to SMEs and does not improve their chances in such bids.

Access to finance



France offers SMEs average conditions for access to various sources of finance, but progress on this front has stalled as a consequence of reduced demand due to low business investment.

The conditions for financing firms' cash-flow needs have also worsened as a result of the high private debt that already existed. Fourteen per cent of SMEs currently report that their credit applications have been rejected by banks or that they could not accept the tight conditions offered. At the same time, the conditions for accessing public financial support, including guarantees, were also more restrictive, with more than 30% of French SMEs reporting a deterioration compared with the previous year.

Compared with the EU average, SMEs in France have fewer cash-flow difficulties resulting from loss of payments from bankrupt customers (2% of total turnover, against almost 4% in the EU as a whole). However, the total time it takes for customers in France to pay for delivered goods or services is slightly longer than the EU average: 52 days against 50.

On the policy side, the public investment bank (Banque Publique d'Investissement — Bpifrance) became operational in May 2013 as a result of the merger of several existing funding bodies (OSEO, the Strategic Investment Fund (FSI), the FSI regions and CDC Entreprises). The BPI's overall objective is to offer businesses — with priority given to SMEs — a 'one-stop' financing service comprising a broad portfolio of financial instruments and consultation that supports businesses as they develop, from start-up and growth phase, to business transfer or buy-out. By sharing the risk, the service facilitates SMEs' access to the financing offered by banking partners and equity capital investors. The budget is EUR 42 billion for the period 2012-16.

In the light of the competitiveness report from Louis Gallois, the government adopted the tax credit for competitiveness and job creation (CICE) as one of its main policy decisions. The credit aims to reduce labour tax to compensate for France's higher salary costs than competing countries. Businesses benefited from the CICE in tax terms for the first time during the 2013 fiscal year. As CICE is a tax credit, it can be pre-

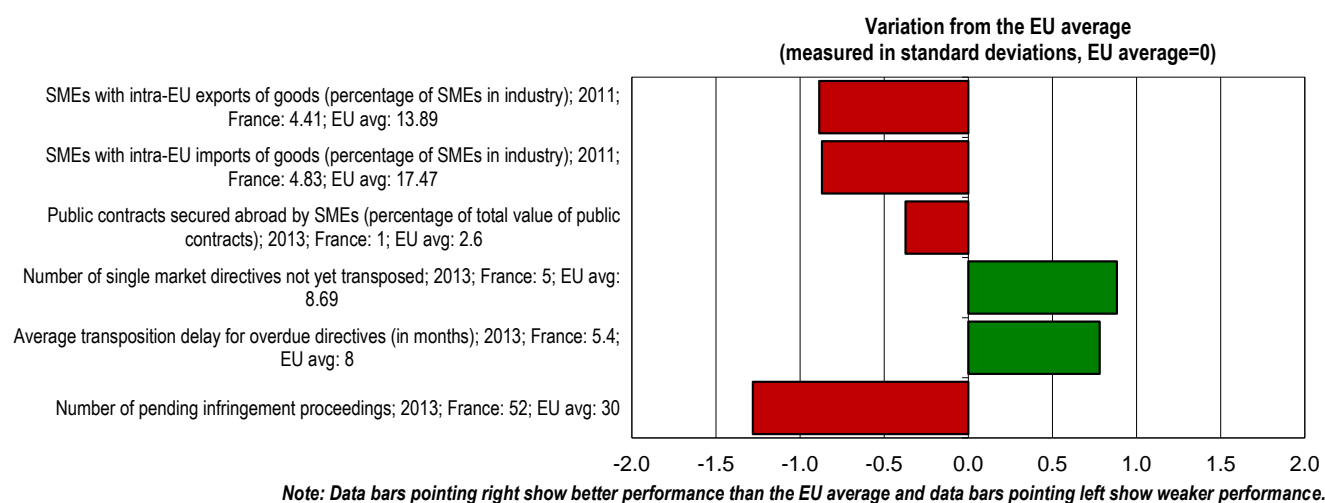
financed by BPI/OSEO to make cash immediately available. The objective is to reduce labour costs by EUR 20 billion per year (EUR 10 billion in the first year) when fully used to compensate for France's higher salary costs. Businesses are required to tell their works councils how they use the tax credit, in particular concerning the opportunity to invest or recruit employees. The government, in collaboration with the social partners, is monitoring how the system is working. This monitoring is based on the data collected to ensure the measure is assessed accurately.

A new finance measure to stimulate corporate ventures should become effective by mid-2014. Under this, companies will be given incentives to invest risk capital in small, innovative businesses. Any company

which pays cash for a minority shareholding (less than 20 %) in a small, innovative European company, either directly or indirectly (i.e. through a fund), benefits from a five-year, linear amortisation of their investment — amounts which effectively can be offset against annual income.

Crowd-funding could also soon grow in France, due to the introduction of new regulations on this alternative funding source. The government has announced that companies will be able to raise up to EUR 1 million per crowd-funded campaign. The same limit will apply to equity crowd-funding, as start-ups will be able to raise up to EUR 1 million per year without having to notify the financial markets authority. France may use these opportunities to become more start up-friendly in the coming months.

Single market



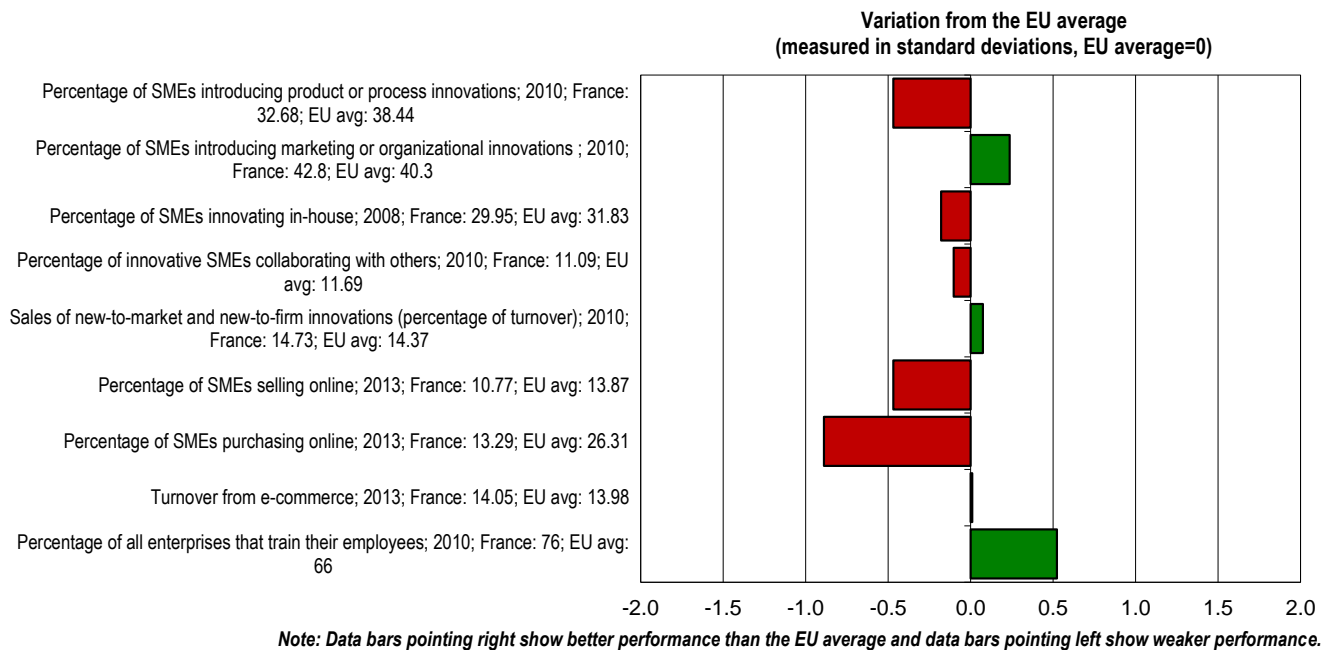
France's performance is sub-par but has improved in recent years.

Partly due to the large size of the domestic market, French SMEs in the manufacturing sector are less inclined to export to or import from other EU countries. Another reason might be the lack of a strong export culture among SME managers who do not yet perceive the benefits of foreign markets, whether private or public.

In terms of the speed of transposition of internal market legislation into national law, France is performing significantly better than its EU peers, with fewer directives awaiting transposition and shorter accumulated delays. On the other hand, France has a very high number of infringement cases against it where its transposition is considered not to comply with the relevant directive or the single market rules.

No major policy initiatives were reported in 2013.

Skills and innovation



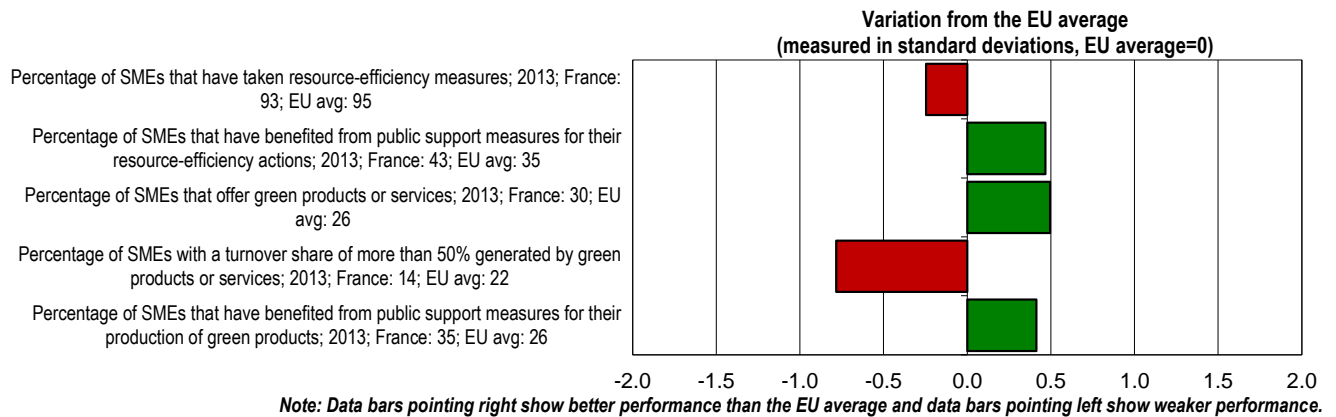
France ranks close to the EU average on skills and innovation, but progress is very modest. It appears that the greatest problems SMEs encounter are linked to difficulties in managing intellectual property, patenting and licensing, which can be partly explained by the insufficient support offered by technology transfer offices and IPR helpdesks. Overall, France has achieved average scores for all indicators measuring innovation among SMEs.

As for the availability of skilled people, it appears that SMEs still have trouble attracting and retaining talented individuals – especially because of France's

high labour costs – although they are more likely than their European peers to invest in their employees by offering them vocational training courses.

Policy-wise, the bill on vocational training, employment and social democracy ('loi relative à la formation professionnelle, à l'emploi et à la démocratie sociale') offers a reduction in taxes for companies which provide personal training accounts to their employees. The intention is to increase vocational training for people at risk, such as unemployed and less qualified workers. The text was adopted in early 2014.

Environment



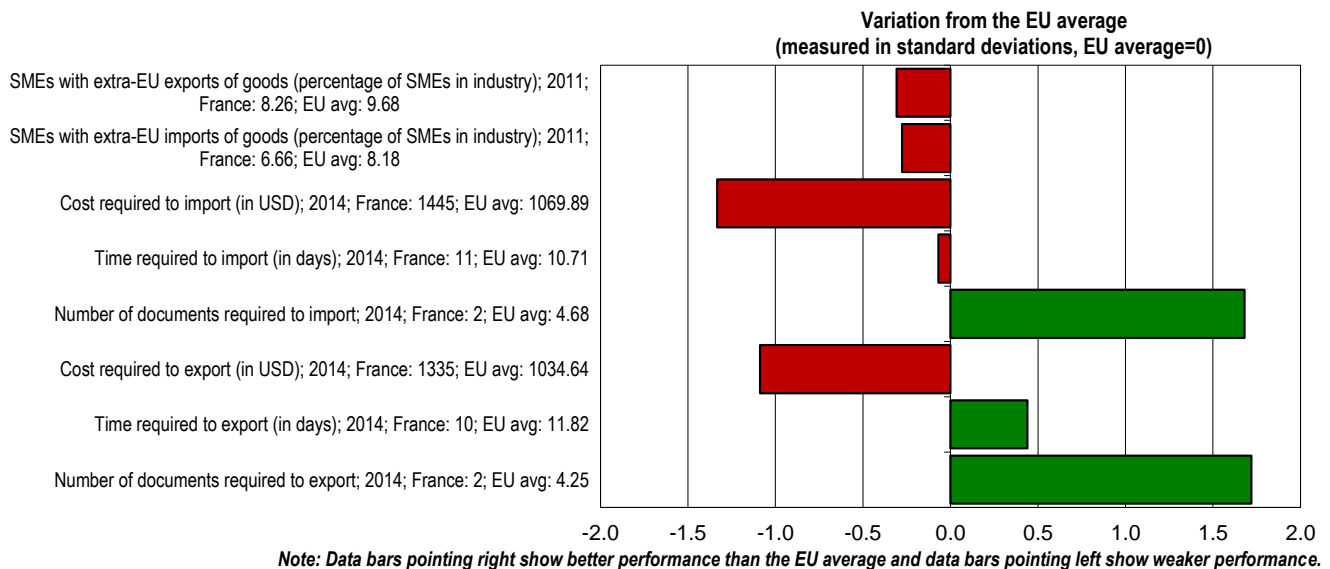
France has an average score in this field, but its performance varies somewhat between the individual indicators. On the one hand, a higher-than-average number of SMEs reported having benefited from public support for implementing resource-efficiency measures or for developing green products. French SMEs are also more likely to offer green products or services. However these segments rarely represent the core business of the company: only 14% of firms generate more than half of their revenues by selling green products or services.

On the public policy side, France has taken several measures to encourage sustainable and responsible public procurement. In 2013 it launched the revision of its action for sustainable public procurement

(PNAAPD), which integrates sustainable development into public procurement policies. The draft action plan sets some ambitious objectives so that 30% of all procurement transactions during the year include at least one environmental provision.

Since 2002 many national networks of public purchasers have helped regional and local authorities, despite their lack of sufficient resources, to include environmental and social provisions in their public procurement activities. Since January 2013, these networks are managed by the Ministry of Ecology, Sustainable Development and Energy.

Internationalisation



France offers comparatively good framework conditions for foreign trade, with customs procedures which are faster and less bureaucratic, although more costly, than in the EU, on average. However, it appears that the lack of financial, strategic and operational support for exports, or the lack of awareness thereof, are obstacles for SMEs looking for new markets. Consequently French SMEs operating in industrial sectors have a slightly below-average performance in goods trade with third countries.

On the policy side, in February 2014 the government proposed merging UBIFRANCE and the French Agency for International Investment (AFII) by the first half of 2015 to make more effective the services offered to companies looking for ways to export their products and services. The intention is to attract more companies into foreign markets and create jobs in France.

3. Good practice

Below is an example of an interesting policy practice from France to show what governments can do to support SMEs:

Bpifrance

The public investment bank Banque Publique d'Investissement (Bpifrance) was officially created in July 2013. Bpifrance merges four existing bodies for funding SMEs: OSEO (itself the merger of three bodies), the Strategic Investment Fund (FSI), FSI Regions and CDC enterprises. The bank is modelled on Germany's KfW (<https://www.kfw.de/kfw.de.html>)

The intention is to offer SMEs a 'one-stop' local financing service comprising a broad portfolio of funding instruments and advice. Bpifrance supports businesses as they develop, from start-up to growth and business transfer or buy out. By sharing the risk, Bpifrance facilitates SMEs' access to finance from banking partners or equity capital investors.

Bpifrance provides: support for innovation and funding for technology transfer and innovative, technology-based projects with real marketing prospects; guarantees for funding granted by banks and equity capital investors; loans; equity participation; and funding of investments and cash flow alongside the banks. The budget is EUR 42 billion for the period 2012-16. In 2013, Bpifrance provided EUR 10 billion of funding, EUR 8 billion in secured bank loans and EUR 1 billion in capital investment.

Bpifrance is an interesting case of good practice because it sets an example for merging similar services and clarifying the services provided to SMEs. The merger has also led to the development of new funding instruments and services to help SMEs. The institution is big but decision-making is devolved to the 22 regions. Bpifrance is showing the way in other areas, such as support for SMEs that want to export.

Bpifrance set out its strategic objectives for the period 2014-2017. By 2017 it aims to double its:

- development lending
- financing of France's 'energy transition'
- pre-financing of the tax credit for competitiveness and job creation (CICE)
- aid to innovation
- export lending (by strengthening the partnership with UBIFRANCE)

Over the period it also aims to:

- innovate on long term credits
- develop cash-flow financing instruments
- increase capital transactions by 30% per year
- increase funding for the Social and Solidarity Economy (SSE).

In its strategic plan, Bpifrance provides a list of indicators to measure its future achievements.

References

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http://www.bpifrance.fr/actualites/a_la_une/bpifrance_premier_bilan_d_activite_2013

Important remarks

The Small Business Act (SBA) Fact Sheets are produced by DG Enterprise and Industry as part of the SME Performance Review (SPR), which is 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 nine non-EU countries which also contribute to the EU's Competitiveness and Innovation Framework Programme (CIP). Produced annually, the Fact Sheets 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 States' policies but should be regarded as an additional source of information designed to improve evidence-based policy-making. For example, the Fact Sheets cite only those policy measures deemed relevant by local SME policy experts. They do not, and cannot, reflect all measures taken by the government over the reference period. More policy information can be found on a database accessible from the SPR website. Please also see the end notes overleaf.

For more information

SME Performance Review:

http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm

Small Business Act:

http://ec.europa.eu/enterprise/policies/sme/small-business-act/index_en.htm

The European Small Business Portal:

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

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¹ The 2014 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.

² It should be noted that the SME definition applied to these statistics relates only to the employment criterion. Statistical studies in France have shown that 33 % of SMEs with 10 to 249 employees belong to a group of companies (*cf.* « Quand les PME changent de main », L'Observatoire PBCE, December 2012) and might not meet the full SME definition. Consequently, the number of small and medium-sized enterprises in France is estimated at around 131 000 in 2009 (*cf.* INSEE Première No 1399, March 2012).

³ Calculation based on GDP in euros provided by AMECO, http://ec.europa.eu/economy_finance/ameco/user/serie/SelectSerie.cfm (last update 25 Feb 2014).

⁴ http://www.economie.gouv.fr/files/files/directions_services/mediateurducredit/pdf/Rapport-OFE_situation_economique_et_financiere_des_PME.pdf see page 11, accessed: 27.03.2014.

⁵ <http://www.oecd.org/fr/eco/etudes/Synthese%20France%202013.pdf> see page 54, accessed: 27.03.2014.

⁶ http://www.fnaim.fr/communiquedepresse/1527/10-bilan-fnaim-2013-du-marche-francais-du-residentiel-ancien.htm?Find=1&CMP_MOTCLE=emploi, accessed: 27.03.2014.

⁷ http://www.insee.fr/fr/themes/document.asp?reg_id=0&ref_id=T14F206, accessed: 27.03.2014.

⁸ Observatoire de la petite entreprise, FCGA, April 2014.

⁹ http://www.insee.fr/fr/indicateurs/ind41/20140214/Creations_14fevrier2014.pdf, accessed: 27.03.2014.

¹⁰ <http://www.lefigaro.fr/conjoncture/2013/09/20/20002-20130920ARTFIG00499-l-autoentrepreneuriat-a-genere-15-milliards-de-chiffre-d-affaires-depuis-2009.php>, accessed: 27.03.2014.

¹¹ <https://www.banque-france.fr/economie-et-statistiques/stats-info/detail/defaillances-dentreprises.html>, accessed: 27.03.2014.

¹² https://www.banque-france.fr/uploads/tx_bdfstatistiquescalendrier/2013-12-stat-info-defaillances-entreprises.pdf, accessed: 27.03.2014.

¹³ http://www.insee.fr/fr/ffc/docs_ffc/ES462C.pdf, accessed: 27.03.2014.

¹⁴ <http://www.gouvernement.fr/premier-ministre/pacte-de-responsabilite-vers-un-compromis-social-historique>

¹⁵ http://ec.europa.eu/economy_finance/publications/european_economy/2014/pdf/ee2_en.pdf, accessed: 26.03.2014. Page 66.

¹⁶ The three graphs below present the trend over time for the variables. They consist of index values for 2008 to 2015, with the base year 2008 set at a value of 100. As from 2012, the graphs show estimates of the development over time, produced by DIW Econ on the basis of 2008-11 figures from the Structural Business Statistics Database (Eurostat). The data cover the '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 the financial sector, 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/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm.

¹⁷ The policy measures presented in this SBA Fact Sheet represent only a selection of the measures taken by the government in 2013 and the first quarter of 2014. The selection was made by the national SME policy expert contracted by CARSA Spain (DG Enterprise's lead contractor for the 2014 Fact Sheets). The experts were asked to select only those measures that, in their view, were the most important, i.e. were expected to have the highest impact in the specific SBA area. The complete range of measures that 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 Enterprise website.

¹⁸ The quadrant chart combines two sets of information: first, it shows the status quo 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 EU-28. The vertical corridor marked by the dotted lines defines the EU average. Secondly, it reveals progress over time, i.e. the average annual growth rates for 2008–14. The growth rates 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 rest of the EU at a given point in time, but also about the extent of progress made in 2008-14.