

2016 SBA Fact Sheet

Poland



Key points

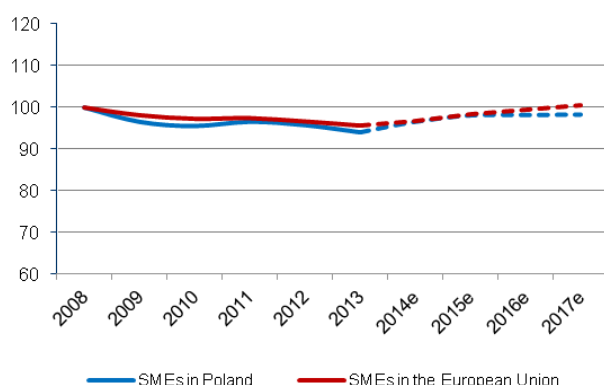
Past & future SME performance:¹ In 2015, value added by Poland's SMEs for the first time exceeded its 2008 level. It is expected to stagnate in 2016 and start growing again at a rate of 5 % in 2017. Employment in SMEs remained 2 % lower than in 2008 and is expected to remain unchanged until 2017. Compared to the EU generally, Polish SMEs provide a significant contribution to employment — accounting for 69 % of persons employed in the 'non-financial business economy' — and a smaller contribution to value added — 52 %.

Implementing the Small Business Act for Europe (SBA): In 2015, conditions for small businesses in Poland varied from one SBA area to another. Access to finance was the policy priority for a number of years, and the country's results were strongest there. Conditions were average in most SBA areas: 'Responsive administration', State aid & public procurement, Environment and Internationalisation. The main fields where performance needs to be improved were 'Second chance', Single market and Skills & innovation. Poland has recently introduced policy measures addressing 'Second chance' and Skills & innovation but the results are not yet reflected in statistics. The mechanisms for transposing EU law into national legislation need significant improvements to address the shortfall in performance related to the single market.

SME policy priorities: Skills & innovation, the application of the 'Think Small First' principle and 'Second chance' emerge as the key SME policy priorities. Some policy measures have now been put in place in these areas, but their results are yet to materialise. Strong support for the development of the knowledge-based economy and the culture change towards becoming more respectful of the needs of small businesses need to become the key features of the business environment. The impact assessment process is still weak and efforts to reduce administrative burden should be pursued. Special focus should be put on the effective transposition of EU law.

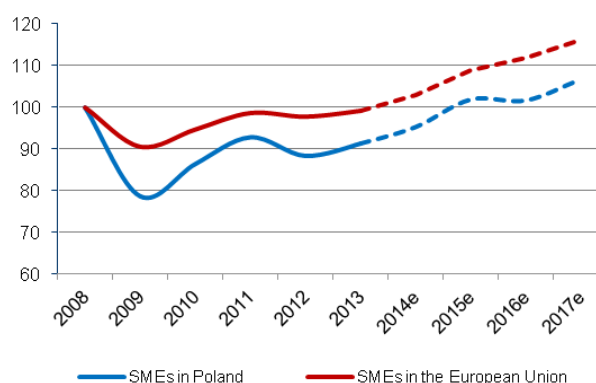
Number of persons employed in SMEs

(Index: 2008=100, estimates as from 2014 onwards)



Value added of SMEs

(Index: 2008=100, estimates as from 2014 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. Published annually, the SBA fact sheets aim to improve the understanding of recent trends and national policies affecting SMEs. Since 2011, each EU Member State has appointed a high-ranking government official as its national SME envoy. SME envoys spearhead the implementation of the SBA agenda in their countries.

Table of Contents

Key points	1
1. SMEs — basic figures.....	2
2. SBA profile	4
3. SBA principles.....	6
3.0 'Think Small First'	6
3.1 Entrepreneurship.....	7
3.2 'Second chance'.....	8
3.3 'Responsive administration'.....	9
3.4 State aid & public procurement.....	10
3.5 Access to finance.....	11
3.6 Single market.....	12
3.7 Skills & innovation.....	13
3.8 Environment.....	14
3.9 Internationalisation.....	15
4. Interesting initiative.....	16

1. SMEs — basic figures

Class size	Number of enterprises			Number of persons employed			Value added		
	Poland		EU28	Poland		EU28	Poland		EU28
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	1 466 188	95.0 %	92.8 %	3 074 929	36.3 %	29.5 %	33.9	17.9 %	21.2 %
Small	58 900	3.8 %	6.0 %	1 226 673	14.5 %	20.2 %	26.8	14.2 %	18.0 %
Medium-sized	14 706	1.0 %	1.0 %	1 543 302	18.2 %	17.0 %	38.2	20.2 %	18.2 %
SMEs	1 539 794	99.8 %	99.8 %	5 844 904	68.9 %	66.8 %	98.9	52.3 %	57.4 %
Large	3 048	0.2 %	0.2 %	2 635 363	31.1 %	33.2 %	90.1	47.7 %	42.6 %
Total	1 542 842	100.0 %	100.0 %	8 480 267	100.0 %	100.0 %	189.0	100.0 %	100.0 %

These are estimates for 2015 produced by DIW Econ, based on 2008-13 figures from the Structural Business Statistics Database (Eurostat). The data cover the 'non-financial business economy', which includes industry, construction, trade, and services (NACE Rev. 2 sections B to J, L, M and N), but not enterprises in agriculture, forestry and fisheries and the largely non-market service sectors such as education and health. The advantage of using Eurostat data is that the statistics are harmonised and comparable across countries. The disadvantage is that for some countries the data may be different from those published by national authorities.

SMEs in Poland account for 99.8 % of businesses in the Polish 'non-financial business economy'. There is a higher proportion of micro-enterprises in Poland than in the EU generally. Polish SMEs are more labour-intensive than the EU average, particularly compared to the value added they create. In 2015, Poland's SMEs produced 52 % of value added, around 5 percentage points below the European average, and yet they accounted for 69 % of total employment, approximately 2 percentage points above the European average.

Low productivity is an issue for Polish firms in all size classes. SMEs' labour productivity, calculated as the ratio of value added to employment, was less than 40 % of the EU average, (EUR 16 920 per person, against an EU average of EUR 43 404). In 2015, micro-firms recorded the largest productivity gap. Their labour productivity amounted to EUR 11 030 per person, which was 70 % below the European average of EUR 36 296. This phenomenon is partly explained by the fact that Polish companies tend to be run with relatively little capital.² Their asset base is usually relatively small and their investment in expanding and modernising their asset base is typically limited.

At the same time, low labour costs and additional flexibility offered until recently by so-called ‘junk contracts’ encouraged businesses to rely on labour to a higher degree than on capital.

The Polish economy has expanded every year since 2010 with annual growth rates ranging between 1.3 % and 5 %.³ SMEs played a role in this development: their value added in the ‘non-financial business economy’ increased by 3.3 % per year between 2010 and 2015. Employment grew by 0.5 % per year in the same period.

SMEs in the *administrative and support service activities* sector experienced particularly strong growth. In 2015, SME value added was 40 % higher than in 2010, and employment was 13 % above that of 2010. These increases were driven by strong growth in two specific subsectors: *rental and leasing activities* and *employment activities*. The value added of *rental and leasing activities* grew by 62 % between 2010 and 2015, and SME value added in this subsector went up by 102 %. This growth resulted from Polish businesses’ increasing use of leasing.⁴ In 2014, the volume of new leasing contracts rose by 21.3 %, worth an extra PLN 42.8 million. In the first half of 2015, the total value of the leasing industry’s active portfolio stood at PLN 80.4 billion.⁵ The *employment activities* subsector experienced the strongest growth in SME employment, fuelled by rising demand for temporary workers. In 2014, 699 278 people were employed either on fixed-term contracts or as temporary agency workers, which marks a 25 % increase from 2013.⁶

SMEs in the *professional, scientific and technical activities* sector grew by 10 % in value added and 18 % in employment between 2010 and 2015. As this sector includes many services related to *construction activities* and the *real estate* market, it benefited from growth in both of these markets.⁷ In addition, the tendency of Polish firms to outsource services, which is considered to be an effective way to cut costs,⁸ increased the demand for service companies in the sector. However, value added growth was suppressed because this market includes many small, inexperienced companies which offer their services at very low prices. This explains why employment growth outpaced value added growth in this sector.

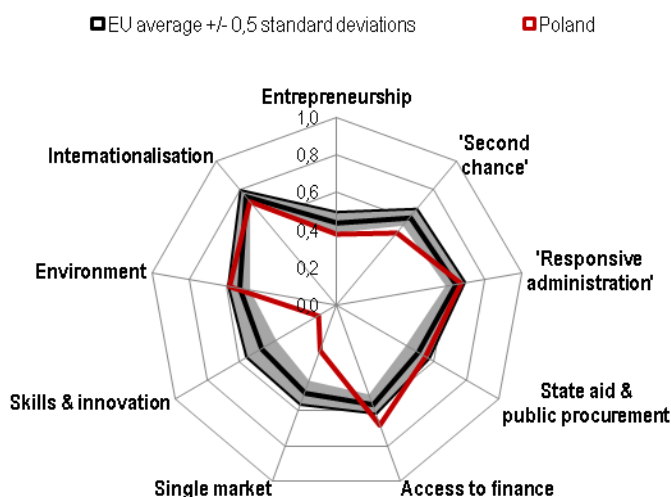
Transport and storage also performed well. Between 2010 and 2015 SME value added in this sector increased by 13 %. SMEs benefited from Poland’s position as the largest logistics market in eastern Europe, and from the continuing shift of Europe’s logistics activities from Germany to Poland.^{9 10} This was partly due to Poland’s favourable geographic location but also due to its competitive labour costs.¹¹ Healthy economic developments in this sector were also helped by greater activity in maritime transportation — the volume of cargo handled in Polish seaports increased to a record level of 538 000 freight units in 2015.¹²

A total of 342 466 new businesses were registered in 2015, almost identical to the previous year’s total of 343 214.¹³ This was driven by the positive economic situation in 2015, offering the potential for good earnings, even for micro-firms.¹⁴ Most of the new companies were set up as micro-businesses — roughly

288 000 of the 342 466 firms registered in 2015.¹⁵ According to estimates, the number of de-registrations in 2014 was 290 393, implying a net gain of approximately 43 000 companies in 2014.¹⁶

The outlook for Polish SMEs is mixed. In 2016, value added is expected to remain at its 2015 level. In 2016–2017, growth in SME value added in the ‘non-financial business economy’ is projected to increase by 5.0 %. However, this positive development will not be accompanied by employment growth. Instead, forecasts show that SME employment will stay at the 2015 level until 2017.

2. SBA profile¹⁷



Poland's SBA profile shows uneven performance. Access to finance is the country's main strength. The results are average for 'Responsive administration', State aid & public procurement, Environment and Internationalisation. Areas in which the country trails the EU average include Entrepreneurship, 'Second chance', Single market and Skills & innovation. There are no major changes compared to last year. Performance in Internationalisation improved, which was mainly due to methodological changes, while in the area of Entrepreneurship the country was doing slightly worse than the year before.

Poland has not adopted a specific strategy for SBA implementation.

The SBA monitoring process was launched in 2014 and is performed on an annual basis. The main findings are presented in Annex 2 to the 'Entrepreneurship in Poland' report ('Przedsiębiorczość w Polsce').¹⁸ The most recent report was published in September 2015, and provides an assessment for 2014. The Ministry of Economic Development is currently responsible for the process. The implementation of actions related to the SBA is also outlined in the National Reform Programme — a document which presents the country's policies and measures to sustain growth and jobs and to reach the Europe 2020 targets. Further information on recent developments and measures related to the SBA is available in the annual report on the state of the economy (*Raport o stanie*

gospodarki, Ministerstwo Gospodarki) prepared by the Ministry of Economic Development.

Since 2008, policy efforts have focused on the areas of 'Responsive administration', State aid & public procurement and Access to finance. According to the latest data, these areas have reached good levels of performance.

Poland needs to make progress in the area of the Single market, where the process of transposing EU directives into national law has been inefficient and slow. Central administration should bring improvements to the way in which it transposes EU law. Skills & innovation was the SBA area where Poland performed worst. A number of policy measures were put in place in 2015 and the first quarter of 2016 to address the situation, but their results are yet to be reflected in the statistics.

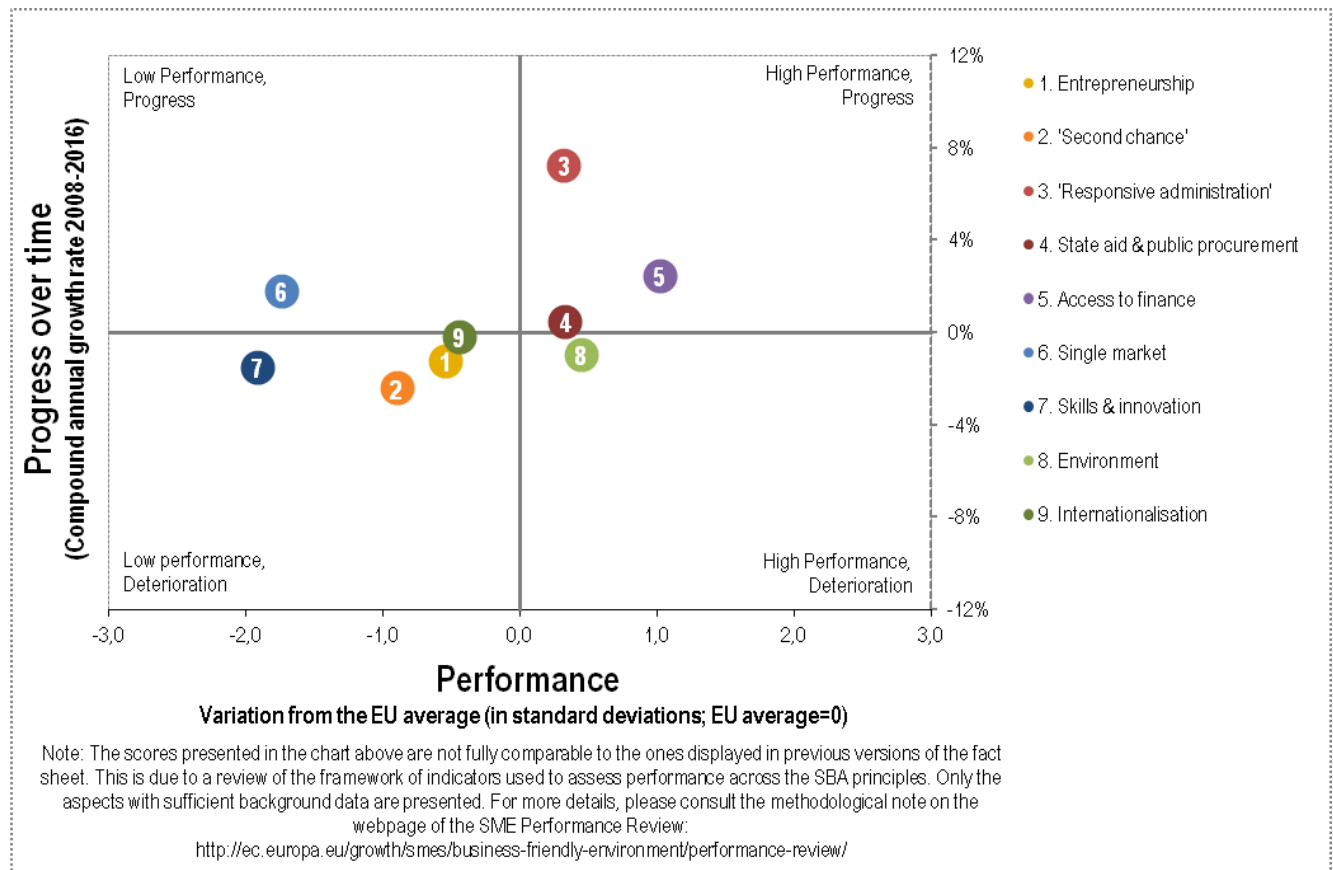
The policy measures presented in this fact sheet are a selection of those introduced by the government in 2015 and the first quarter of 2016 (the reference period). Policy-making activities during 2015 were significantly marked by presidential and parliamentary elections (May and October 2015), following which the balance of power shifted towards the Law and Justice party. For the current government, support for SMEs and improving the business environment is at the top of its economic agenda. However, implementation is key and it will need to be monitored and evaluated on a continuous basis.

In the reference period, Poland introduced 24 policy measures, addressing 7 policy areas under the SBA. Stakeholders acknowledge that progress in implementing the SBA has been significant.

Skills & innovation saw most progress in 2015. Some 13 new measures were implemented there. These include setting up the Innovation Council, an inter-ministerial body supporting the development of new products and processes in SMEs and reviewing the country's innovation policy framework. 'Second chance' and 'Responsive administration' attracted three new policy measures each. In Access to finance there were two new government initiatives, while there was one new measure introduced for each of the three following policy areas: 'Think Small First', State aid & public procurement, and Environment.

No significant new measures were introduced in the areas of Entrepreneurship, Single market or Internationalisation.

SBA performance of Poland: state of play and development from 2008 to 2016¹⁹



3. SBA principles²⁰

3.0 'Think Small First'

The 'Think Small First' principle is intended as a guiding principle for all policy- and law-making activities. It requires policy-makers 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.

The 'Think Small First' area saw some progress and needs further work especially as regards the practical aspects of ensuring the government's commitment to the smallest businesses. Despite the policy initiatives put in place, Poland needs further action to help SMEs deal with the major challenges in the regulatory environment.

The main development in the reference period was the adoption of guidelines for regulatory impact assessment and stakeholder consultations (May 2015). The new guidelines strengthen the role of both impact assessment and stakeholder consultations in the government's legislative process. The guidelines also emphasise the importance of applying the 'SME test' to new proposals.

The Polish Agency for Enterprise Development carried out a pilot project on the 'SME test', which resulted in the development of 10 practical examples. In line with the new guidelines and with the eligibility requirements for EU structural funding (so-called *ex ante conditionalities*), all government departments preparing new policy proposals should systematically perform the 'SME test' in the legislative process. Practical implementation of this requirement will be closely monitored.

Poland should seek ways to make the regulatory impact assessment process more transparent, more evidence-based and better insulated from political influence. The government should continue publishing all impact assessment reports on a dedicated website (legislacja.rcl.gov.pl). It is recommended that a committee to review the quality of impact assessment reports be set up. The committee should be made independent of the Prime Minister's Office's influence.

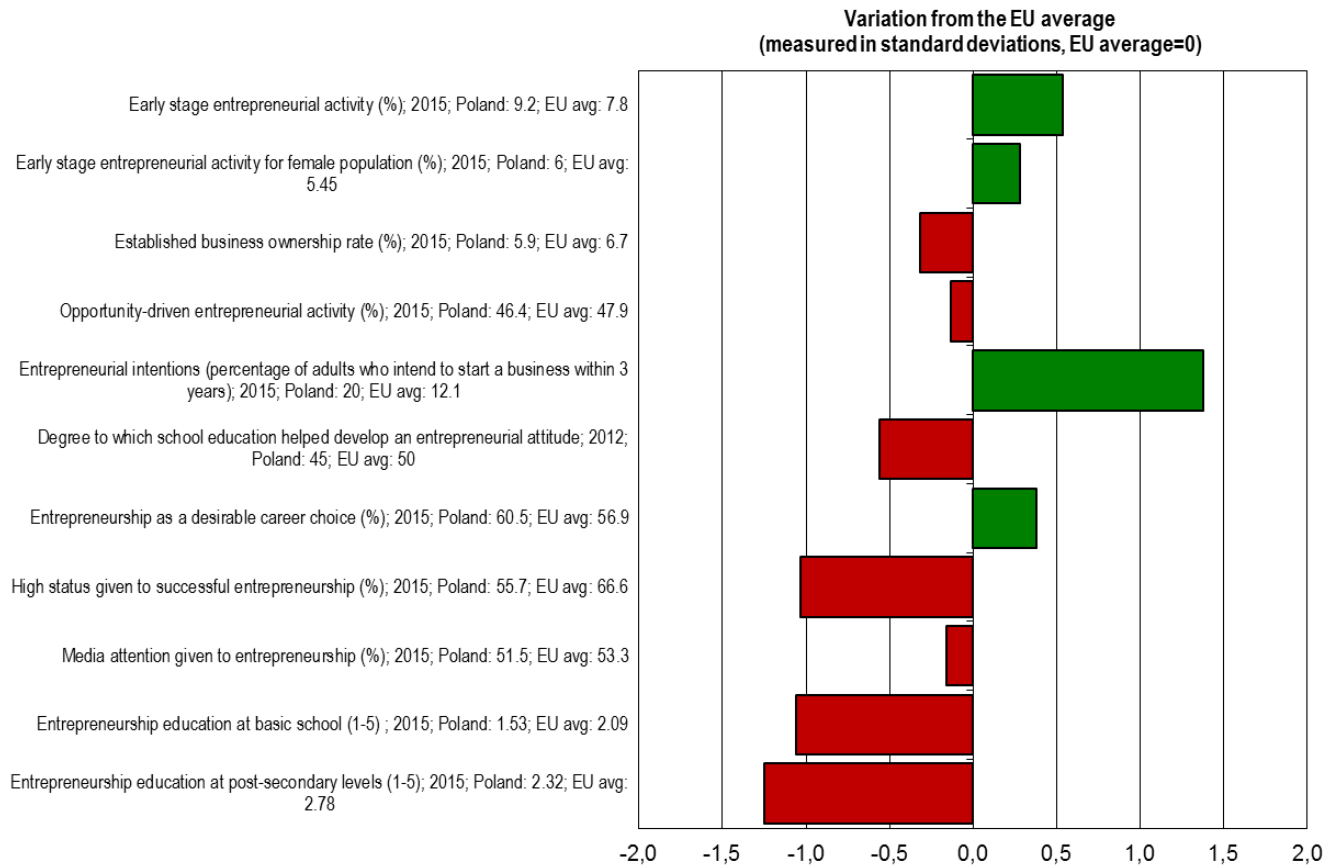
Developments in the consultation of SME stakeholders in legislative process were mixed. Since 2014, entrepreneurs and stakeholders have had access to the new online consultation portal²¹ (*Rządowy portal konsultacji publicznych*). However, the portal is not yet fully functional (it continues as a beta version) and it has not been used for many legislative proposals since its launch. Notably, since mid-2016 the portal started to include most of the primary legislation projects concerning entrepreneurs.

By contrast, many legislative acts were adopted via the parliamentary legislative project procedure, with looser quality requirements than the procedure applied to government legislative projects. This prevented stakeholders from being able to properly participate in the consultation and government officials from carrying out impact assessments, including the 'SME test'. Stakeholders consider that many regulations, including fiscal rules, continued to be complex and burdensome, particularly for micro-firms. The number of new business-related laws and regulations remained high. On a positive note, common commencement dates (introduced before the reference period) helped businesses better master compliance with newly introduced laws.

Many professions in crucial sectors were still over-regulated, e.g. the construction sector suffered from a lack of spatial planning at municipal level, in particular in suburban areas.

The judicial system continued not to be fit for purpose, with only 50 courts out of 300 designed to deal with business cases. Courts continued to be slow in delivering judgments. At the same time, expenditure on the justice system was one of the highest in the EU. The government took steps to promote out-of-court settlements, by reducing the costs of disputes and introducing major changes to the mediation procedures. The relevant amending law was passed in September 2015 and is expected to simplify business activity for micro-firms.

3.1 Entrepreneurship



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

Poland's performance was slightly below the EU average. There were no significant changes from the previous year. The situation has been slightly deteriorating since 2008.

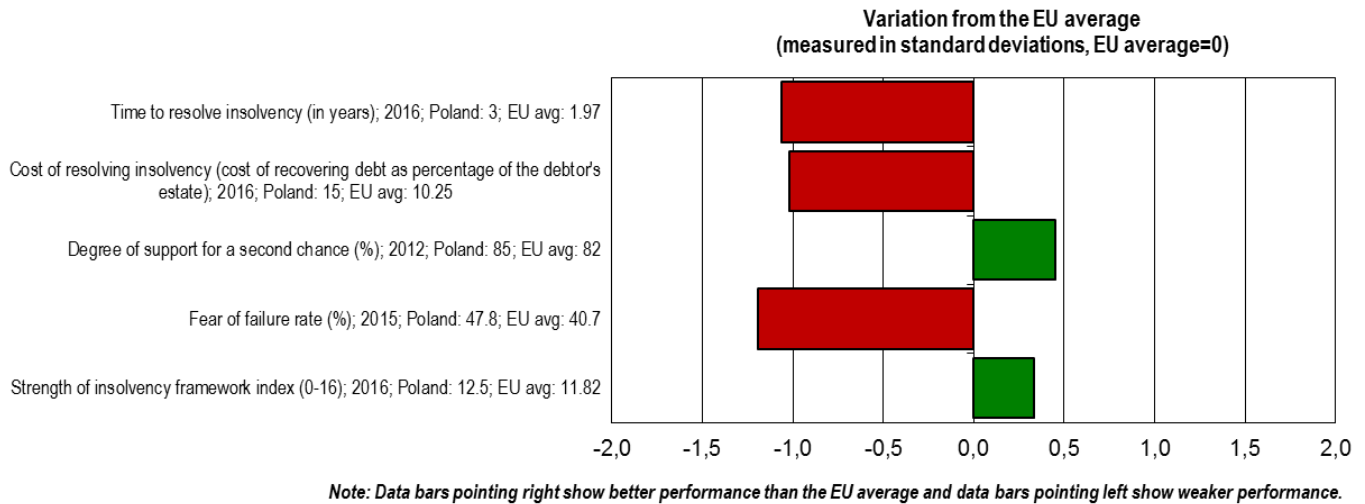
Poles are more prone to consider starting a business during the next 3 years than average Europeans, despite the fact that the perception of existing market opportunities is not higher than the EU average. Being successful in entrepreneurial ventures does not boost a person's social status as much as in the EU on average.

Entrepreneurship education was the main area for improvement. School curricula did not provide a sound basis for developing an entrepreneurial attitude.

Since 2008, Poland has introduced a number of policy measures designed to boost entrepreneurship, including the '2020 Enterprise Development Programme'. The two main fields in which policies remained insufficiently developed include business transfers and support to entrepreneurship potential among immigrants.

During 2015 and first quarter of 2016, there were no significant additional measures introduced in the area of Entrepreneurship. In June 2016, the government presented the first deregulation package. Another major package for entrepreneurs, called The Constitution for Business, is announced for the autumn.

3.2 'Second chance'



'Second chance' means ensuring that honest entrepreneurs who have gone bankrupt get a second chance quickly.

Poland's performance in this area continued to remain below the EU average. It was driven by the excessive time taken and cost to resolve insolvency and above-average fear of failure. Since 2008, the country's results in this area have been deteriorating. Policy is currently under way to address the situation.

Poland's 'new chance policy'²² from 2014 covers the main issues related to this area. It is a policy initiative geared at better preventing bankruptcies, reducing the risk of early liquidation, liquidating bankrupt businesses efficiently and facilitating the re-launch of business activities.

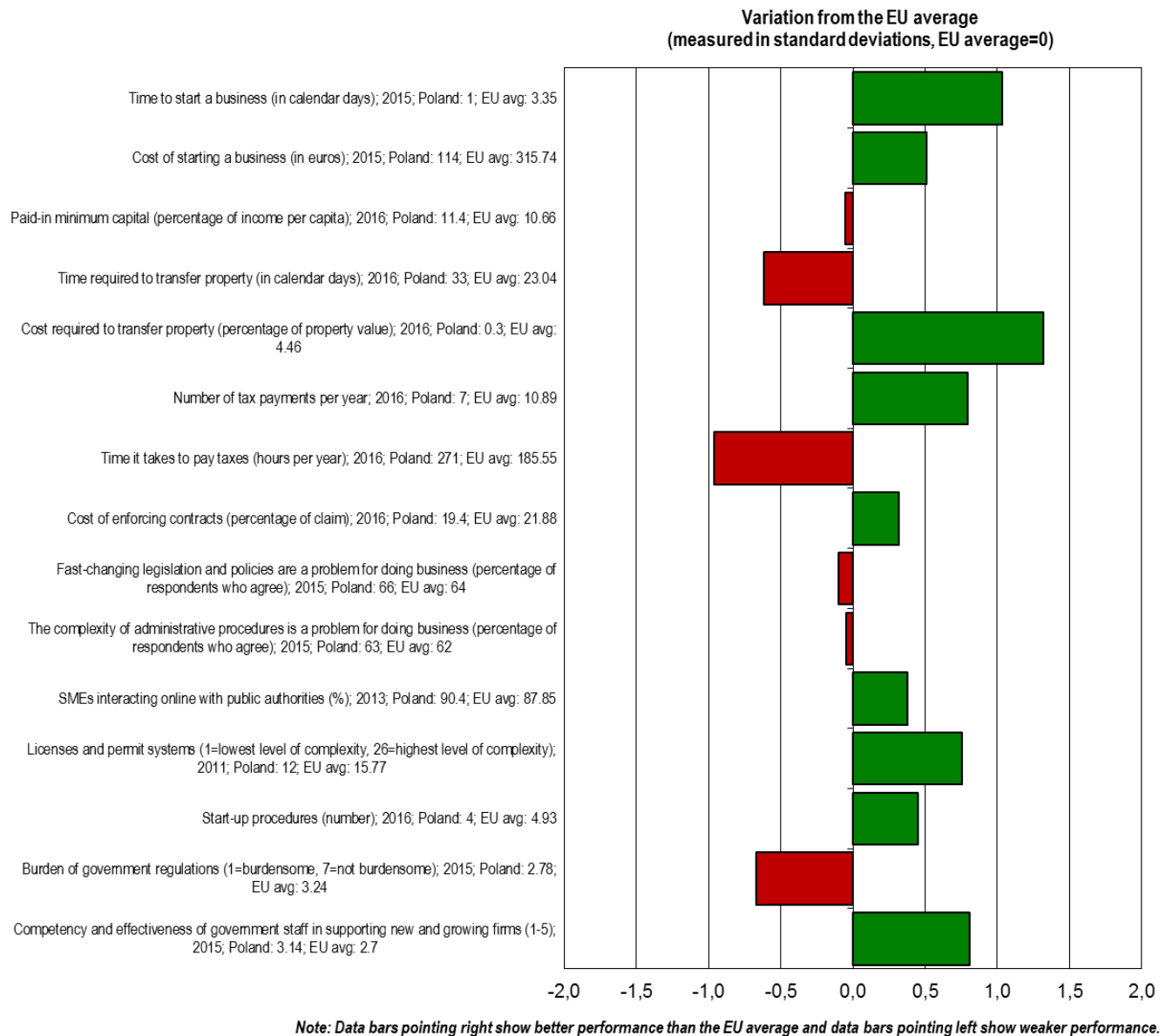
During the reference period (in 2015 and first quarter of 2016), the following measures were adopted in the area of 'second chance':

- The Restructuring Law aims to facilitate restructuring and prevent liquidation. It introduced four types of restructuring procedures that better respond to the different needs of businesses in financial difficulty. All procedures are accelerated and simplified. The first two, approval of arrangement procedures and accelerated arrangement procedures, now allow a settlement to be reached in a very short time. It is assumed that these two types of procedures will be most frequently used by SMEs. The last one, called remedial procedure, enables a profound restructuring by applying special measures, usually applicable only in liquidation proceedings. These measures aim to

restructure the debtor's business by restoring financial liquidity, credibility, market position and profitability.

- Other measures protecting creditors have been introduced, such as the possibility for entrepreneurs to start negotiations with creditors to reach an out-of-court agreement, and a flexible definition of insolvency is now in place. Under the new provisions, the court is obliged to examine the overall economic situation of the debtor. The previous definition of insolvency allowed a creditor to file for bankruptcy if an unpaid invoice was outstanding, irrespective of whether the debtor failed to fulfil all or only part of their obligations. As a result, failure to pay a small amount could previously have led to a decision on bankruptcy.
- The new law also assigned a dedicated tribunal to cases of company restructuring and created a Central Register of Restructuring and Bankruptcy that will start operations on 1 February 2018.
- A promotion campaign on the second chance policy aims to improve social attitudes towards unsuccessful entrepreneurs. It also seeks to turn the mostly emotional perception of business failure into a rational one and to promote good management practices. The activities provide information on assistance available to entrepreneurs in difficulty. There is now a website dedicated to the topic and a conference 'Business failure — first step to success' took place in December 2015.

3.3 'Responsive administration'



'Responsive administration' means public administration being responsive to the needs of SMEs. The quality of service provided by Poland's government authorities remains average, although this is the SBA area in which Poland made most progress since 2008.

Most indicators did not significantly change in the course of last year. The notable exception was the indicator measuring the number of tax payments per year, which went down from 18 to 7. Regrettably though, the fiscal burden on Polish SMEs remained high as the time required to pay taxes remained largely unchanged. On average it took companies 271 working hours to do so, while the EU average was 186 hours.

Government staff do well in supporting new and growing firms. Their competency and effectiveness are perceived as better than average in the EU.

Policy-wise, the record since 2008 has been mixed. The government introduced a number of important measures, such as: e-services, common commencement dates and the 'tax portal'. Despite that, the implementation of e-services remains to be made fully operational and the electronic platform of public administration (ePUAP) has not yet reached its planned level of functionality. The degree of the platform's implementation varies across individual local administration offices. As a result, a number of services continue not to be offered while some others are only available in a selected

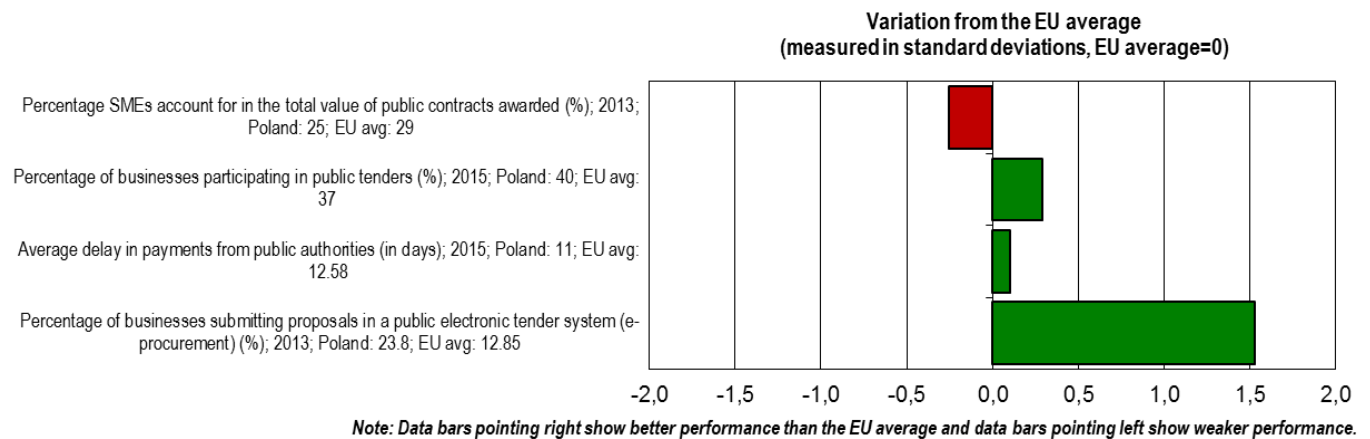
number of offices,²³ not necessarily where they are most needed. There are plans to make the platform more consistently useful in the longer-term and to make more services available across the country.

Stakeholders indicated room for improvement in communicating with public services. One of the major obstacles for SMEs is the lack of opportunity to challenge decisions on further control procedures in the administrative court. SMEs are therefore not adequately protected against potential incompetence or ill will

on the part of public officials. SMEs may challenge a decision on their business audit within 3 days from the start of the control. The controlling authority has 3 days to reply and there is no possibility to appeal against that decision to the administrative court.

During the reference period, Poland made limited progress in this SBA area. The policy measures adopted include the web tool for checking the VAT status of a business (whether it is an active taxpayer or not).

3.4 State aid & public procurement



Poland's performance in this area continued to be average. There was a slight increase in the proportion of businesses that had taken part in a public tender (from 36 % up to 40 %). Public authorities' payment culture slightly improved, although payments continued to be made after their due date (on average 11 days after the deadline, down from 18 days a year earlier).

The available data show that since 2008 Poland has been slowly making progress in this area.

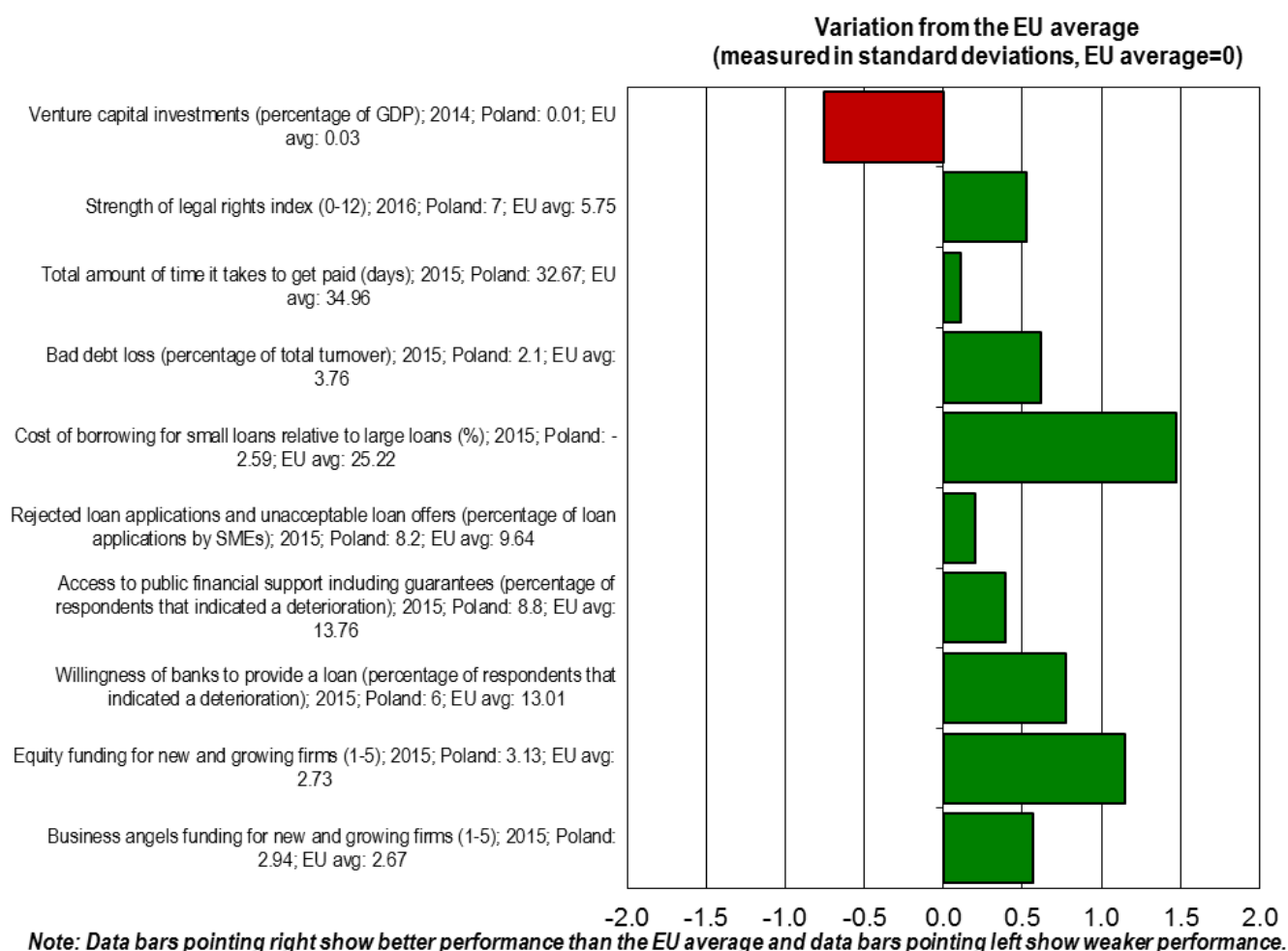
The progress made since 2008 has been mixed. Amendments to the public procurement law were aimed at strengthening the price-quality ratio as the main contract award criterion, instead of the widely applied lowest price criterion. Currently at least one criterion other than lowest price is to be applied in awarding contracts. The changes did not bring the expected results partly because the importance of the non-price criterion is frequently insignificant. Large tenders continued not to be divided into lots, which would have helped to make them more accessible to

SMEs. Required qualifications or financial requirements were not set by default in a way that would enable micro-enterprises to bid in tenders.

Poland missed the April 2016 deadline for transposing the EU public procurement directives (2014/23/EU, 2014/24/EU and 2014/25/EU). The directives seek to make it easier and cheaper for SMEs to bid for public contracts, to ensure the best value for money for public purchases and to respect the EU's principles of transparency and competition.²⁴ Transposition is expected to be completed mid-2016. The quality of the transposition remains to be reviewed.

No significant measures were adopted in 2015 and the first quarter of 2016. Polish authorities need to make considerable efforts to achieve e-procurement goals before the 2018 deadline, although Poland made some progress in implementing e-procurement solutions.

3.5 Access to finance



Poland continued to perform well in providing SMEs with access to finance.

Banks were providing financing to small companies relatively easily. Notably, the cost of borrowing was lower for small loans than for large ones. Both the rate of rejected loan applications and the bad debt loss fell by around 50 % from the previous year. Even equity funding for new and growing firms was easier to get than in the EU on average. The only weak element in the system related to the availability of venture capital.

In terms of progress made since 2008, Access to finance was the SBA area where Poland took the second biggest step forward.

Since 2008, the government has considered the availability of finance as the main priority to boost growth. Consequently, all SBA recommendations in this area have been addressed and most of the implemented measures turned out to be functioning well. Consistent policy support in the area throughout the years has resulted in a solid and improving performance.

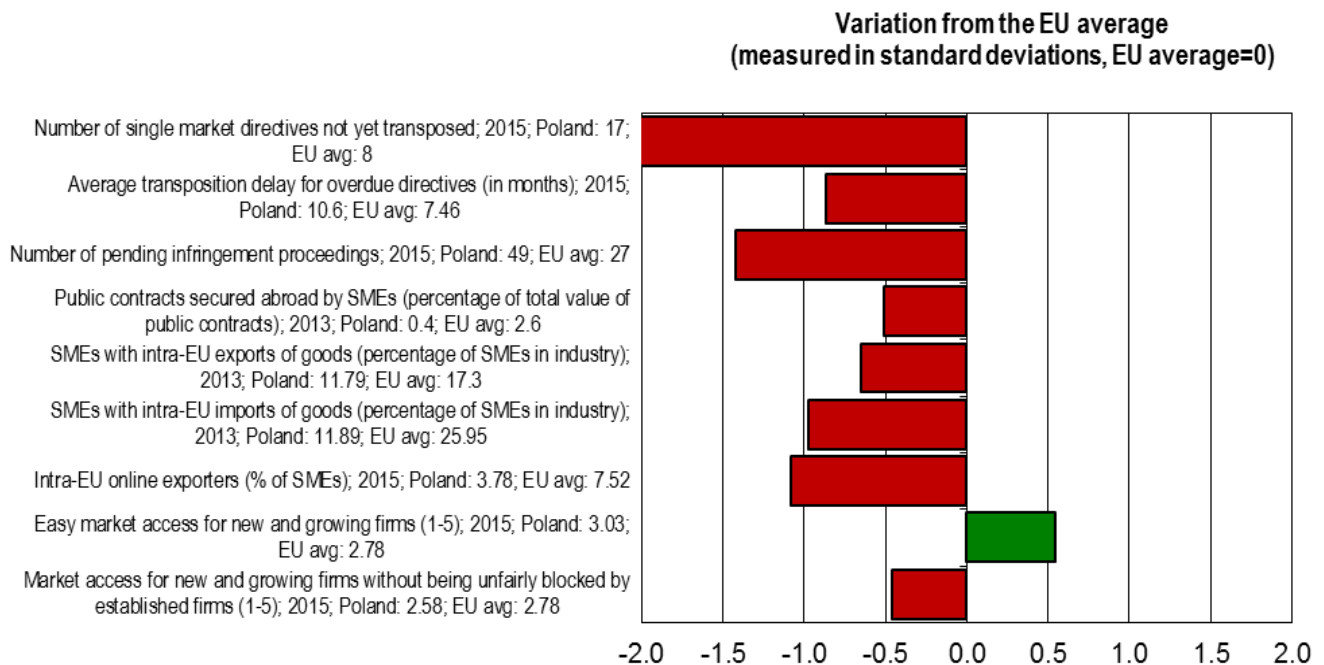
The most notable measure implemented during the reference period for this fact sheet was the loan for technological

innovation (supported by EU funding). The loan specifically aims to support technological innovation in SMEs. The format of the loan requires the beneficiary to finance 25 % of the project's eligible costs from its own resources and the rest is financed with a bank loan. The technological premium is a third financing element, and takes the form of a public grant. The grant can be used to partly repay the outstanding capital of the loan. SMEs may receive up to EUR 1 300 000 (covering up to 70 % of total eligible investment costs). Some 17 commercial banks take part in this programme²⁵.

The 'de minimis' guarantee programme, continued from previous years, achieved considerable results in 2015, providing more than 24 000 SMEs with PLN 8.9 billion in guarantees and PLN 15.8 billion in bank loans²⁶.

In February 2016, a new tax on the assets of banks and insurance companies operating in Poland entered into force. The new tax is expected to affect the profitability of the sector and may affect lending rates.

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 remained poor despite the policy efforts made since 2008. Data show slow progress being made since 2008.

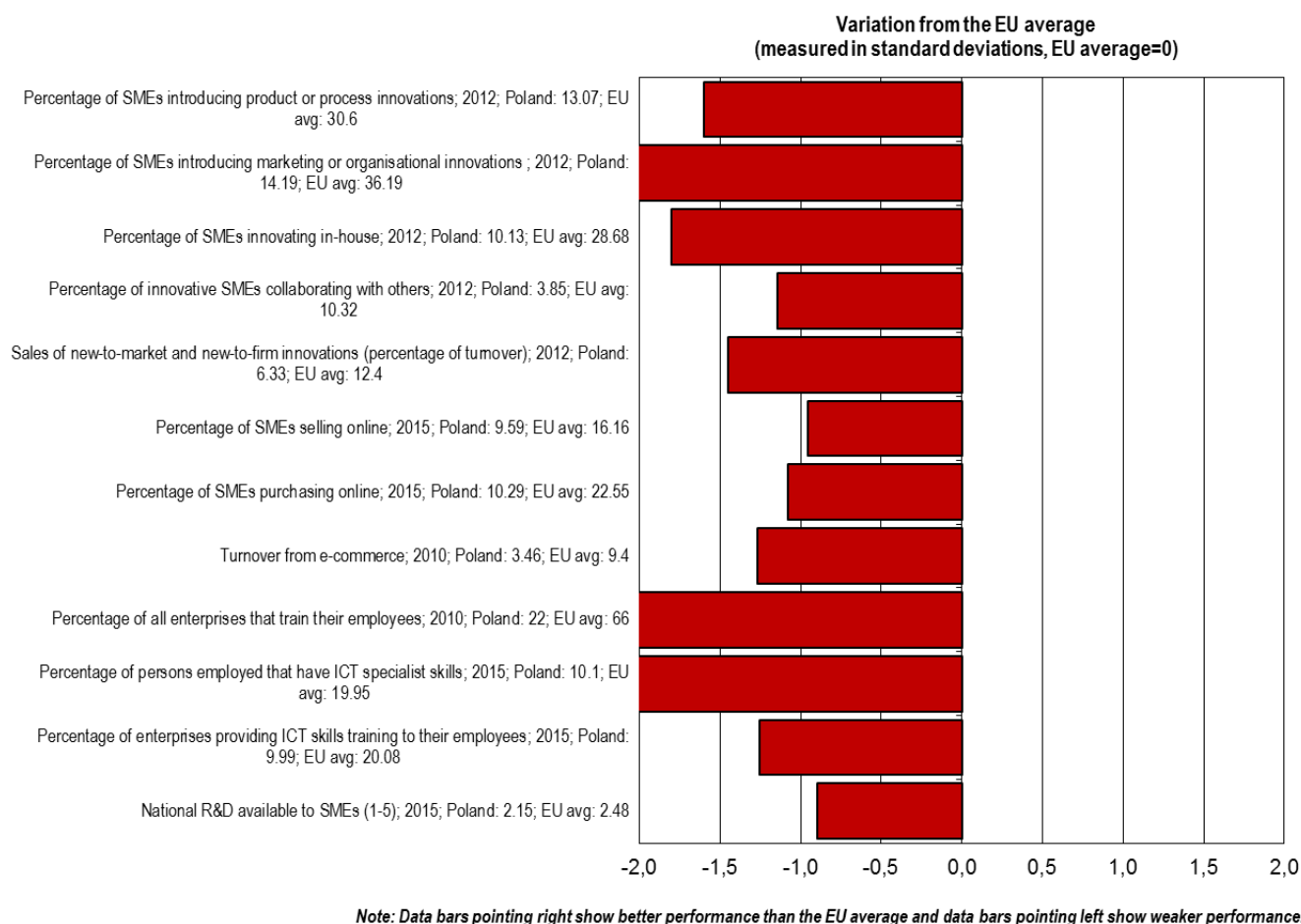
Poland was the Member State with the highest compliance deficit as far as transposition of law is concerned, according to the EU Single Market Scoreboard 2014.²⁷ The process of transposing European directives into Polish law continued to underperform. The number of directives awaiting transposition was 110 % higher than the EU average, the time taken to transpose a directive was 40 % longer than average, and the number of infringement proceedings exceeded the EU average by more than 80 %.

Poland's SMEs continued to do business in the single market on a smaller scale than the EU average. Only 12 % of them report exports to other EU countries, compared to the EU average of 17 %. Approximately 12 % of Poland's SMEs reported import purchases in other EU countries, while the EU average share stands at 26 %.

Since 2008, Poland has introduced policy measures addressing almost all SBA recommendations, but these measures turned out not to be particularly effective.

In 2015 and the first quarter of 2016, no significant measures were implemented in this area. The government's efforts focused on responding to EU law infringement cases.

3.7 Skills & innovation



Poland's performance remained significantly below the EU average and it was the country's worst performing SBA area. Since 2008, Poland's performance in the area has been deteriorating.

Every indicator in this area performed below the EU average, although some indicators had not been updated since the previous edition. This was the case for the group of five innovation-measuring indicators at the top of the graph.

Between 2008 and 2014, the government did relatively little in the area, as measured against the list of SBA recommendations. This left significant gaps in the policy mix in the area and sapped the country's performance. There was no comprehensive policy strategy for non-technological innovation (e.g. service innovation and social innovation). According to national research, only 23 % of innovative enterprises used public funding for innovation, although as many as 60 % of micro-firms reported some innovation in the past 3 years.²⁸

A number of policy measures were launched to respond to most of the remaining SBA recommendations.

The National Centre for Research and Development launched several programmes aimed at boosting cooperation between businesses and science community as well as technology transfer to the market:

- The 'FastTrack' programme targets micro, small and medium-sized enterprises. It aims to improve their innovation capacity by fostering better integration of R&D outcomes in their business activities. The programme provides funding for projects involving industrial R&D or technological R&D that will serve their business development. The funding rate may go up to 80 % depending on the size of the company and the nature of the project. The distinguishing features of the programme include the commitment to a deadline of maximum 60 days and using expert panels to evaluate proposals.
- 'Application Projects' provide financial support for activities related to industrial R&D to be carried out by consortia of businesses and scientific research organisations.

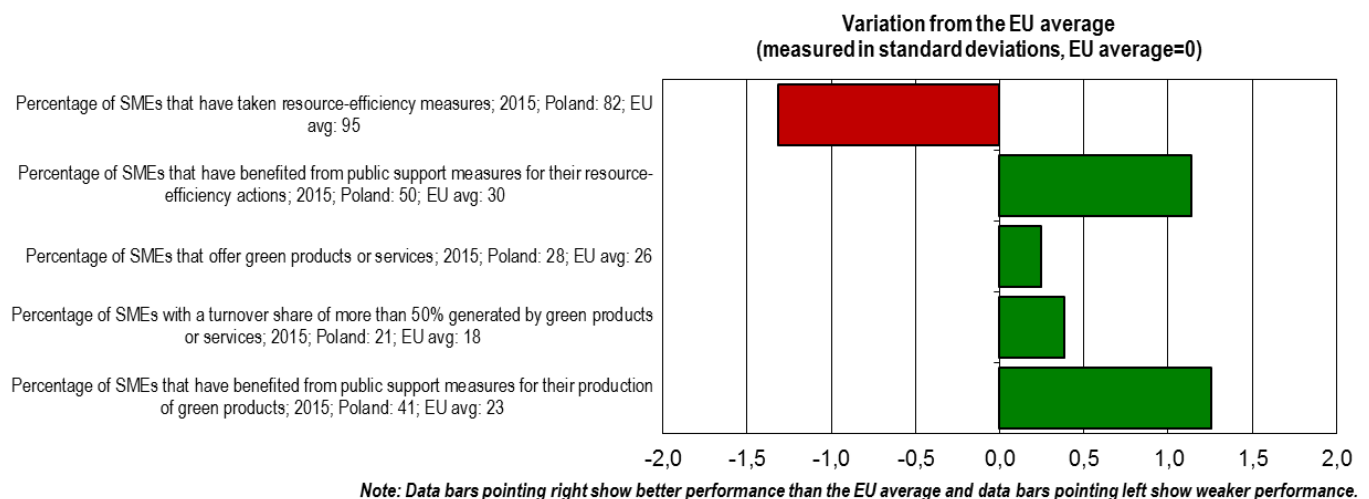
- The ‘INNOCHEM’ programme responds to specific demand from companies in the chemical industry. It aims at strengthening innovation in businesses from the chemicals industry cooperating with research organisations. The programme will support innovative projects related to sourcing of raw materials, production of basic and specialised products, new technologies and broader areas e.g. optimisation of the processes and low-carbon technologies.
- The ‘Demonstrator+’ programme provides financial assistance for R&D projects which have reached demonstration phase, to enable them to go through testing and then to the market.

The Polish Agency for Enterprise Development launched a ‘Design for Competitiveness Operational Programme for Eastern Poland’. The programme promotes the use of product design and innovation as a means of strengthening a business’s competitiveness and specifically addresses SMEs.

In order to adapt education and vocational training to specific companies’ needs and address labour demand, an integrated system of qualifications has been set up.

In the first three months of 2016, the government announced a number of measures planned to boost innovation, such as facilitating fiscal treatment of patents and intellectual property.²⁹

3.8 Environment



Poland’s performance was in line with the EU average.

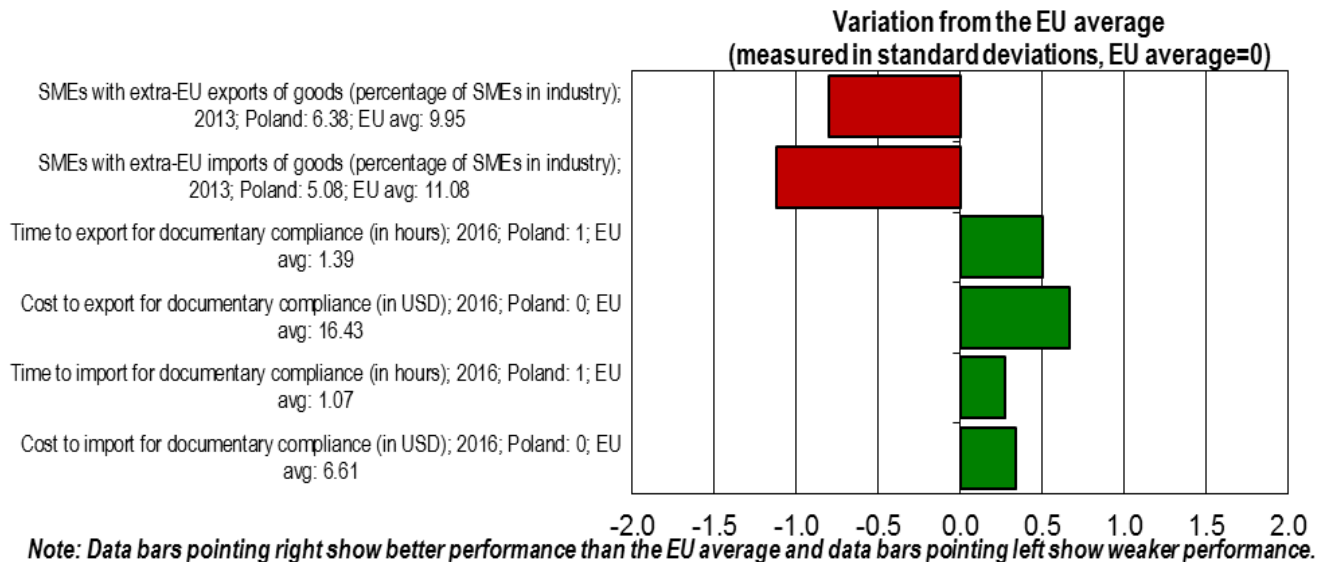
Public support for both green products and resource-efficiency actions became more accessible. At the same time the proportion of SMEs that have taken resource-efficiency measures went down from 92 % in 2013 to 82 % in 2015, well below the EU average of 95 % (both in 2013 and in 2015).

Since 2008, Poland has put in place policy measures responding to most of the SBA recommendations in this area. However, their effectiveness and efficiency stood to be improved. Progress in using green sources of energy in SMEs has been limited. Incentives for developing innovative eco-efficient processes, products and services were insufficient and consequently

traditional companies did not widely take up eco-efficiency measures. Also, from the administrative standpoint, reporting obligations in this area have been burdensome (there are several forms to be submitted to different institutions).

One new measure was introduced. It is called ‘Environmental management’ and is carried out as a survey assessing the impact of enterprises on the environment. Its results should be used to support policy action related to environment-friendly activities in SMEs and to promote better integration of environmental topics in companies’ strategic management.

3.9 Internationalisation



Poland's performance improved and stood in line with the EU average. This change is mainly explained by methodological adjustments to the World Bank indicators included in this SBA area, i.e. the figures measuring the time and cost for exporting and importing.

The proportion of Poland's small businesses carrying out trade with non-EU countries (both for imports and for exports) was lower than the EU average, although it slightly improved in absolute terms from the previous year.

A number of measures have been put in place since 2008. They address all SBA recommendations. However, stakeholders assess that the performance of most of them leaves room for improvement. With better coordination of these policy measures each of them could potentially also deliver better results (e.g. Centres of Support for Exporters and Importers offer a narrow range of services compared to other countries, excluding consulting services for SMEs).

During the reference period for this fact sheet no significant policy measures were introduced.

4. Interesting initiative

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

Jobs for the Youth Programme (*Program Praca dla Młodych*)

The programme is based on the law of 25 September 2015 amending the law on employment promotion and labour market institutions. Its aim is to reduce youth unemployment by providing incentives to employers and by reducing employment costs.

Starting from 1 January 2016, businesses that hire a young unemployed person aged up to 30 may benefit from partial reimbursement of the cost of wage and social contributions paid for the new full-time employee. The unemployed person has to be officially registered as a job seeker with the regional job centre.

The maximum amount to be refunded is equal to 100 % of the minimum wage and the related social security contributions.

The employer receives the subsidy for 1 year, on condition that they keep the new employee on their staff for at least the next 12 months following the end of the subsidy. If this condition is not fulfilled, the employer is obliged to return the money.

Employers that have laid off staff in the 6 months preceding their application for the subsidy are not eligible.

It is also planned that the employer will have access to funding available from the National Training Fund to develop the qualifications of the newly employed person.

The budget for the 'Jobs for the Youth Programme' amounts to approx. EUR 630 000 000 (PLN 2.8 billion). The government estimates that this measure will create up to 100 000 full-time jobs during the next three years, 30 000 of them in 2016.

References:

<https://www.mpips.gov.pl/praca/program-praca-dla-mlodych/>

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, 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 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/index_en.htm

grow-spr@ec.europa.eu

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 2014, the graphs show estimates of the development over time, produced by DIW Econ on the basis of 2008-2013 figures from Eurostat's Structural Business Statistics Database. The data cover the 'non-financial business economy', which includes industry, construction, trade and services (NACE Rev. 2 sections B to J, L, M and N). They do not cover enterprises in agriculture, forestry and fisheries or largely non-market service sectors such as education and health. A detailed methodology can be consulted at: http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/index_en.htm

² <http://pl.delfi.lt/aktualia/polska/polski-biznes-jest-zacofany-technologicznie.d?id=71256672>, last accessed 14.6.2016.

³ <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tec00115&plugin=1>; last accessed 14.6.2016.

⁴ Leasing Industry in Poland, <http://www.leasing.org.pl/files/uploaded/Life-prezentacje/8-PLA-Leasing-Life.pdf>; last accessed 14.6.2016.

⁵ Importance of leasing in financing investments on the rise, <https://www.msp.gov.pl/en/polish-economy/economic-news/6736.Importance-of-leasing-in-financing-investments-on-the-rise.html>; last accessed 14.6.2016.

⁶ <http://www.mrjob.pl/aktualnosci/ponad-1-mln-osob-doprowadzonych-do-zatrudnienia-w-2014-roku/>; last accessed 14.6.2016.

⁷ 2015 SBA Fact Sheet Poland, <http://ec.europa.eu/DocsRoom/documents/16344/attachments/26/translations/en/renditions/native>; last accessed 14.6.2016.

⁸ <http://www.instytut-outsourcingu.pl/raporty-i-badania/stabilny-wzrostu-rynku-outsourcingu-dla-klientow-w-polsce-nawet-do-15.html>; last accessed 14.6.2016.

⁹ <https://www.msp.gov.pl/en/polish-economy/economic-news/6940/Poland-is-becoming-the-logistics-center-of-Europe.html>; last accessed 14.6.2016.

¹⁰

https://www.google.be/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwjOyuCtxafNAhWJA5oKHQmIB-OOFGgdMAA&url=http%3A%2F%2Fwww.gs1.org%2Fsites%2Fdefault%2Ffiles%2Fdocs%2Fgsmp%2F01_-

[_poland_logistics_powerhouse.pdf&usq=AFQjCNFn8lpJMyGqLELz5Re6p9-MNJdwq&sig2=ZNvFQqdkI9M8JINj3qrn6A](#); last accessed 14.6.2016.

¹¹ Ibid.

¹² http://logistyka.wnp.pl/wzrost-przeladunkow-tocznych-w-polskich-portach.270181_1_0_0.html; last accessed 14.6.2016.

¹³ http://www.coig.com.pl/nowe-firmy-w-polsce_2014_2013.php; last accessed 14.6.2016.

¹⁴ <http://ksiegowosc.infor.pl/obrot-gospodarczy/dzialalnosc-gospodarcza/724287.Prawie-3-miliony-jednoosobowych-firm-w-Polsce.html>; last accessed 14.6.2016.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ The 2016 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.

¹⁸ http://www.me.gov.pl/files/upload/8438/RoP%202015_poligrafia_popr.pdf; last accessed 14.06.2016.

¹⁹ 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 2016. These are measured against the individual indicators which make up the SBA area averages. This means that 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 2016. 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/index_en.htm

²⁰ The policy measures presented in this SBA fact sheet are only a selection of the measures the government took in 2015 and the first quarter of 2016. The national SME policy expert that CARSA Spain (DG GROW's lead contractor for the 2016 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 a policy database on the DG GROW website.

²¹ <http://www.konsultacje.gov.pl>; last accessed 14.6.2016.

²² <http://www.nowaszansa.gov.pl/pl/o-programie>;
http://kancelaria-pmr.pl/site/images/Polityka%20Nowej%20Szansy%20PNS_RM_ver_7.pdf; last accessed 14.6.2016.

²³ <http://di.com.pl/zalatwianie-spraw-na-euap-i-podpisywanie-profilem-zaufanym-oswajamy-e-administracje-czesc-4-52230>; last accessed 14.6.2016.

²⁴ http://ec.europa.eu/growth/single-market/public-procurement/rules-implementation/index_en.htm; last accessed 14.06.2016.

²⁵ For more information please see: 'NBP 'Potencjał innowacyjny gospodarki', annex 3D, p. 271
http://www.nbp.pl/aktualnosci/wiadomosci_2016/20160530_Raport_innowacyjnosc.pdf, last accessed 17.6.2016.

²⁶ Own calculations based on <http://deminimis.gov.pl/przedsiębiorcy/wazne-informacje/>, last accessed on 17.6.2016.

²⁷ http://ec.europa.eu/internal_market/scoreboard/performance_by_member_state/poland/index_en.htm; last accessed 14.6.2016.

²⁸ <http://www.parp.gov.pl/files/74/81/806/22522.pdf>; last accessed 14.6.2016.

²⁹ NBP 'Potencjał innowacyjny gospodarki', annex 3A, p. 265, table 3A.1:
http://www.nbp.pl/aktualnosci/wiadomosci_2016/20160530_Raport_innowacyjnosc.pdf, last accessed 17.6.2016.