### Key points

**Past & future SME performance**: The recession has ended in Spain. However, SMEs in the non-financial business economy had far from recovered in 2016, with value added still 22.8% below the pre-crisis level of 2008 and employment 20.8% lower than in 2008. In 2013-2016, SME value added increased by 11.9%, while employment rose by 5.5%. More recently, in 2015-2016, SME value added grew by 4.3% and employment by 2.7%. The moderate growth trend is forecast to continue in the non-financial business economy in 2016-2018. During this period, SME value added is likely to rise by 4%, and SME employment to increase by 0.6%. SMEs are expected to create around 49,900 new jobs, 88.2% of them in micro firms.

**Implementing the Small Business Act for Europe (SBA)**: Compared to the EU average, Spain continues to underperform in entrepreneurship, state aid & public procurement, single market and environment. Despite significant progress since 2008, access to finance is still limited and is below the EU average. For ‘second chance’, ‘responsive administration’, skills & innovation, and internationalisation, Spain is in line with the EU average. There is no area in which Spain performs above the EU average. Over the last few years, Spain has focused policy efforts on improving access to finance for SMEs and entrepreneurs, supporting internationalisation and giving honest bankrupt entrepreneurs a second chance.

**SME policy priorities**: Spain has adopted crucial SBA-related policy measures in the past few years. However, the political stalemate in 2016 slowed their implementation and the adoption of new measures. It is essential to revive the process of improvement, starting with full implementation of the SBA policy measures adopted. The national law on ‘market unity’ has not yet been fully implemented. While digitisation has brought numerous improvements in public administration, there is still room for further improvement. The SME test for new legislation has been adopted but needs to be implemented. Several measures have been introduced on access to finance (e.g. on late payment) but more time is needed to measure their impact. Numerous measures have been introduced to promote entrepreneurship, but indicators show that more needs to be done here.

### About the SBA fact sheets

The Small Business Act for Europe (SBA) is the EU’s flagship policy initiative to support small and medium-sized enterprises (SMEs). It comprises a set of policy measures organised around 10 principles ranging from entrepreneurship and ‘responsive administration’ to internationalisation. To improve the governance of the SBA, the 2011 review of it called for better monitoring. The SBA fact sheets, published annually, aim to improve the understanding of recent trends and national policies affecting SMEs. Since 2011, each EU Member State has appointed a high-ranking government official as its national SME envoy. SME envoys spearhead the implementation of the SBA agenda in their countries.
The Spanish non-financial business economy relies on SMEs to a greater extent than the EU average. SMEs account for 61.8% of value added and nearly three quarters of employment, which is around 5 percentage points above the EU average for both. Micro firms are particularly important for the Spanish labour market. They account for more than 40% of all new jobs in the non-financial business economy. Spanish SMEs employ an average of 3.3 persons, compared to 3.9 in the EU. Calculated as value added per person employed, Spanish SMEs suffer from low productivity and are roughly one fifth less productive than the EU average.

In 2016, SMEs in the Spanish non-financial business economy had not yet recovered from the crisis, with value added remaining 22.8% below the pre-crisis level of 2008, and employment 20.8% lower than in 2008. However, the recession has now ended in Spain despite large regional disparities – many regions have not yet recovered. In 2013-2016, SME value added increased moderately by 11.9% while employment rose by 5.5%. SME employment growth was mainly due to growth in micro firms, where employment grew by 7.5% in the same period. In 2015-2016, SME value added grew by 4.3% and employment by 2.7%.

SMEs in the manufacturing sector are struggling. SME value added and employment remain at 216.8% and 317.8% respectively below the level of 2008. This is despite SME value added growth of 8.6% in 2012-2016 and a recovery in SME employment, which started in 2014-2015 following years of steady decline. One factor in the recent moderate upturn in this sector was the Spanish labour market reform in 2012, which encouraged job creation by reducing dismissal costs, allowing firms to unilaterally change working conditions and extend the probationary period for employment in micro and small firms, if

<table>
<thead>
<tr>
<th>Class size</th>
<th>Number of enterprises</th>
<th>Number of persons employed</th>
<th>Value added</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Spain</td>
<td>EU-28</td>
<td>Spain</td>
</tr>
<tr>
<td>Number</td>
<td>Share</td>
<td>Number</td>
<td>Share</td>
</tr>
<tr>
<td>Micro</td>
<td>2 375 079</td>
<td>94.9</td>
<td>4 619 433</td>
</tr>
<tr>
<td>Small</td>
<td>108 993</td>
<td>4.4</td>
<td>2 051 482</td>
</tr>
<tr>
<td>Medium-sized</td>
<td>14 798</td>
<td>0.6</td>
<td>1 467 047</td>
</tr>
<tr>
<td>SMEs</td>
<td>2 498 870</td>
<td>99.9</td>
<td>8 137 962</td>
</tr>
<tr>
<td>Large</td>
<td>2 955</td>
<td>0.1</td>
<td>3 078 531</td>
</tr>
<tr>
<td>Total</td>
<td>2 501 855</td>
<td>100.0</td>
<td>11 216 493</td>
</tr>
</tbody>
</table>

These are estimates for 2016 produced by DWI Econ, based on 2008-2014 figures from the Structural Business Statistics Database (Eurostat). The data cover the non-financial business economy, which includes industry, construction, trade, and services (NACE Rev. 2 sections B to J, L, M and N), but not enterprises in agriculture, forestry and fisheries and the largely non-market service sectors such as education and health. The following size-class definitions are applied: micro firms (0-9 persons employed), small firms (10-49 persons employed), medium-sized firms (50-249 persons employed), and large firms (250+ persons employed). The advantage of using Eurostat data is that the statistics are harmonised and comparable across countries. The disadvantage is that for some countries the data may be different from those published by national authorities.

1. SMEs — basic figures

Table of contents

Key points
1. SMEs — basic figures........................................... 1
2. SBA profile ........................................... 2
3. SBA principles ........................................... 4
4. Interesting initiative ........................................... 5
5. ‘Think Small First’ ........................................... 6
6. Entrepreneurship ........................................... 7
7. ‘Second chance’ ........................................... 8
8. State aid & public procurement ........................................... 9
9. Access to finance ........................................... 10
10. Single market ........................................... 11
11. Skills & innovation ........................................... 12
12. Environment ........................................... 13
13. Internationalisation ........................................... 14
they meet certain criteria. Another factor was an increase in orders for both domestic and export markets. One sub-sector that benefited in particular from exports, with a record high in 2015, was R&D-intensive international pharmaceuticals — where over 85% of firms are SMEs. SME value added grew by 93.5% in 2012-2016, reflecting pharmaceuticals’ strengths in innovation and technology.

In recent years, SMEs in the information and communication sector have come close to returning to pre-crisis levels of value added and employment. SME value added and employment grew in 2013-2016 by 6.2% and 7.7% respectively, whereas rates for both were still negative in 2011-2013. In addition to increased demand due to higher levels of digitisation and greater use of big data, there was another specific factor behind growth in SME value added in this sector. It was the introduction of various support programmes and tax incentives for SMEs, which helped mobilise public/private venture capital for technology SMEs. Furthermore, Spain drafted a 2013-2020 strategy for science, technology and innovation in response to the fall in investment in entrepreneurial innovation. The strategy recognises that R&D and innovation are directly linked to the future growth of the Spanish economy, and its aim is to help companies, particularly SMEs, to upsize and to incorporate innovation as an integral part of their business model.

New business registrations do not fully reflect the upturn in economic growth. There were 378,715 new company registrations in 2015, 5.2% less than in 2014. However, in computer programming and consultancy, the total of 5,168 business registrations in 2015 represented an increase of 9.8% on the previous year. De-registrations remained roughly the same as the previous year, at 331,812. In contrast, bankruptcies have continued to fall since 2013, reaching their lowest level in 2016 with 4,080 bankruptcies, 20.0% fewer than in 2015. One of the sectors with the highest net creation rates was professional, scientific and technical activities, with growth of around 10% in 2015. It was also one of the sectors with the highest proportion of firms successfully scaling up their activities. In 2014, 9.7% of high-growth firms were in professional, scientific and technical activities and 13.1% in information and communication. These figures were below the EU average for these sectors, but higher than those for the Spanish business economy as a whole. Overall, 9.5% of Spanish firms with at least 10 employees were high-growth firms in 2014, which is closer to the EU average of 9.2%.

In 2014, the self-employment rate in Spain was 16.1%, 1.9 percentage points higher than the EU average. In particular, the self-employment rate in real estate activities stands out, at 40%, compared to an average of 23.1% in this sector in the rest of the EU.

The moderate growth trend is forecast to continue in the non-financial business economy in 2016-2018. SME value added is likely to rise by 4%, and SME employment to increase moderately, by 0.6%. SMEs are expected to create around 49,900 new jobs, 88.2% of them in micro firms.
2. SBA profile

Spain is one of the weakest performers in the EU in entrepreneurship, state aid & public procurement, and the single market. Despite significant progress since 2008, access to finance remains below the EU average. For ‘second chance’, ‘responsive administration’, skills & innovation, and internationalisation, Spain performs in line with the EU average.

There is no area in which Spain performs above the EU average.

Over the last few years, Spain has focused policy efforts on:

- improving access to finance for SMEs and entrepreneurs
- supporting internationalisation
- fostering entrepreneurship
- promoting a more responsive administration
- giving honest bankrupt entrepreneurs a second chance.

Spain introduced a substantial number of policy measures over the current reference period (2016 and the first quarter of 2017), even though it had a caretaker government without full legislative powers until early November 2016. In total, 23 new national measures were either implemented/adopted or announced at national level. The measures adopted focus on a few areas: entrepreneurship, access to finance, skills & innovation, and internationalisation.

Although public administration efficiency has improved, more measures are needed to reduce administrative burdens. Action is also needed to establish the framework conditions for companies to thrive in Spain. Measures are also specifically required to improve competitiveness and digital infrastructure.
3. SBA principles

3.0 ‘Think Small First’

The ‘Think Small First’ principle is meant to be a guiding principle for all policy- and law-making activities. It requires policymakers to take SME interests into account at the early stages of the policy-making process. The principle also calls for newly designed legislation, administrative rules and procedures to be made simple and easy to apply.

Since 2008, Spain has made progress on the ‘Think Small First’ principle. A ‘manual of administrative simplification and burden reduction for the general state administration’ was published to help economic growth through effective delivery of public services and the reduction of administrative burdens. However, it is too early to gauge whether the manual helps to reduce administrative burdens. The SME test for new legislation was introduced with the adoption of Law 40/2015 on the legal regime of the public sector, but its implementation was delayed by the political stalemate in 2016. Unless guidelines on applying the test are drafted, it cannot take effect. Regional governments are also expected to incorporate the SME test into their legislative procedures, where they have greater powers. The SME envoy is also in place and plays an effective role in a senior position. Despite this active role, stakeholders call for greater participation in legislative procedures and in consultations. In addition, common commencement dates for new legislation and amendments to existing legislation are not yet in place.

In the current reference period, no new significant measures that fall under ‘Think Small First’ were adopted, implemented or announced.
### 3.1 Entrepreneurship

On this principle, Spain has the worst overall performance of all EU countries. The business ownership rate has fallen in recent years and is now below the 2008 level. The percentage of adults intending to start a business within three years has been declining since 2012 and has returned to around the 2008 level, which means that Spain now has the lowest score in the EU on this indicator. Entrepreneurship education at post-secondary level (Spain has the second worst score in the EU) has been falling since 2014, which may affect entrepreneurial intentions in the coming years. All these factors, combined with the low status (as perceived by the general public) afforded to successful entrepreneurs, call for government action.

Since 2008, Spain has introduced numerous policy measures to promote entrepreneurship and reduce the unemployment rate, covering a lot of ground in implementing the SBA recommendations. But the figures show that much more needs to be done for entrepreneurship in Spain.

In the current reference period, important measures were introduced:

- The university entrepreneurship programme (Programa de emprendimiento universitario) provides 23 hours of lectures and 8 hours of workshops to entrepreneurs with higher education wanting to start a business.
- The support plan for business transfers (Plan de Apoyo a la Transmisión de Empresas) helps entrepreneurs willing to sell their successful businesses to new entrepreneurs. The measure also provides advice during the acquisition.
- Law 31/2015 amends and updates the legislation on self-employment and introduces incentives for self-employment in the social economy.

Start-up grants and other support have significantly increased the number of start-ups in Spain. However, there is a lack of public support and access to private investment for scaling up.

#### Notes:
- Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.
3.2 ‘Second chance’

‘Second chance’ ensures that honest entrepreneurs who have gone bankrupt get a second chance quickly. Spain is in line with the EU average in this area. The country’s performance on individual indicators is largely the same as in previous years.

In recent years, Spain has put particular emphasis on introducing policies to give entrepreneurs a second chance. Most of the SBA recommendations in this area have been implemented. The main developments since 2008 include Royal Decree Law 4/2014, which introduced urgent measures for refinancing and restructuring companies’ long-term debt, and Law 25/2015, which effectively gives honest entrepreneurs a second chance.

In the current reference period, no new significant measures were adopted or implemented in this area.

3.3 ‘Responsive administration’

Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.
Responsive administration’ refers to public administration being responsive to the needs of SMEs. Overall, Spain scores in line with the EU average in this area and has made some notable progress. In particular, the time it takes to pay taxes has steadily improved since 2008, and the time it takes to start a business has fallen from 17.5 to 3 days since 2012. However, the cost of starting a new business remains higher than the EU average, and there are more formalities in Spain than on average in the EU to start a business. There are also large regional disparities in the conditions of doing business. Overall, businesses consider government regulations to be burdensome compared with those of the rest of the EU.

On the policy side, Spain has taken steps in recent years to reduce administrative burdens and make it easier to deal with public authorities. The creation of the CIRCE platform introduced a single online point of contact with public administrations and helped standardise administrative procedures and make them easier for business to complete. The legislation adopted to achieve market unity and harmonise regional laws is crucial to reducing the administrative burden and improving business conditions in Spain. However, implementation has slowed at both national and regional level. There has also been a lack of progress in adapting sector-specific legislation to the principles of the law, largely as a result of the political stalemate in 2016.

In the reference period, a guide to implementing the market unity law was published, along with a catalogue of good and bad practice in relation to the law. In addition, on 17 January 2017 the central and regional governments publicly committed to fostering mutual cooperation in order to guarantee market unity and better regulation in Spain.

3.4 State aid & public procurement

Spain performs well below the EU average in this area. The average delay in payment from public authorities was the second highest in the EU at 33 days. Payment delays discourage companies from participating in public tenders, with the proportion of businesses participating substantially lower than the EU average.

Spain has introduced some measures to improve the situation — including ‘e-invoicing’ for public procurement and a ‘late payment prevention plan’ to tackle the issue. But there are still major gaps that need further attention. The requirements for tendering are disproportionate for SMEs, and larger contracts are typically not divided into smaller lots.

In late 2016, the Council of Ministers announced its decision to lower the threshold for awarding contracts by negotiated procedure without prior publicity via a resolution of the Directorate-General for State Assets.

Two draft laws were approved by the government in November 2016 to transpose the 2014 EU directives on public procurement.
3.5 Access to finance

Spain performs below the EU average on access to finance. However, it has made progress in this area since 2008. Bearing in mind that bank loans are the primary source of finance for Spanish SMEs, it is striking that the percentage of rejected loan applications and offers unacceptable to SMEs has decreased substantially since 2012, from 20% to about 8%. Banks are more willing to lend than they used to. Business angel funding for new and fast-growing firms has also accelerated. By contrast, equity funding remains critical, with Spain having the second worst score in the EU on this indicator. The venture capital market remains weak and unattractive to investors. Late payment also remains a key concern.

However, Spain has introduced a number of measures to improve conditions of access to finance for SMEs and entrepreneurs. To increase the availability of venture capital, the state-owned bank ICO set up the FOND ICO Global, a venture capital and private equity fund of funds. To increase alternative sources of funding, Law 5/2015 also laid down rules on crowdfunding.

By the end of the reference period, 11 agreements worth EUR 352 million had been concluded with financial intermediaries under the European Fund for Strategic Investments. These are expected to lead to EUR 6 billion worth of investment, benefiting an estimated 36 000 SMEs.

In the current reference period, a number of significant measures were introduced:

- The ENISA credit line for the digital agenda (Línea de crédito ENISA para la agenda digital) was introduced to provide equity loans for launching and developing business projects in the ICT and digital sector.
- The Connected Industry 4.0 programme (Industria Conectada 4.0) launched a call for R&D&D projects with favourable financing conditions for innovative SMEs.
- The ENISA entrepreneurs and ENISA young entrepreneurs scheme (ENISA emprendedores y ENISA jóvenes emprendedores) was established set up to provide equity loans to SMEs that are not in the financial or real estate sectors.
- The ICO commercial credit line (Línea ICO crédito comercial) was introduced to address the issue of late payment by providing a mechanism through which Spanish companies can apply for loans equal to clients’ unpaid invoices.
- The ICO exporters line for 2017 (Línea ICO exportadores 2017) addresses the liquidity/cash needs of SMEs for the production of goods export.
- The ICO businesses and entrepreneurs line for 2017 (Línea ICO Empresas y Emprendedores 2017) provides financial aid to SMEs and the self-employed to address cash needs and productive investment.
3.6 Single market

In this area, Spain continues to perform below the EU average, with the second lowest score among EU countries. The number of single market directives not yet transposed increased from 9 in 2015 to 24 in 2016, and the delay in transposing overdue directives increased by 10 months in the same period. On a positive note, new and fast-growing firms are less likely to be unfairly blocked by established firms than elsewhere in the EU.

In recent years, the government has implemented most of the SBA measures in this area, including a single point of contact to support SMEs, a SOLVIT centre and an internal market information system. In addition, the CEVIPYME (centro de apoyo a la PYME en materia de gestión de Propiedad Industrial, Intelectual e innovación) platform and the programme for the promotion of patent applications abroad have helped SMEs access intellectual property protection for their products and services.

In the current reference period, no new significant measures were adopted or implemented under the single market principle.
3.7 Skills & innovation

Spain performs broadly in line with the EU average in this area. Since 2008, there has been a moderate improvement in performance. In 2014, turnover from new-to-market and new-to-firm innovations was the third highest in the EU. Turnover from e-commerce also improved and came into line with the EU average. National R&D available to SMEs has also improved markedly and has risen above the EU average. The percentage of people employed with ICT specialist skills was steady, significantly above the EU average.

As a consequence of the economic crisis, Spain reduced public investment in R&D, but the recent recovery is steadily increasing investment again. Significant new programmes were set up in 2014 and 2015 that include major commitments to invest in SME innovation activities and the uptake of new and advanced technologies. Funding is also available to stimulate ‘collaboration networks’ (Retos Colaboración) between research centres and technology firms. A State Agency for Research was set up in 2015 to better manage the increase in R&D and innovation funding.

In the current reference period, Spain implemented several new measures:

- A programme run by the public corporate entity (Entidad Pública Empresarial) Red.es provides financial support to SMEs to implement or develop cloud computing technologies.

- The INNVOLUCRA programme (INNVOLUCRA Ayudas) provides targeted support for SMEs preparing research/innovation proposals, which is reimbursed if the project is funded by international R&D programmes such as Horizon 2020. The IT development centre CDTI, also a public corporate entity, bears the risk of non-acceptance if the proposal is eligible and exceeds the minimum evaluation threshold set for each call for proposals.

- The Torres Quevedo programme provides funding to cover expenses related to the hiring, training and mobility of staff involved in R&D&I projects for a period of three years.

- The programme for promoting Spanish patent and utility model applications abroad (Programa para el fomento de solicitudes de patentes y modelos de utilidad en el exterior) provides subsidies to Spanish
entrepreneurs and companies that have filed patent applications abroad to cover the costs.

- The CEVIPYME platform provides SMEs with information and personal assistance on how to protect their intellectual property rights. Its ultimate goal is to increase the number of patent, trademark and design applications filed.

- The training programme for youth employment in the digital economy (Programa de formación para el empleo juvenil en la economía digital) provides subsidies to support training programmes in improving youth employment in the digital economy.

In addition, the programme for innovation and competitiveness (Programa de Innovación y Competitividad — CIP) was formally announced during the current reference period. It aims to grant loans for boosting productivity, innovation capacity and sustainable growth.

3.8 Environment

In this area, Spain scores well below the EU average. Between 2013 and 2015, the proportion of SMEs selling green products or services increased. However, the proportion of SMEs that have benefited from public support for resource efficiency initiatives fell, which coincided with a drop in the proportion of SMEs that had taken resource efficiency measures.

Policy progress in this area is limited, and significant gaps remain. There are no incentives for obtaining EMAS certification, green public procurement has not taken hold and public support for eco-innovation has declined.

In the current reference period, no significant new measures were adopted or announced.
3.9 Internationalisation

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

Spain performs broadly in line with the EU average on this principle. Formality procedures and trade community involvement are working well, but there is room for further improvement.

In recent years, Spain has implemented a significant number of measures to help domestic companies do business internationally. The Spanish Institute for Foreign Trade (ICEX) was set up to support exports and international ventures by SMEs. Each year, programmes aimed at SMEs and entrepreneurs are adopted. They have been put in place to improve financing conditions for export companies and to help Spanish companies participate in international tenders. ICEX, for example, has funded part of the preparation, submission and monitoring costs for technical bids in international tenders. The next programme for SMEs wishing to start exporting or consolidate their international business will aim to provide Spanish firms with a personalised expert assessment to enable them to develop and implement an international strategy and to improve their competitiveness (with digital marketing etc.).

In the current reference period, the ICO International 2017 programme (Línea ICO internacional 2017) provided financial aid to companies experiencing delays in payment, companies with cash needs to meet payroll costs, supplier invoices and other costs, and companies aiming to invest abroad in productive assets and business acquisition.
4. Interesting initiative

Below is an example of an initiative from Spain to show what governments can do to support SMEs.

Support Plan for Business Transfers (Plan de Apoyo a la Transmisión de Empresas)

The Support Plan for Business Transfers is promoted and supported by the Ministry of Economy, Industry and Competitiveness by way of the General Directorate for Industry and SMEs and the Spanish SME Confederation (CEPYME). The support plan’s primary objective is to ensure that viable businesses can continue when they risk disappearing because the profession is changing or there is no one in the next generation to take them over. Helping to ensure continuance prevents job losses. The measure also provides entrepreneurs with an alternative to starting a business ‘from scratch’ and widens options for buying existing viable businesses. The support plan has already had some results — with 17 transfers valued at EUR 2 million in 2016, and even greater expectations for 2017.

For more information:
http://www.transmisionempresas.es/Paginas/portada.aspx
Important remarks

The European Commission Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) produces the SBA fact sheets as part of the SME Performance Review (SPR), its main vehicle for economic analysis of SME issues. They combine the latest available statistical and policy information. Produced annually, they help to organise the available information to facilitate SME policy assessments and monitor SBA implementation. They take stock and record progress. They are not an assessment of Member State policies. Rather, they should be regarded as an additional source of information to improve evidence-based policy-making. For example, they cite only policy measures national SME policy experts consider relevant. They do not and cannot reflect all measures the government has taken over the reference period. There is more policy information on a database accessible from the SPR website.

SME Performance Review:
grow-spr@ec.europa.eu

Small Business Act:

European Small Business Portal:
http://ec.europa.eu/small-business/index_en.htm

Endnotes

1 The two graphs below present the trend over time for the variables. They consist of index values for the years since 2008, with the base year 2008 set at a value of 100. As from 2015, the graphs show estimates of the development over time, produced by DIW Econ on the basis of 2008-2014 figures from Eurostat’s Structural Business Statistics Database. The data cover the non-financial business economy, which includes industry, construction, trade and services (NACE Rev. 2 sections B to J, L, M and N). They do not cover enterprises in agriculture, forestry and fisheries or largely non-market service sectors such as education and health. A detailed methodology can be consulted at: http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/.


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

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

15 The 2017 SBA fact sheets benefited substantially from input from the European Commission’s Joint Research Centre (JRC) in Ispra, Italy. The JRC made major improvements to the methodological approach, statistical work on the dataset and the visual presentation of the data.

16 The quadrant chart combines two sets of information. Firstly, it shows current performance based on data for the latest available years. This information is plotted along the X-axis measured in standard deviations of the simple, non-weighted arithmetical average for the EU-28. Secondly, it shows progress over time, i.e. the average annual growth rates from 2008 to 2017. These are measured against the individual indicators which make up the SBA area averages. Hence, the location of a particular SBA area average in any of the four quadrants provides information not only about where the country is located in this SBA area relative to the EU average at a given point in time, but also about the extent of progress made between 2008 and 2017. All SBA principles, with the exception of the ‘Think Small First’ principle for which there is not enough statistical data available, are calculated as composite indicators following the OECD/JRC Handbook guide. A detailed methodology can be consulted at: http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/

17 The policy measures presented in this SBA fact sheet are only a selection of the measures the government took in 2016 and the first quarter of 2017. The national SME policy expert that CARSA Spain (DG GROW’s lead contractor for the 2017 SBA fact sheets) contracted made the selection. The experts were asked to select only the measures they considered the most important, i.e. the ones expected to have the highest impact in the SBA area in question. The complete range of measures the experts compiled in producing this year’s fact sheets will be published alongside the fact sheets in the form of a policy database on the DG GROW website.

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