2018 SBA Fact Sheet & Scoreboard

Key points

**Past & future SME performance**: In 2017, SMEs in the EU-28 generated EUR 4 156 billion of value added and employed 94.8 million people in the ‘non-financial business economy’. Thereby, SMEs accounted for two thirds of overall employment and 56.8 % of overall value added in the ‘non-financial business economy’. In 2013-2017, SME value added and employment in the EU-28 increased by 15.1 % and 7.1 % respectively. As a result, SME employment and value added in 2017 exceeded 2008 levels, by 2.5 % and 14.3 % respectively. However, the recovery has not been shared by all Member States. The outlook for SMEs, as for the ‘non-financial business economy’ as a whole, is positive. SME employment and value added in the EU-28 are expected to increase by 2.9 % and 8.7 % respectively in 2017-2019. In absolute figures, SMEs in the EU-28 are expected to create around 2.7 million new jobs in 2018-2019.

**Implementing the Small Business Act for Europe (SBA)**: Significant policy progress has been achieved and most of the SBA recommendations have been carried out. Beyond the SBA, EU Member States are also on track in implementing the more recent recommendations in the scale-up & start-up initiative and SME action programme. However, large policy gaps remain in the areas where the SBA recommendations have still not been implemented. Easing business transfers — through marketplaces and minimised taxation — which is essential to better ensure existing SMEs survive, has been largely ignored in most EU Member States. Re-starters are not treated on an equal footing in most EU Member States and fast-track procedures or automatic discharge for honest entrepreneurs in bankruptcy are not adequately in place. Also, it cannot be said that SMEs and start-ups come first in the legal, regulatory, policy and fiscal environment in most EU Member States.

**SME policy priorities**: Support for would-be and newly-formed companies is widely available. However, priority should now be put on supporting existing start-ups to grow and scale-up. Existing SMEs should also be a priority. Beyond facilitating business transfers, SMEs also need more than ever crucial support to re-skill and upskill their employees in order to digitalise, innovate and thrive in the Industry 4.0 revolution. Furthermore, renewed policy efforts are required to ensure the legal, regulatory, policy and fiscal environment caters to the specific needs of SMEs and start-ups — in particular micro firms.

![Number of persons employed in SMEs](image1)

![Value added of SMEs](image2)

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 EU MS.
1. SMEs — basic figures

<table>
<thead>
<tr>
<th>Class size</th>
<th>European Union</th>
<th>European Union</th>
<th>European Union</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Share</td>
<td>Number</td>
</tr>
<tr>
<td>Micro</td>
<td>22 830 945</td>
<td>93.1 %</td>
<td>41 980 528</td>
</tr>
<tr>
<td>Small</td>
<td>1 420 693</td>
<td>5.8 %</td>
<td>28 582 254</td>
</tr>
<tr>
<td>Medium-sized</td>
<td>231 857</td>
<td>0.9 %</td>
<td>24 201 840</td>
</tr>
<tr>
<td>SMEs</td>
<td>24 483 495</td>
<td>99.8 %</td>
<td>94 764 622</td>
</tr>
<tr>
<td>Large</td>
<td>46 547</td>
<td>0.2 %</td>
<td>47 933 208</td>
</tr>
<tr>
<td>Total</td>
<td>24 530 042</td>
<td>100.0 %</td>
<td>142 697 830</td>
</tr>
</tbody>
</table>

These are estimates for 2017 produced by DIW Econ, based on 2008-2015 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.

SMEs play a significant role in the ‘non-financial business economy’ in the EU. In 2017, SMEs in the EU-28 generated EUR 4 156 billion of value added and employed 94.8 million people. Thereby, SMEs accounted for two thirds of overall employment and 56.8 % of overall value added in the ‘non-financial business economy’. Average SME productivity, measured as value added per person employed, was EUR 45 900 in 2017, while the average SME size in terms of the number of persons employed was 3.9 people. Micro firms are by far the most common type of SME, accounting for 93.1 % of all firms in the ‘non-financial business economy’. Micro firms also contribute the largest percentage share of employment and value added, with 29.4 % and 20.7 % respectively. The largest SME sectors in the EU are wholesale and retail trade and manufacturing. Together, these two sectors account for more than 40 % of SME employment and value added.

The contribution of SMEs to value added is particularly large in Cyprus, Estonia, Latvia and Malta, where SMEs account for more than 70 % of overall value added. From an employment perspective, SMEs are particularly important in Cyprus, Greece
and Malta as in these countries SMEs generate more than 80% of overall employment in the ‘non-financial business economy’.

SMEs in the EU have generated substantial growth in recent years. In 2013-2017, SME value added and employment in the EU-28 increased by 15.1% and 7.1% respectively. As a result, SME employment and value added in 2017 exceeded its 2008 level, by 2.5% and 14.3% respectively. However, the recovery is not shared by all Member States: SMEs in Bulgaria, Czech Republic, Denmark, France, Ireland, Latvia, Lithuania, Romania and Slovenia have recovered with respect to value added, but SME employment remains lower than before the financial crisis in 2008. SMEs in 6 Member States have not recovered neither with respect to employment nor value added. These states are Croatia, Cyprus, Greece, Italy, Portugal and Spain.

The two sectors in which SMEs in the EU-28 performed best in recent years were information and communication and administrative and support services. In information and communication, SMEs generated growth of 16.9% and 21.2% in terms of employment and value added respectively in 2013-2017. In administrative and support services, SME employment and value-added growth amounted to 16.3% and 22.9% respectively in the same period. SMEs in the large manufacturing sector could not keep up with this above average growth. In 2013-2017, SME value added rose by 10.2%, but growth in employment was much weaker — 1.8%. Also, in wholesale and retail trade, the largest SME sector, SME employment growth was more moderate, amounting to 3.8% in 2013-2017. In the same period, SME value added in this sector grew by 16.0%, slightly above average growth.

The average company birth rate in the EU-28 ‘business economy’ stood at 10.0% in 2015. With rates below 7%, Greece, Belgium, Finland and Austria had the lowest company birth rates, while the highest rates were found in Lithuania and Latvia (both above 17%). Many firms in the EU-28 have successfully scaled-up their operations in recent years. On average in the EU-28, 9.9% of all firms in the ‘business economy’ with at least 10 employees were high-growth firms in 2015. Proportions of high-growth firms above 12% were found in Malta, Sweden, Slovakia, Latvia, Hungary and Ireland, while the lowest was found in Romania at 2.3%. On average in the EU-28, administrative and support services and transportation and storage were the sectors with the highest rates of high-growth firms, with proportions of 14.0% and 12.0% respectively.

The outlook for SMEs, as for the ‘non-financial business economy’ as a whole, is positive. SME employment and value added in the EU-28 are expected to increase by 2.9% and 8.7% respectively in 2017-2019. The fastest growth is predicted for SMEs in professional activities, with rises of 5.9% and 11.7% in employment and value added respectively. In absolute figures, SMEs in the EU-28 are expected to create around 2.7 million new jobs in 2018-2019.
2. SBA profile

Global SBA policy implementation

Figure 1 below shows the collective policy progress at EU aggregated level in terms of the number of policy measures adopted/implemented over the period 2011-2018 per SBA principle. Remarkably, more than 3,300 SBA policy measures have been adopted/implemented since 2011. Two thirds of the identified policy measures adopted/implemented apply to the areas of access to finance, entrepreneurship, skills & innovation and ‘responsive administration’ principles.

Figure 1: SBA policy implementation for EU-28 (2011-2018)

The overall trend was repeated yet again during 2017/2018. Over two thirds of the policy measures adopted/implemented during the current reference period (2017 and the first quarter of 2018) apply to the areas of access to finance, entrepreneurship, skills & innovation and ‘responsive administration’. However, there was a small increase in policy activity that supported the internationalisation of SMEs.

Most and least commonly implemented measures

Since 2011, the three most commonly adopted/implemented measures across the EU-28 continue to include those developing the R&D&I capabilities of SMEs, establishing public financing programmes and promoting an entrepreneurial mind-set.

Figure 3: Most commonly implemented measures at EU-28 level (2011-2018)
On the other hand, the least commonly adopted/implemented measures across the EU-28 continue to include the following SBA recommendations — where there has been little or no policy activity since 2011:

<table>
<thead>
<tr>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure re-starters are treated equally</td>
</tr>
<tr>
<td>Establish marketplaces for business transfers</td>
</tr>
<tr>
<td>Minimise business transfer taxation</td>
</tr>
<tr>
<td>Increase VAT register threshold to EUR 100k</td>
</tr>
<tr>
<td>Common commencement dates for new/amended laws</td>
</tr>
<tr>
<td>Reduce unfair qualifications for SMEs for public procurement — e.g. by cutting bigger tenders into smaller lots</td>
</tr>
</tbody>
</table>

As shown in the spider chart (Figure 4), in terms of the SBA performance indicators, the three best performing principles at the EU level are currently ‘second chance’, ‘responsive administration’ and access to finance.

**Worst performing principles**

Entrepreneurship remains the poorest performing principle, despite ongoing policy efforts in this area in most EU Member States. The single market principle and to a lesser extent, the skills & innovation principle, are both performing worse than the remaining SBA principles.
3. SBA principles

3.1 Entrepreneurship

Comparative performance of EU Member States

Figure 5 shows the relative position of the EU Member States in terms of their performance for the most recent year regarding the entrepreneurship principle and the distance from the EU average. The best performing EU Member States are currently the Netherlands, Estonia and Latvia. The worst performing EU Member States overall are Bulgaria, Croatia and Spain.

Figure 5: Entrepreneurship performance — most recent year

Note: Malta is not included on this graph due to a lag in data on performance.

Comparative progress of EU Member States

The quadrant chart below (Figure 7) shows each Member State’s relative position in terms of its performance and progress over time regarding the entrepreneurship principle. The chart shows most EU Member States clustered around relatively similar levels of performance and progress. The Member States that made the most significant progress over time (measured as the compound annual growth rate over the 2008-2018 period) include Romania, Portugal and Denmark.

EU-28 progress per entrepreneurship indicator

As shown in Figure 8, early-stage entrepreneurial activity has increased significantly since 2008, both in overall terms and in terms of females of a working age, as has established business ownership, entrepreneurial intentions and media attention for entrepreneurship. However, education-related indicators remain around the same level as in 2008, except for entrepreneurial education at college and university level which has progressed well. Perceptions of entrepreneurship as a desirable career choice have remained unchanged since 2008, but the high status of successful entrepreneurship has fallen slightly.

Recent policy developments under entrepreneurship

During the current reference period, over 75 policy measures were adopted/implemented under the entrepreneurship principle — a very similar level of policy activity compared with the previous reference period (2016-Q1/2017). As in previous years, most of the measures aimed to promote an entrepreneurial mind-set. There continued to be a small increase in policy activity to support business transfers. Recent examples of policy developments include Austria’s ‘Entrepreneurship goes to school’ initiative which sends female entrepreneur role models to schools to encourage young would-be entrepreneurs, Estonia’s ‘School day at a company’ and Malta’s Family Business Act which enables family businesses to be transferred from one generation to another.

Over 600 policy measures have been adopted/implemented under the entrepreneurship principle since 2011. All EU Member States now have specific measures in place to increase the number of entrepreneurs and new companies, with most also having a strong focus on entrepreneurial education for both teachers and students. While over half of the Member States have measures targeting female and immigrant employment, as well as a focus on the sharing economy, less than half have a marketplace and/or specific support and matching schemes to ensure successful business transfers.
Figure 6: SBA policy measures at EU-28-level for entrepreneurship (2011 — Q1/2018)

Table 1: Overall policy implementation at EU-28-level for entrepreneurship and scale-up support

<table>
<thead>
<tr>
<th>Entrepreneurship</th>
<th>No. of EU-28 Member States with the answer “Yes”</th>
<th>Description</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurship</td>
<td>0-7</td>
<td>Are there specific measures to increase the number of entrepreneurs/new company formations? Specific measures notably include business plan competitions, rewarding role-model entrepreneurs, entrepreneurship grants, support to start up a company, measures on social security, tax incentives, strategic support from clusters etc.</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>8-14</td>
<td>Are there programmes incorporated into the education curriculum to teach, improve and measure entrepreneurial skills from an early age?</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>15-21</td>
<td>Are there trainings in place to allow teachers to teach entrepreneurship issues?</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>22-28</td>
<td>Are there sufficient measures in place to provide entrepreneurship support specific for WOMEN, YOUNG, UNEMPLOYED, IMMIGRANTS, and REFUGEES? Entrepreneurship support includes advice, training, financing, mentoring etc.</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Is there a marketplace and/or specific support and matching schemes to ensure successful business transfers?</td>
<td>13</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Entrepreneurship</th>
<th>SME Action Programme</th>
<th>Are new developments in the area of the sharing economy closely monitored?</th>
<th>17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scale-ups</td>
<td></td>
<td>Are there specific measures to support scale-ups available?</td>
<td>22</td>
</tr>
</tbody>
</table>
Figure 7: Positioning of each EU-28 Member State in terms of their performance and progress over time for entrepreneurship (2008-2018)

Note: Cyprus and Malta are not included on the entrepreneurship graph due to a lag in data on performance.
Figure 8: EU-28 progress per entrepreneurship indicator; 2008=100\(^8\)
3.2 ‘Second chance’

**Comparative performance of EU Member States**

Figure 9 shows the relative position of the EU Member States in terms of their performance for the most recent year regarding the ‘second chance’ principle and the distance from the EU average. The best performing states are currently Finland, the Netherlands and Slovenia. The worst performing states overall are currently Malta, Luxembourg and Greece.

*Figure 9: ‘Second chance’ performance — most recent year*

**Comparative progress of EU Member States**

The quadrant chart below (Figure 11) shows each Member State’s relative position in terms of its performance and progress over time regarding the ‘second chance’ principle. The chart shows a wide variety of performance levels, with less variety in terms of progress made. The Member States that made the most significant progress over time (measured as the compound annual growth rate over the 2008-2018 period) include Cyprus, Austria and Bulgaria.

*EU-28 progress per ‘second chance’ indicator*

While ‘second chance’ is not the worst performing principle at EU level compared to the other principles, there has been little or no progress achieved since 2008. Except for the cost to resolve insolvency and the time to resolve insolvency, both of which have followed a downward trend since 2011, all the indicators under the ‘second chance’ principle have progressed over time, albeit moderately. The fear of failure rate, which has dropped since 2011, is the indicator with the highest progress.

**Recent policy developments under ‘second chance’**

During the current reference period, around 14 policy measures were adopted/implemented under the ‘second chance’ principle. Recent examples of policy developments include Greece’s extrajudicial debt settlement mechanism and Poland’s Early Warning mechanism.

Over 100 policy measures have been adopted/implemented under the ‘second chance’ principle since 2011. It is still not possible to complete legal bankruptcy proceedings within a year in most Member States, or to be discharged from bankruptcy within 3 years. Similarly, in most Member States there is no possibility of automatic discharge for honest entrepreneurs after liquidation (no fast track), and re-starters are generally not treated the same as start-ups. However, just over half of the Member States now have early warning and help-desk mechanisms in place to prevent entrepreneurs from going into bankruptcy.
Figure 10: SBA policy measures at EU-28-level for ‘second chance’ (2011 — Q1/2018)

Table 2: Overall policy implementation at EU-28-level for ‘second chance’

<table>
<thead>
<tr>
<th>‘Second chance’</th>
<th>0-7</th>
<th>8-14</th>
<th>15-21</th>
<th>22-28</th>
<th>No. of EU-28 Member States with the answer “Yes”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevention measures notably include information campaigns, trainings, information sessions on procedures to reduce the stigma of failure</td>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are there early warning and help-desk mechanisms in place to prevent entrepreneurs from going into bankruptcy?</td>
<td>13</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are re-starters treated on an equal footing with new start-ups?</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are legal bankruptcy procedures completed within a year and is there a discharge from bankruptcy in maximum three years?</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is there the possibility of automatic discharge for honest entrepreneurs after liquidation (or fast-track and specific procedures in place for SMEs)?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Figure 11: Positioning of each EU-28 Member State in terms of their performance and progress over time for ‘second chance’ (2008-2018)

![Graph showing the positioning of each EU-28 Member State in terms of their performance and progress over time for 'second chance' (2008-2018). The graph uses a scatter plot with EU average growth rate and performance metrics. Each member state is represented by a color-coded dot, indicating their position on the graph.]

Figure 12: EU-28 progress per ‘second chance’ indicator, 2008=100

![Graph showing EU-28 progress per 'second chance' indicator from 2008 to 2018. The graph includes indicators such as time to resolve insolvency, cost to resolve insolvency (% of the debtor’s estate), fear of failure rate, and strength of insolvency framework index (0-16).]

3.3 ‘Think Small First’

Recent policy developments under ‘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 policymaking process. The principle also calls for newly designed legislation, administrative rules and procedures to be made simple and easy to apply.

More than 30 policy measures have been adopted/implemented over the current reference period. As in previous years, most of the measures aimed to minimise red tape for businesses. Recent examples of policy developments include Portugal’s ‘How much does it cost’ measure, which provides an institutionalised system to identify and estimate the costs of new legislation for business. The ‘SME Test’ was also adopted/implemented by some EU Member States including Ireland, Cyprus, Slovakia and Slovenia.

Close to 300 policy measures have been adopted/implemented under the ‘Think Small First’ principle since 2011. Table 3 shows the overall policy progress and status in terms of the key policy measures put in place at EU level under this principle. Regulatory impact assessments (RIAs) are in place in almost every Member State, and SME stakeholders are generally being consulted on new legislative proposals, with most Member States also publishing the results of the consultations. In general, the ‘Think Small First’ principle is applied to both legislation and administrative procedures affecting SMEs, though just under half of the Member States are still struggling to use the results of RIAs effectively, and to systemically apply the ‘SME Test’. Most Member States still do not have common commencement dates for new or amended legislation.

Figure 13: SBA policy measures at EU-28-level for ‘Think Small First’ (2011 — Q1/2018)
## Table 3: Overall policy implementation at EU-28-level for ‘Think Small First’

<table>
<thead>
<tr>
<th>‘Think Small First’</th>
<th>Are SME stakeholders consulted on new legislative proposals?</th>
<th>27</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>If so, are consultation results taken into consideration and made publicly available?</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>Is the regulatory impact assessment (RIA) process in place?</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>Is the ‘Think Small First’ principle applied both to legislation and administrative procedures affecting SMEs?</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>Have specific targets for the reduction of administrative burdens been set and achieved?</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>If so, are the results of the impact assessment effectively used to change (or cancel) the proposed legislation?</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Is the ‘SME Test’ systematically applied as an integral part of regulatory impact assessments?</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Is there a ‘common commencement date’ for all new legislation and amendments to the existing legislation relevant to SMEs?</td>
<td>6</td>
</tr>
</tbody>
</table>

No. of EU-28 Member States with the answer “Yes”
- 0-7
- 8-14
- 15-21
- 22-28
3.4 ‘Responsive administration’

### Comparative performance of EU Member States

Figure 14 shows the relative positioning of the EU Member States in terms of their performance for the most recent year regarding the ‘responsive administration’ and ‘Think Small First’ (TSF) principles and the distance from the EU average. The best performing states are currently Estonia, Ireland and the Netherlands. The worst performing states overall are currently Croatia, Italy and Slovakia.

**Figure 14: ‘Responsive administration’ & ‘Think Small First’ performance — most recent year**

### EU-28 progress per ‘responsive administration’ indicator

As shown in Figure 17, one of the indicators that made the most significant progress in the recent years is the time to register a business. The average time in the EU to register a business, as of 2016, is just 3.3 days, at an average cost of 360 EUR — a steady drop since the SBA was adopted in 2008.

**Recent policy developments under ‘responsive administration’**

Around 60 policy measures were adopted/implemented during the current reference period under the ‘responsive administration’ principle. Recent examples of policy developments include Belgium’s ‘My enterprise’ platform and Portugal’s ‘Enterprise space’ offering one-stop services.

Overall, over 400 policy measures have been adopted/implemented since 2011 at EU level under the ‘responsive administration’ principle. The ‘once only’ principle has yet to be fully applied, with most EU Member States failing to sufficiently connect various public administration databases. However, most EU Member States now have a one-stop shop for SMEs, and an effective e-government infrastructure allowing SMEs to handle many administrative procedures online. More than half of the Member States also have an SME Envoy who is highly visible among SME stakeholders and plays a proactive role.

### Comparative progress of EU Member States

The quadrant chart below (Figure 16) shows each Member State’s relative position in terms of its performance and progress over time regarding the ‘responsive administration’ principle. The chart shows a wide variety of performance levels, with less variation in terms of progress made. The Member States that made the most significant progress over time (measured as the compound annual growth rate over the 2008-2018 period) include Greece, Poland and the Netherlands.
Figure 15: SBA policy measures at EU-28-level for ‘responsive administration’ (2011 — Q1/2018)

Table 4: Overall policy implementation at EU-28-level for ‘responsive administration’

<table>
<thead>
<tr>
<th>‘Responsive Administration’</th>
<th>Is there a ‘one-stop shop’ where SMEs can perform all administrative requirements and where guidance is provided?</th>
<th>22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Is there an SME friendly and effective e-government infrastructure allowing SMEs to quickly handle all procedures (online)?</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Is the existing ‘single point of contact’ responsible for ensuring the effectiveness of start-up procedures?</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Are the various databases of different public administrations sufficiently connected so that companies only have to provide information once (except for updates)?</td>
<td>13</td>
</tr>
</tbody>
</table>

| Better regulation          | Is the SME Envoy highly visible among SME stakeholders and is he/she playing a proactive role between SME stakeholders, the Regulatory Scrutiny Board and policy makers at national level? | 17 |
| SME Action Programme       | Is the cross-border implementation of the ‘Only Once principle’ supported?                                                       | 10 |

- 0-7  
- 8-14  
- 15-21  
- 22-28
Figure 16: Positioning of each EU-28 Member State in terms of their performance and progress over time for 'responsive administration' (2008-2018)

Figure 17: EU-28 progress per 'responsive administration' indicator; 2008=1008
— Time to start a business (days)
— Cost to start a business (in Euro)
— Paid-in minimum capital (% of income per capita)
— Time to register property (in days)
— Cost to register property (% of property value)
— Payment of taxes (number per year)
— Time to pay taxes (hours per year)
— Cost to enforce contracts (% of claim)
— Starting a business: Procedures (number)
— Burden of government regulation (1 worst; 7 best)
— The people working for government agencies are competent and effective in supporting new and growing firms (Likert scale 1-5)
3.5 State aid & public procurement

**Comparative performance of EU Member States**

Figure 18 shows the relative positioning of the EU Member States in terms of their performance for the most recent year regarding the state aid & public procurement principle and the distance from the EU average. The best performing states are currently Latvia, the Czech Republic and Croatia. The worst performing states overall are Italy, Portugal and the Netherlands.

**Figure 18: State aid and public procurement performance — most recent year**

**Recent policy developments under state aid & public procurement**

During the current reference period, 27 policy measures were adopted/implemented under the state aid & public procurement principle. Recent examples of policy developments include Belgium’s ‘Charter on SMEs’ access to public procurement’ and Lithuania’s new law on public procurement which aims to create more favourable conditions for SMEs.

Close to 190 policy measures have been adopted/implemented under the state aid & public procurement principle since 2011. In almost every Member State, the state aid policy addresses SME needs and there is an effective e-procurement portal through which all public procurements can be conducted. Most Member States have ‘public procurement of innovation’ in place, as are protective measures for SMEs in case of late payments. It is common practice in only half of the Member States to cut big tenders into smaller lots so that small SMEs can apply and bid collectively.

**Comparative progress of EU Member States**

The quadrant chart below (Figure 20) shows each Member State’s relative position in terms of its performance and progress over time regarding the state aid & public procurement principle. The chart shows significant disparities in both performance and progress among Member States. The Member States that made the most significant progress over time (measured as the compound annual growth rate over the 2008-2018 period) include Greece, Portugal and Cyprus.
**Figure 19: SBA policy measures at EU-28-level for state aid & public procurement (2011 — Q1/2018)**

**Table 1: Overall policy implementation at EU-28-level for state aid & public procurement**

<table>
<thead>
<tr>
<th>State aid &amp; public procurement</th>
<th>Does the state aid policy address SMEs’ needs?</th>
<th>Is there an effective e-procurement portal where all public procurements can be screened and applied?</th>
<th>Is there ‘public procurement of innovation’ in place?</th>
<th>Are there protective measures in place for SMEs in case of late payments?</th>
<th>Is it a common practice to cut big tenders into smaller lots so that small SMEs can also apply and to provide opportunities for collective bidding for SMEs (e.g. via clusters)?</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of EU-28 Member States with the answer “Yes”</td>
<td>26</td>
<td>25</td>
<td>20</td>
<td>17</td>
<td>14</td>
</tr>
</tbody>
</table>
Figure 20: Positioning of each EU-28 Member State in terms of their performance and progress over time for state aid & public procurement (2008-2018)
Figure 21: EU-28 progress per ‘state aid & public procurement’ indicator; 2008=1008
3.6 Access to finance

Comparative performance of EU Member States

Figure 22 shows the relative positioning of the EU Member States in terms of their performance for the most recent year regarding the access to finance principle and the distance from the EU average. The best performing states are Latvia, Estonia and Sweden. The worst performing states overall are currently Greece, Cyprus and Italy.

Figure 22: Access to finance performance — most recent year

EU-28 progress per access to finance indicator

Three key access to finance indicators have improved substantially since 2008. The willingness of banks to provide loans has more than doubled since 2014 and tripled since 2008 — and continues on an upward trend. In addition, the percentage of rejected loan applications and loan offers with unacceptable conditions made to SMEs has nearly halved since 2015. The access to public financial support including guarantees has also more than doubled since 2014.

Recent policy developments under access to finance

During the current reference period, around 81 policy measures were adopted/implemented under the access to finance principle. This is a slight drop from the previous reference period (2016-Q1/2017). As in previous years, most of the measures consisted of public financing programmes for SMEs. Recent examples of policy developments include Estonia’s ‘SuperAngel’ venture fund and accelerator programme, and the Netherlands’ new national bank ‘Invest-NL’ as a centralised source for venture capital, guarantees, export credit insurance, etc.

Around 650 policy measures have been adopted/implemented related to the access to finance principle since 2011. All Member States now have funding dedicated to starting up a business, innovation, proof-of-concept and commercialisation, as well as national grants and risk capital to support SMEs and start-ups and bank loans/guarantee schemes to improve access to finance. EU-based funds for SMEs can be accessed relatively easily in most Member States. Most Member States also have business angel funds and venture funds established. Fund-of-funds for alternative equity and debt financing are present in most Member States, as is knowledge on the impact of microfinancing activities. However, less than half of the Member States have a one-stop shop supporting SMEs in accessing funds or an expert group offering encouragement and guidance on alternative finance.
Figure 23: SBA policy measures at EU-28-level for access to finance (2011 — Q1/2018)

Table 2: Overall policy implementation at EU-28-level for access to finance

<table>
<thead>
<tr>
<th>Access to finance</th>
<th>Questions</th>
<th>No. of EU-28 Member States with the answer “Yes”</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SME Action Programme</strong></td>
<td>Are there bank loans and corresponding guarantee schemes to access to loans?</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>Are there national grants and risk capital to support SMEs and start-ups?</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>Is there funding dedicated to starting up a business as well as for innovation, proof-of-concept and for the commercialisation of innovation?</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>Are there Business Angels Funds and Venture Capital Funds established?</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>Are EU-based funds for SMEs relatively easily accessible?</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Is there a ‘one-stop-shop’ to support SMEs in accessing the required funds?</td>
<td>13</td>
</tr>
<tr>
<td><strong>Access to finance</strong></td>
<td>Are Fund-of-Funds for alternative equity and debt financing established?</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Has knowledge on the impact of microfinance activities increased? Is the need for target group-specific microfinancing analysed?</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Is there an expert group on alternative finance, to offer encouragement and guidance?</td>
<td>12</td>
</tr>
</tbody>
</table>
Figure 24: Positioning of each EU-28 Member State in terms of their performance and progress over time for access to finance (2008-2018)

Note: Malta is not included on the access to finance graph due to a lag in data on performance.
Figure 25: EU-28 progress per access to finance indicator; 2008=100*
3.7 Single market

Comparative performance of EU Member States

Figure 26 shows the relative position of the EU Member States in terms of their performance for the most recent year regarding the single market principle and the distance from the EU average. The best performing states are currently Estonia, Austria and Denmark. The worst performing states overall are currently Spain, Romania and Croatia.

Comparative progress of EU Member States

The quadrant chart below (Figure 28) shows each Member State’s relative position in terms of their performance and progress over time regarding the single market principle. The chart shows disparities in both performance and progress among Member States, though there is less variation than for other principles. The Member States that made the most significant progress over time (measured as the compound annual growth rate over the 2008-2018 period) include France, Greece and Cyprus.

EU-28 progress per single market indicator

The average transposition delay of overdue directives at EU level has increased. Despite the number of pending infringement proceedings levelling off over the last 2 years, there has been a notable drop since 2008. The proportion of SMEs with intra-EU online imports and exports continues to improve since the SBA was adopted in 2008.

Recent policy developments under single market

Just 8 policy measures under the principle of single market were adopted/implemented during the current reference period. Since 2011, around 91 policy measures related to the single market have been adopted/implemented.

While immense policy progress has been achieved by all Member States in implementing single market directives, not all Member States have established a comprehensive single point of contact and an effective SOLVIT centre to help SMEs navigate the single market and benefit more.
**Figure 27: SBA policy measures at EU-28-level for single market (2011 — Q1/2018)**

![SBA policy measures - EU-28](image)

**Table 3: Overall policy implementation at EU-28-level for single market**

<table>
<thead>
<tr>
<th>Single market</th>
<th>How many EU-28 Member States with the answer “Yes”</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-7</td>
<td>28</td>
</tr>
<tr>
<td>8-14</td>
<td>25</td>
</tr>
<tr>
<td>15-21</td>
<td>24</td>
</tr>
<tr>
<td>22-28</td>
<td>22</td>
</tr>
</tbody>
</table>

- Does the national government take steps to correctly transpose EU laws on time? 28
- Is there an effective ‘Internal Market Information System’ and SOLVIT centre to solve the Single Market related problems of SMEs? 25
- Is there a ‘single point of contact’ to support SMEs within the Single Market? 24
- Are there measures to enable the participation of SMEs in the development of standards and to help them to better access European standards? 22
- Are there measures to help SMEs overcome the difficulties in accessing patents and trademarks within the Single Market? 21
Figure 28: Positioning of each EU-28 Member State in terms of their performance and progress over time for single market (2008-2018)
Figure 29: EU-28 progress per single market indicator; 2008=100

- Number outstanding single market directives (directives not notified or not transposed into national legislation)
- Average transposition delay for overdue directives (in months)
- Number of pending infringement proceedings
- Public contracts secured abroad (by total value of contracts)
- Intra-EU exports of goods by SMEs in industry (% of SMEs)
- Intra-EU imports of goods by SMEs in industry (% of SMEs)
- Intra-EU online exporters (% of SMEs)
- New and growing firms can easily enter new markets (Likert scale 1-5)
- New and growing firms can enter markets without being unfairly blocked by established firms. (Likert scale 1-5)
3.8 Skills & innovation

Comparative performance of EU Member States

Figure 30 shows the relative position of the EU Member States in terms of their performance for the most recent year regarding the skills & innovation principle and the distance from the EU average. The best performing Member States are currently Ireland, Belgium and Finland. The worst performing Member states overall are currently Romania, Bulgaria and Poland.

Figure 30: Skills & innovation performance — most recent year

Comparative progress of EU Member States

The quadrant chart below (Figure 32) shows each Member State’s relative position in terms of their performance and progress over time regarding the skills & innovation principle. The chart shows disparities in both performance and progress among the Member States, though there is less variation than on other principles. The Member States that made the most significant progress over time (measured as the compound annual growth rate during 2008-2018) include France, Spain and Malta.

EU-28 progress per skills & innovation indicator

According to the latest figures, SMEs’ turnover from e-commerce continues to increase. While the percentage share of SMEs selling online has increased by an estimated 2 percentage points since 2008, it has slightly fallen since last year. On the other hand, the percentage share of SMEs purchasing online has increased by 2 percentage points since 2015 — albeit still lower than in 2008.

Recent policy developments under skills & innovation

During the current reference period, around 113 policy measures were adopted/implemented under the skills & innovation principle. Most of the measures, like in previous years, aim to develop the R&D&I Skills/capabilities of SMEs. Recent examples of policy developments include Ireland’s new lower tax rate on profits from intellectual property assets to encourage innovation, and Hungary’s new financial programme to support the digitalisation of SMEs. Nearly 600 policy measures have been adopted/implemented under the skills & innovation principle since 2011. All Member States have established measures to help SMEs provide training to employees and get access to business advisory/support services. In addition, all Member States have specific measures in place to support the development of the R&D&I Skills/capabilities of SMEs. Most have mechanisms in place to support the commercialisation of RTD results.
Figure 31: SBA policy measures at EU-28-level for skills & innovation (2011 — Q1/2018)

Table 4: Overall policy implementation at EU-28-level for skills & innovation & digitalisation

<table>
<thead>
<tr>
<th>Skills &amp; innovation</th>
<th>Are there public measures to ensure that SMEs can provide/get access to trainings for employees and business advisory/support services?</th>
<th>28</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Are there specific measures in place to develop the R&amp;D&amp;I competencies of SMEs and to support high-growth innovative companies?</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>Is there a well-developed network of training providers accessible across the country and sectors?</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Is there a mechanism to support SMEs to take part in innovation partnerships at national/EU level as well as to help with the commercialisation of RTD results (i.e. IPR management)?</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Is there financial support for SMEs which engage in vocational education and training (VET)?</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Is there a mechanism in-place to assess labour market needs and to accordingly adopt education and vocational trainings to meet the labour market demand?</td>
<td>22</td>
</tr>
<tr>
<td>Skills &amp; innovation</td>
<td>Is the European Social Fund to finance digital skills training for SMEs used?</td>
<td>17</td>
</tr>
<tr>
<td>SME Action Programme</td>
<td>Is the equal value of VET and academic education promoted?</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Is awareness for the good employment outcomes among young people raised?</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Is a common methodology for a long-term outlook for jobs and skills in each industry to forecast the training and labour needs of SMEs established?</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Is adequate and easily accessible funding for cross-border training ensured?</td>
<td>14</td>
</tr>
</tbody>
</table>
Digitalisation

No. of EU-28 Member States with the answer "Yes"
- 0-7
- 8-14
- 15-21
- 22-28

Is the establishment of broadband infrastructure supported? 26
Is there any help provided to SMEs on digital regulation? 14
Are there opportunities for project managers to share ideas or examples regarding good practice? 13
e. g. for developers of digital learning tools
Is there a beginner’s guide for SME-digitalisation? 11

Figure 32: Positioning of each EU-28 Member State in terms of their performance and progress over time for skills & innovation (2008-2018)
Figure 33: EU-28 progress per skills & innovation indicator; 2008=100

- Share of SMEs selling online
- Share of SMEs purchasing online
- Turnover from e-commerce
- Percentage of total persons employed that have ICT specialist skills
- Share of SMEs provided training to their personnel to develop/upgrade their ICT skills
- R&D Transfer (average of 82-87)
3.9 Environment

**Comparative performance of EU Member States**

Figure 34 shows the relative position of the EU Member States in terms of their performance for the most recent year regarding the environment principle and the distance from the EU average. The best performing states are Austria, Luxembourg and Germany. The worst performing states overall are currently Hungary, Cyprus and Greece.

*Figure 34: Environment performance — most recent year*

**Comparative progress of EU Member States**

The quadrant chart below (Figure 36) shows each Member State’s relative position in terms of their performance and progress over time regarding the environment principle. The chart shows significant disparities in both performance and progress among Member States. The Member States that made the most significant progress over time (measured as the compound annual growth rate during 2008-2018) include Luxembourg, Cyprus and Denmark.

**Recent policy developments under environment**

Around 32 policy measures were adopted/implemented during the current reference period — a small increase in policy activity against the previous reference period (2016-Q1/2017). Most measures aimed to provide incentives to businesses to be eco-efficient and to deploy state aid towards sustainable energy.

Overall, more than 170 policy measures have been adopted/implemented since 2011 at EU level under the environment principle. Support measures and incentives are widely in place across the EU to encourage SMEs to become energy efficient, to use renewable sources of energies, and to develop innovative eco-efficient processes, products or services. However, green public procurement is not yet commonplace and not all Member States have established an organisation specifically dedicated to offering support to SMEs to comply with environmental & energy regulations.
Figure 35: SBA policy measures at EU-28-level for environment (2011 — Q1/2018)

Table 5: Overall policy implementation at EU-28-level for environment

<table>
<thead>
<tr>
<th>Environment</th>
<th>0-7</th>
<th>8-14</th>
<th>15-21</th>
<th>22-28</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of EU-28 Member States with the answer &quot;Yes&quot;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are there support measures in place to ensure energy efficiency/use of renewables by SMEs and encourage the development of innovative eco-efficient processes, products or services as well as their uptake by traditional companies?</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are there support measures to put green public procurement in place?</td>
<td>19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is there an organisation specifically responsible for providing support to SMEs to ensure they comply with environmental and energy regulations?</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are there support measures to incentivise SMEs to get EMAS certified?</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Figure 36: Positioning of each EU-28 Member State in terms of their performance and progress over time for environment (2008-2018)
3.10 Internationalisation

**Comparative performance of EU Member States**

Figure 37 shows the relative position of the EU Member States in terms of their performance for the most recent year regarding the internationalisation principle and the distance from the EU average. The best performing Member states are Denmark, Lithuania and Croatia. The worst performing Member States overall are currently the Czech Republic, Greece and Hungary.

![Figure 37: Internationalisation performance — most recent year](image)

**Comparative progress of EU Member States**

The quadrant chart below (Figure 39) shows each Member State’s relative position in terms of their performance and progress over time regarding the internationalisation principle. The Member States that made the most significant progress over time (measured as the compound annual growth rate over the 2008-2018 period) include Italy, Slovakia and Spain.

**EU-28 progress per internationalisation indicator**

According to the latest figures, the percentage of extra-EU exports and imports of goods by SMEs in industry increased overall since 2008. Over the same period, the number of documents required for SMEs in order to export stagnated.

**Recent policy developments under internationalisation**

Around 46 policy measures were adopted/implemented over the current reference period — twice as many as the previous reference period (2016-Q1/2017). Recent examples of policy developments include Hungary’s ‘Export Academy’, Ireland’s suite of measures to address Brexit (advisory clinics, loans, scorecards), and Lithuania’s consultancy vouchers for SMEs that aim to export.

Since 2011, close to 240 policy measures have been adopted/implemented in the EU to support SMEs that do business outside the EU. Most Member States have set up an umbrella organisation to provide SMEs with different types of support services to help them do business abroad — while nearly all EU MS have put different types of financial support measures in place that are dedicated to helping SMEs in their international business activities.
Figure 38: SBA policy measures at EU-28-level for internationalisation (2011 — Q1/2018)

Table 6: Overall policy implementation at EU-28-level for internationalisation

<table>
<thead>
<tr>
<th>Internationalisation</th>
<th>Are there missions/partnership agreements/trips/networking events organised by the responsible authorities to boost new market entry of SMEs outside the EU?</th>
<th>28</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Is there financial support (loans, guarantees, equity, export credit insurance facilities) available specifically for SMEs internationalisation?</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Are there clusters, accelerators and trade organisations in the country to boost SME internationalisation?</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Is there an umbrella organisation providing all sorts of support (strategic, operational, legal, financial, linguistic etc.) to SMEs for internationalisation and to stimulate trade &amp; export?</td>
<td>20</td>
</tr>
<tr>
<td>Access to market</td>
<td>Are there single access points for information on applicable rules and regulations in foreign markets?</td>
<td>21</td>
</tr>
</tbody>
</table>

2018 SBA Fact Sheet — European Union
**Figure 39:** Positioning of each EU-28 Member State in terms of their performance and progress over time for Internationalisation (2008-2018)

Variation from the EU average (in standard deviations; EU average=0)

**Figure 40:** EU-28 progress per internationalisation indicator; 2008=100º
4. Interesting initiatives

The following presents an overview of recent examples of interesting initiatives per SBA principle from EU Member States to show what governments can do to support SMEs.

Entrepreneurship

'School day at a company' — Estonia

To help young people benefit from an early understanding of various career choices, Estonian companies, in cooperation with schools and parents, opened their doors to their employees' children for at least a day. The event gives children a better understanding of various aspects of working life and entrepreneurship and what different jobs within a company entail. The first event took place on 12-16 February 2018 with students in grades 7-9.

The initiative was launched by the Estonian Chamber of Commerce and Industry and supported and partly financed by the Ministry of Education and Science and Foundation, ‘INNOVE’. Around 500 companies, 200 schools and more than 1,600 pupils participated in the event. All participating companies provided a well-planned programme of activities for the whole day. Guidelines were developed for companies and schools to help them to prepare the programmes. The objective was to make the day meaningful and useful, not just a fun day out of school. The school children were introduced to work and the work environment and were given work-sheets and a choice of specific work assignments. Teacher-guided follow-up discussions and opportunities to share experiences with other classmates were organised in many cases.

The benefits of this initiative are:

- **School children** become more informed about the working environment, what their parents' everyday work is like, how a workday is organised, work responsibilities and the value of work.
- **Employers** can introduce themselves to young people, contribute to their education and show themselves as socially responsible and family-friendly companies.
- **Schools** get the opportunity to cooperate with parents and companies, adding a practical aspect to career training and building a network of contacts for the future.
- **Parents** have a specific and practical opportunity to cooperate with schools and explain various aspects of their jobs to children to help them make well-informed education and career choices.

The participants gave very positive feedback saying this initiative should be continued and extended to a younger age group. The organisers hope to turn this initiative into an integrated part of career-training in schools.

References:

http://www.ettevotlikkus.ee/toolekaasa/
‘Second chance’
Early restructuring and ‘second chance’ — Hungary

The ‘Early restructuring and second chance’ (Új csődtorvény a vállalkozások második esélyének elősegítése érdekében) procedure is a new pre-insolvency measure that creates a legal framework for restructuring viable companies and rescuing honest entrepreneurs at an early stage. These insolvency and discharge procedures will serve as an important basis for further reform. The Ministry of Justice implemented the changes to enable debtors to prepare restructuring plans rather than becoming insolvent. Judicial procedures concerning bankruptcy are shorter and easier for SMEs, as the measure introduced set deadlines by which juries must close the legal procedure of bankruptcy. It also introduces a new e-administration platform, which makes it easier for companies to handle the administrative aspects of insolvency.

References:
https://net.jogtar.hu/jogszabaly?docid=99100049.TV

‘Think Small First’
Centre for Better Regulation — Slovakia

The Centre for Better Regulation was created to reduce disproportionate amounts of red tape on business as well as to improve the business environment in Slovakia. The centre was jointly created by the private and public sector and operates as part of the Slovak Business Agency. The main activities of the centre include:
- applying the ‘SME test’ and the regulatory impact assessment;
- promoting the ‘Think Small First’ principle in Slovak law to simplify existing regulations;
- drafting proposals on reducing red tape on businesses;
- consulting businesses and stakeholders on new regulations;
- assessing the standardisation of Slovak and EU legislation during the transposition process to avoid gold-plating.

References:
http://www.sbagency.sk/en/better-regulation-center#.WudTUbigo5d

‘Responsive administration’
‘My Enterprise’ platform (Federal Public Service Economy) — Belgium

‘My Enterprise’ (myenterprise.be) is a free tool available to entrepreneurs at any time from any networked computer, tablet or smartphone. To access the tool, entrepreneurs simply need either their electronic ID card and a card reader or a token. ‘My Enterprise’ allows contractors and independent bodies to immediately access a company’s data (contact details, bank account number, company mandates, address, business activities, etc.) from the Crossroads Bank for Enterprises (CBE). Entrepreneurs only need to provide their data to the CBE once via ‘My Enterprise’. Furthermore, much of the information registered in the CBE is public, meaning that anyone, including potential customers, can search for information about a company’s activities.

References:
State aid & public procurement

Online tool to enable SMEs to check when large businesses pay their suppliers — United Kingdom

The UK government launched an online tool in October 2017 that enables SMEs to find out the average time it takes for a specific large business to pay its suppliers and the proportion of payments (for example, invoice payments) that it does not pay on time.

Every year, thousands of businesses experience severe administrative and financial burdens, simply because they are not paid on time. Late payment is a serious issue for businesses, especially smaller businesses as it can adversely affect their cash flow and jeopardise their ability to trade. In the worst cases, late payment can lead to insolvency.

The online tool aims to provide SMEs with information on the payment practices of large businesses to inform their decision-making when considering entering into contracts with these large businesses. The measure follows the introduction of regulations made under Section 3 of the Small Business, Enterprise and Employment Act 2015, and (for limited liability partnerships), the Limited Liability Partnerships Act 2000. Both these acts place a duty on the UK’s largest companies and limited liability partnerships to report on a half-yearly basis on their payment practices, policies and performance for financial years beginning on or after 6 April 2017. The regulations stipulate that this information must be published through an online service provided by the government and made available to the public. The online tool fulfils that requirement.

References:

https://www.gov.uk/check-when-businesses-pay-invoices#more-information


Access to finance

Equifund investment platform — Greece

Equifund is an investment platform which is expected to have a significant multiplier effect on the economy and on society. It aims to strengthen the venture capital market in Greece, which can in turn provide entrepreneurs with the crucial financing they need to grow their businesses while attracting private sector investment. This new fund-of-funds focuses on three sectors or ‘windows’: (i) an innovation window (for innovators and researchers), (ii) an early stage window (for start-ups), and (iii) a growth stage window (for scale-ups). Under each window, a number of independently managed funds will be created that will be co-financed by EquiFund and private investors.

EquiFund has already attracted the attention of the international community due to its ability to find funding through equity investments at a time when one of the biggest problems faced by businesses is to ensure liquidity and raise funds. The investment platform not only combines funding and expertise from major institutional players, but also provides the necessary flexibility to create successful investments.

In Greece, this is the first time that such substantial investment measures are being applied. It is estimated that EUR 320 million in funds will be disbursed. Of this, EUR 200 million will come from European and national resources, EUR 60 million from the European Investment Fund, EUR 60 million from the European Investment Bank, and the additional funds from private investors.

Nine investments funds have already been created: Innovation Window Funds (BigPi Ventures, Metavallon fund, Uni.Fund, Velocity.Partners); Early Stage Window Funds (Marathon VC, VentureFriends 400W); and Growth Window Funds (Elikonos 2, EOS Capital Partners, Synergia Hellenic Fund IV).

References:
https://equifund.gr

Single market

Amendments to the Investment Promotion Act — Croatia

The ‘Amendments to the Investment Promotion Act’ (Zakon o izmjenama i dopunama Zakona o poticanju ulaganja) were implemented to further improve initial implementation of the act and to better align it with EU legislation. The main goal is to stimulate and increase investment in the national economy. With a budget of EUR 32.6 million, this measure focuses on raising the technological level of SMEs by means of acquiring new equipment and technologies. It also aims to promote employment and education, create higher added value, and the economic reactivation of idle property owned by the state, to increase entrepreneurial competitiveness and balance regional development.

References:
https://narodne-novine.nn.hr/clanci/sluzbeni/2018_03_25_477.html
Skills & innovation

SME support programme 'Proof of Concept' — Czech Republic

This support programme was introduced by the Czech Ministry of Industry and Trade. It provides support to Czech SMEs to carry out a feasibility study, SWOT analysis and commercial analysis to assess the ‘proof of concept’ of new products and services. The support measure also aims to encourage technology and knowledge transfer between research organisations and businesses.

The programme provides support for:
- personnel costs: wages and insurance premiums for researchers, technicians and other support personnel needed for the project;
- costs for tools, devices and equipment needed to develop the project;
- costs for consultants and external experts used exclusively for the project; and
- costs for obtaining and validating patents and other intangible assets.

The minimum amount of financial aid per project is EUR 12 000, while the maximum is EUR 400 000.

References:

Environment

Action Plan for the Circular Economy — Portugal

The ‘Action Plan for the Circular Economy’ (Plano de Ação para a Economia Circular — PAEC) has been adopted to redefine the concept of the ‘end of life’ of the linear economy based on the reuse, repair and renovation of materials and energy. This is a strategic model of growth and investment based on efficiency and value of resources aiming to minimise environmental impacts. The measure consists of three levels of measures for the next 3 years:

- national: measures to consolidate some of the measures introduced in several governmental areas for the transition to a circular economy;
- sectoral: measures for sectors that are more resource-intensive and export-oriented; and
- regional: measures adapted to the socio-economic characteristics of each Portuguese region.

In addition, the circular economy vouchers support national companies in transitioning to a circular economy by financing consultancy services provided by accredited bodies, boosting competitiveness and promoting sustainable economic growth.

References:
https://dre.pt/home/-/dre/114357039/details/maximized

Internationalisation

Co-Innovate programme — Ireland

The Co-Innovate Programme is providing SMEs involved in research and innovation across the border regions of Ireland, Northern Ireland and parts of western Scotland with the tools and support to help them to innovate, to increase their existing product range and to compete successfully. The programme provides free workshops to help SMEs learn about the benefits of innovation, identify opportunities for growth and devise a strategy to develop their business. SMEs that attend the workshops can also then access additional supports which include innovation audits, one-to-one expert mentoring and funding to help them collaborate with businesses in other regions to deliver new innovate products or processes.

References:
http://www.co-innovateprogramme.eu/ci/
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:
Entrepreneurship and SMEs:
https://ec.europa.eu/growth/smes

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 2016, the graphs show estimates of the development over time, produced by DIW Econ on the basis of 2008-2015 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/
4 Slovakia is not included in the analysis because of a structural break in the data series.
5 Due to data availability, the data on high-growth firms refers to the ‘business economy’ only, which covers sections B-N including section K (financial activities, except activities of holding companies). The ‘non-financial business economy’ excludes section K.
6 Source: Eurostat. Due to data availability, the data on business births 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.
7 In line with the Commission implementing regulation (EU) No 439/2014, high-growth enterprises are defined as firms with at least 10 employees in the beginning of their growth and average annualised growth in number of employees greater than 10 % per annum, over a 3-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 13.04.2018).
8 The policy measures presented in this SBA fact sheet are only a selection of the measures the government took in 2017 and the first quarter of 2018. The national SME policy expert that PwC (DG GROW’s lead contractor for the 2018 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.
9 These tables highlight the overall implementation of the SBA recommendations at EU-28-level. They are, however, not to be taken as exact observations — but rather as approximations based on the aggregated information from all of the country inventory checklists completed by national SME policy experts through desk research and consultations with stakeholders and public authorities.