2018 SBA Fact Sheet

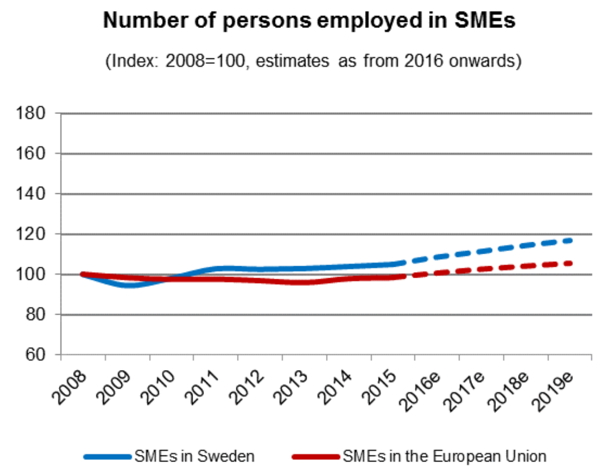
Sweden

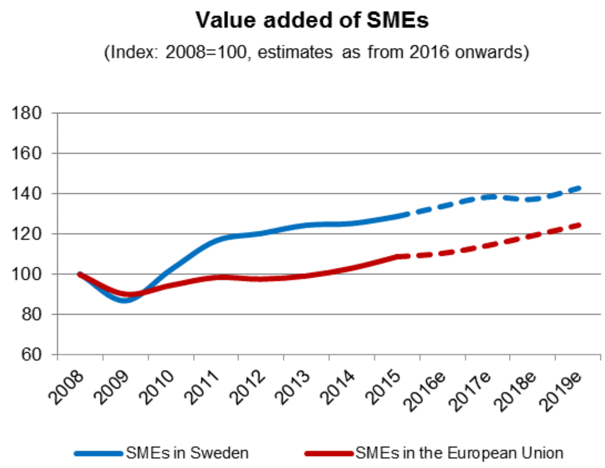
Key points

Past & future SME performance[1]: Swedish SMEs generate 59.7 % of value added and 65.5 % of employment in the 'non-financial business economy'. Their productivity is well above the EU average, though the average number of people they employ is lower than the EU average. SMEs have grown steadily in recent years. In 2013-2017, SME value added increased by 11.4 % and SME employment by 8.1 %. Most recently, in 2016-2017, SME value added and employment rose by 3.6 % and 2.5 % respectively. The forecast for SME value added growth for 2017-2019 is 3.2 % and SME employment is expected to rise even more sharply, by 4.7 %.

Implementing the Small Business Act for Europe (SBA): Sweden's SBA profile is competitive and progress has been made in all fields. It is above the EU average in five SBA areas: 'responsive administration', access to finance, skills and innovation, environment and internationalisation. It performs in line with the EU average in the other four areas: entrepreneurship, 'second chance', state aid & public procurement and single market. During the current reference period, Sweden has made the most significant progress in the 'responsive administration' policy area.

SME policy priorities: Companies consider finding skilled labour one of their greatest challenges at the moment. A more rapid processing of work permit extensions for the highly-skilled will strengthen the labour market and address companies' needs. The division of public procurement contracts into smaller components will facilitate SMEs to participate more extensively in the process.





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.

European Commission

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1. SMEs — basic figures

Class size	Number of enterprises			Number of persons employed			Value added		
	Sweden		*EU-28*	Sweden		*EU-28*	Sweden		*EU-28*
	Number	**Share**	***Share***	**Number**	**Share**	***Share***	**Billion €**	**Share**	***Share***
Micro	683 703	94.6 %	93.1 %	803 041	24.6 %	*29.4 %*	52.5	22.1 %	*20.7 %*
Small	32 613	4.5 %	5.8 %	721 013	22.0 %	*20.0 %*	45.1	19.0 %	*17.8 %*
Medium-sized	5 725	0.8 %	0.9 %	618 264	18.9 %	*17.0 %*	44.3	18.7 %	*18.3 %*
SMEs	**722 041**	**99.9 %**	**99.8 %**	**2 142 318**	**65.5 %**	***66.4 %***	**141.9**	**59.7 %**	***56.8 %***
Large	1 038	0.1 %	0.2 %	1 128 078	34.5 %	*33.6 %*	95.7	40.3 %	*43.2 %*
Total	**723 079**	**100.0 %**	**100.0 %**	**3 270 396**	**100.0 %**	***100.0 %***	**237.6**	**100.0 %**	***100.0 %***

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 in the non-financial business economy in Sweden are on a par with the EU average, accounting for 59.7 % of value added and almost two thirds of employment. Micro firms provide a quarter of jobs, which is below the EU average. SME productivity, defined as value added per person employed, is around EUR 66 200, well above the EU average of around EUR 43 900. The average number of people employed by SMEs is 3.0, which is lower than the EU average of 3.9. The biggest SME sectors in terms of value added are *wholesale and retail trade* and *manufacturing*. Together they are responsible for more than a third of SME value added.

SMEs have grown steadily in recent years. In 2013-2017, SME value added increased by 11.4 % and SME employment by 8.1 %. However, unlike the previous 2012-2016 period, SMEs did not significantly outperform large firms in terms of value added. Instead, SMEs and large firms grew at similar rates. Most recently, in 2016-2017, SME value added and employment rose by 3.6 % and 2.5 % respectively.

SMEs performed well in the *professional activities* sector in 2013-2017, with continued growth of 14.2 % in value added, and of 12.9 % in employment. A major contributing factor is that more firms chose to hire, rather than employ, specialist consultants, to benefit from greater flexibility, both financially and in terms of business strategy[2]. Technological progress and the rising demand for knowledge-intensive services have significantly driven the growth in specialised consultancies[3]. This trend has affected many areas of expertise within companies which were previously provided in-house. SMEs in the subsectors of *management and consulting* and *architecture and engineering* have particularly reaped the benefits of this outsourcing. Taken together, in 2017 these subsectors were responsible for 57.6 % of SME value added in *professional activities*.

Growth in *manufacturing* has been rather uneven. SME employment dropped over the 2011-2015 period and has only recently begun to grow. In 2011-2017, SME employment fell by 10.2 % in total. SMEs performed better on value added, with an increase of 11.3 % in the same period. The overall drop in employment was partly due to structural change, in particular an economic shift towards the service industry. This was further amplified by increased outsourcing of services (such as property, financial and IT management) which would previously have been provided in-house[4]. Value added growth in *manufacturing*, on the other hand, was largely the result of a rise in exports[5]. For example, *mining* and *manufacturing* produce a large amount of goods for the export market, with 74 % of their total value added due to exports in 2014[6]. Sweden is a small economy and therefore heavily dependent on a competitive export sector.

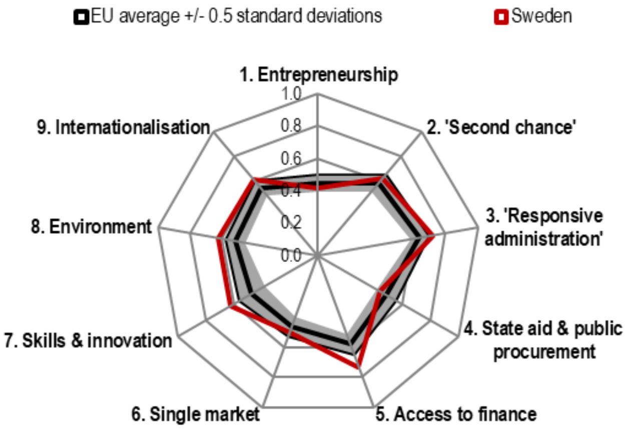
More companies are being registered in Sweden than are going bankrupt, reflecting a generally healthy economic climate. In 2016, 71 825 new companies were registered, a modest increase of 2.4 % compared with 2015[7]. Most recently, in 2015-2016, the biggest increase — of roughly one fifth — was for *transport and storage*[8]. The number of bankruptcies fell by 6.4 % from 6 433 in 2013 to 6 019 in 2016[9].

The following segment presents data that has been collected for the EU Startup Monitor and refers mainly to the population of online and technology based start-ups.[10] The typical Swedish start-up founder is male (86.3 %) and holds a university degree (74.5 %). Nonetheless, Sweden also has a large share of successful entrepreneurs without a university degree: 19.6 % against the EU average of 9.5 %. The typical Swedish start-up employs 13 people and plans to hire 7 more within the next 12 months.

Many Swedish firms in the 'business economy'[11] also managed to scale-up their operations successfully. In 2015, 4 669 firms (or 12.1 % of all firms in the 'business economy') with at least 10 employees were high-growth firms[12], which was significantly higher than the EU average of 9.9 %. High-growth firms are particularly prevalent in *information and communication*. At 18.5 %, Sweden has the highest share in the EU for this sector.

SME value added is forecast to rise by 3.2 % in 2017-2019 and employment by 4.7 %. As a result, around 101 100 new jobs are expected to be created by SMEs in this period.

2. SBA profile[13]



Sweden continues to have one of the most competitive SBA profiles in the EU, performing above the EU average in five SBA areas: 'responsive administration', access to finance, skills and innovation, environment and internationalisation.

It performs in line with the EU average in the areas of entrepreneurship, 'second chance', single market and state aid & public procurement.

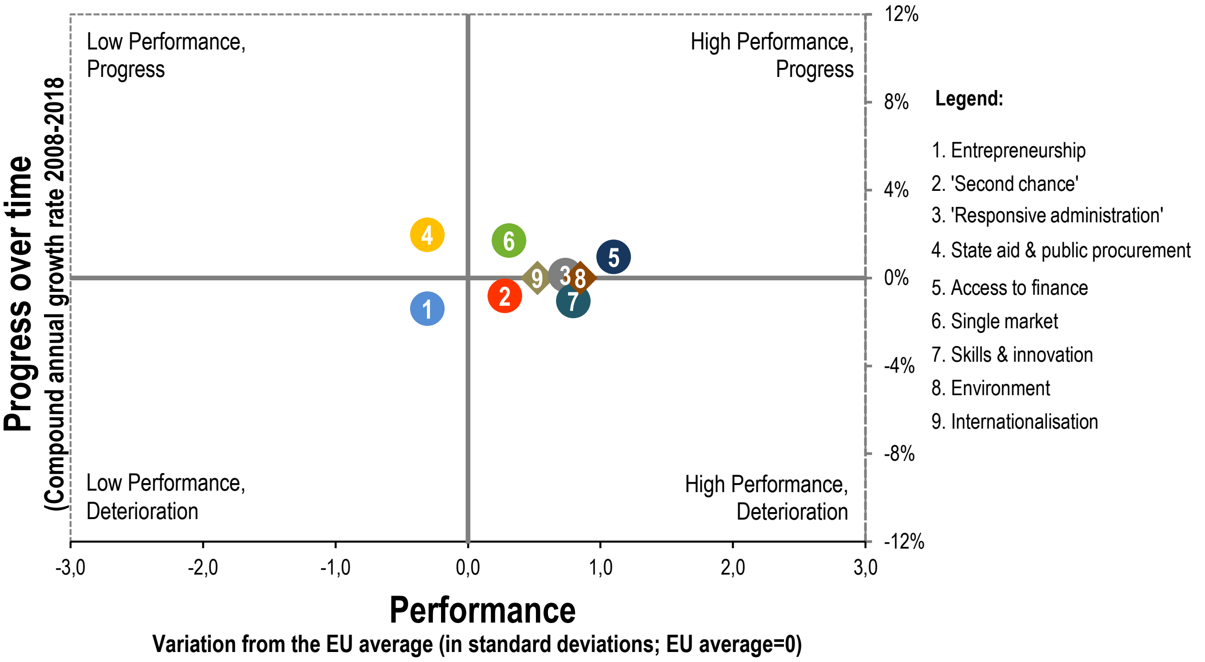
While it does not have an explicit strategy for the implementation of the SBA, Sweden has addressed most of the SBA recommendations since 2008.

Since 2008, it has increasingly focused on SMEs in its policy development process, as evidenced by the appointment of a Deputy Director for start-ups at the Ministry of Enterprise in 2016.

During the current reference period, which covers 2017 and the first quarter of 2018, Sweden adopted and/or implemented several significant policy measures, which address 8 out of the 10 SBA policy areas.

The country has made the most significant progress in the 'responsive administration' policy area. It continued to improve SMEs' access to finance through a mix of public and private financing. The environment for promoting entrepreneurship has remained positive, as shown by the rise in female entrepreneurship in particular.

SBA performance of Sweden: state of play and development from 2008 to 2018[14]



Note: The scores presented in the chart above are not fully comparable to those displayed in previous versions of the fact sheet. This is due to a review of the framework of indicators used to assess performance across the SBA principles. Only the aspects with sufficient background data are presented. The value for progress over time was set to 0% in case of insufficient data and marked in the above chart by a diamond shape. For more details, please consult the methodological note on the webpage of the SME Performance Review: http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/

3. SBA principles[15]

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, Sweden has increasingly focused on SMEs in its policy development process, as evidenced by the appointment of a Deputy Director for start-ups at the Ministry of Enterprise in 2016[16].

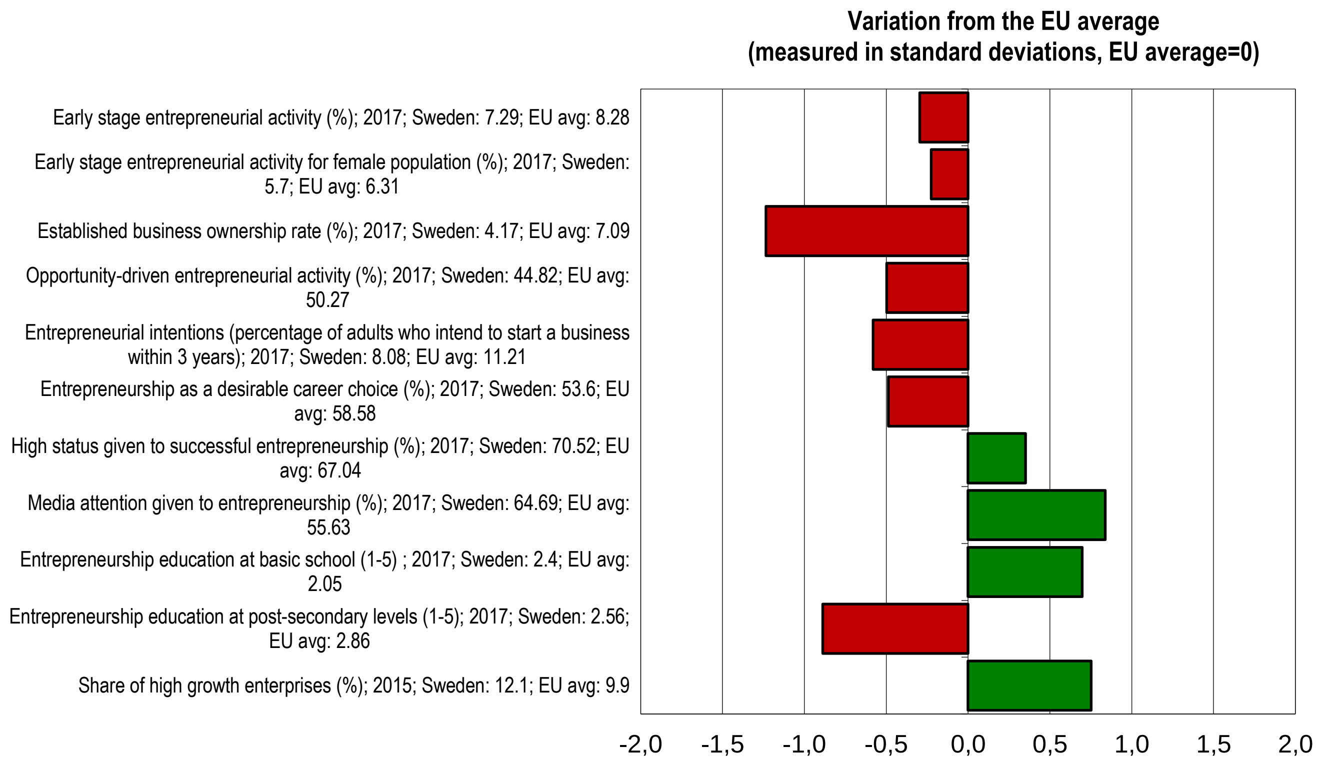
During the reference period, the Swedish Agency for Economic and Regional Growth added to its tasks advocating a 'digital first' approach among government agencies. The aim is to create simple, digital contact points in public authorities that companies can refer to *(Verka för digitalt först — för ett enklare företagande)*[17]. Additional funds have also been set aside to further develop the business portal 'verksamt.se' *(Öka innovationstakten i utvecklingen av verksamt.se)*[18]. A pilot programme to reduce the administrative burden on microenterprises in the food and beverage industry, using digital services, has also been successfully implemented and is now to be extended to the hospitality[19] and food industries[20].

Other relevant measures adopted during the reference period include:

- a targeted information campaign to strengthen cyber resilience among SMEs and the general public[21] *(Stärka allmänhetens samt små och medelstora företags motståndskraft mot it-incidenter)*; and

- an investigation into how authorities' administrative processes affect business competitiveness and development, with suggestions on how agencies can work to shorten processing times *(Korta och effektiva handläggningsprocesser för företag)*[22].

3.1 Entrepreneurship



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

Over 99 % of the approximately 1.2 million companies in Sweden are small businesses with 50 employees or less. The number of start-ups has remained constant at around 70 000 per year since 2010[23].

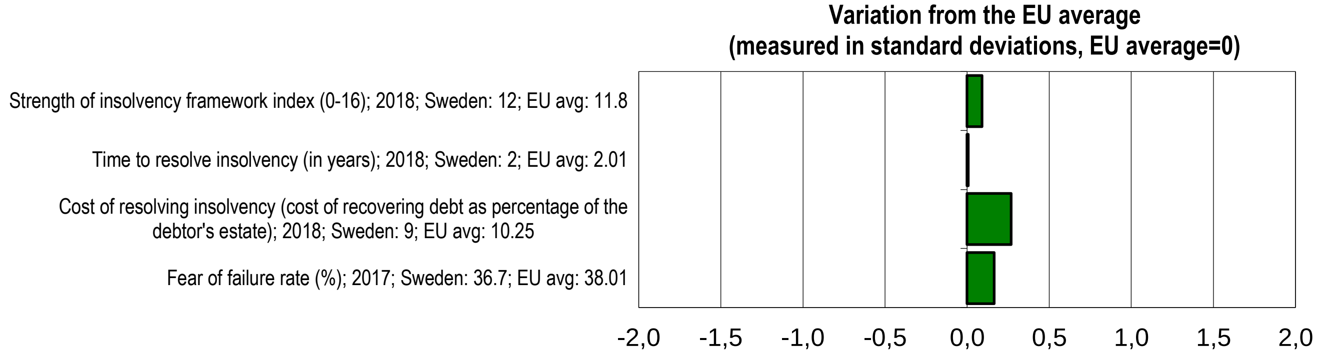
Sweden's performance on entrepreneurship is in line with the EU average, despite a general deterioration in some indicators compared to last year. Overall, the country's progress has slowed down since 2008 in this area. Opportunity-driven entrepreneurial activity has decreased from 53.5 % in 2016 to 44.8 % in 2017, bringing it below the EU average. In addition, early stage entrepreneurial activity for women dropped from 6.3 % in 2016 to 5.7 % in 2017 and entrepreneurial intentions also fell slightly from 8.4 % to 8.1 %. The currently strong Swedish labour market may be a contributing factor. Nevertheless, entrepreneurship framework conditions have improved and entrepreneurs and media attention for entrepreneurship were assigned high status between 2016 and 2017.

Since 2008, the environment for promoting Swedish entrepreneurship has remained positive, as shown by the rise in female entrepreneurship in particular[24]. This has been further encouraged with a recent initiative that promotes entrepreneurship among newly arrived and foreign-born women through networking and mentoring support (*Främja utrikes födda kvinnors företagande*)[25]. There has also been a shift in mindset towards entrepreneurship across generations, with students and young adults being comparatively more open to and interested in starting a business[26]. This is thought to be a result of current and previous policy measures to include the promotion of entrepreneurship in high school and university education.

Around half of Sweden's population is open to the idea of starting a business. However, this has gone down over time, with the primary concern being a reduction in financial and social security[27]. To address the issue, the government has proposed a change in law to increase social security coverage for entrepreneurs starting a company (*Stärkt försäkringsskydd för studerande och företagare*)[28].

The verksamt.se portal mentioned above is a valuable resource for entrepreneurs, with 88 % of users who are starting a business and 81 % of those already running a business indicating that the portal has made the process easier[29]. Sweden also launched an initiative to support the development of social entrepreneurship and enterprises (*Stödja utveckling av socialt entreprenörskap och sociala företag*) by identifying such companies and helping them get adequate funding.[30]

3.2 ‘Second chance’



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

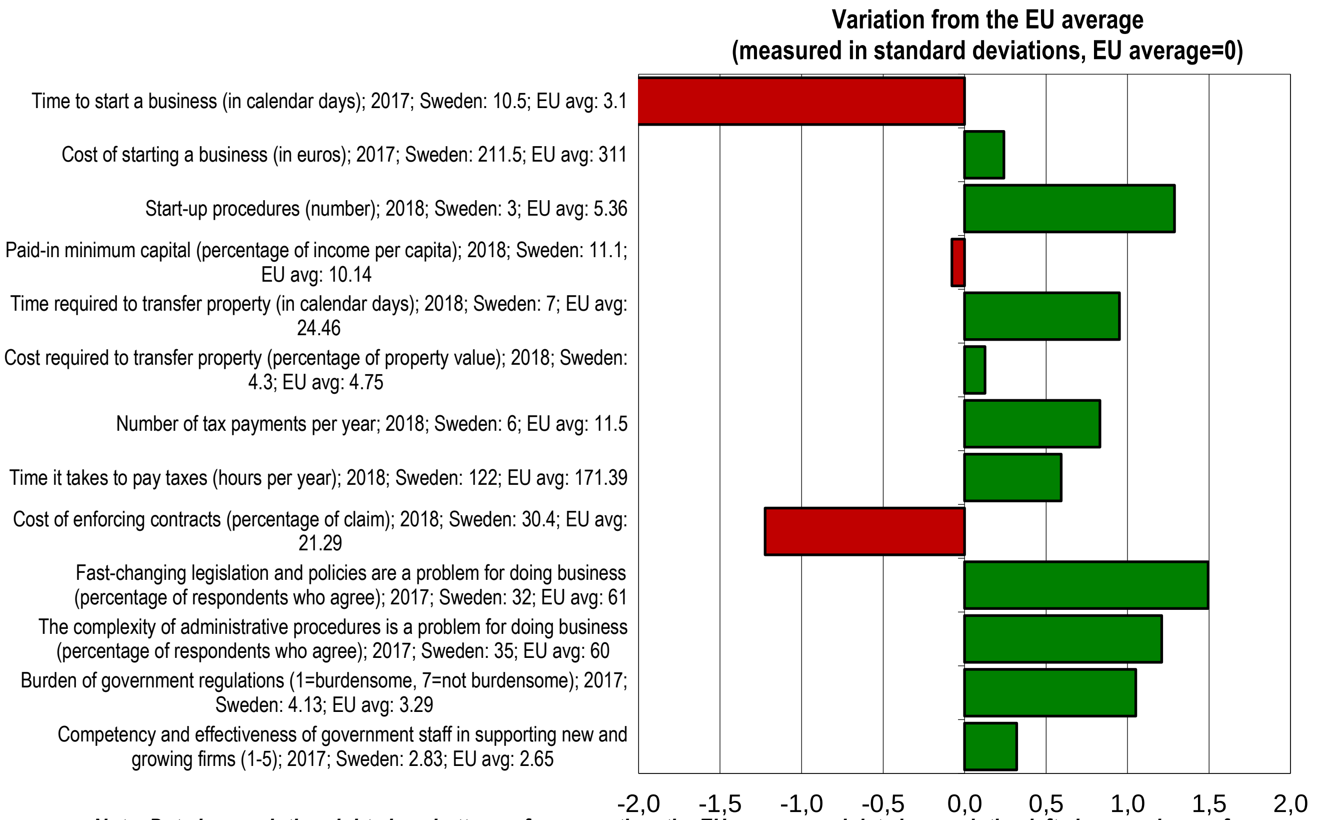
‘Second chance’ refers to ensuring that honest entrepreneurs who have gone bankrupt get a second chance quickly. Sweden performs in line with the EU average in this area. All indicators have remained stable since 2017, except for the fear of failure rate which decreased from 40.8 % in 2016 to 36.7 % in 2017.

Sweden has increased its efforts in this area in recent years. An extensive investigation into the state of entrepreneurship in Sweden (SOU 2016:72 *Entreprenörskapsutredningen — Entreprenörskap i det tjugoförsta århundradet*) was finalised in 2016 and a new ‘second chance’ law was adopted as a follow up.

The revised bankruptcy law of 2016 which gives honest entrepreneurs a second chance through debt restructuring *(Skuldsaneringslag för företagare)* is currently being implemented, but its effects still need to be evaluated. Unfortunately, structural and cultural factors hinder progress in this area. For example, registered tax offences, including minor ones such as a late tax payment, could harm a company’s chance of participating in public procurement. Furthermore, failure is still perceived as a social stigma.

No significant new policy measures were announced, adopted or implemented in the ‘second chance’ policy area during the reference period.

3.3 'Responsive administration'



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'Responsive administration' refers to public administration being responsive to the needs of SMEs. Sweden's performance remains above the EU average, with most indicators remaining stable. The country's progress has increased steadily since 2008. It is the third best performer in the EU when it comes to changing legislation and policies (with only 32 % of respondents considering it to be a problem in 2017 compared to 34 % in 2015). Similarly, the complexity of administrative procedures is seen as a problem by only 35 % of respondents in 2017, down from 40 % in 2015. Sweden also notes a slight reduction in the cost of starting a business, from EUR 216.5 in 2016 to EUR 211.5 in 2017.

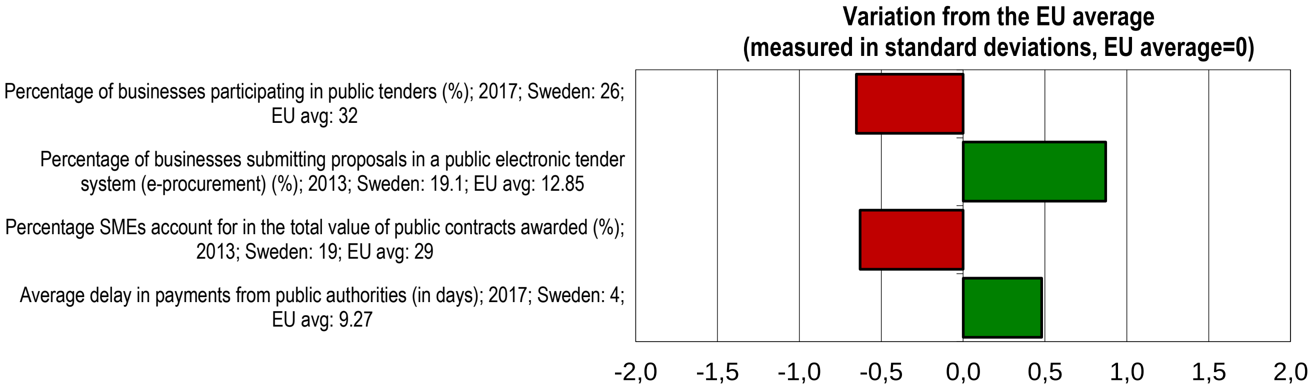
Sweden is below the EU average on the cost of enforcing contracts. This has remained unchanged between 2017 and 2018, whereas it slightly decreased at EU level.

The verksamt.se portal saw its number of users increase to 2.6 million in 2017. The portal is a one-stop shop that gathers information from over 50 different government agencies and is continuously expanding its services. The slow processing of work permit extensions for highly-skilled non-EU professionals is a challenge, though the processing time has somewhat improved recently[31].

During the reference period, the Swedish Companies Registration Office has developed a digital tool for submitting corporate financial information. This aims to reduce companies' reporting burden and streamline the management of information between authorities and industry *(Utveckla tjänsten för digital ingivning av årsredovisningar m.m. för alla företagsformer).* The goal is for all annual reports and consolidated accounts to be submitted digitally by 2020[32]. The success of the pilot programme *Serverat,* which targets microenterprises in the food and beverage industry and streamlines application processes through digital services, has also been extended to the hospitality industry *(Enklare företagande i besöksnäringen)*[33].

Another initiative in the current reference period involves collaboration and stronger coordination between public authorities to provide an innovation friendly and coherent innovation process for companies in regulated industries *(Stärka samordningen mellan myndigheter för en sammanhållen innovationsprocess)*[34].

3.4 State aid & public procurement



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

Sweden performs in line with the EU average in state aid & public procurement. While there has been a slight overall deterioration since 2016, the country has made substantial progress since 2008. The average delay in payments from public authorities remained stable at 4 days between 2016 and 2017, while it increased at EU level. Other indicators for this area have not been updated recently. As a result, the impact of recent measures has not been measured.

The public procurement system is generally efficient and works well. However, the proportion of contract award notices without information on the contract value remains very high (20 %, against 6 % on average across the European Economic Area). It is therefore difficult to identify any unjustified modification of contracts and check whether the prices paid correspond to market prices[35].

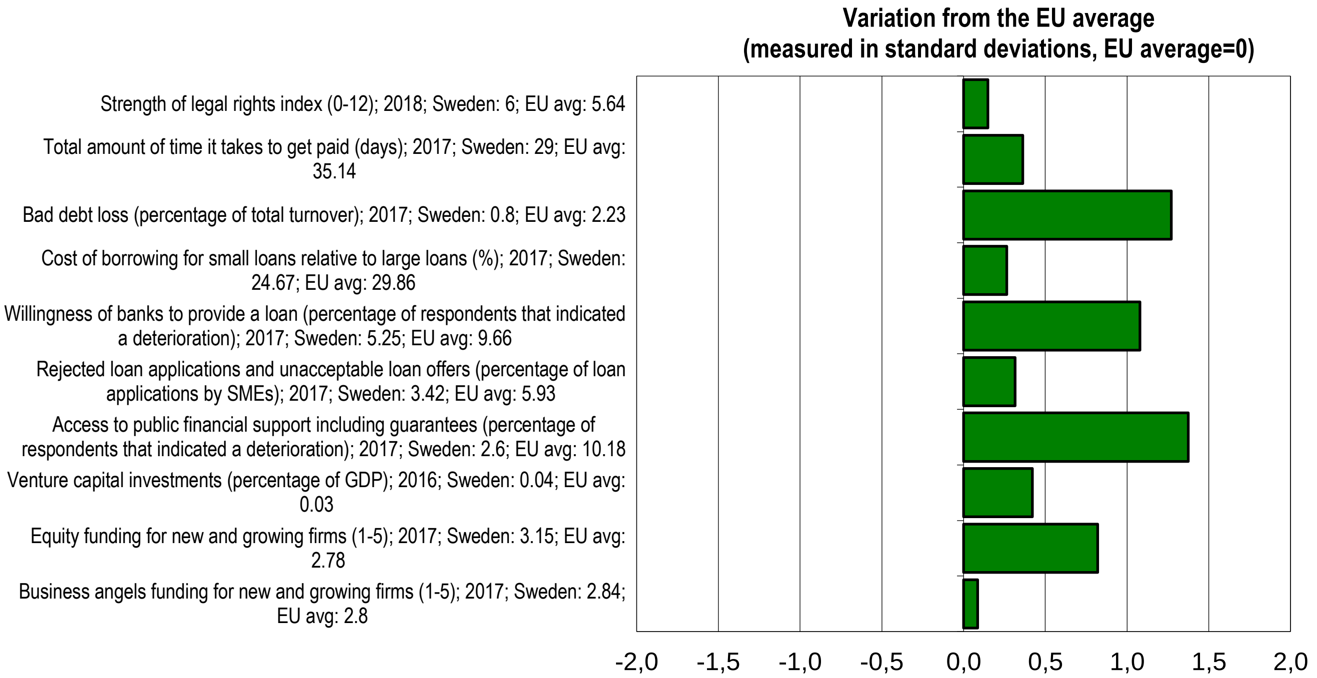
The National Agency for Public Procurement continues to strive to improve SME participation in public procurement. This work is linked to the National Public Procurement Strategy launched by the government in 2016 that has seven policy objectives, including increasing the number of suppliers (large and small) and promoting competition[36].

During the reference period, the Agency's efforts were supported by the new public procurement law (*Nya Lagen om Offentlig Upphandling)* adopted in January 2017. This provides further opportunities for SMEs, including the obligation of public bodies to encourage SMEs' participation in public procurement. It also includes support for procurement of innovative goods and services.

Regarding state aid, specific government grants have been awarded to strengthen the business environment in rural areas that face geographical and demographic challenges *(Fördela statsbidrag till kommuner i glesbygd; Kartlägga och analysera företags behov och tillgång till kapital på landsbygden).* The funds aim to provide support for specific challenges relating to business development and labour supply[37].

Employee-related fees have been temporarily reduced to encourage companies to hire their first workers *Växastöd — Tillfälligt sänkt arbetsgivaravgift för enmansföretag som anställer sin första medarbetare).* This temporary reduction was introduced in January 2017 for sole proprietors and extended in January 2018 to include limited companies and trading companies. The law only applies until the end of 2021[38].

3.5 Access to finance



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

Sweden continues to perform above the EU average on access to finance. It has the third highest score in the EU, making this its best SBA area. The country has steadily improved its performance since 2008.

The 2017 survey on access to finance confirms that companies have good access to finance in general. Almost no SME that applied for a loan was rejected (compared to a 5 % EU average). The three most important issues to SMEs were staff, customers and competition. Only 9 % of SMEs said that access to finance was their most important concern (2013: 10 %). Venture capital is sufficiently available and there are several private and public funds active on the market. In addition, access to public financial support has further improved and fewer SMEs report difficulties[39].

During the current reference period, a number of key measures have been introduced. These include:

- mapping and analysing business needs and access to capital in rural areas to chart how companies in rural areas have used public funding over the last 5 years and improving follow up *(Kartlägga och analysera företags behov och tillgång till kapital på landsbygden)*; and

- supporting the development of social entrepreneurship and social businesses by mapping and disseminating knowledge about existing financing opportunities *(Stödja utveckling av socialt entreprenörskap och sociala företag.)*.

Sweden has continued to improve access to finance among SMEs through a mix of public and private financing. Saminvest has set up a new 'fund-of-funds' structure. It aims to co-invest with private capital to improve access to finance in sectors such as health care and during the seed stage. In 2017, it contributed to the creation of three new venture capital funds with operations in Sweden[40].

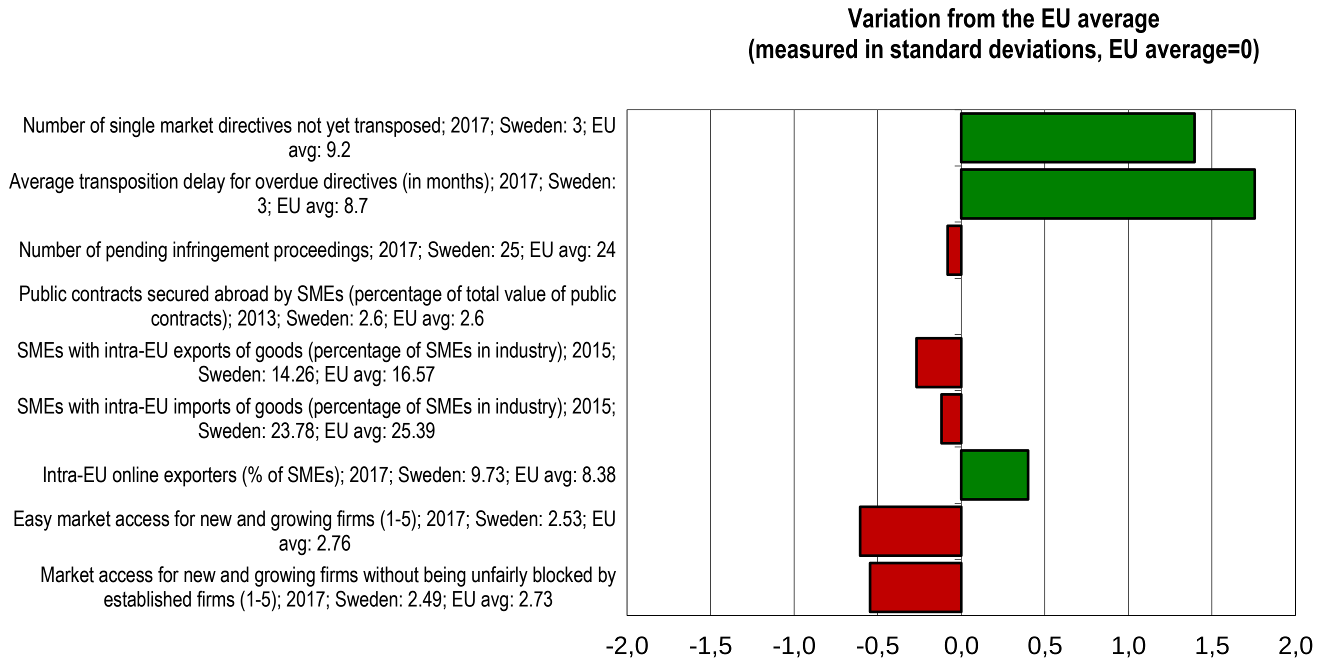
Norrlandsfonden, an independent trust fund, has been allocated an additional EUR 19 million for 2017 by the Swedish government to support high-growth SMEs in northern Sweden. These have typically faced challenges in obtaining traditional financing due to the comparatively lower value of collateral in these regions[41].

During the reference period, the government also entered into a dialogue with banks with the aim of increasing the availability of traditional bank financing for SMEs across the country[42].

Financing is readily available for start-ups. The emphasis is increasingly being placed on supporting the scale-up phase of businesses.

In addition, the Swedish government has been reflecting on the long payment times, which tend to be a particular financial challenge for SMEs given their need to maintain strong liquidity compared to larger companies that have better access to external financing[43].

3.6 Single market



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

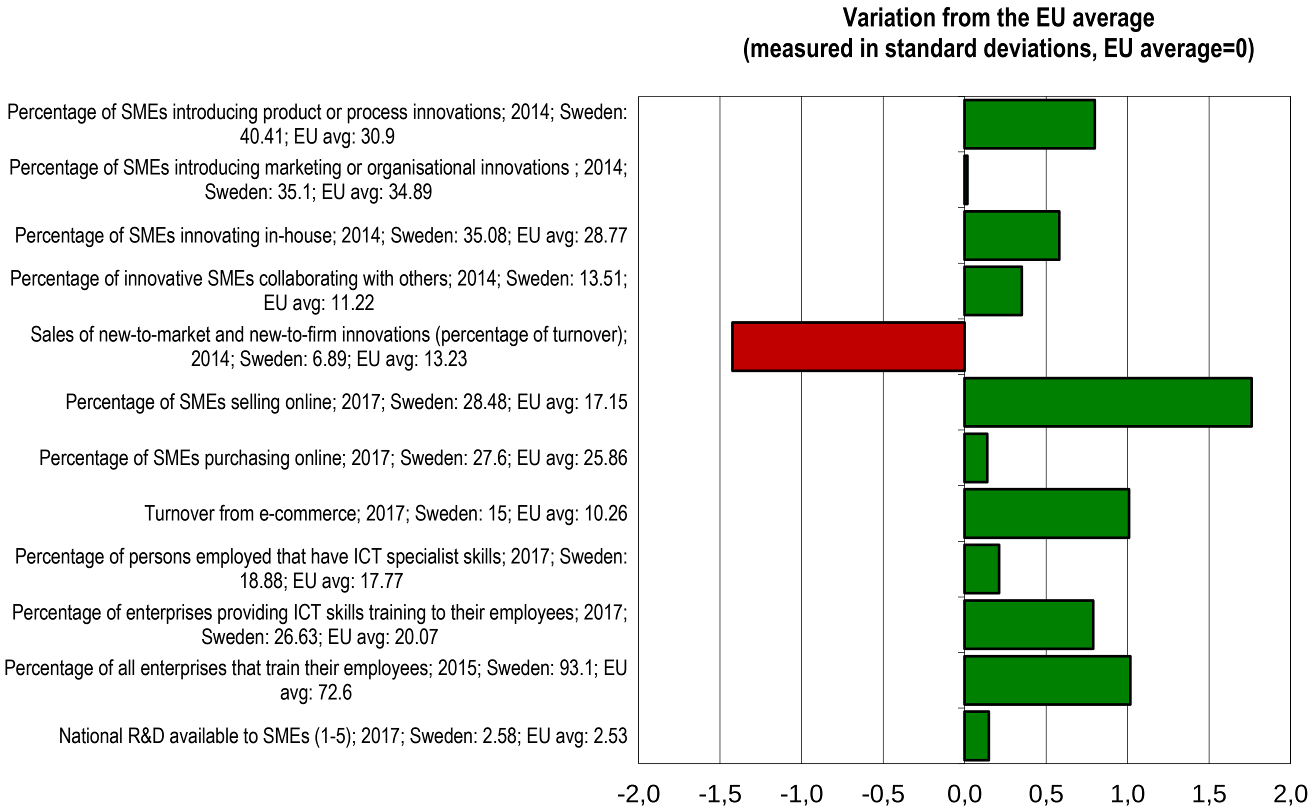
As in previous years, Sweden performs in line with the EU average in the single market area. The country has steadily improved its performance since 2008.

The most notable improvement is the decrease in the number of single market directives not yet transposed from 14 in 2016 to three in 2017. Furthermore, the transposition delay for overdue directives decreased from 5 to 3 months between 2016 and 2017. Sweden is first in the EU for these two indicators. By contrast, Sweden slightly increased its number of pending single market-related infringement proceedings (from 23 in 2016 to 25 in 2017) which is in line with the EU average (24 cases). Furthermore, new and growing firms seem to have faced slightly more difficult market access compared to the previous year.

Since 2008, Sweden has introduced measures to encourage SMEs to participate in the single market. It continues to operate within the Enterprise Europe Network and related information is provided on the verksamt.se portal.

No new significant policy measures in the single market area were announced or adopted/implemented during the current reference period.

3.7 Skills & innovation



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Sweden performs above the EU average in the area of skills & innovation. The relative strengths of its innovation system are skilled staff, a generally innovation friendly business environment and attractive research systems[44]. The most notable improvements in the last year are an increase in the proportion of employees with specialist ICT skills (from 16.2 % in 2016 to 18.9 % in 2017) and an increase in SMEs purchasing online (from 21.1 % to 27.6 %). Sweden excels in terms of SMEs selling online and the percentage of businesses providing training to employees.

Since 2008, Sweden has continued to focus on encouraging innovation and has addressed skills matching through integration and education policy measures. In 2017, however, 28 % of SMEs perceived a shortage of skilled workers as a significant barrier to growth[45].

During the current reference period, a number of key measures have been introduced:

- Improved labour market networks and contacts for foreign-born women, especially new arrivals (*Förbättra nätverk och kontakter på arbetsmarknaden för utrikes födda kvinnor*)[46]. Creating a 'jobs leap' by connecting newly arrived migrants with employers relevant to their competences through the provision of internships (*Jobbsprånget*)[47].

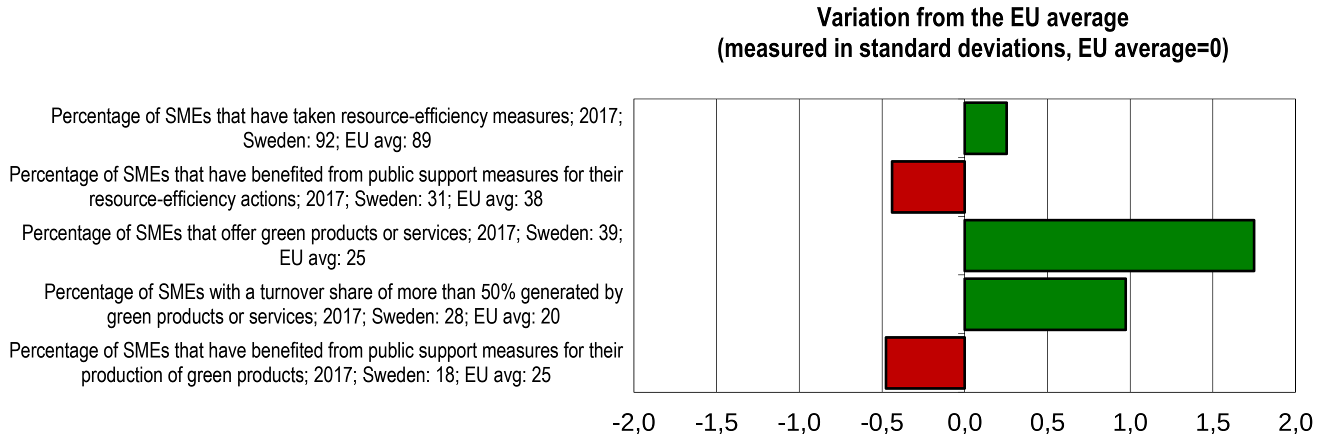
- Pilot projects that provide short, advanced-level university courses to specialists to prepare the workforce for the fourth industrial revolution (*Genomföra pilotprojekt för flexibla korta kurser för yrkesverksamma specialister*)[48].

- Funds to advance the 'smart industry' strategy in the regions, allocated primarily to bodies responsible for regional development (*Främja Smart industri på regional nivå*)[49].

- A programme to increase the knowledge and use of robots and automation among industrial SMEs *(Genomföra ett program för ett robotlyft riktat till små och medelstora industriföretag)*[50].

- A new legal framework for employee stock options, available to SMEs with less than 50 employees, to help them become more competitive in attracting talent on the global market[51].

3.8 Environment



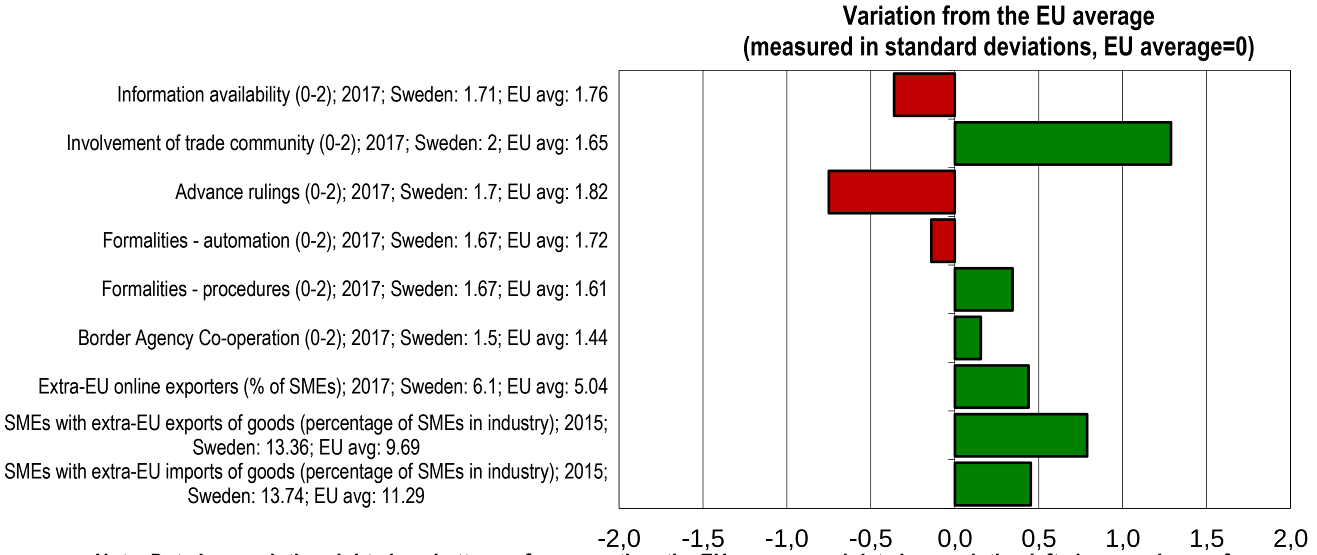
Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

Sweden's performance exceeds the EU average in the environment area, with variation among the different indicators. The proportion of SMEs that took resource efficiency measures increased from 88 % to 92 % between 2015 and 2017. Sweden is also one of the best countries in the EU on the percentage of SMEs that offer green products. However, regarding support for the production of green products, though Sweden's performance has improved since the last reporting period, it remains below the EU average. In addition, the proportion of SMEs that have benefited from public support measures for their resource efficiency actions has sharply decreased from 53 % in 2015 to 31 % in 2017.

Since 2008, Sweden has introduced various initiatives to promote sustainability efforts among companies and support them in providing green solutions:

- The Swedish Agency for Economic and Regional Growth regularly provides business development funds to further the internationalisation of SMEs within the cleantech sector[52]. The Agency has also helped industrial SMEs based in the northernmost part of Sweden to develop environmentally sustainable transport solutions and use them more effectively[53].
- An initiative launched in the current reference period provides work opportunities for newly arrived migrants and the long-term unemployed, including internships and subsidised employment in the 'green' industry, such as nature conservation and management (Tillvarata jobbpotential inom de gröna näringarna)[54].
- The country has also invested further in promoting solutions for smart and sustainable cities within the 'Smart City Sweden' demonstration platform. The government's export strategy clearly commits to internationalisation and promoting exports by SMEs (Stödja demonstrationsplattformen Smart City Sweden)[55].
- Finally, to achieve its climate objectives, Sweden launched an initiative in 2017 to reduce industrial emissions. An annual amount of 300 million SEK will be allocated until 2040 to help Swedish industry take the leap towards net zero greenhouse gas emissions (Långsiktig satsning för att minska industrins utsläpp av växthusgaser)[56].

3.9 Internationalisation



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

Sweden continues to perform above the EU average in the area of internationalisation. It has improved on the availability of information on internationalisation (customs and trade) and on advance rulings, although it still performs below the EU average in these areas. In addition, following a slight deterioration in automated procedures between 2015 and 2017, Sweden is now in line with the EU average. It scores above the EU average for the indicators 'involvement of trade community' (including the SME community) and SMEs exporting their goods. All other indicators are in line with the EU average with a stable or improving performance.

Sweden continues to apply its 2015 national export strategy by further expanding regional export centres that provide local support for SMEs wishing to export their goods and services and by improving digital information on the verksamt.se portal.

During the current reference period, Sweden adopted specific measures supporting companies in the food and agricultural industry. These include: (i) an analysis of the export potential for this area; (ii) a regional export programme for food and agricultural companies; and (iii) financial support for such activities *(Underlätta för export av livsmedel och jordbruksvaror*[57]; *Genomföra en förstärkt satsning på livsmedelsexport)*[58]. These measures aim to create a long-term, sustainable and competitive food and agriculture value chain. This is particularly significant given that the Swedish food industry is mainly comprised of SMEs.

3. Interesting initiative

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

Boosting the use of robots in industrial SMEs

Rapid developments in digitalisation, automation and the use of robots, combined with an increasing demand for environmental performance and a more effective use of resources, have created opportunities to increase competitiveness. To ensure that smaller companies are not left behind due to resource and knowledge constraints, the Swedish Agency for Economic and Regional Growth launched a programme targeting industrial SMEs in early 2018. The aim is to increase the automation of production processes, thereby increasing their long-term competitiveness. The programme has two stages. The first is to visualise the opportunities of modern automation and robotic solutions for SMEs with the help of intermediaries and other companies. The second is to provide support to individual SMEs, for example through the use of cheques to finance services that would enable them to invest in automation. The programme has a budget of approximately EUR 10.7 million for the 2018-2021 period.

For more information:

http://www.regeringen.se/regeringsuppdrag/2018/01/uppdrag-till-tillvaxtverket-att-genomfora-ett-program-for-ett-robotlyft-riktat-till-sma-och-medelstora-industriforetag/

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:

http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/

grow-spr@ec.europa.eu

Small Business Act:

http://ec.europa.eu/growth/smes/business-friendly-environment/small-business-act/index_en.htm

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/.

[2] http://startaochdriva.se/blog/2016/08/22/nar-foretaget-vaxlar-upp/, last accessed 16.02.2018.

[3] Vinnova, 2016, Svensk konsultsektor i ny belysning, VA 2016:07, available at: https://www.std.se/storage/ma/1fd6438d3ffd45d78877e1bd1491ab82/1a712e50367c4d3fbc8ffcd4bea832ac/pdf/49A42BCB54118856AD73EB6516CA5FDF11D23876/Svensk%20konsultsektor%20i%20ny%20belysning.pdf, last accessed 16.05.2018.

[4] Almega, 2017, Sveriges export-sektor växer med ökat tjänsteinnehåll, available at: https://www.almega.se/app/uploads/imported/Sveriges-exportsektor-vaxer-med-okat-tjansteinnehall.pdf, last accessed 16.05.2018.

[5] Official statistics of Sweden, Exports by important SITC commodity groups, available at: http://www.scb.se/en/finding-statistics/statistics-by-subject-area/trade-in-goods-and-services/foreign-trade/foreign-trade---exports-and-imports-of-goods/, last accessed 22.05.2018.

[6] Almega, 2017, Sveriges export-sektor växer med ökat tjänsteinnehåll, available at: https://www.almega.se/app/uploads/imported/Sveriges-exportsektor-vaxer-med-okat-tjansteinnehall.pdf, last accessed 16.05.2018.

[7] The Swedish Agency for Growth Policy Analysis, available at: http://statistikportalen.tillvaxtanalys.se/Pages/ShowReport.aspx?StatisticalAreaID=7&newCompanyReportID=2342, last accessed 16.05.2018.

[8] The Swedish Agency for Growth Policy Analysis, available at: http://www.tillvaxtanalys.se/in-english/publications/statistics/statistics/2017-06-22-newly-started-enterprises-in-sweden-2016.html, last accessed 16.05.2018.

[9] The Swedish Agency for Growth Policy Analysis, available at: http://statistikportalen.tillvaxtanalys.se/Pages/ShowReport.aspx?ReportID=3&StatisticalAreaID=5, last accessed 16.05.2018.

[10] The data presented was collected by the EU Startup Monitor project, www.startupmonitor.eu.

[11] 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.

[12] 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).

[13] The 2018 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.

[14] 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 2018. 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 2018. 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/.

[15] 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.

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[18] http://www.regeringen.se/490aa7/contentassets/396332bdb7d44042b3cead4503e3385f/uppdrag-att-oka-innovationstakten-i-utvecklingen-av-verksamt.se

[19] https://skl.se/naringslivarbetedigitalisering/digitalisering/nyhetsarkivdigitalisering/arkivdigitalisering/enklareforetagandeavenibesoksnaringen.13112.html

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[25] https://tillvaxtverket.se/download/18.448d2df3160e422a573bc186/1516630421990/%C3_%84_%202018-126-01_%20Fr%C3_%A4_mja%20utrikes%20f%C3_%B6dda%20kvinnors%20ftg.pdf

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[28] http://www.regeringen.se/pressmeddelanden/2017/11/forslag-om-ett-battre-forsakringsskydd-for-nya-foretagare-pa-remiss

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[30]http://www.regeringen.se/490685/contentassets/3a56f704052c4964be6a92f4943c6cf1/uppdrag-att-stodja-utveckling-av-socialt-entreprenorskap-och-sociala-foretag.pdf

[31] https://ec.europa.eu/info/publications/2018-european-semester-country-reports_en

[32] http://www.regeringen.se/496594/contentassets/e9849fce830d4280b1ba96b2a362211f/original-med-signatur.pdf

[33]https://skl.se/naringslivarbetedigitalisering/digitalisering/nyhetsarkivdigitalisering/arkivdigitalisering/enklareforetagandeavenibesoksnaringen.13112.html

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[39] https://ec.europa.eu/info/publications/2018-european-semester-country-reports_en

[40] http://saminvest.se/sv/nyheter/tre-fondinvesteringar-under-2017

[41] http://www.regeringen.se/4a65cf/contentassets/79f6d27416794f0bb146c792e02b65fc/utgiftsomrade-24-naringsliv.pdf

[42] http://www.regeringen.se/4a65cf/contentassets/79f6d27416794f0bb146c792e02b65fc/utgiftsomrade-24-naringsliv.pdf

[43] http://www.regeringen.se/pressmeddelanden/2017/01/mikael-damberg-samlar-naringslivet-till-mote-om-betaltider/

[44] It topped the European Innovation Scoreboard 2018.

http://ec.europa.eu/growth/industry/innovation/facts-figures/scoreboards_en

[45] https://ec.europa.eu/info/publications/2018-european-semester-country-reports_en

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[47] http://www.regeringen.se/493c41/contentassets/0ba013e87cb24604859b31a998b48232/uppdrag-till-tillvaxtverket-att-genomfora-jobbspranget.pdf

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[58] http://www.regeringen.se/4afeb9/contentassets/0d2a3803eaa543f9b68ae73f29c0795e/2017-12-07-iv-10-uppdrag-att-inom-ramen-for-livsmedelsstrategingenomfor-forstarkt-satsning-underskriven.pdf