

2018 SBA Fact Sheet

Belgium



Key points

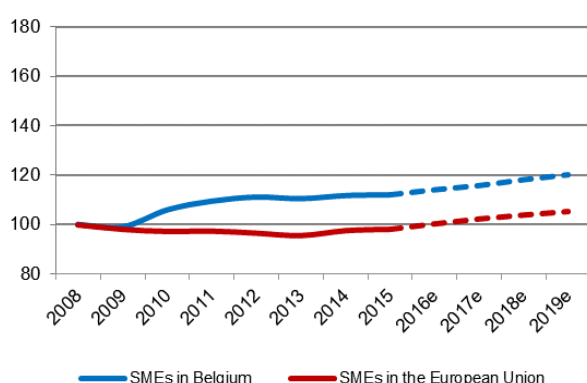
Past & future SME performance¹: SMEs account for a greater proportion of the 'non-financial business economy' in Belgium than in the EU on average. They generate 62.4 % of value added and 69.3 % of employment, against the respective EU averages of 56.8 % and 66.4 %. SMEs have contributed substantially to growth in the Belgian 'non-financial business economy' in recent years. SME employment and value added increased by 4.8 % and 14.3 % respectively in 2013-2017. The outlook for SMEs, and the 'non-financial business economy' as a whole, is positive. SME value added is expected to continue growing by 9.1 % in 2017-2019. SME employment is also predicted to rise by 3.8 % in 2017-2019.

Implementing the Small Business Act for Europe (SBA): Belgium's SBA profile is largely in line with the EU average. It performed particularly well on skills & innovation, where it was the second highest performing Member State. It also scored above average on 'second chance'. Belgium was in line with the average on access to finance, single market, environment and internationalisation. Despite noticeable progress, it remained below the average on 'responsive administration' and state aid & public procurement. Performance on entrepreneurship in Belgium remains low. However, the impact of recent measures has yet to be assessed. Business dynamism is also low and the administrative burden for firms remains heavy, characterised by complex procedures and low regulatory certainty.

SME policy priorities: There are several priority areas where Belgian SME policy could be improved. The administrative burden on SMEs could be reduced by: (1) applying the 'once only' principle more widely; (2) aligning government administrative systems better and (3) supervising regulatory impact assessments more effectively during the legislative process. Belgium could also build on its progress and better meet SME needs in the future by: (1) boosting the entrepreneurship curriculum in primary and secondary schools; (2) creating a 'one-stop-shop' for information for SMEs and (3) addressing the backlog of bankruptcy cases.

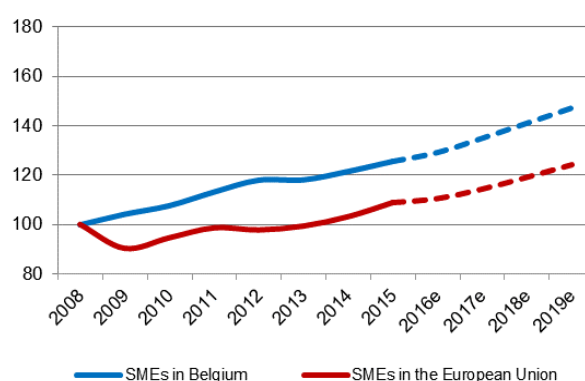
Number of persons employed in SMEs

(Index: 2008=100, estimates as from 2016 onwards)



Value added of SMEs

(Index: 2008=100, estimates as from 2016 onwards)



About the SBA fact sheets

The Small Business Act for Europe (SBA) is the EU's flagship policy initiative to support small and medium-sized enterprises (SMEs). It comprises a set of policy measures organised around 10 principles ranging from entrepreneurship and 'responsive administration' to internationalisation. To improve the governance of the SBA, the 2011 review of it called for better monitoring. 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.

Table of Contents

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

1. SMEs — basic figures

Class size	Number of enterprises			Number of persons employed			Value added		
	Belgium		EU-28	Belgium		EU-28	Belgium		EU-28
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	587 916	94.8 %	93.1 %	1 000 564	35.1 %	29.4 %	51.9	24.2 %	20.7 %
Small	27 479	4.4 %	5.8 %	558 364	19.6 %	20.0 %	45.0	21.0 %	17.8 %
Medium-sized	4 019	0.6 %	0.9 %	419 599	14.7 %	17.0 %	37.2	17.3 %	18.3 %
SMEs	619 414	99.9 %	99.8 %	1 978 527	69.3 %	66.4 %	134.1	62.4 %	56.8 %
Large	908	0.1 %	0.2 %	875 994	30.7 %	33.6 %	80.6	37.6 %	43.2 %
Total	620 322	100.0 %	100.0 %	2 854 521	100.0 %	100.0 %	214.7	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.

In Belgium, as in the rest of the EU, SMEs provide the majority of jobs and create the biggest proportion of value added. SMEs account for a greater proportion of the 'non-financial business economy' in Belgium than in the EU on average. They generated 62.4 % of value added and 69.3 % of employment, against the respective EU averages of 56.8 % and 66.4 %. The average SME in Belgium employs 3.2 people, which is lower than the EU average of 3.9. On average, Belgian firms across all size-classes are more productive in terms of value added per person employed than in the EU as a whole. Belgium has the biggest productivity differential for small firms, with productivity for this size-class 1.77 times higher than the EU average.

SMEs have contributed substantially to growth in the Belgian 'non-financial business economy' in recent years. SME employment and value added increased by 4.8 % and 14.3 % respectively in 2013-2017. Micro firms performed particularly well, with growth of 8.7 % and 21.9 % in employment and value added respectively. In 2016-2017, SMEs continued to grow, with an increase of 1.5 % in employment and 4.5 % in value added.

SMEs were the main drivers of growth in the *construction* sector. Here, SME value added and employment increased by 12.0 % and 4.3 % respectively in 2013-2017. Value added growth in large firms was much weaker, at 3.5 %, while employment fell by 4.7 %. A number of factors contributed to these positive

developments: (1) a new energy performance regulation for buildings in Flanders, which led to a boom in the granting of building permits in 2013-2015²; (2) a fall in unemployment; (3) an increase in household disposable income and (4) low mortgage rates^{3,4}. Most recently, SME growth in *construction* has been driven by several large-scale infrastructure projects. These include the new lock in the canal connecting Terneuzen and the Port of Ghent⁵, and the Oosterweel road link⁶, which will improve access to the city and port of Antwerp.

SMEs in *manufacturing* are still suffering from the downturn after the financial crisis. In 2017, SME value added was 4.1 % above its 2008 value, while SME employment was still 12.6 % lower than in 2008. However, SMEs have shown signs of recovery recently. After a steady year-on-year decline from 2008, 2015-2016 marked the beginning of an upswing, with SME employment rising by 2.2 % in 2015-2017. This upturn indicates that the reforms introduced to improve the overall competitiveness of the Belgian economy are taking effect. These reforms included wage moderation and a cut in employers' social security contributions to lower labour costs⁷. Consequently, the nominal wage gap between Belgium and its three largest neighbours (France, Germany and the Netherlands) was closed in 2016⁸. Furthermore, the overall recovery of economic activity has sparked growth in the labour market⁹. The resulting employment recovery in *manufacturing*, which started in 2015-2016 and continued until 2017, was driven by SMEs. In contrast, large firms have continued to struggle and experienced a 1.6 % fall in employment in 2015-2017. The overall increase in new jobs has led to an economy-wide decrease in unemployment. As a result, shortages in the labour market, particularly for scientific and technical specialisations, are becoming more acute. Finding qualified workers has therefore become more challenging for SMEs in *manufacturing*¹⁰.

The latest available statistics show that 91 507 firms registered in 2016, an increase of 13.8 % against 2015¹¹. The number of deregistrations fell to 55 266 in 2016, 8.2 % fewer than in 2015¹². Bankruptcies also continued to decline: 9 170 bankruptcies were recorded in 2016, 6.1 % fewer than in 2015¹³.

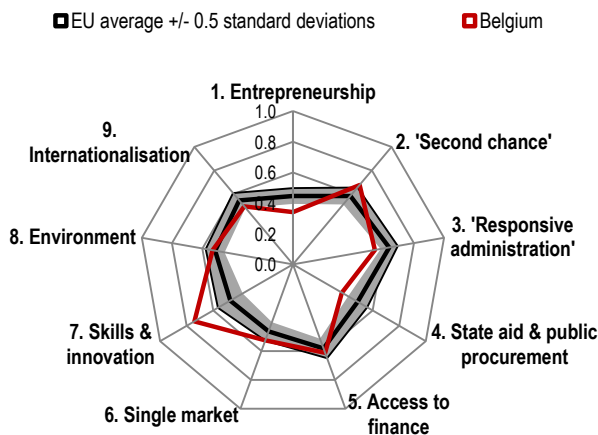
The following segment presents data that has been collected for the EU Startup Monitor and refers mainly to the population of online and technology based start-ups.¹⁴ According to this research project, the Belgian start-up ecosystem has developed rapidly in recent years. With its international population and small size, Belgium provides excellent test conditions for multilingual start-ups. The typical Belgian founder is male (88.9 %) and holds a university degree (84.0 %). Start-ups in Belgium can be found in many sectors, such as healthcare and media. The country holds the top position for fintech, with 10.1 % of its start-ups active in this sector, against an EU average of 5.1 %. Belgian start-ups currently create an average of 10.8 jobs and are looking to hire an average of 5.7 more people within the next 12 months.

More than 50 % of start-ups generate revenue through business-to-business customers only, against the EU average of 36.3 %. Due in part to Belgium's smaller home market, a similar number operate in more than one market or intend to internationalise in the coming 12 months. Belgium is a leader in entering foreign markets outside Europe and Belgian companies have already internationalised in many different locations. This is reflected in high interest in the African market (13.7 % against an EU average of 9.4 %) and the Middle East (19.6 % against an EU average of 15.3 %). The geographic start-up hub for Belgium is Brussels, which hosts almost three quarters of all start-up companies participating in the project.

The proportion of high-growth firms in Belgium is below average for the EU. In 2015, 2 467 firms — 8.1 % of all firms in the 'business economy'¹⁵ with at least 10 employees — were high-growth firms. By contrast, the respective EU average is 9.9 %¹⁶. The highest proportion of high-growth firms is in the *administrative and support services* sector, at 16.9 %.

The outlook for SMEs, and the 'non-financial business economy' as a whole, is positive. SME value added is expected to continue growing, by 9.1 % in 2017-2019. SME employment is also predicted to rise, by 3.8 % in 2017-2019. Micro firms will be the main drivers of this growth, with projected increases of 6.3 % in employment and 12.6 % in value added in 2017-2019. An estimated 75 000 new SME jobs are likely to be created by 2019. Of these, more than 80 % are expected to be in micro firms.

2. SBA profile¹⁷



Belgium's SBA profile remained largely in line with the EU average during the reference period (2017 and the first quarter of 2018). One exception was skills & innovation, where Belgium was the second strongest performing EU Member State. The country performed less well on entrepreneurship, 'responsive administration' and state aid & public procurement. Its performance on access to finance, single market, environment and internationalisation was in line with the EU average.

During the reference period, Belgium implemented a substantial number of policy measures. These addressed 9 of the 10 SBA principles, mainly targeting entrepreneurship, 'responsive administration', skills & innovation, and internationalisation.

Many policy measures on entrepreneurship were adopted at both federal and regional level. At the federal level, the 'Reform of Corporate Income Tax Law' introduced amendments to ensure that taxation does not unnecessarily harm start-ups and small companies or hamper the business transfer process. In the regions, further support was provided for entrepreneurship, particularly to disadvantaged groups and for business transfers.

There was also noticeable progress on 'responsive administration'. For example, measures were introduced at federal and regional level to simplify administrative procedures and reduce the reporting burden for SMEs. Several single contact points were created or will soon be set up. These include 'My Enterprise' at the federal level, and 'Omgevingsloket' and 'E-counter' at the regional level.

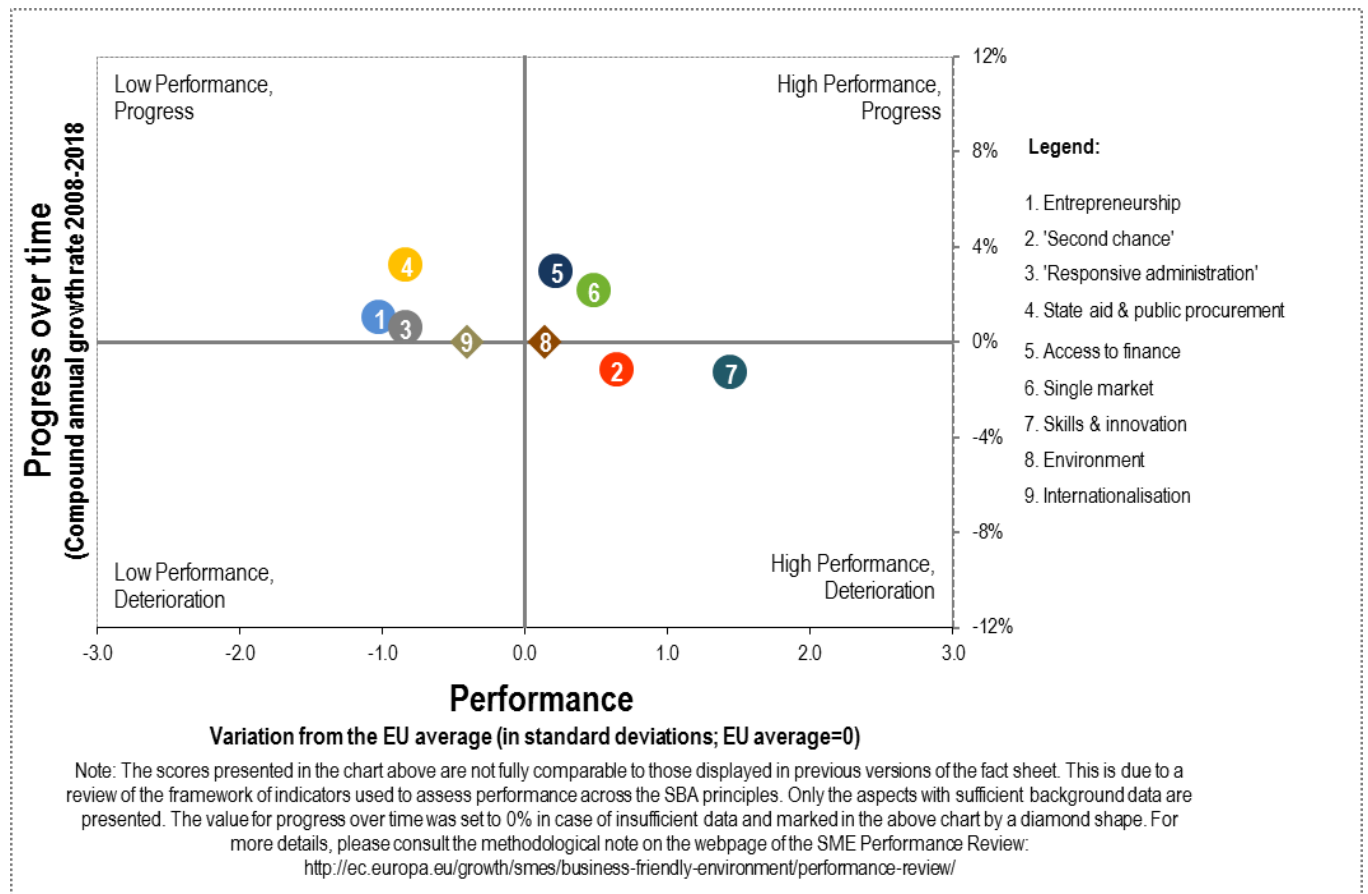
Following an evaluation, the December 2013 Act on the financing conditions for SMEs and the accompanying code of conduct for the financing sector were both revised.

Measures were also implemented on skills & innovation, particularly at the regional level. These focused on increasing government subsidies for R&D and innovation. Examples of these measures include launching the 'Team Up' initiative in Brussels (EUR 11 million for collaborative projects) and reforming innovation support in Flanders. In the Walloon Region, the 'Made different | Digital Wallonia' programme was set up to raise awareness and provide guidance to SMEs on Industry 4.0. At the federal level, tax reduction incentives were created to help young start-ups become high-growth enterprises.

Policy measures on internationalisation continue to be implemented at the regional level. Flanders launched its internationalisation strategy for 2017-2021, 'Vlaanderen versnelt!', with a budget of EUR 1.7 million. In the Walloon Region, a EUR 5 million fund will be set up to help create start-ups abroad in the ICT sector. Measures will also be taken to help SMEs take part in European research programmes. Such measures include the various types of grants for SMEs submitting a project under the EU's Horizon 2020 programme.

Overall, there has been substantial progress in implementing the SBA in Belgium since 2008. Efforts have also been made to implement the SME-Action Programme¹⁸.

SBA performance of Belgium: state of play and development from 2008 to 2018¹⁹



3. SBA principles²⁰

3.0 ‘Think Small First’

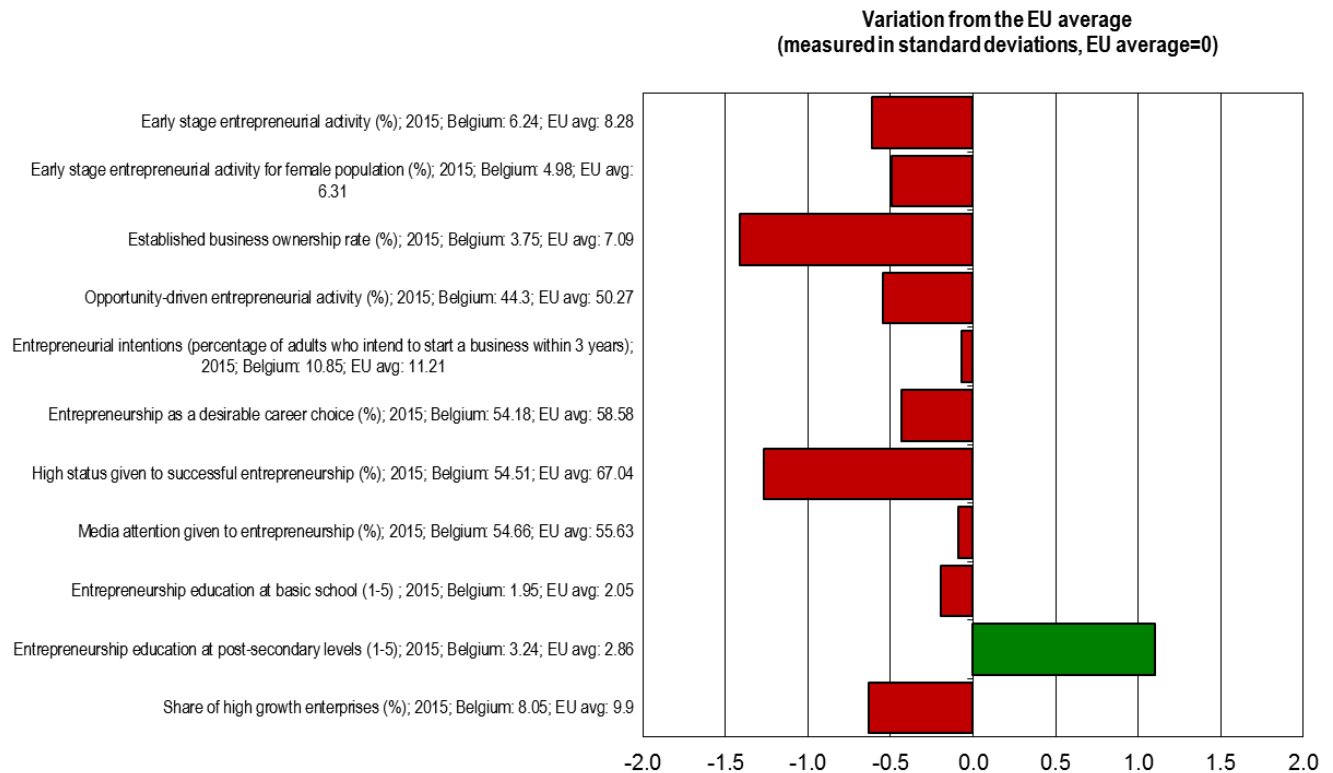
The ‘Think Small First’ principle is a guiding principle for all policy- and law-making activities. It requires policymakers to take SME interests into account at the early stages of the policymaking process. It also requires new legislation, administrative rules and procedures to be made simple and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

Since 2008, there has been moderate progress on the ‘Think Small First’ principle. The key provisions of the principle are in place, but there is still room for improvement. In particular, although the regulatory impact assessment process has become mandatory by law, it remains a simple administrative formality without real impact. This is because the committee in charge of the assessment lacks the mandate to force administrations to take the results of its analysis into account. Whether or not the

‘Think Small First’ principle is applied to legislative and administrative procedures therefore depends on the good will of administrations. Lobbying efforts by SME associations are also still required. Furthermore, no mechanism is in place to establish common commencement dates for new or changed legal initiatives, nor are there specific targets for reducing administrative burden.

During 2017 and the first quarter of 2018, a policy measure to simplify VAT obligations for SMEs was introduced. As a result, SMEs filing quarterly VAT returns are no longer required to make monthly prepayments.

3.1 Entrepreneurship



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

Belgium scores below average on this SBA principle, remaining one of the weakest performers within the EU. This is particularly true for the rate of established business ownership, where Belgium has the third lowest score. However, unlike for most other EU Member States, no updated data were available for this principle's indicators. The impact of recent measures is therefore not reflected in these indicators.

Since 2008, progress in boosting entrepreneurship through policy has been substantial. Many measures have been implemented at both federal and regional level, particularly on:

- education
- taxation
- business transfers
- disadvantaged groups (including women, immigrants and the unemployed).

Efforts to include entrepreneurship skills in the education curriculum could be further improved.

During 2017 and the first quarter of 2018, several important measures on entrepreneurship were adopted at both federal and regional level. At the federal level, the 'Reform of Corporate Income Tax Law' introduced amendments to ensure that taxation does not unnecessarily harm start-ups and small companies. These amendments create an exemption to the limit on the losses that start-up companies can carry over within their first 4 years. They also reduce the company tax rate for SMEs to

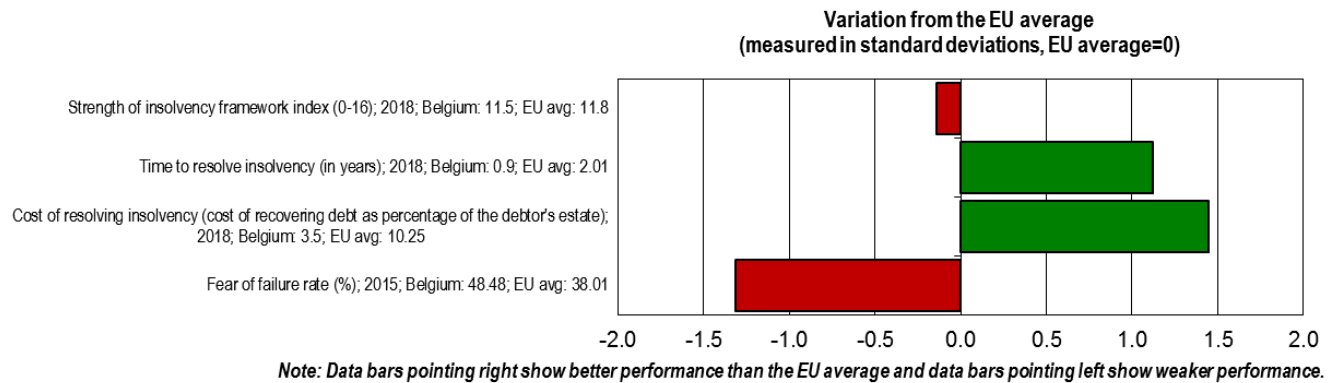
20 % for the first EUR 100 000. To prevent taxation hampering the business transfer process, the law also reduces the tax rate on capital gains resulting from a forced business transfer to 10 %.

In the regions, further support was provided for entrepreneurship, particularly to disadvantaged groups and for business transfers.

The 'Women in Tech' platform was created as part of the Brussels Region's 'Nextech' plan to attract women to the tech and ICT sector. In Flanders, a monthly gross premium is now available to unemployed people over 45 years old who wish to start their own business.

To facilitate business transfers, the Brussels Region created the 'www.affairesasuiivre.be' platform with the support of the Walloon Region. This platform centralises all transfer opportunities for businesses in the Brussels and Walloon Regions whose annual turnover is less than EUR 500 000. More than 65 business transfer events were organised in October 2017 as part of the second Business Transfer Week ('semaine de la transmission'). These events brought together hundreds of companies, lawyers, accountants, auditors, banks, training centres and support organisations. The new 'Sowaccess' network (<http://www.sowaccess.be/fr>) will also encourage effective business transfers in the region by seeking out and guiding entrepreneurs wishing to transfer their business.

3.2 ‘Second chance’



‘Second chance’ refers to ensuring that honest entrepreneurs who have gone bankrupt get a second chance quickly. Belgium maintains above-average performance in this area and still ranks among the top-performing countries on the time and cost of resolving insolvency. The strength of the insolvency framework remains close to the EU average.

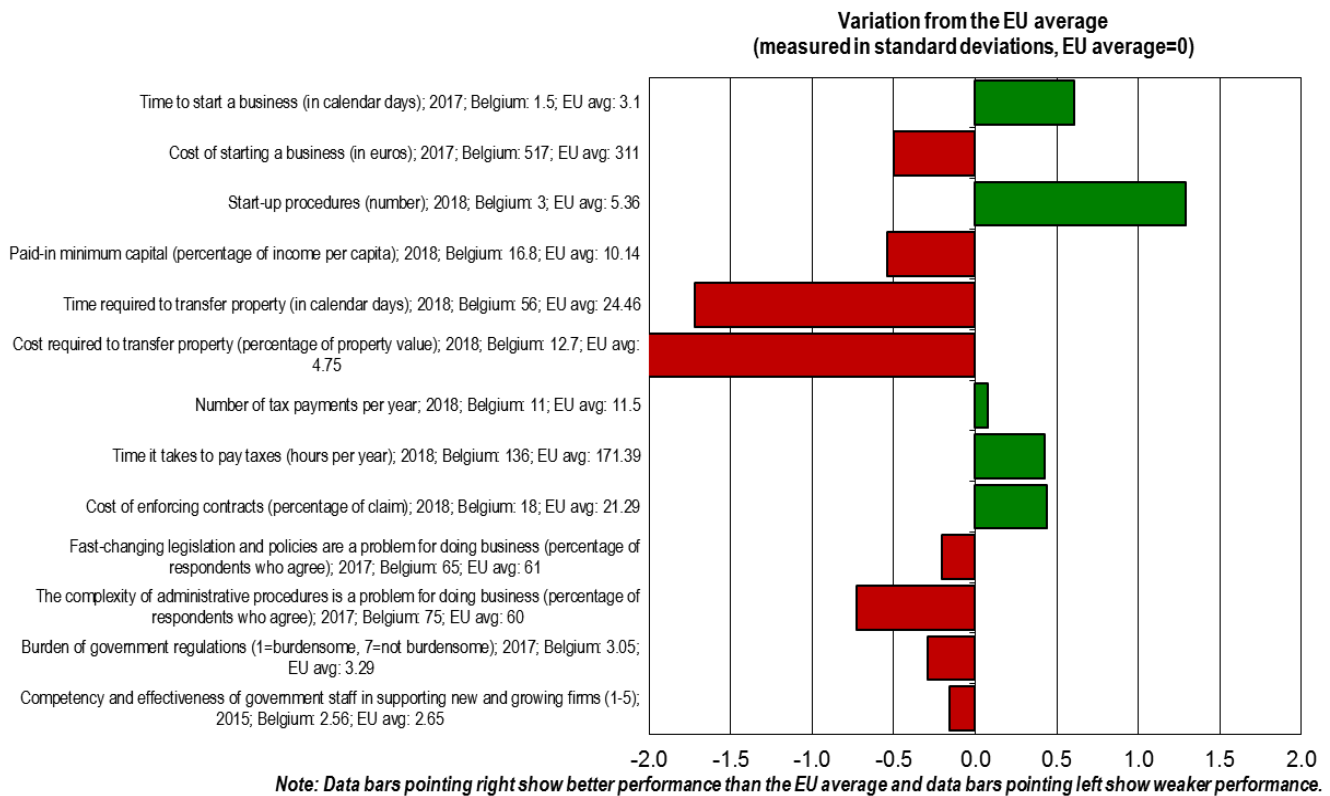
At policy level, some progress has been made since 2008 on adopting measures to implement the SBA. Nevertheless, more is required to reduce the stigma of business failure. Policy measures to reduce the case backlog could also speed up bankruptcy procedures.

During the reference period, significant efforts were made at the federal level to make it easier to restart a company after

bankruptcy. The revised ‘Economic Law’ of August 2017 replaced the ‘excusability’ system (‘système de l’excusabilité’) with the ‘debt write-off’ system. This system allows entrepreneurs to quickly assess their financial situation and create a new company faster. It also ensures that the revenue of this new business will not be used to discharge the liabilities of a previous failure.

At the regional level, progress has also been made in developing preventive mechanisms and early warning systems. The Walloon Region, for example, developed an early warning assessment consisting of an online questionnaire. This helps entrepreneurs detect elements that could jeopardise their business early enough to enable them take any necessary action.

3.3 'Responsive administration'



'Responsive administration' refers to public administration being responsive to the needs of SMEs. Belgium remains below the EU average in this area. The process of transferring a property is the third slowest in the EU at 56 days. It is also the second most expensive among the EU Member States at 12.7 % of the property value. However, Belgium is one of several leading Member States where only three procedures are required to start a business. The reference period saw a slight decrease in the amount of paid-in minimum capital required and a small increase in the perceived burden of government regulation. Only 65 % of businesses in 2017 regarded fast-changing legislation as a problem, down from 73 % in 2015.

At policy level, there has been noticeable progress since 2008. Measures have been introduced at both federal and regional level to simplify administrative procedures and reduce the reporting burden for SMEs. Progress has also been made in setting up genuine one-stop-shops. Databases of different public administrations have been connected and the 'business counters' ('guichets d'entreprises'²¹) are increasingly becoming key contact points for SMEs. These counters deal with some administrative obligations, such as registering at the Crossroads Bank for Enterprises²² and proving entrepreneurial capacities. However, they can also process any authorisation needed to carry out an activity at any administrative level. The counters have set up websites allowing applications to be submitted online on the basis of

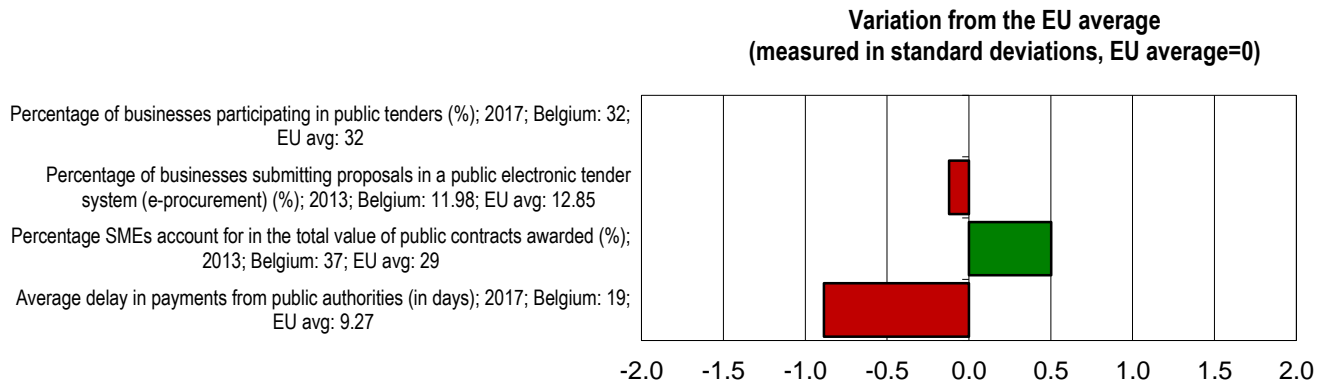
the 'once-only' principle'. For example, by using their business numbers, companies do not have to re-enter data already held by the Crossroads Bank for Enterprises (CBE). The CBE can then easily disclose it to any interested third party, for example potential customers.

In Brussels, the 'EasyBrussels' website informs SMEs about administrative simplification projects and enables them to report any issues they encounter when following administrative procedures.

In Flanders, the new unlimited environmental permit replaces the existing individual urban development and subdivision permits and the environmental license. To apply for it, applications can be submitted via the single contact point 'Omgevingsloket', which has been running since January 2018. Another single contact point, 'Ecounter', will also open in the region in 2018. This contact point will give entrepreneurs an overview of the premiums they receive from the various public administrations, including the 'SME-portfolio' ('kmo-portefeuille'), the 'hindrance premium' ('hinderpremie'), the 'Support-premium Flanders' ('Vlaamse Ondersteuningspremie') and the 'Long-term unemployed hiring incentive' ('Aanwervingsincentive voor werkzoekenden').

In the Walloon Region, all financial aid available for training, coaching and advisory services to help SMEs get set up and grow is now grouped under the easy-to-use 'business checks' ('chèques-entreprises') platform.

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.

Belgium remains below the EU average in this area. Nevertheless, the average payment delay by public authorities fell from 27 in 2015 to 19 days in 2017. The proportion of businesses having taken part in a public procurement tender also rose from 27 % in 2015 to 32 % in 2017.

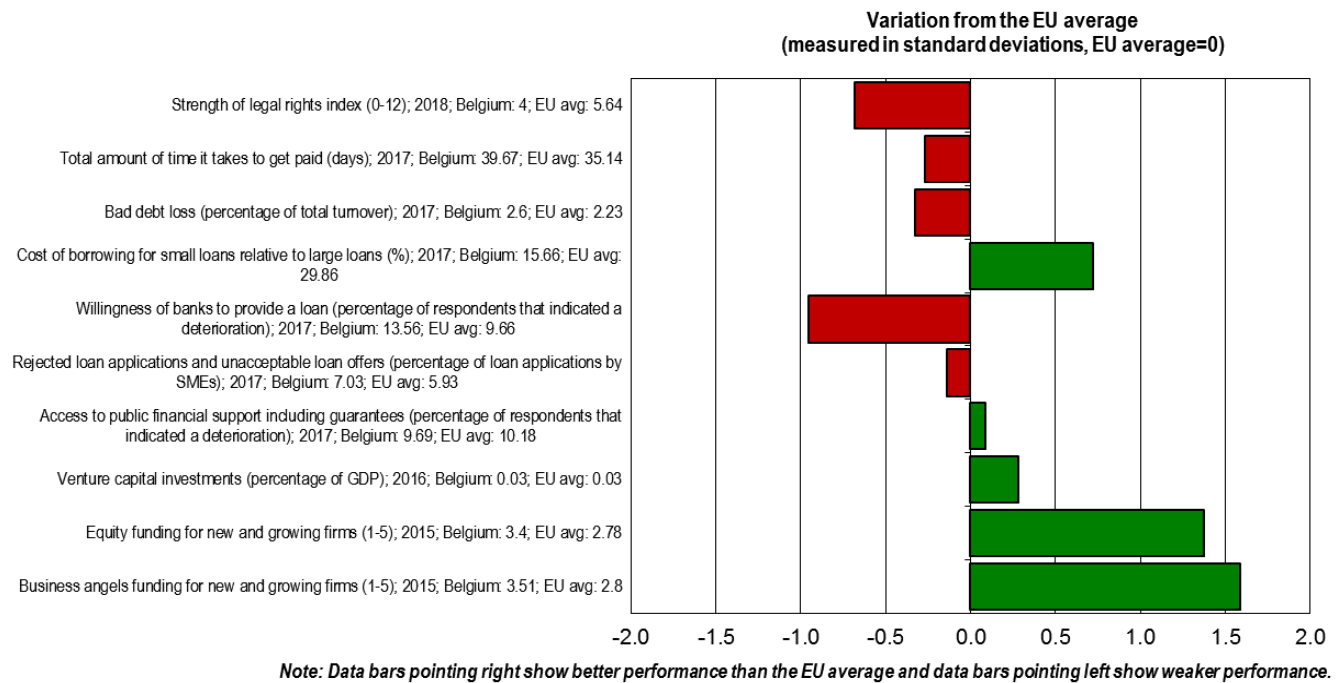
Two of the indicators for this area have not been updated recently. As a result, the impact of recent measures has not been measured. However, the European Commission's single market scoreboard for public procurement²³ shows that in 2017, SMEs made 30 % of all bids in response to calls for public tenders. 20 % of the contracts awarded were won by SMEs. However, this information is solely based on notices published in the TED (Tenders Electronic Daily) and does not give a complete overview.

In policy terms, progress in state aid & public procurement since 2008 has been moderate. State aid is available to SMEs and

state aid policies have been adapted to better meet SMEs' needs. On public procurement, the use of the existing e-procurement system should be encouraged, especially at local level, as local administrations currently use it solely on a voluntary basis.

Further progress in this policy area was also achieved with the new 'Charter on the Access of Small and Medium-sized Enterprises ("SMEs") to Public Procurement Procedures'. The charter includes 13 principles to help federal contracting authorities boost SMEs' access to public procurement. Each principle is outlined in legal terms and accompanied by an objective. The charter also includes relevant examples and guidelines to help contracting authorities implement each principle.

3.5 Access to finance



Belgium performed well in this area overall, despite losing ground to other countries in recent years. It has the second highest scores among Member States on equity funding and professional 'business angel' funding for new and growing firms. The time taken to be paid fell from 43.7 days in 2016 to 39.7 days in 2017. The cost of borrowing for small loans relative to large ones was half the average cost in the EU. In Belgium, this figure increased from 12.6 % in 2015 to 15.7 % in 2017. Conversely, the number of rejected SME loan applications also increased marginally. This is in line with the 13.6 % of respondents who indicated that banks were less willing to provide loans in 2017, against 9.7 % in 2016. Meanwhile, access to public financial support appeared to improve, with only 9.7 % indicating a drop in 2017, against 14.2 % in the previous year.

At policy level, there has been substantial progress on access to finance since 2008. Numerous measures have been introduced both at federal and regional level to facilitate SMEs' access to

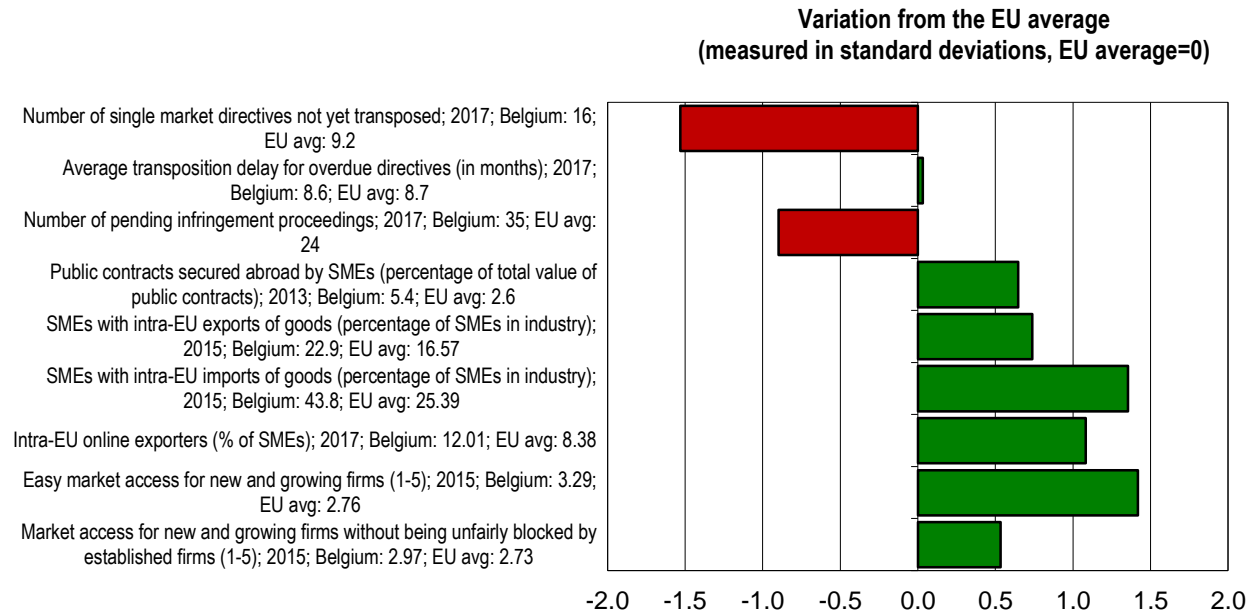
credit and foster private investment, including crowdfunding. Belgium's major challenge will be to improve the visibility and uptake of the various financing mechanisms, programmes and opportunities available to SMEs.

During the reference period, new policy measures were implemented at federal and regional level to strengthen SME access to finance.

At the federal level, an amendment to the law reduced taxes for those investing in start-up companies via a certified crowdfunding platform. A temporary higher tax exemption on corporate profits was also introduced. This applies to the acquisition of any new amortisable material and/or immaterial asset held between 1 January 2018 and 31 December 2019.

In Flanders, EUR 12.5 million for pre-seed investments will be provided over the next 5 years to start-ups active in digital innovation. This will be made available via the 'Imec.istart' fund.

3.6 Single market



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

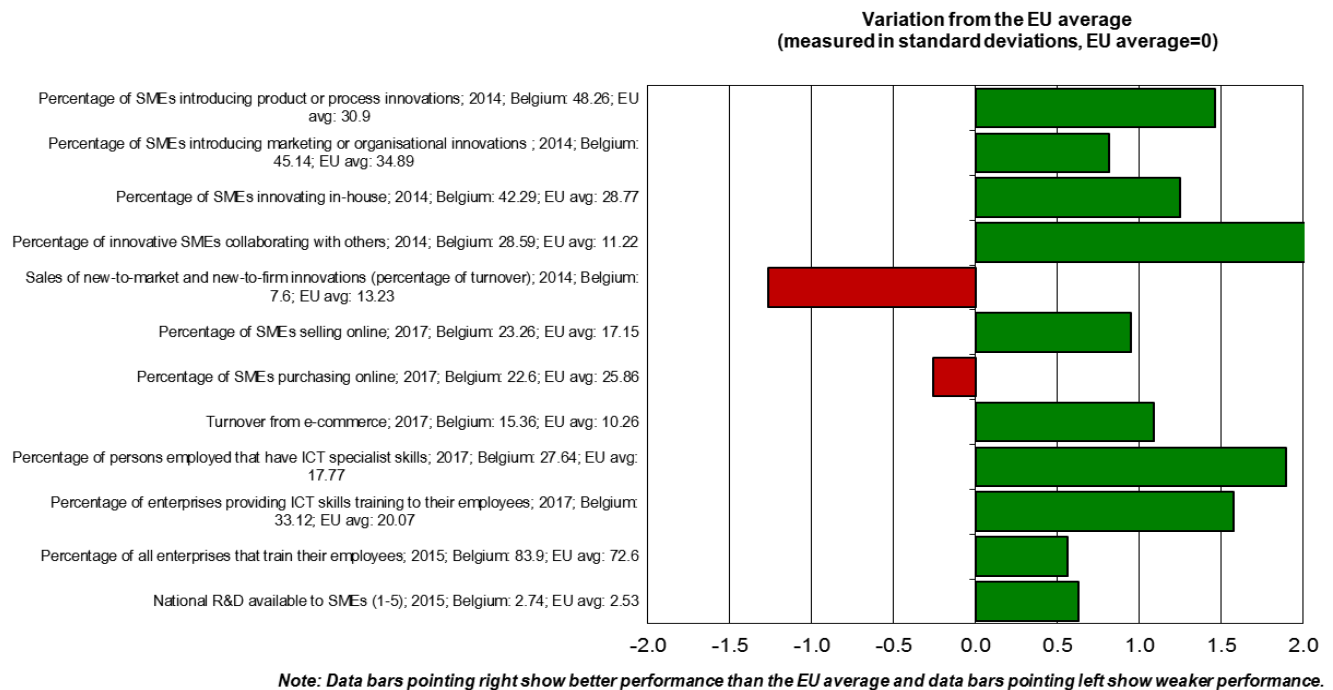
During the reference period, Belgium went from being above-average to in line with the average on this principle. A clear split can be seen between its performance on trade and market access and on single market directives. The number of EU directives still to be transposed into national legislation fell from 23 in 2016 to 16 in 2017. Meanwhile, the number of pending infringement proceedings remained stable at 35 across the same period. Nevertheless, both indicators remained significantly below the EU average. In contrast, the average transposition delay for overdue directives is in line with the EU average.

The proportion of SMEs exporting online within the EU remained above average, despite falling from 13.1 % in 2015 to 12 % in 2017. Nevertheless, Belgium remains one of the easiest countries for new and growing firms entering new markets.

On policy, progress since 2008 in implementing the SBA provisions on the single market has been limited. Federal and regional measures mostly relate to single contact points, electronic applications for patents and promoting internationalisation and trade.

No new measures were announced or implemented during the reference period.

3.7 Skills & innovation



Skills & innovation is Belgium's strongest SBA principle, where it is second only to Ireland in overall performance. Belgium has the highest proportion of SMEs innovating in-house, collaborating with others and introducing product or process innovations. However, these indicators do not reflect the impact of measures introduced since 2014 when the underlying data were last updated.

Belgium also has the second highest proportion of SMEs providing training to develop their employees' ICT skills (33.1 %). It also has the second highest proportion of employees with specialist ICT skills (27.6 %). While the proportion of SMEs purchasing online grew to 22.6 % in 2017 from 19.5 % in 2016, the proportion of SMEs selling online has stagnated. Since hitting a high of 23.8 % in 2015, it hovered at 23.3 % in 2017. This may partly account for the fall in turnover from e-commerce in 2016-2017.

In policy terms, several measures have been implemented since 2008. Training for employees and businesses is now well established. Nevertheless, more could be done to promote the equal value of vocational educational training and academic education.

Since 2008, different measures have been put in place to develop SMEs' RD&I skills, particularly at the regional level. These measures relate to:

- the introduction of new technologies
- eco-friendly innovation

- prototyping
- participation in innovation partnerships and research programmes
- innovation vouchers
- training and mentoring for innovation.

During the reference period, progress was made at both the federal and regional level. At the federal level, tax reduction incentives were created to help young start-ups become high-growth enterprises.

A number of studies are also being carried out to assess future labour market needs: in the Walloon Region, FOREM (the Walloon employment agency) is conducting a study on the impact of digitalisation on the needs in various sectors: <https://www.leforem.be/chiffres-et-analyses/metiers-d-avenir-transition-numerique.html>. Meanwhile, Flanders recently published a report looking at the need to adapt education in response to future labour market demand: http://www.steunpuntwerk.be/system/files/werk.rapport_2018_0_1.pdf.

Other initiatives to help meet future labour market needs include:

- introducing a new 'master in cybersecurity' degree in the French-speaking universities in Belgium;
- making the link between training and the needs of industry 4.0 a fixed objective for training centres; and
- introducing a number of 'areas of strategic activity' on which FOREM will focus its training activities.

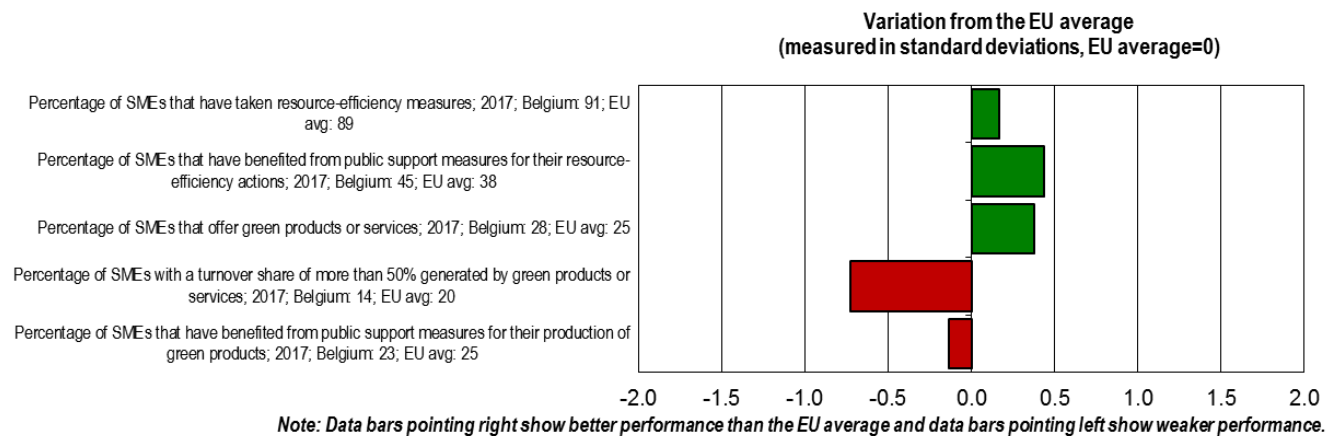
In the Brussels Region, Innoviris (the Brussels Institute for Research and Innovation) selected 19 projects with a total budget of more than EUR 11 million as part of its new 'Team Up' programme. Team Up's aim is to encourage effective collaboration between research institutes and industry.

Flanders has introduced substantial reforms to improve support for innovation. The Flemish agency for innovation and entrepreneurship, VLAIO (Flemish agency for innovation and entrepreneurship), will finance two types of R&D projects. These include knowledge-building research projects that lead to large, long-term changes within companies. They also include financing

development projects for innovative ideas to boost a company's knowledge and performance in the short-term. Depending on the project, the government subsidy will vary between EUR 25 000 and EUR 100 000.

In the Walloon Region, the 'Made Different | Digital Wallonia' programme was set up under the Digital Wallonia strategy. 20 partners from industry federations, clusters and research centres were also involved in developing it. The programme raises awareness and provides information, guidance and support to SMEs on Industry 4.0.

3.8 Environment

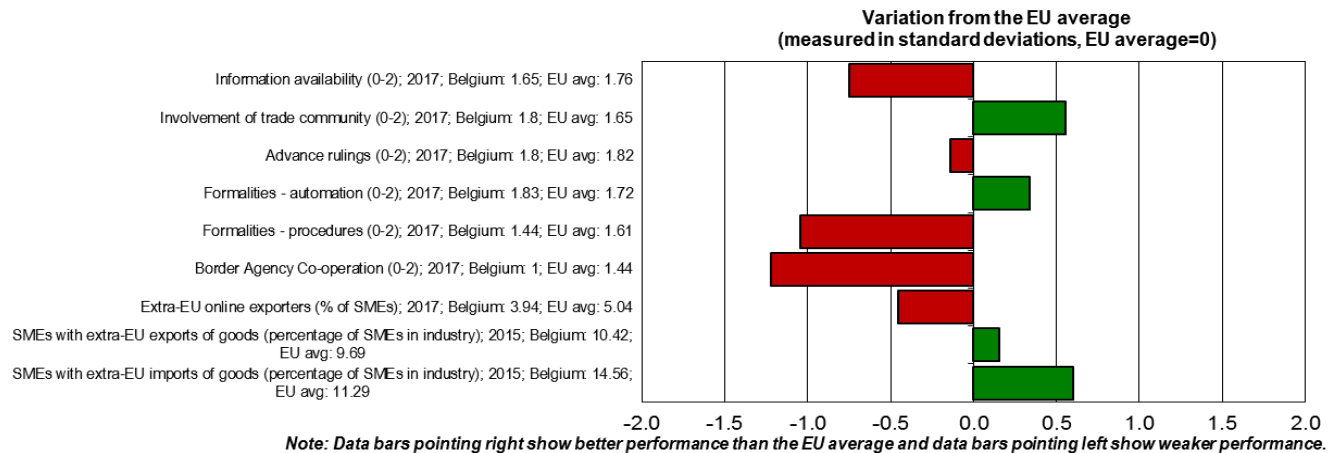


Belgium's score was in line with the EU average on this principle, with almost all individual indicators also in line with the average. One exception was the percentage of SMEs generating more than 50 % of their turnover from green products or services. This was well below average, falling from 23 % in 2015 to 14 % in 2017. The proportion of SMEs benefiting from public support for resource-efficiency activities also fell, from 50 % in 2015 to 45 % in 2017. However, the percentage of SMEs offering green products or services increased from 24 % in 2015 to 28 % in 2017.

At policy level, several support measures have been implemented since 2008 to ensure energy efficiency and encourage SMEs to use renewables.

During the reference period, additional measures were taken at regional level. These included introducing a free online service for organisations in the Brussels Region wishing to obtain EMAS registration that fulfil certain conditions. In the Walloon Region, financial incentives were created under the 'EasyGreen' mechanism to help companies transition to a low-carbon economy. Examples of these incentives include capital loans, technology guarantees and low-carbon services.

3.9 Internationalisation



Belgium's score was in line with the EU average on this principle. There was a small drop in the percentage of SMEs exporting online beyond the EU, from 5 % in 2015 to 3.9 % in 2017. However, no other changes can be identified as the underlying methodologies changed in 2017 for the following indicators:

- information availability
- trade community involvement
- advance customs rulings
- automation and procedures for internationalisation formalities
- border agency cooperation.

From a policy perspective, some progress on internationalisation initiatives for SMEs has been made since 2008. Several measures have been implemented to support: (1) export projects; (2) seminars and coaching services and (3) SME participation in missions, partnership agreements and networking events. Belgian clusters are seeking to play a more active role by supporting SMEs in their internationalisation efforts. Unfortunately, the uptake of the available support by SMEs remains low.

During the reference period, Flanders launched its internationalisation strategy for 2017-2021, 'Vlaanderen versnelt!'. This joint strategy is the result of a co-creation process, with input from 150 Flemish companies, knowledge

institutes and business organisations. With a budget of EUR 1.7 million and additional ERDF financial resources, its aim is to:

- conduct a detailed analysis of the obstacles facing companies in international business;
- identify and optimise the internationalisation services provided by the various stakeholders;
- coordinate foreign missions more effectively; and
- develop effective marketing tools to promote the strengths of the Flemish economy internationally.

In the Walloon Region, a EUR 5 million fund was created to help set up start-ups abroad in the ICT sector. The first target is Silicon Valley, after which the fund will also be opened up to projects in India and China. Measures are also taken to help SMEs participate in European research programmes. A grant ranging from EUR 3 500 to EUR 10 000 can be awarded to SMEs that successfully submitted projects under the EU's Horizon 2020 programme. The purpose of this grant is to help cover costs such as staff, travel expenses and legal advice. Another grant is available to finance projects that have been awarded the European 'Seal of Excellence' label. The Seal of Excellence is the high-quality label awarded to projects submitted to Horizon 2020 which were deemed to deserve funding but did not receive it due to budget limits.

4. Interesting initiative

Below are examples of initiatives from Belgium showing what governments can do to support SMEs:

‘My enterprise’ platform (Federal Public Service for Economy)

‘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, business activities, etc.) from the 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:

<https://economie.fgov.be/fr/themes/entreprises/banque-carrefour-des/my-enterprise>

Team Up (Innoviris, Brussels Region)

Through this annual programme, academic entities and teams of industrial companies support knowledge sharing and boost intellectual property transfer from academia to industry. The programme also helps develop prototypes that generate new business opportunities. So far, 19 projects have been selected with a budget of more than EUR 11 million.

References:

http://www.innoviris.be/fr/homepage_content/news/team-up-2018

‘Imec.istart’ fund (IMEC, Flemish Government, Flanders)

The ‘Imec.istart’ fund was set up in March 2017. Over 5 years, it will provide EUR 12.5 million in pre-seed investment funding to start-ups in the areas of digital innovation: eHealth, logistics & mobility, media, telecom & entertainment, fintech & cybersecurity and space technology.

References:

<https://www.imec-int.com/en/istart>

‘Enterprise checks’ – ‘Chèques entreprises’ — (Walloon Government, Wallonia)

All the financial aid available for training, coaching and advisory services to help SMEs set up, grow, and develop their innovation projects and activities, is now grouped under one easy-to-use platform. The platform also allows entrepreneurs to monitor their applications in real time and view the amount of financial aid they have already received. An official label for service providers ensures that the services provided are of a high quality.

References:

<https://www.cheques-entreprises.be/web> (for companies); <https://www.label-entreprises.be/web> (for service providers)

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 Construction Confederation, cited from rtbr 2017, available at https://www.rtb.be/info/economie/detail_batibouw-la-croissance-du-secteur-de-la-construction-superieure-a-la-croissance-belge?id=9788562, last accessed 22.6.2018.

³ Confederation Construction 2017, L'emploi et la compétitivité restent les plus grands défis du secteur de la construction, available at <https://www.confederationconstruction.be/fr-be/persberichten.aspx>, last accessed 22.6.2018.

⁴ FEB 2017, Focus Conjuncture, available at http://www.vbo-feb.be/globalassets/publicaties/focus-conjunctuur---groeivariabelen-in-2018/focus-v9_fr_finale.pdf, last accessed 22.6.2018.

⁵ Project New Lock Terneuzen, Flyer, available at https://nieuwesluisterneuzen.eu/sites/default/files/downloads/Engelse%20flyer_def-web.pdf, last accessed 22.6.2018.

⁶ Oosterweelverbinding, Homepage: <https://www.oosterweelverbinding.be/oosterweel-link>, last accessed 22.6.2018.

⁷ Central Economic Council, as cited in National Bank of Belgium (2017): Belgian Prime News, available at <https://www.nbb.be/en/articles/belgian-prime-news-ndeg-75>, last accessed 22.6.2018.

⁸ Ibid.

⁹ FEB, Focus Conjuncture, Le moteur de l'emploi tourne à plein régime, novembre 2017.

¹⁰ Ibid.

¹¹ StatBel 2018, available at <https://bestat.statbel.fgov.be/bestat/crosstable.xhtml?view=4c042e48-9cb7-4bdd-bb01-bb58b3f107b9>, last accessed 22.6.2018.

¹² Ibid.

¹³ StatBel 2018, available at <https://bestat.statbel.fgov.be/bestat/crosstable.xhtml?view=13ba8303-2662-4d87-b118-4a27dd9cb3fe>, last accessed 22.6.2018.

¹⁴ The data presented were collected by the EU Startup Monitor project, www.startupmonitor.eu

¹⁵ 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.

¹⁶ 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 22.6.2018).

¹⁷ 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.

¹⁸ <https://www.eurocommerce.eu/media/143276/European%20SME-Action%20Programme.pdf>

¹⁹ The quadrant chart combines two sets of information. Firstly, it shows current performance based on data for the latest available years. This information is plotted along the X-axis measured in standard deviations of the simple, non-weighted arithmetical average for the EU-28. Secondly, it shows progress over time, i.e. the average annual growth rates from 2008 to 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/>

²⁰ 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.

²¹ https://business.belgium.be/en/setting_up_your_business

²² <https://economie.fgov.be/fr/themes/entreprises/banque-carrefour-des>

²³ http://ec.europa.eu/internal_market/scoreboard/docs/2018/public-procurement/2018-scoreboard-public-procurement_en.pdf