



# 2019 SBA Fact Sheet & Scoreboard

## Key points

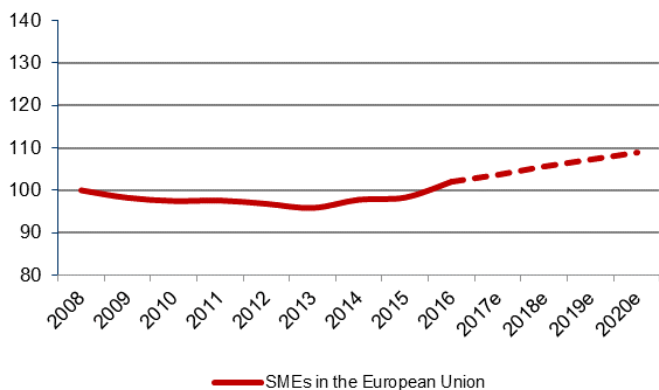
**Past & future SME performance**<sup>1</sup>: Across the EU-28 Member States (MS), small and medium-sized enterprises (SMEs) make a significant contribution to the 'non-financial business economy'. In 2018, 99.8% of all EU-28 firms were SMEs, which generated €4,357 billion of value added and employed 97.7 million people. SMEs thus accounted for two thirds of overall employment and 56.4% of overall value added in the 'non-financial business economy'. Micro firms were the most common size of firm, accounting for 93.0% of all firms in the 'non-financial business economy'. The outlook for EU-28 SMEs continues to be positive. In particular, SME value-added growth is expected to rise by 8.5% in 2018-2020.

**Implementing the Small Business Act for Europe (SBA)**: Significant policy progress has been made, and most of the SBA recommendations have been implemented. Beyond the SBA, EU Member States are also on track in implementing the more recent recommendations in the scale-up & start-up initiative and in the SME action programme. However, significant policy gaps remain where the SBA recommendations have still not been implemented. Easing business transfers — through marketplaces and minimised taxation — has been largely ignored in most EU Member States, even though this is essential to better ensure existing SMEs survive from one generation to another.

**SME policy priorities**: SMEs in Europe still require crucial support to re-skill and upskill their employees if they are to thrive in the data-driven, digital economy and maximise their productivity. In an ageing society, it is also imperative to ensure that existing SMEs survive from one generation to another. Targeted measures to facilitate business transfers — including advisory services, minimised taxation, matching schemes and marketplaces — should be deemed a priority.

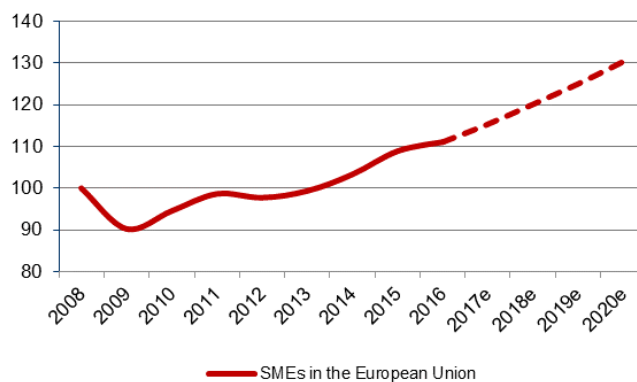
### Number of persons employed in SMEs

(Index: 2008=100, estimates as from 2017 onwards)



### Value added of SMEs

(Index: 2008=100, estimates as from 2017 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.

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## 1. SMEs — basic figures

Class size	Number of enterprises		Number of persons employed		Value added	
	European Union		European Union		European Union	
	Number	Share	Number	Share	Billion €	Share
Micro	23,323,938	93.0%	43,527,667	29.7%	1,610	20.8%
Small	1,472,402	5.9%	29,541,259	20.1%	1,358	17.6%
Medium-sized	235,668	0.9%	24,670,024	16.8%	1,388	18.0%
<b>SMEs</b>	<b>25,032,008</b>	<b>99.8%</b>	<b>97,738,950</b>	<b>66.6%</b>	<b>4,357</b>	<b>56.4%</b>
Large	47,299	0.2%	49,045,645	33.4%	3,367	43.6%
Total	<b>25,079,307</b>	<b>100.0%</b>	<b>146,784,595</b>	<b>100.0%</b>	<b>7,724</b>	<b>100.0%</b>

*These are estimates for 2018 produced by DIW Econ, based on 2008-2016 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.*

Across the EU-28, SMEs make a significant contribution to the 'non-financial business economy'. In 2018, 99.8% of all EU-28 firms were SMEs, which generated €4,357 billion of value added and employed 97.7 million people. SMEs thus accounted for two thirds of overall employment and 56.4% of overall value added in the 'non-financial business economy'. Average SME productivity, measured as value added per person employed, was €44,600 in 2018, while the average EU SME employed 3.9 people.

Micro firms were the most common size of firm in 2018, accounting for 93.0% of all firms in the 'non-financial business economy'. They also contributed the largest shares of both value added and employment, at 20.8% and 29.7%, respectively. *Wholesale and retail trade* and *manufacturing* were the two most significant SME sectors in the EU. Together, they accounted for slightly more than 40% of both total SME employment and total SME value added.

EU-28 SMEs have followed a solid growth path in recent years in the 'non-financial business economy'. In 2014-2018, SME value added increased by 16.2%, and SME employment increased by 8.2%. The main drivers of growth in SME value added were micro firms, generating value-added growth of 18.3% in this period. Nevertheless, the growth in value added of large firms was even higher, at 19.5%. Most recently, in 2017-2018, SMEs in all EU Member States generated growth in both value added and employment, of 4.1% and 1.8% respectively. Micro firms grew fastest in 2017-2018, with a rise of 5.4% in value added and 2.6% in employment. This meant they outperformed the growth in all other business size classes, including that of large firms.

Most recently, in 2017-2018, SME value-added growth was particularly strong in Latvia (14.0%), Bulgaria (14.5%) and Romania (15.0%). Sweden and Italy, on the other hand, saw the lowest rates of growth in value added in the same period, at 0.1% and 1.8% respectively.

In 2014-2018, SME value-added growth in the EU-28 was highest in *accommodation and food services*, *construction* and *information and communication*, at 23.3%, 21.1%, and 20.3% respectively. In employment growth, SMEs performed best in *information and communication* with an increase of 17.3%, and *accommodation and food services* and *administrative and support services*, both of which generated increases of 14.6% in the same period. Another fast-growing SME sector was *wholesale and retail trade* which generated an increase of 18.6% in value added. This strong growth, combined with the

large size of the sector, enabled *wholesale and retail trade* to make a significant contribution to the increase in SME value added in the 'non-financial business economy', amounting to one quarter of overall SME value-added growth.

In 2016, the average enterprise birth rate in the EU-28 'business economy' was 9.8%<sup>2</sup>. Across the EU-28, the top three birth rates were found in Lithuania (18.8%), Malta (16.4%) and Latvia (16.2%), while the lowest rates were observed in Greece (4.5%), Belgium (6.2%) and Austria (6.6%).

Many firms in the EU-28 have successfully scaled up in recent years. In 2016, 10.7% of all firms in the 'business economy'<sup>3</sup> with at least 10 employees were high-growth firms<sup>4</sup>. High-growth firms are particularly prevalent in *information and communication*, where they account for 16.5% of firms, as well as in *administrative and support services*, where they account for 14.8% of firms.

In 2018, EU-28 SMEs in the specialised *knowledge-intensive services* and *high-tech manufacturing* sectors, both of which are usually R&D-intensive, accounted for 33.0% of SME value added in the manufacturing and services sectors.

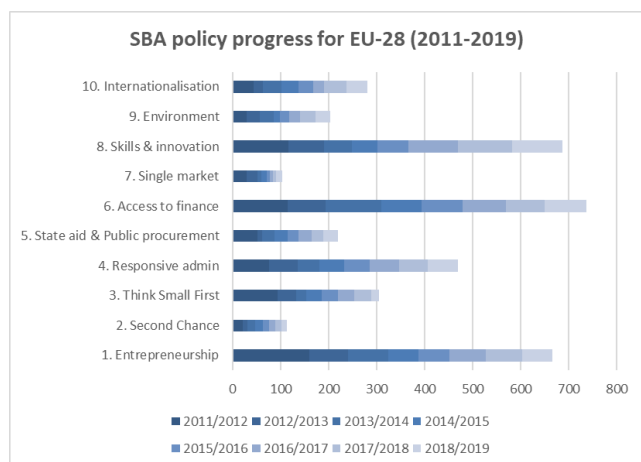
The outlook for EU-28 SMEs continues to be positive. In particular, SME value-added growth is expected to rise strongly, by 8.5%, in 2018-2020. SME employment is projected to grow by 3.0% in the same period, generating around 2.9 million new SME jobs by 2020. As a result, SMEs are expected to create 73.7% of all new jobs in the 'non-financial business economy' in 2018-2020, with almost half of these new jobs likely to be generated by micro firms.

## 2. SBA profile<sup>5</sup>

### Global SBA policy implementation

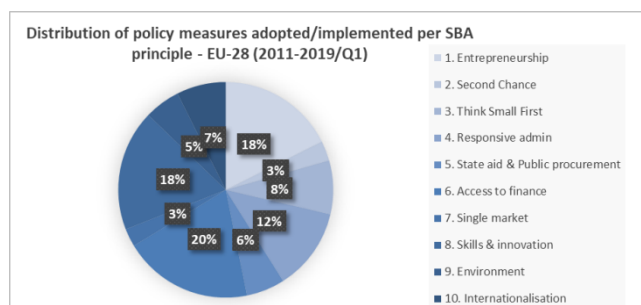
Figure 1 below shows the collective policy progress at EU aggregated level in the number of policy measures adopted/implemented in 2011-2019 per (primary) SBA principle. Remarkably, more than 3,750 SBA policy measures have been adopted/implemented since 2011. Two thirds of the identified policy measures adopted/implemented since 2011 have been in the following categories: access to finance; entrepreneurship; skills & innovation; and ‘responsive administration’.

**Figure 1: SBA policy implementation for EU-28 (2011-2019)**



The overall trend for 2011-2019 was replicated in 2018-2019. Over two thirds of the policy measures adopted/implemented during the current reference period (2018 and the first quarter of 2019) were in: access to finance; entrepreneurship; skills & innovation; and ‘responsive administration’.

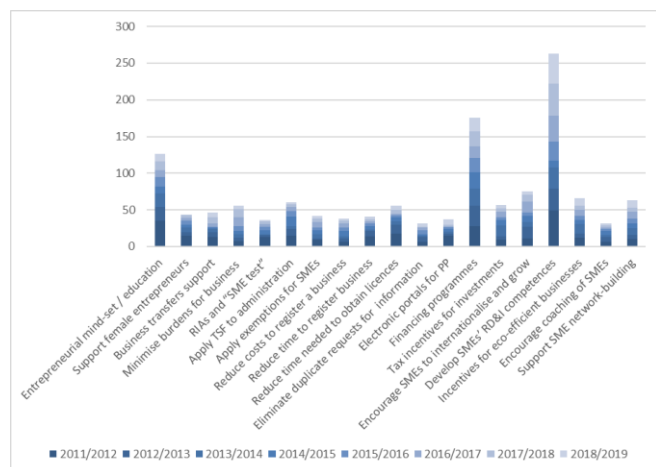
**Figure 2: Distribution of policy measures adopted/implemented per SBA principle — EU-28 (2011-2019/Q1)**



### Most and least commonly implemented measures

Since 2011, the three most commonly adopted/implemented measures across the EU-28 have been measures to: (i) develop the research, development and innovation (RD&I) skills of SMEs; (ii) set up public financing programmes; and (iii) promote an entrepreneurial mind-set.

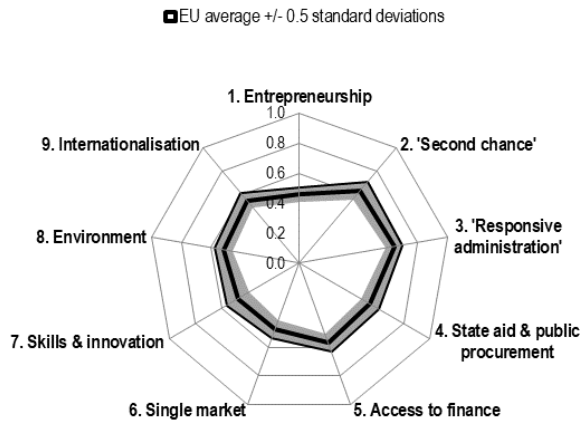
**Figure 2: Most commonly implemented measures at EU-28 level (2011-2019)**



On the other hand, the least commonly adopted/implemented measures across the EU-28 are the following SBA recommendations (where there was little or no policy activity between 2011 and 2018/2019):

- ensure re-starters are treated equally;
- set up business transfer marketplaces;
- minimise business transfer taxation;
- increase the VAT register threshold to €100,000;
- create common commencement dates for new/amended laws;
- reduce unfair conditions for SMEs to access public procurement.

**Figure 3: Performance measured by the SBA indicators**



## 3. SBA principles<sup>6</sup>

### 3.0 '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 SMEs' interests into account at the early stages of the policymaking process. The principle also calls for newly designed legislation, and for administrative rules and procedures to be made simple and easy to apply.

Over 15 policy measures have been adopted over the current reference period (2018-Q1/2019), as shown in Figure 4. As in previous years, most of the measures aimed to minimise red tape for businesses. Recent examples of policy developments include Spain's SME platform, which improves access to information to SMEs and entrepreneurs through a single point of information, and Finland's removal of minimum share-capital requirements for limited liability companies.

More than 300 policy measures have been adopted/implemented under the 'Think Small First' principle since 2011. Table 1 shows the overall policy progress and status in terms of the key policy measures put in place at EU-28 level under the 'Think Small First' principle. Regulatory impact assessments (RIAs) are in place in almost every EU Member State, and SME stakeholders are generally consulted on new legislative proposals, with most EU Member States also publishing the results of these consultations. In general, the 'Think Small First' principle is applied to both legislation and administrative procedures affecting SMEs. However, 8 EU Member States are still struggling to use the results of RIAs effectively and to systemically apply the 'SME test'. Most EU Member States still do not have common commencement dates for new or amended legislation.

Figure 4: SBA policy measures at EU-28-level for 'Think Small First' (2011 – Q1/2019)

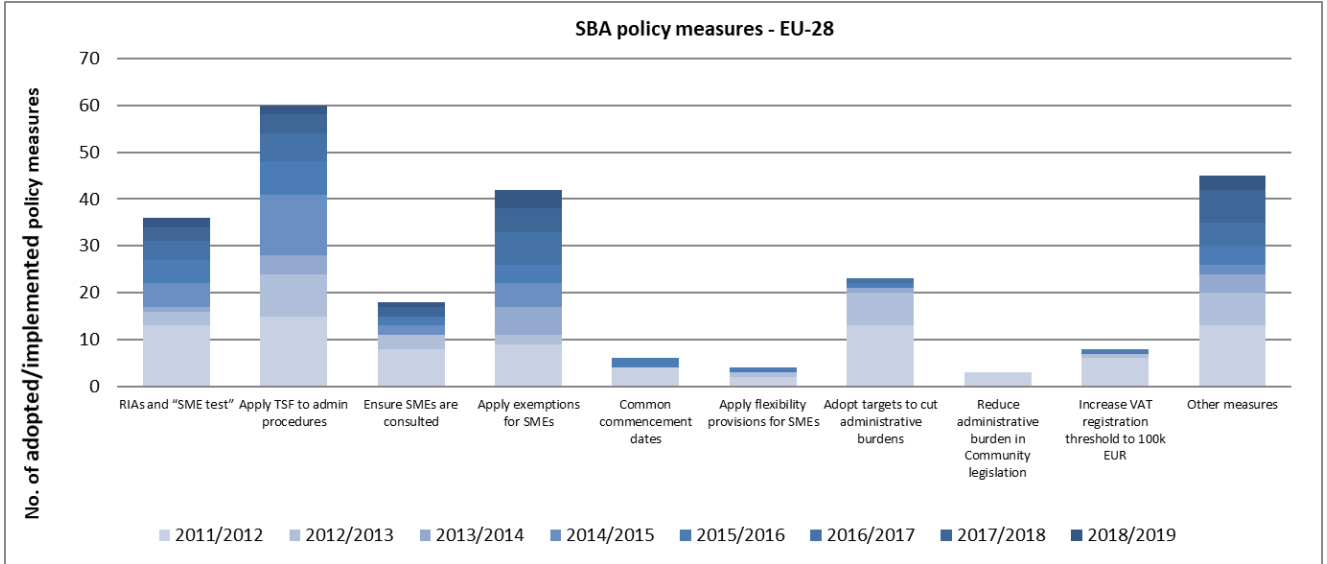


Table 1: Overall policy implementation at EU-28 level for 'Think Small First'<sup>7</sup>

Think Small First	Is the 'Think Small First' principle applied both to legislation and administrative procedures affecting SMEs?	25
<b>No. of EU-28 Member States with the answer "Yes"</b> <ul style="list-style-type: none"> <li>• 0-7</li> <li>• 8-14</li> <li>• 15-21</li> <li>• 22-28</li> </ul>	Have specific targets to reduce red tape been set and achieved?	22
	Is the regulatory impact assessment (RIA) process in place?	27
	If so, are the results of the impact assessment effectively used to change (or cancel) the proposed legislation?	20
	Is the 'SME test' systematically applied as an integral part of regulatory impact assessments?	20
	Are SME stakeholders consulted on new legislative proposals?	28
	If so, are consultation results taken into consideration and made publicly available?	24
	Is there a 'common commencement date' for all new legislation and amendments to the existing legislation relevant to SMEs?	7

### 3.1 Entrepreneurship

#### Comparative performance of EU Member States

Figure 5 shows the relative position of the EU Member States in terms of: (i) their performance for the most recent year on the entrepreneurship principle; and (ii) their distance from the EU average. The best performing EU Member States are currently the Netherlands, Estonia and Ireland. The worst performing EU Member States overall are Bulgaria, Italy and Belgium.

**Figure 5: Entrepreneurship performance (2018-Q1/2019)**



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 6) shows each Member State’s relative position in terms of its performance and progress over time on the entrepreneurship principle. The chart shows disparities in both performance and progress among the EU Member States with the most significant progress over time (measured as the compound annual growth rate during 2008-2019), such as Romania, Portugal and Denmark.

#### EU-28 progress on the entrepreneurship indicator

As shown in Figure 7, entrepreneurial intentions have increased significantly since 2008. Additionally, total early-stage entrepreneurial activity has increased both overall and for the female working-age population, as have the indicators for the established business ownership rate and media attention for entrepreneurship. However, education-related indicators remain around the same level as in 2008, with the exception of entrepreneurial education at college-and-university level, which has seen good progress. Perceptions of entrepreneurship as a desirable career choice remain static, while the indicator for the high-status of successful entrepreneurship has stagnated after showing improvements in recent years.

#### Recent policy developments under entrepreneurship

During the current reference period (2018-Q1/2019), over 60 policy measures were adopted/implemented under the entrepreneurship principle. This is a lower level of policy activity than in the previous reference period (2017-Q1/2018) (see Figure 9). As in previous years, most of the measures recently adopted/implemented aimed to promote an entrepreneurial mind-set. Recent examples of policy developments include: (i) Austria’s ‘Change Maker’ programme, which supports and mentors young people in senior vocational schools to develop and implement a start-up project; (ii) Belgium’s ‘Yet Awards’ contest for 12-18 year olds who have started a project; and (iii) Germany’s blockchain strategy, which is an open public consultation to develop blockchain strategy in the country.

More than 665 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. Most Member States also have a strong focus on entrepreneurial education for both teachers and students (see Table 2). And more than half of EU Member States also have: (i) measures in place that target female and immigrant employment; (ii) measures to promote the sharing economy; and (iii) a marketplace and/or specific support/matching schemes to ensure successful business transfers.

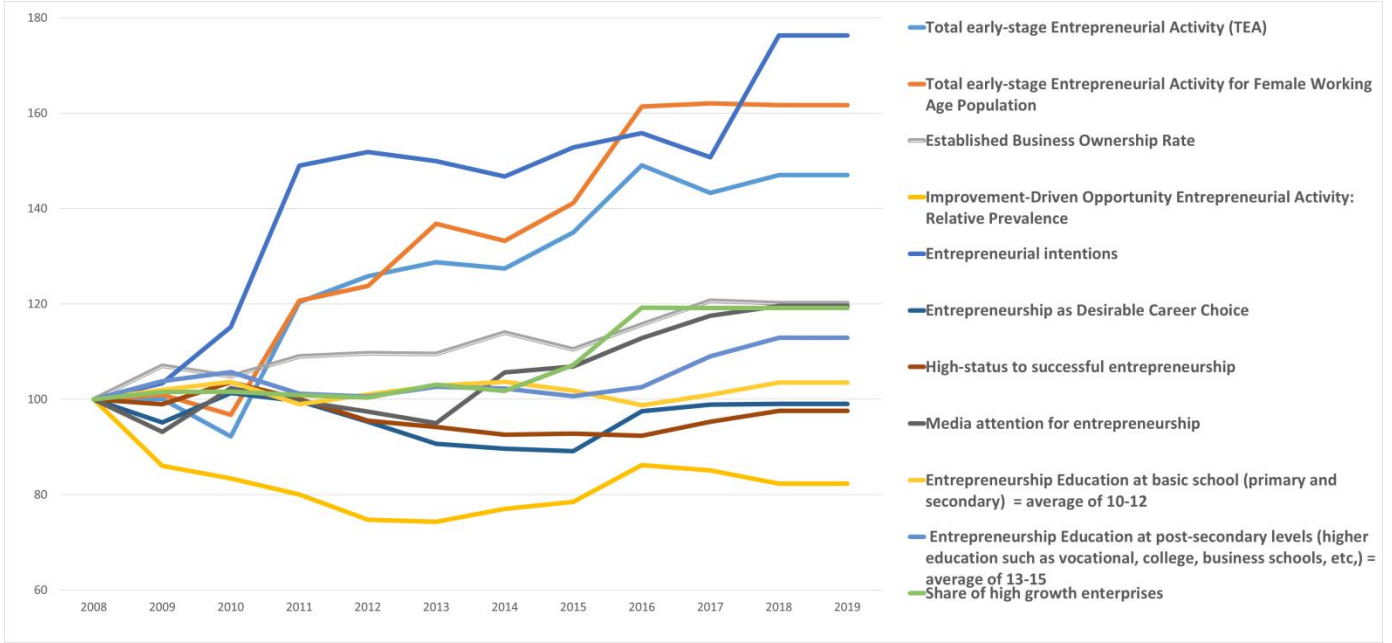


**Figure 6: Positioning of each EU-28 Member State in terms of their performance and progress over time for entrepreneurship (2008-2019)**

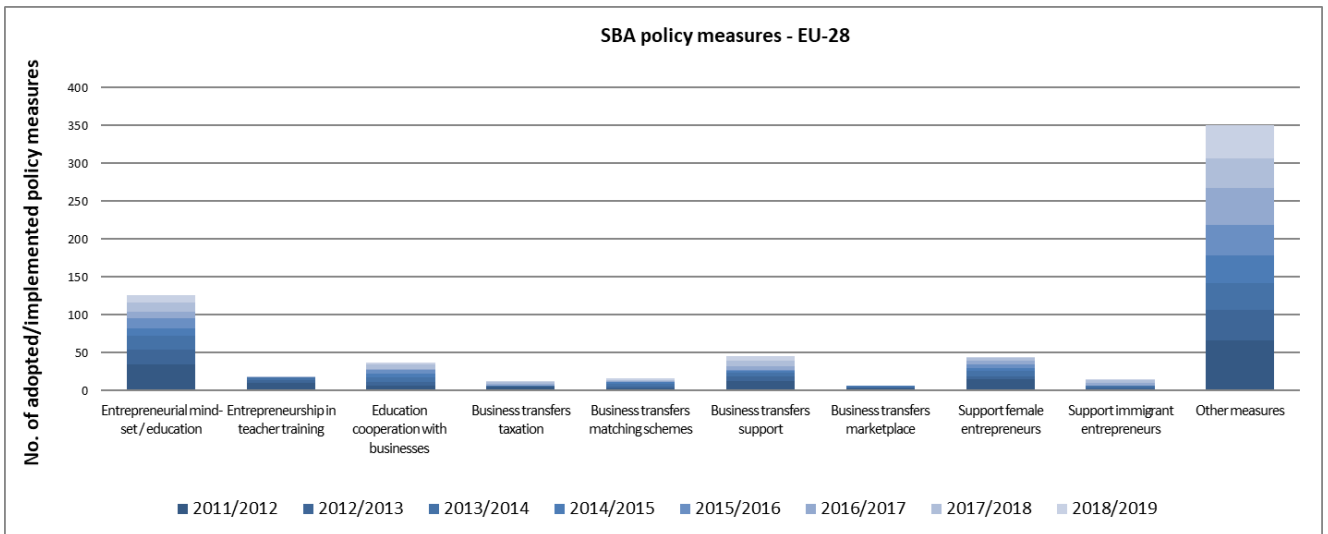


**Note:** Malta is not included on the entrepreneurship graph due to a lag in data on performance.

**Figure 7: EU-28 progress on the entrepreneurship indicator; Base year: 2008<sup>7</sup>**



**Figure 9 SBA policy measures at EU-28 level for entrepreneurship (2011-Q1/2019)**



**Table 2: Overall policy implementation at EU-28-level for entrepreneurship and scale-up support**

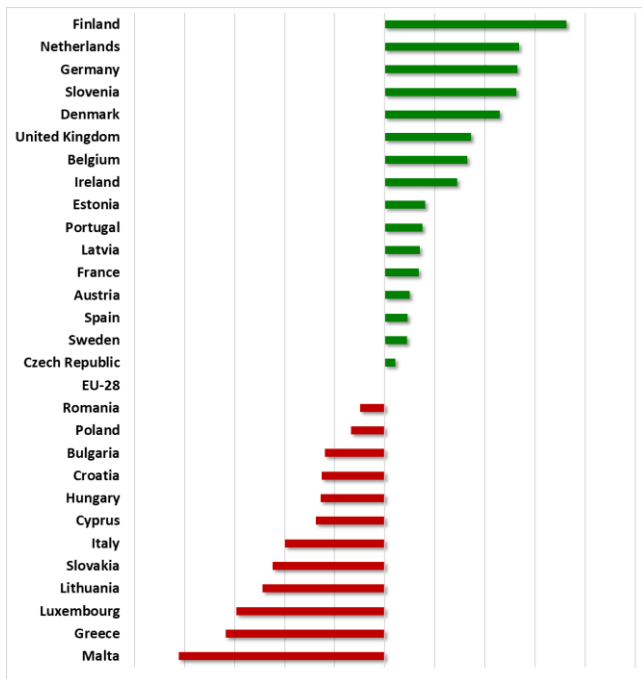
<b>Entrepreneurship</b>		
No. of EU-28 Member States with the answer "Yes"		
<ul style="list-style-type: none"> <li>• 0-7</li> <li>• 8-14</li> <li>• 15-21</li> <li>• 22-28</li> </ul>		
	Are there programmes incorporated into the education curriculum to teach, improve and measure entrepreneurial skills from an early age?	<b>23</b>
	Is there training in place to allow teachers to teach entrepreneurship?	<b>22</b>
	Are there sufficient measures in place to provide entrepreneurship support that is specifically targeted at women, young people, the unemployed, immigrants, and refugees? Entrepreneurship support includes advice, training, financing, mentoring etc.	<b>18</b>
	Is there a marketplace and/or specific support and matching schemes to ensure successful business transfers?	<b>15</b>
	Are there specific measures to increase the number of entrepreneurs/new company formations?	<b>28</b>
	Specific measures include, in particular: 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.	
<b>Entrepreneurship SME Action Programme</b>	Are new developments in the area of the sharing economy closely monitored?	<b>17</b>

### 3.2 ‘Second chance’

#### Comparative performance of EU Member States

Figure 10 shows the relative position of the EU Member States in terms of: (i) their performance for the most recent year on the ‘second chance’ principle; and (ii) their distance from the EU average. The best performing states are currently Finland, the Netherlands and Germany. The worst performing EU Member States overall are currently Malta, Greece, and Luxembourg.

Figure 10: ‘Second chance’ performance (2018-Q12019)



#### 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 on the ‘second chance’ principle.

The chart shows a wide variety of performance levels, with less variety in progress made. The EU Member States with the most significant progress over time (measured as the compound annual growth rate in 2008-2019) include Austria, Czechia and Cyprus.

#### EU-28 progress on the ‘second chance’ indicator

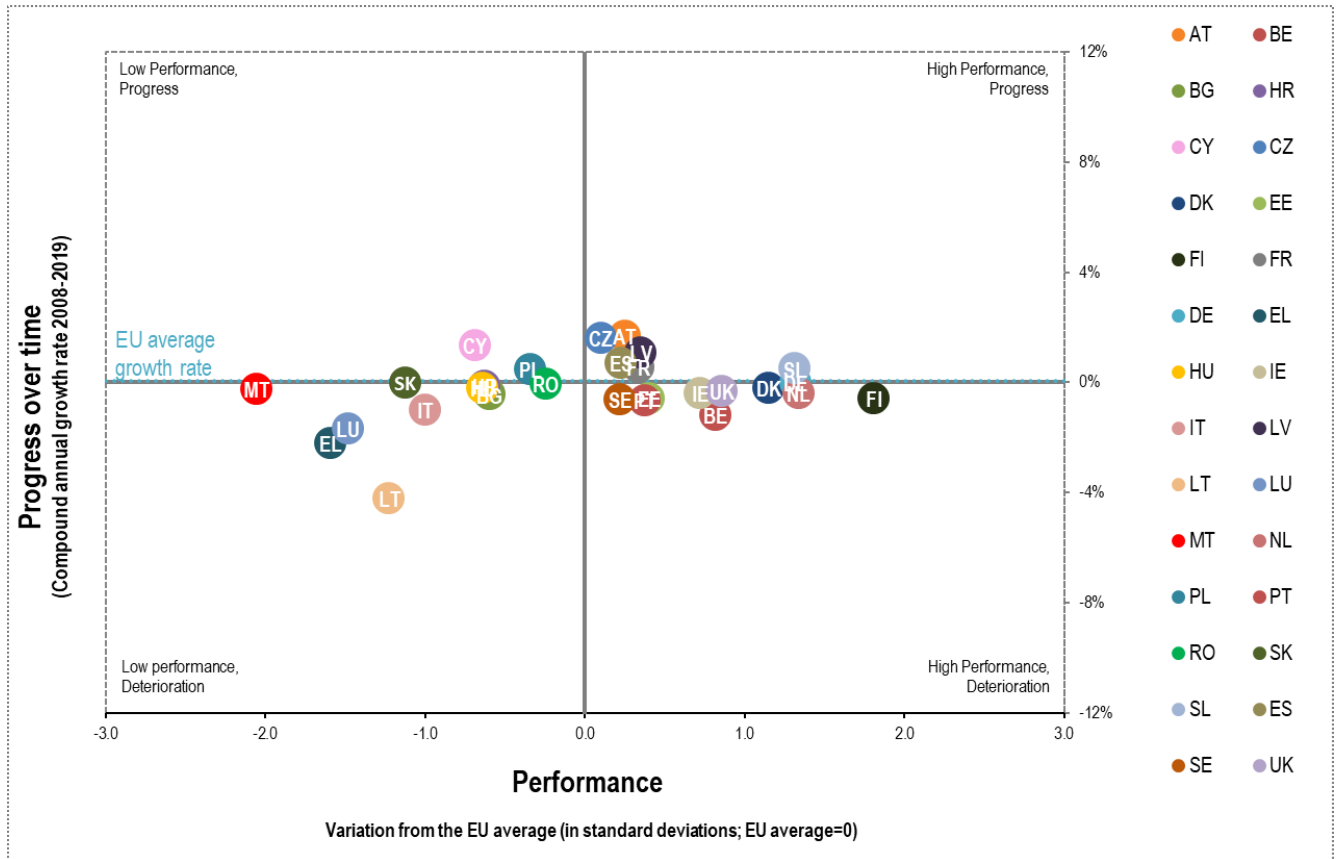
Although ‘second chance’ is not the worst performing principle at EU level, compared to the other principles, there has been little progress achieved since 2008 (see Figure 12). Meanwhile, the fear-of-failure rate is the ‘second chance’ indicator which recorded the highest deterioration since 2011. The indicator for the cost and time to resolve insolvency has stagnated since 2011, while the indicator for the strength of the insolvency framework index only started to moderately increase in 2015.

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

During the current reference period (2018-Q1/2019), over 10 policy measures were adopted/implemented under the ‘second chance’ principle (see Figure 14). Recent examples of policy developments include France’s cancelling of the ‘050’ rating for failed entrepreneurs, and Luxembourg’s reform of the right of establishment.

More than 110 policy measures have been adopted/implemented under the ‘second chance’ principle since 2011. However, it is still not possible to complete legal bankruptcy proceedings within a year in most EU Member States, nor is it possible in most EU Member States 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 (i.e. there is no ‘fast-track’ discharge). Re-starters are generally treated the same as start-ups in 19 EU Member States (see Table 3). However, just over half of EU Member States now have early warning and help-desk mechanisms in place to prevent entrepreneurs from going into bankruptcy.

Figure 11: Positioning of each EU-28 Member State in terms of their performance and progress over time for 'second chance' (2008-2019)



**Figure 12: EU-28 progress on the 'second chance' indicator; Base year: 2008<sup>7</sup>**

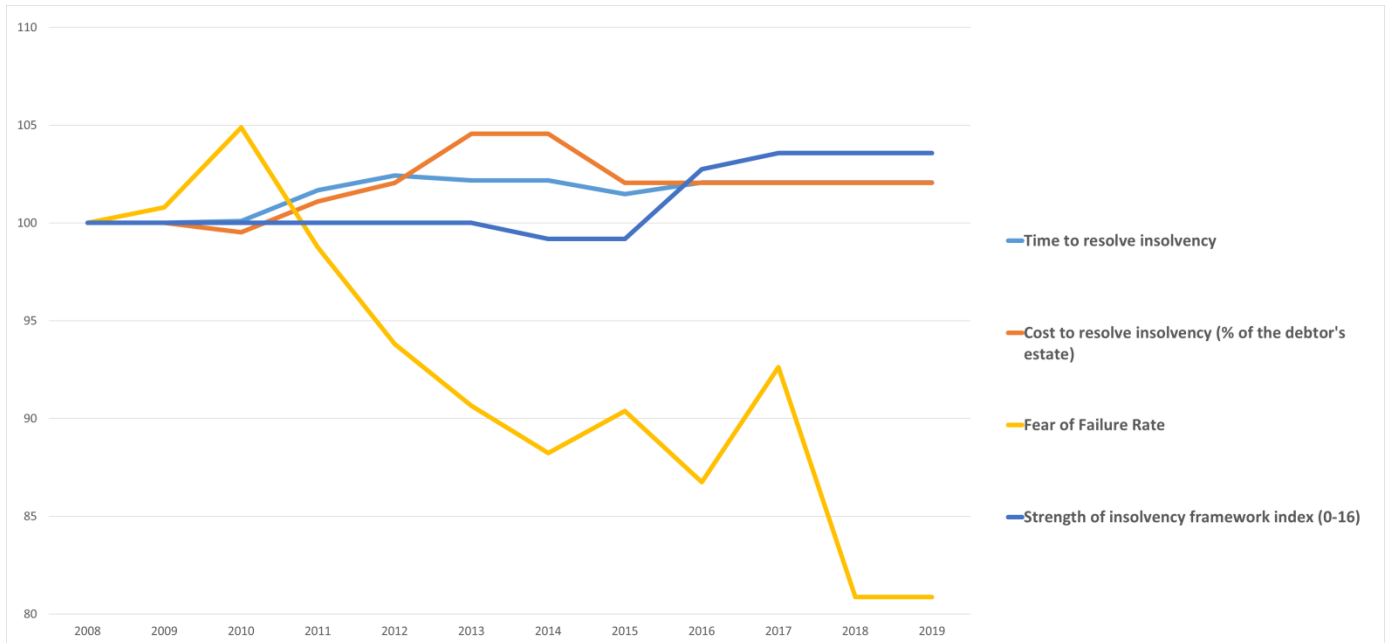


Figure 13 SBA policy measures at EU-28 level for 'second chance' (2011-Q1/2019)

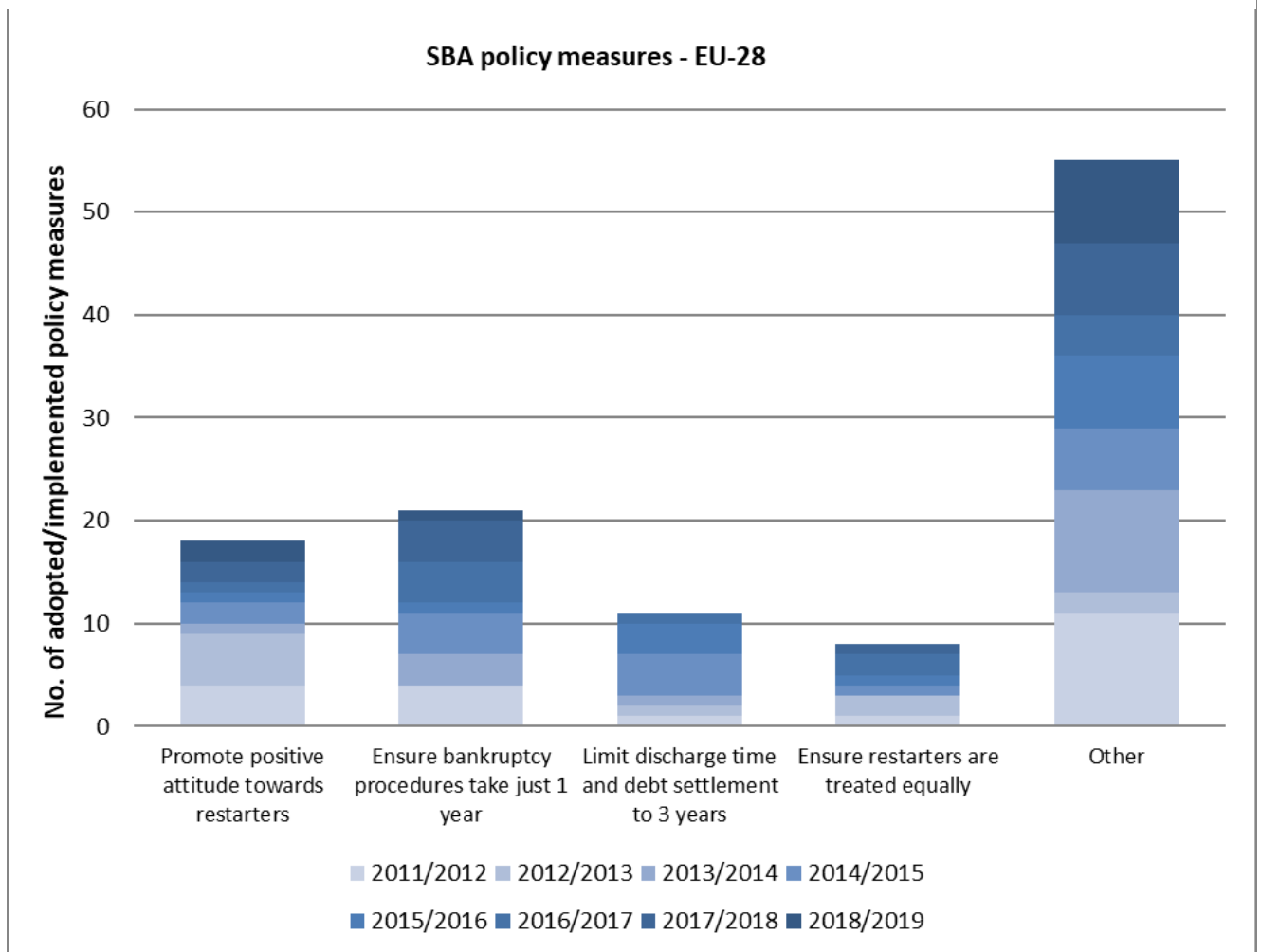


Table 3: Overall policy implementation at EU-28-level for 'second chance'

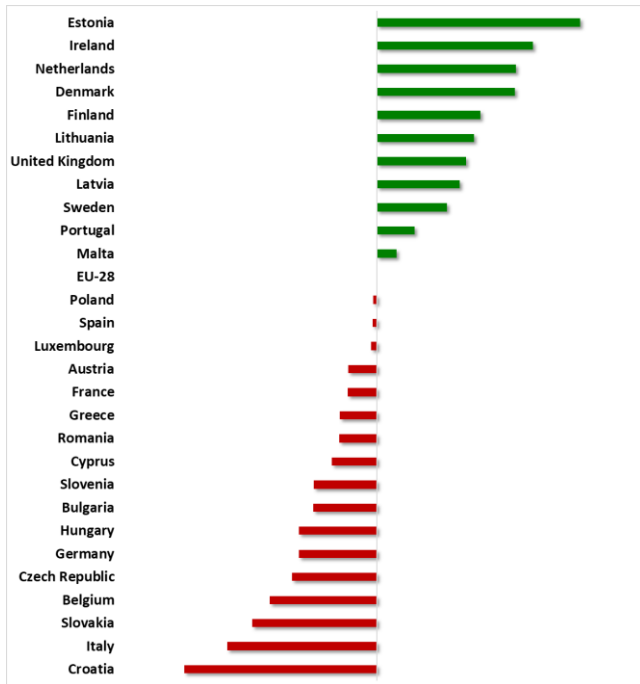
Second chance	Are legal bankruptcy procedures completed within a year, and is it possible to be discharged from bankruptcy in a maximum of 3 years?	10
<b>No. of EU-28 Member States with the answer "Yes"</b> <ul style="list-style-type: none"> <li>● 0-7</li> <li>● 8-14</li> <li>● 15-21</li> <li>● 22-28</li> </ul>	Are re-starters treated on an equal footing with new start-ups?	19
	Are there early warning and help-desk mechanisms in place to prevent entrepreneurs from going into bankruptcy? <i>Prevention measures include, in particular: information campaigns, training, and information sessions on procedures to reduce the stigma of failure.</i>	15
	Is there the possibility of automatic discharge for honest entrepreneurs after liquidation (or fast-track and specific procedures in place for SMEs)?	14

### 3.3 ‘Responsive administration’

#### Comparative performance of EU Member States

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

**Figure 14: ‘Responsive administration’ & ‘Think Small First’ performance (2018-Q12019)**



#### Comparative progress of EU Member States

The quadrant chart below (Figure 15) shows each Member State’s relative position in terms of its performance and progress over time on the ‘responsive administration’ principle. The chart shows a wide variety of performance levels, with less variation in progress made. The EU Member States with the most significant progress over time (measured as the compound annual growth rate during 2008-2019) include Poland, Greece and the Netherlands.

#### EU-28 progress on the ‘responsive administration’ indicator

As shown in one of the ‘responsive administration’ indicators that showed the most significant progress in the last several years is the indicator on the time it takes to start a business. The EU average as of 2018 is just 2.7 days to start a business, at an average cost of €270.

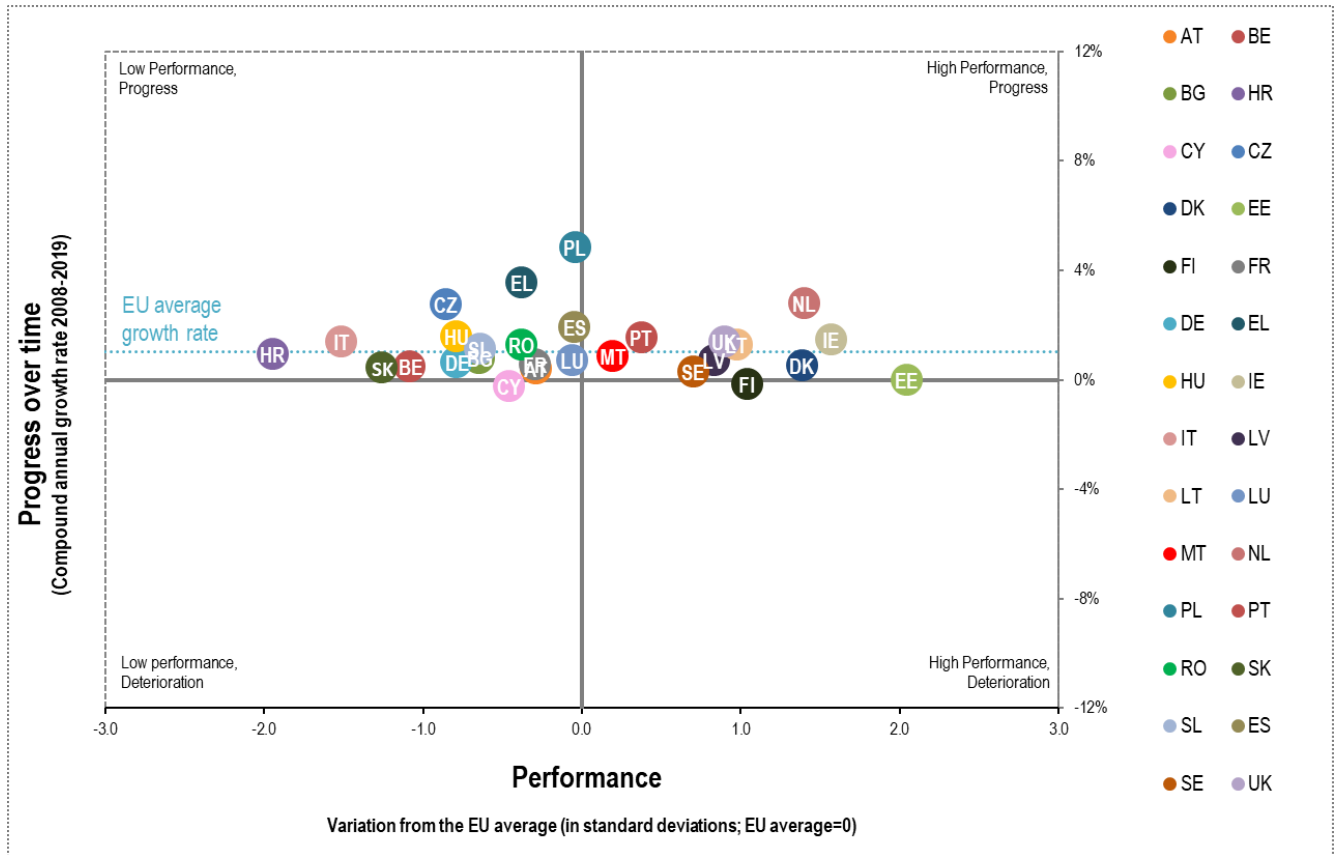
#### Recent policy developments under ‘responsive administration’

More than 60 policy measures were adopted/implemented during the current reference period (2018-Q1/2019) under the ‘responsive administration’ principle (see Figure 17). Recent examples of policy developments include Slovenia’s e-application for a single residence and work permit for foreigners, and Latvia’s single account to pay all taxes.

Overall, more than 465 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 (see Table 4). 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 EU Member States also have an SME envoy who is highly visible among SME stakeholders and plays a proactive role in advancing the interests of SMEs.



**Figure 15: Positioning of each EU-28 Member State in terms of their performance and progress over time for 'responsive administration' (2008-2019)**



**Figure 16: EU-28 progress on the 'responsive administration' indicator; Base year: 2008<sup>7</sup>**

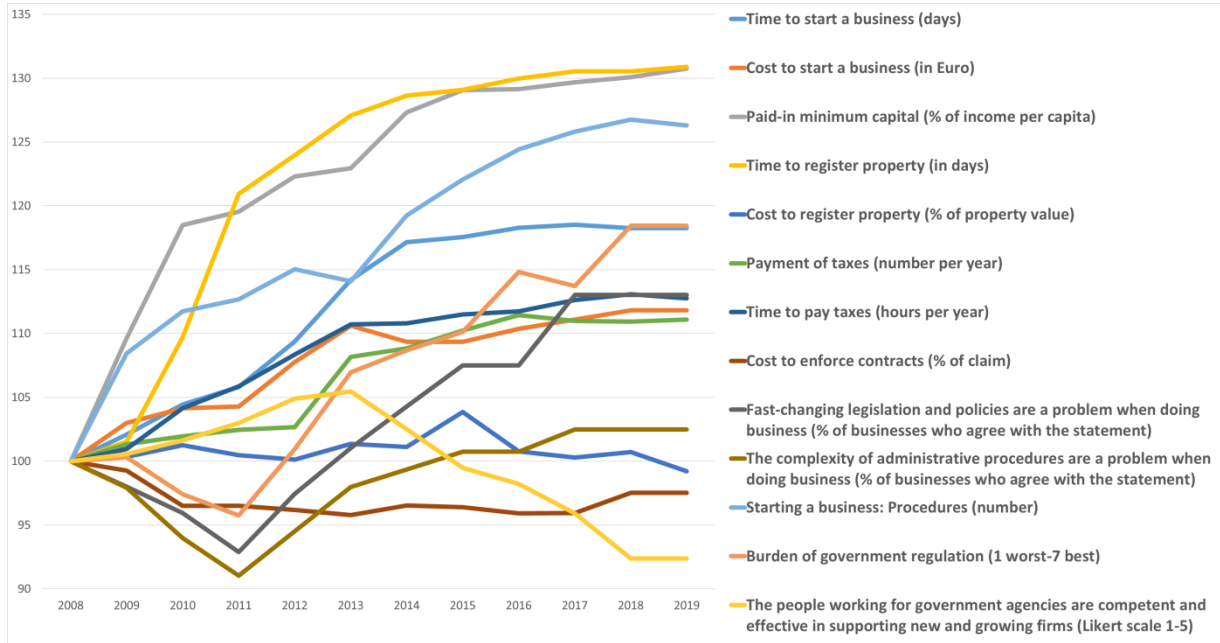


Figure 17: 'Responsive administration' and 'Think Small First' performance – (2011-Q1/2019)

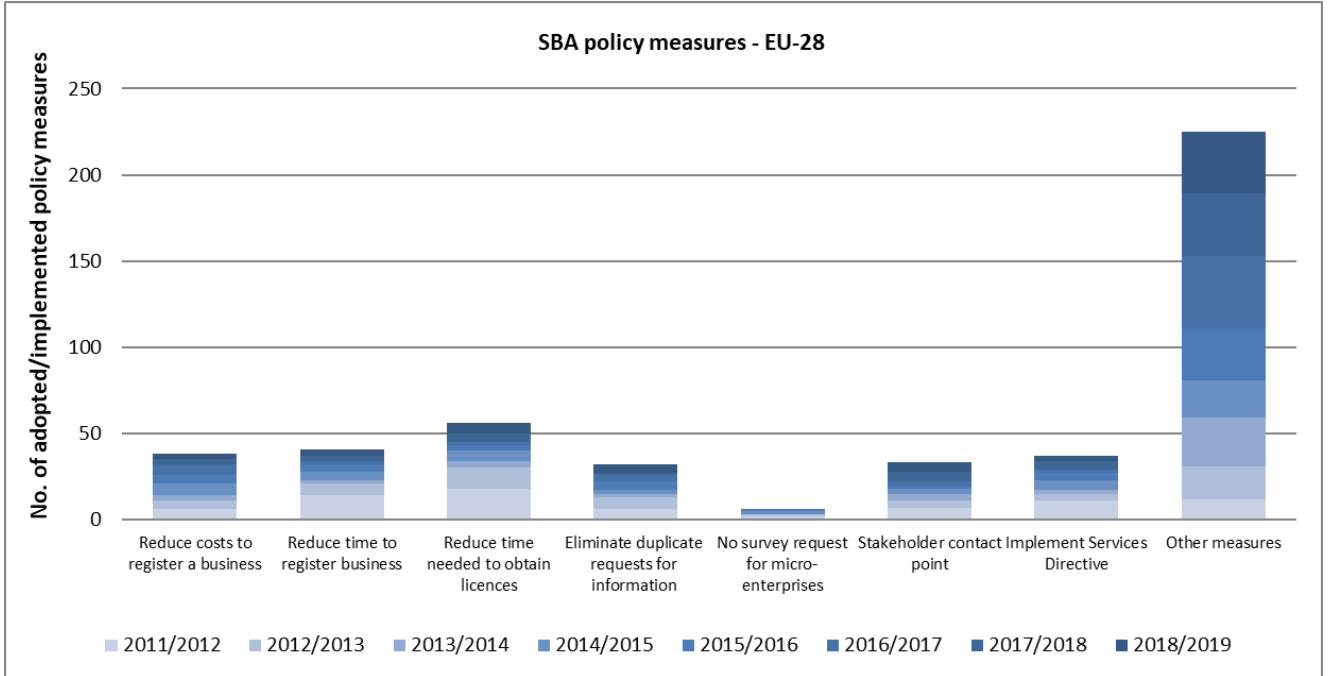


Table 4: Overall policy implementation at EU-28-level for 'responsive administration'

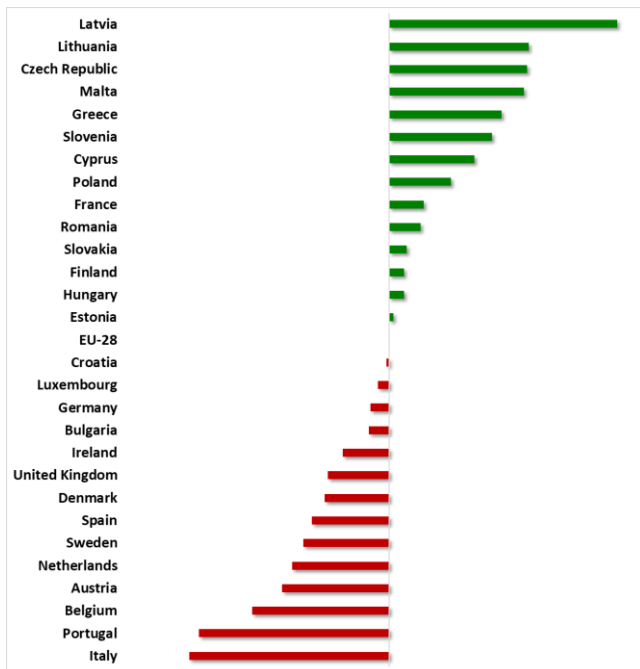
Category	Question	Score
<b>Responsive administration</b> <i>No. of EU-28 Member States with the answer "Yes"</i>	Is there a one-stop shop where SMEs can perform all administrative requirements and where guidance is provided?	20
	If so, is the existing single point of contact responsible for ensuring the effectiveness of start-up procedures?	14
	Is there an effective and SME-friendly e-government infrastructure allowing SMEs to quickly handle all online procedures? E-government infrastructure of this sort would mean that there is no need for a notary or in-person application (e.g. for filing tax returns, and social security returns). It would also mean that credit/debit compensation is allowed, etc.	19
	Are the various databases of different public administrations sufficiently connected so that companies can provide information only once (except for updates)? Public administrations include: company registration offices, the tax administration, the social security administration, labour authorities, etc.	11
<b>Better regulation</b> <b>SME Action Programme</b>	Is the cross-border implementation of the 'once only' principle supported?	10
	Is the SME envoy highly visible among SME stakeholders, and does he/she play a proactive role between SME stakeholders, the regulatory scrutiny board and policy makers at national level?	19

### 3.4 State aid & public procurement

#### Comparative performance of EU Member States

Figure 18 shows the relative positioning of the EU Member States in terms of: (i) their performance for the most recent year on the state aid & public procurement principle; and (ii) their distance from the EU average. The best performing states are currently Latvia, Lithuania and Czechia. The worst performing EU Member States overall are Italy, Portugal and Belgium.

**Figure 18: State aid & public procurement performance (2018-Q1/2019)**



#### Comparative progress of EU Member States

The quadrant chart below (Figure 19) shows each Member State's relative position in terms of its performance and progress over time on the state aid & public procurement principle. The chart shows significant disparities in both performance and progress among EU Member States. The EU Member States with the most significant progress over time (measured as the compound annual growth rate during 2008-2019) include Greece, Portugal and Cyprus.

#### EU-28 progress on the state aid & public procurement indicator

Important methodological changes have been made to this principle in this year's fact sheet. Three new indicators from the Tenders Electronic Daily database have been added. These new indicators are:

- percentage of awards for which the winner was an SME;
- proportion of bids by SMEs;
- percentage of calls for tenders which were split into lots.

In addition, the indicator on e-procurement has been removed. Therefore, the overall performance in this area cannot be compared with last year's.

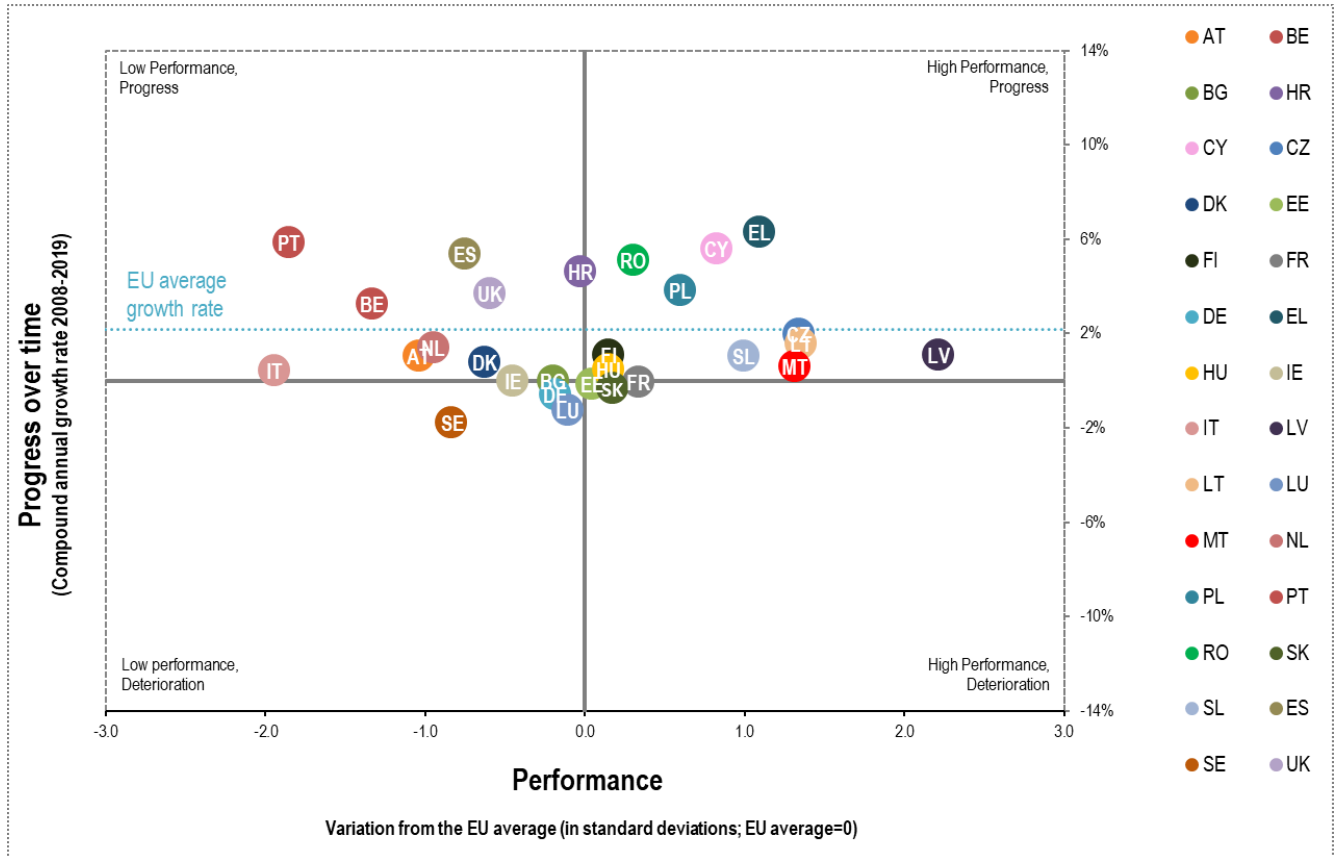
As shown in Figure 20, one of the indicators that showed the most significant progress since 2008 is the percentage of calls for tenders which were split into lots. However, the indicator for the share of businesses having taken part in a public tender of public procurement procedure has shown the least progress.

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

During the current reference period (2018-Q1/2019), over 30 policy measures were adopted/implemented under the state aid & public procurement principle (see Figure 21). Recent examples of policy developments include Hungary's changes to the public procurement law (which improves the operation of the electronic public procurement system) and Germany's IT procurement strategy.

Around 220 policy measures have been adopted/implemented under the state aid & public procurement principle since 2011. In almost every EU Member State, state-aid policy addresses SME needs and there is an effective e-procurement portal through which all public procurement can be conducted (see Table 5). Most Member States have put in place: (i) 'public procurement of innovation' procedures; and (ii) protective measures for SMEs in case of late payments. However, it is common practice in less than half of EU Member States to cut big tenders into smaller lots so that small SMEs can apply and bid collectively.

**Figure 19: Positioning of each EU-28 Member State in terms of their performance and progress over time for state aid & public procurement (2008-2019)**



**Figure 20: EU-28 progress on the state aid & public procurement indicator; Base year: 2008<sup>7</sup>**

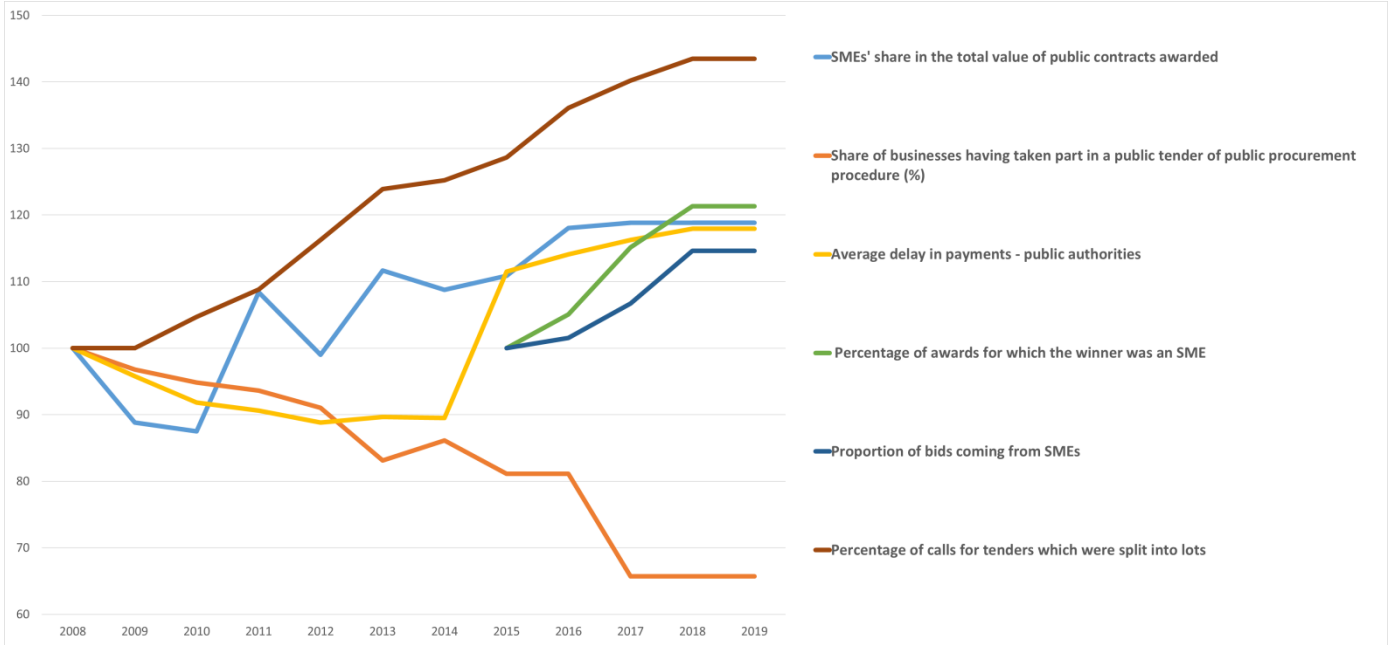


Figure 21: SBA policy measures at EU-28 level for state aid & public procurement (2011-Q1/2019)

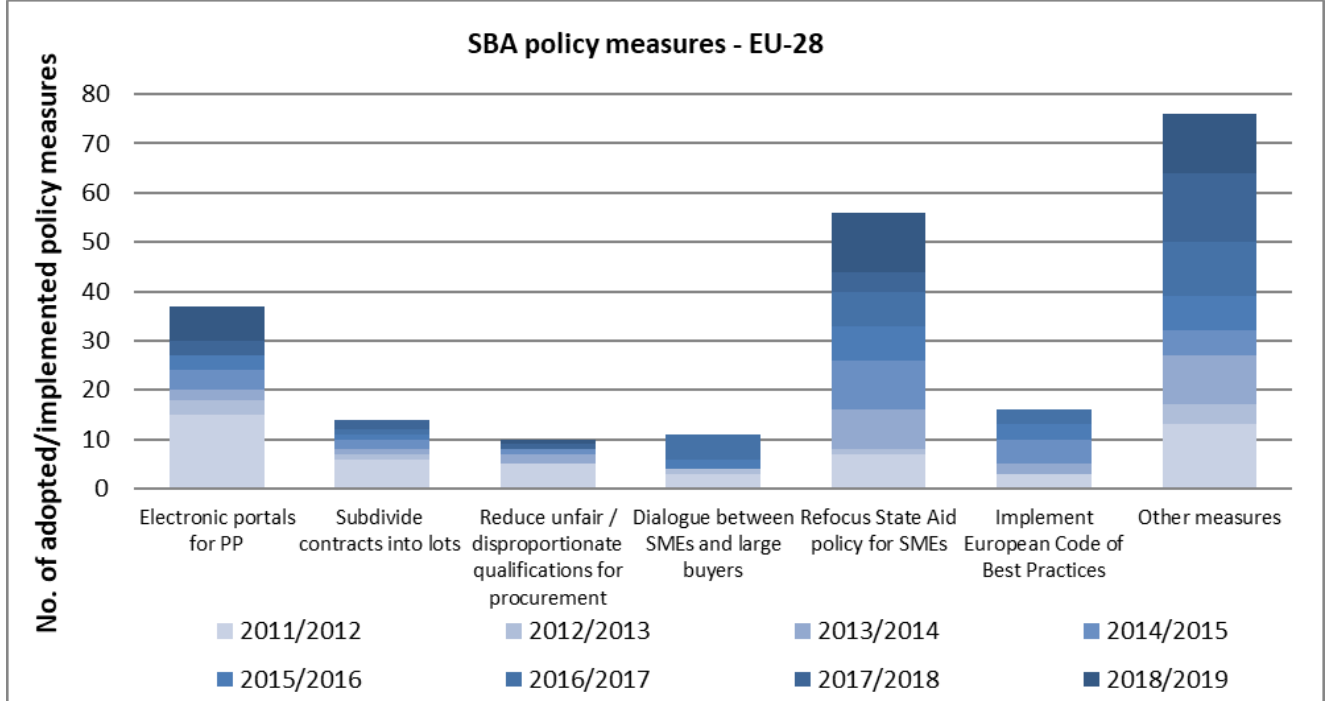


Table 5: Overall policy implementation at EU-28 level for state aid & public procurement

State aid & public procurement	Does the state-aid policy address SMEs' needs?	27
No. of EU-28 Member States with the answer "Yes" • 0-7 • 8-14 • 15-21 • 22-28	Is there an effective e-procurement portal where all public procurement can be screened and applied?	25
	Are there protective measures in place for SMEs in case of late payments?	18
	Is it common practice to: (i) divide big tenders into smaller lots, so that small SMEs can also apply; and (ii) provide opportunities for collective bidding for SMEs (e.g. via clusters)?	13
	Is there 'public procurement of innovation' in place? Public procurement of innovation refers in particular to pre-commercial procurement, including procurement of R&D such as: (i) green public procurement; (ii) sustainable public procurement; (iii) socially responsible public procurement; (iv) low-carbon procurement, etc.	19

### 3.5 Access to finance

#### Comparative performance of EU Member States

Figure 22 shows the relative positioning of the EU Member States in terms of: (i) their performance for the most recent year on the access to finance principle; and (ii) their distance from the EU average. The best performing states on this indicator are Belgium, Finland and Denmark. The worst performing EU Member States are currently Greece, Malta and Cyprus.

**Figure 22: Access to finance performance (2018-Q1/2019)**



#### Comparative progress of EU Member States

The quadrant chart below (Figure 23) shows each Member State's relative position in terms of its performance and progress over time on the access to finance principle. The chart shows significant disparities in both performance and progress among EU Member States. The EU Member States with the most significant progress over time (measured as the compound annual growth rate during 2008-2019) include Spain, Portugal and Ireland.

#### EU-28 progress on the access to finance indicator

Three key access to finance indicators have substantially improved since 2008 (see Figure 24). The number of respondents who said there had been a deterioration in the willingness of banks to provide a loan is half the number of respondents who indicated a deterioration in 2014 and one third of the number who indicated a deterioration in 2008. In addition, the percentage of rejected loan applications and loan offers whose conditions were deemed unacceptable has decreased since 2015. The indicator on access to public financial support including guarantees has improved since 2014.

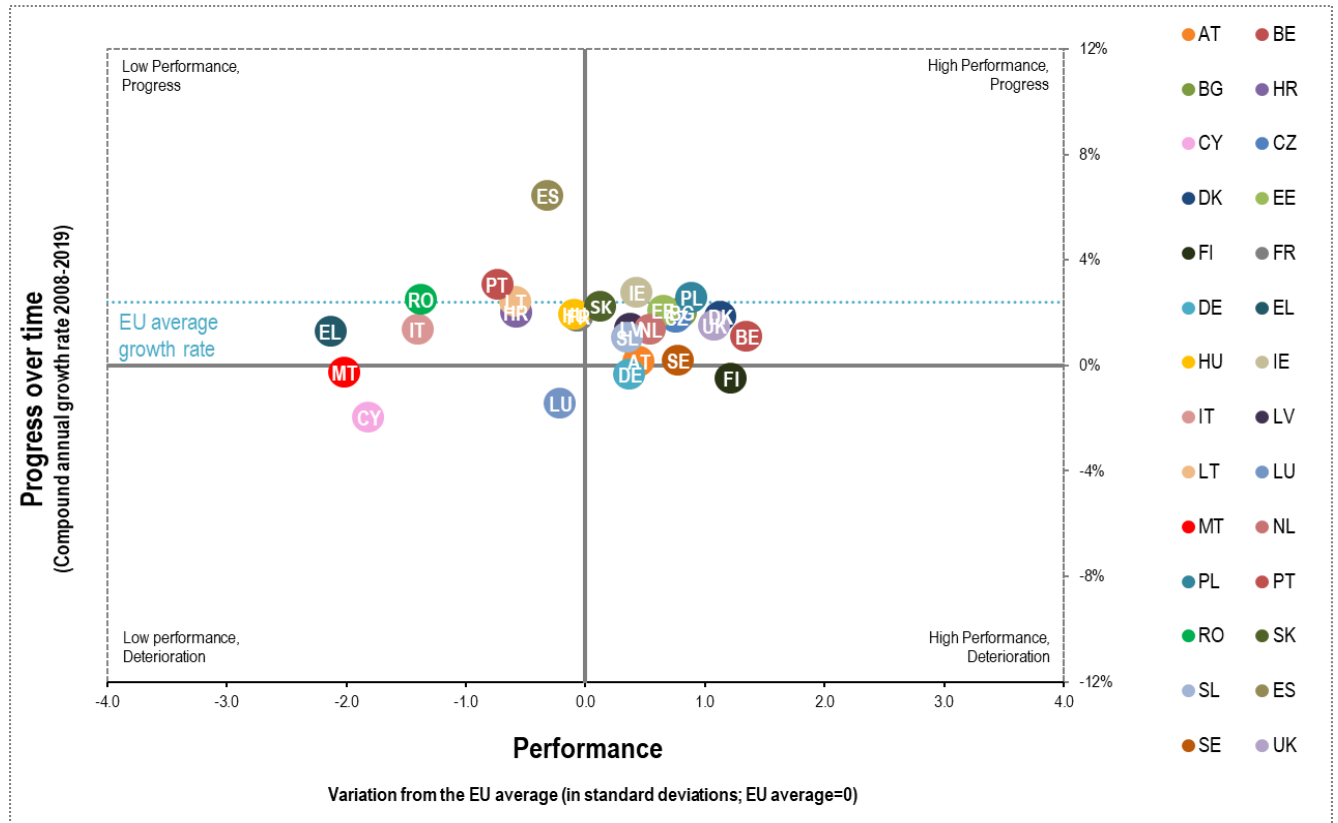
#### Recent policy developments under access to finance

During the current reference period (2018-Q1/2019), more than 85 policy measures were adopted/implemented under the access to finance principle (see Figure 25). This is an increase from the previous reference period (2017-Q1/2018). As in previous years, most of the measures consisted of public financing programmes for SMEs. Recent examples of policy developments include the launch of Denmark's 'InnoFounder' programme (which brings financial support to graduates or to entrepreneurs with work experience), and the Netherlands' 'Fund for Responsible Business'.

More than 735 policy measures have been adopted/implemented related to the access to finance principle since 2011. All EU Member States now have funding dedicated to starting up a business, innovation, proof-of-concept and commercialisation. All EU Member States also have bank loans and corresponding guarantee schemes to improve access to finance for start-ups (see Table 6). EU-based funds for SMEs are relatively accessible in most EU Member States. Most Member States also have established business angel funds and venture capital funds. Almost all EU Member States also have national grants and risk capital to support SMEs. Funds-of-funds for alternative equity and debt financing are present in most EU Member States, as is knowledge on the impact of microfinancing activities. More than half of EU Member States have: (i) a one-stop shop to help SMEs access funds; or (ii) an expert group offering inspiration and guidance on alternative finance



**Figure 23: Positioning of each EU-28 Member State in terms of their performance and progress over time for access to finance (2008-2019)**



**Figure 24 EU-28 progress on the access to finance indicator; Base year: 2008<sup>7</sup>**

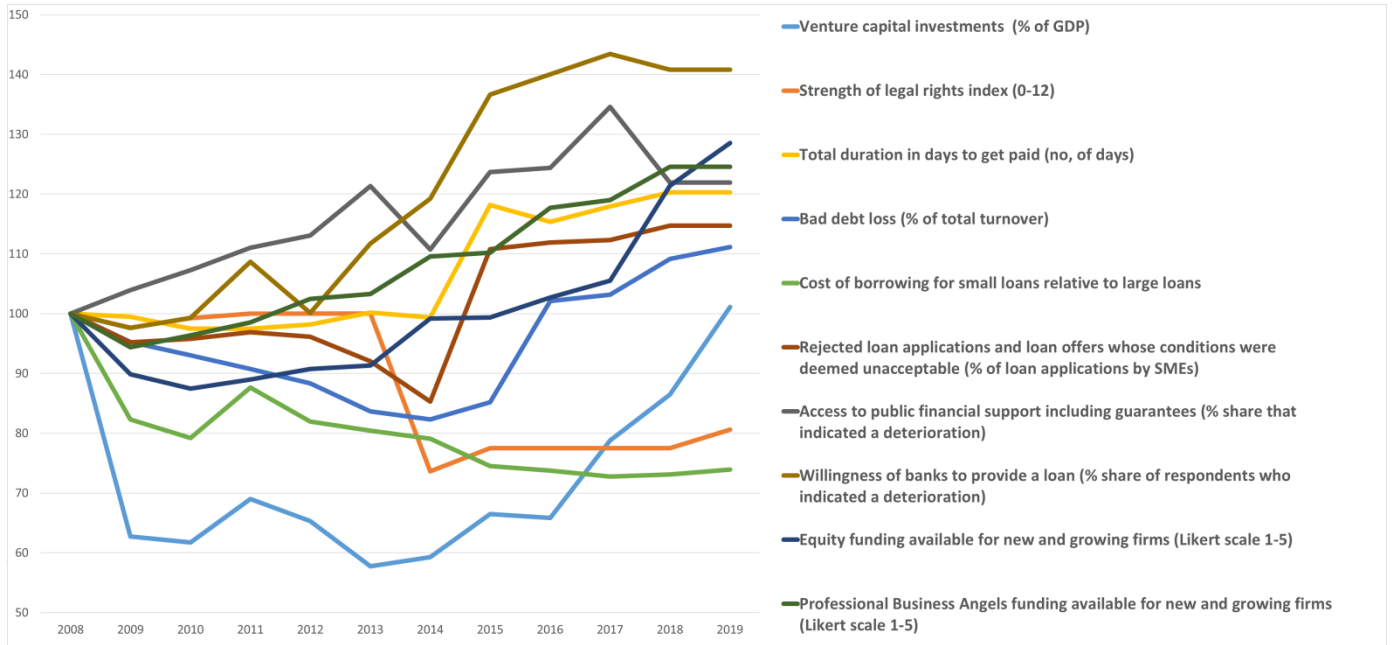


Figure 25: SBA policy measures at EU-28 level for access to finance (2011-Q1/2019)

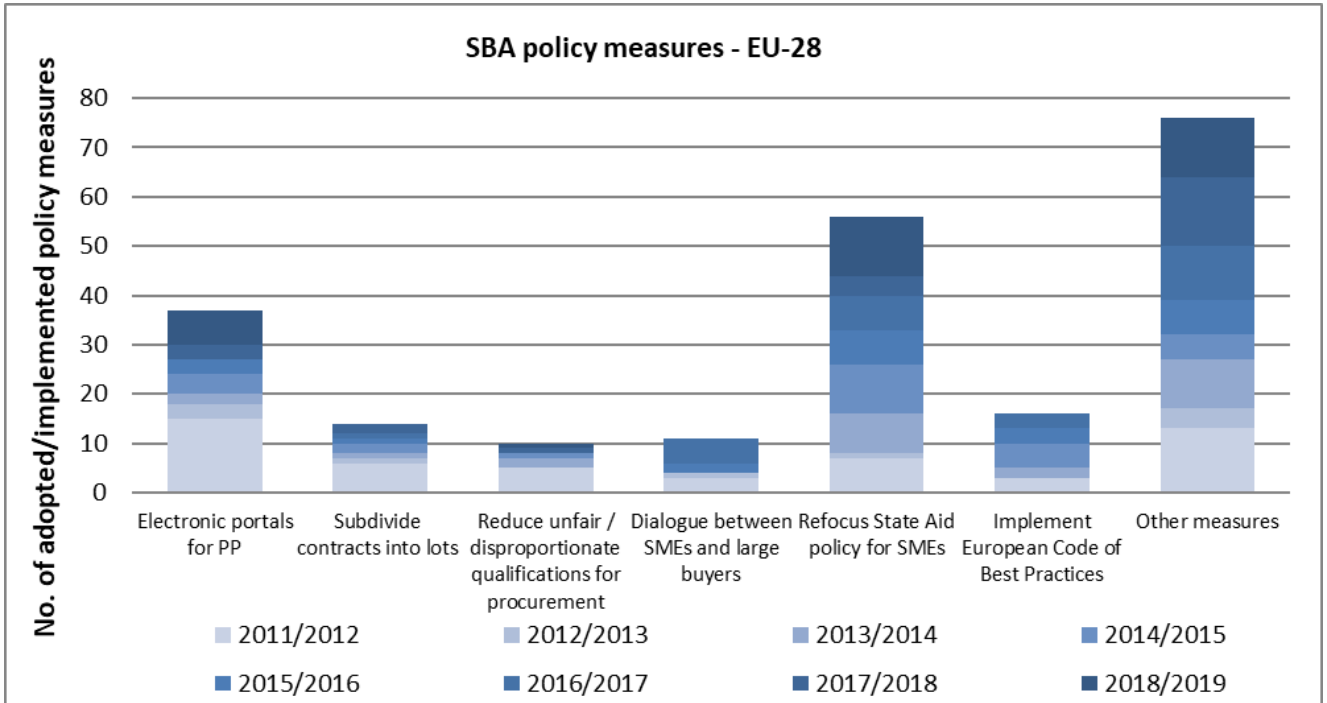


Table 6: Overall policy implementation at EU-28 level for access to finance

Access to finance	Are there bank loans and corresponding guarantee schemes to promote access to loans for SMEs?	28
<b>Access to finance</b> <i>No. of EU-28 Member States with the answer "Yes"</i> <ul style="list-style-type: none"> <li>• 0-7</li> <li>• 8-14</li> <li>• 15-21</li> <li>• 22-28</li> </ul>	Are there business angel funds and venture capital funds established?	27
	Are EU-based funds for SMEs relatively easily accessible?	27
	Are there national grants and risk capital to support SMEs and start-ups?	27
	Is there funding dedicated to: starting up a business, innovation, proof-of-concept, and the commercialisation of innovation?	28
	Do the legal, tax and/or regulatory frameworks not restrict access to these sources of funding?	26
	Is there a one-stop-shop to help SMEs access the required funds?	17
	<b>Access to finance</b> <b>SME Action Programme</b>	Are funds-of-funds for alternative equity and debt financing established?
	Is there an expert group on alternative finance, to offer inspiration and guidance?	15
	Has knowledge of the impact of microfinance activities increased? Is the need for target group-specific microfinancing analysed?	21

### 3.6 Single market

#### Comparative performance of EU Member States

Figure 26 shows the relative position of the EU Member States in terms of: (i) their performance for the most recent year on the single market principle; and (ii) their distance from the EU average. The best performing states are currently Estonia, Luxembourg and Austria. The worst performing EU Member States overall are currently Spain, Romania and Poland.

Figure 26: Single market performance (2018-Q1/2019)



#### Comparative progress of EU Member States

The quadrant chart below (Figure 27) shows each Member State's relative position in terms of its performance and progress over time on the single market principle. The chart

shows disparities in both performance and progress among EU Member States, though there is less variation here than in the other 9 principles. Since 2008, far more countries have improved overall than deteriorated. The EU Member States with the most significant progress over time (measured as the compound annual growth rate during 2008-2019) include Portugal, Greece, and Cyprus.

#### EU-28 progress on the single market indicator

The average transposition delay of overdue directives at EU level has overall remained steady during the past several years, but the number of outstanding single market directives and the number of pending infringement proceedings have decreased substantially since 2008 (see Figure 28). The share of SMEs that are intra-EU online importers and intra-EU online exporters continues to improve since the adoption of the SBA in 2008. The latter has nearly doubled since 2008.

#### Recent policy developments under single market

More than 10 policy measures under the single market principle were adopted/implemented during the current reference period (2018-Q1/2019), as shown by Figure 29. Recent examples of policy developments include Austria's 5G strategy, and Malta's online facilities to facilitate the registration and management of intellectual property.

Since 2011, more than 100 policy measures related to the single market have been adopted/implemented. Great policy progress has been made by all EU Member States in implementing the various single market directives. And most EU Member States have now established a comprehensive single point of contact and an effective SOLVIT centre to help SMEs navigate the single market and benefit more from it (see Table 7). However, not all EU Member States have put in place measures to help SMEs overcome the difficulties of accessing patents and trademarks within the single market.

**Figure 27: Positioning of each EU-28 Member State in terms of their performance and progress over time for single market (2008-2019)**

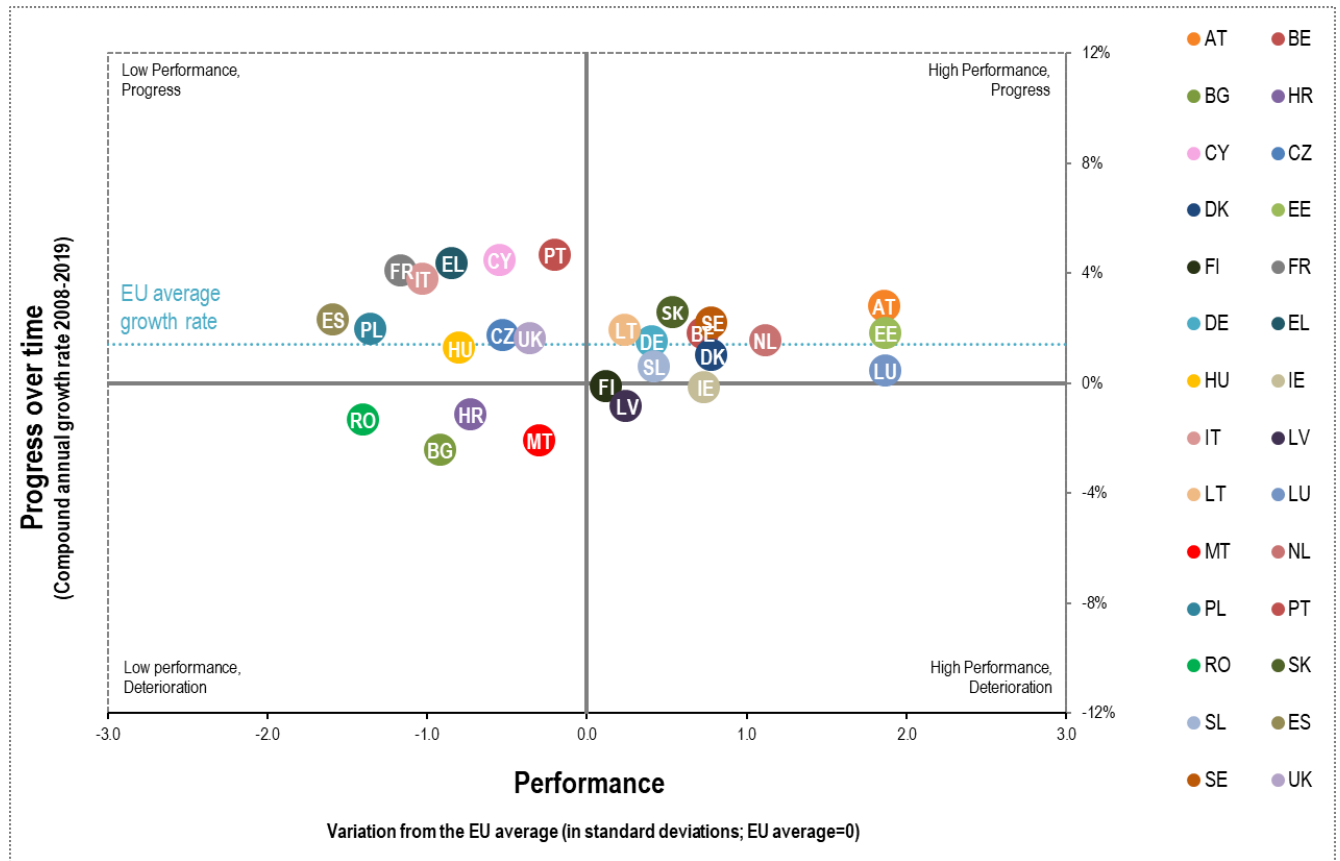


Figure 28: EU-28 progress on the single market indicator; Base year: 2008<sup>7</sup>

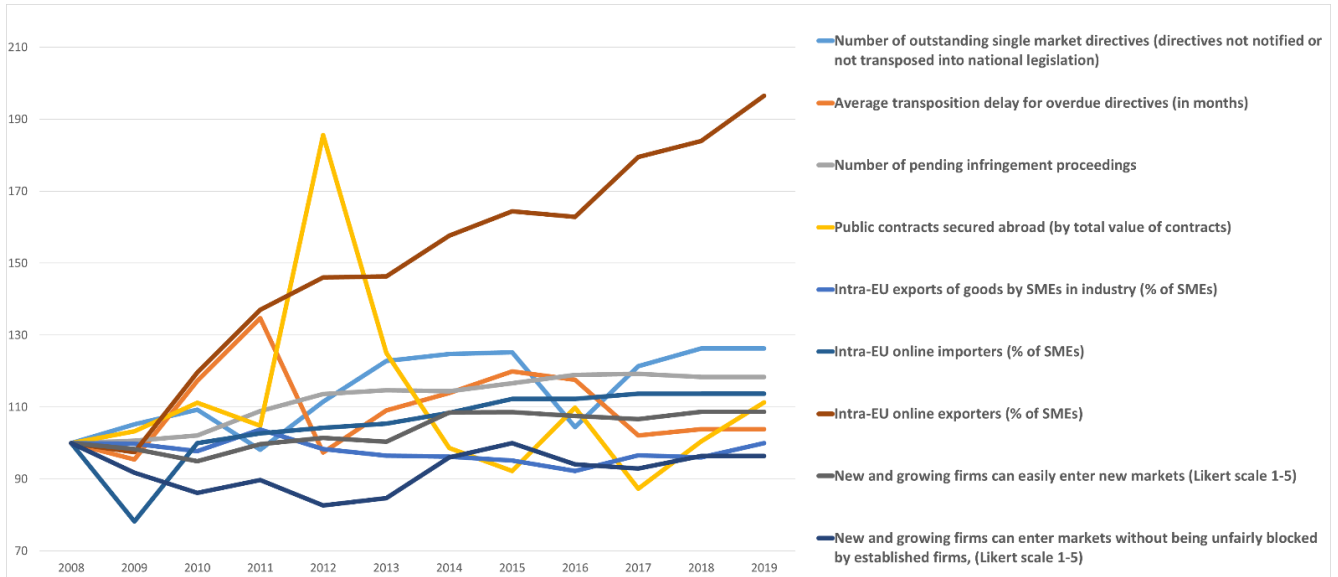


Figure 29: SBA policy measures at EU-28 level for single market (2011 – Q1/2019)

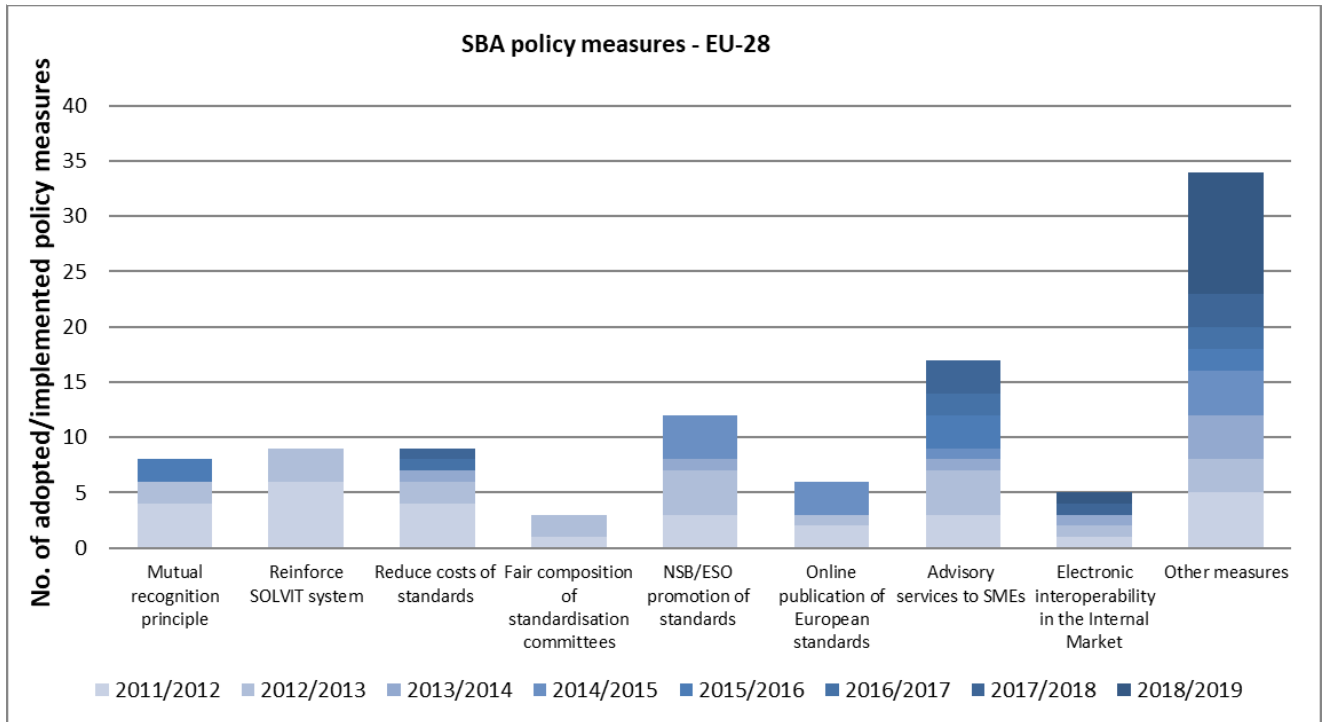


Table 7: Overall policy implementation at EU-28 level for single market

Single market	Does the national government take steps to correctly transpose EU laws on time?	27
No. of EU-28 Member States with the answer "Yes" • 0-7 • 8-14 • 15-21 • 22-28	Is there a single-point-of-contact to support SMEs within the single market?	24
	Is there an effective internal market information system and SOLVIT centre to solve the single-market-related problems of SMEs?	26
	Are there measures to enable SMEs to participate in the development of standards and to help them better access European standards?	24
	Are there measures to help SMEs overcome the difficulties in accessing patents and trademarks within the single market?	22

### 3.7 Skills & innovation

#### Comparative performance of EU Member States

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

**Figure 30: Skills & innovation performance (2018-Q12019)**



#### Comparative progress of EU Member States

The quadrant chart below (Figure 31) shows each Member State's relative position in terms of its performance and progress over time on the skills & innovation principle. The chart

shows disparities in both performance and progress among the EU Member States. There is an equal split between the share of EU Member States that improved or progressed against those that have deteriorated. The EU Member States with the most significant progress over time (measured as the compound annual growth rate during 2008-2019) include Lithuania, Latvia, and Bulgaria.

#### EU-28 progress on the skills & innovation indicator

The share of SMEs selling online has consistently increased each year since 2008, and the share of SMEs innovating in-house has also steadily increased. The share of SMEs introducing product or process innovations has also climbed by more than 5% since 2015. However, the percentage of enterprises employing ICT specialists has consistently declined since 2008, and has declined further since last year (see Figure 32).

#### Recent policy developments under skills & innovation

During the current reference period (2018-Q1/2019), more than 100 policy measures were adopted/implemented under the skills & innovation heading (see Figure 33). As in previous years, most of the measures aim to develop the RD&I skills or capacities of SMEs. Recent examples of policy developments include Spain's new grant to SMEs to help with patent applications in Spain and abroad, and Slovakia's 'ICT skills for employees' (*IKT zručnosti pre zamestnancov*) measure, which aims to develop and strengthen the ICT skills of SME employees.

Overall, since 2011, more than 680 policy measures have been adopted/implemented under the skills & innovation heading. Since that time, all EU Member States have established measures to help SMEs offer training to employees and get access to business advisory/support services (see Table 8). In addition, all EU Member States have specific measures in place to support the development of the RD&I skills of SMEs. Most have mechanisms in place to support the commercialisation of RTD results.



**Figure 31: Positioning of each EU-28 Member State in terms of their performance and progress over time for skills & innovation (2008-2019)**

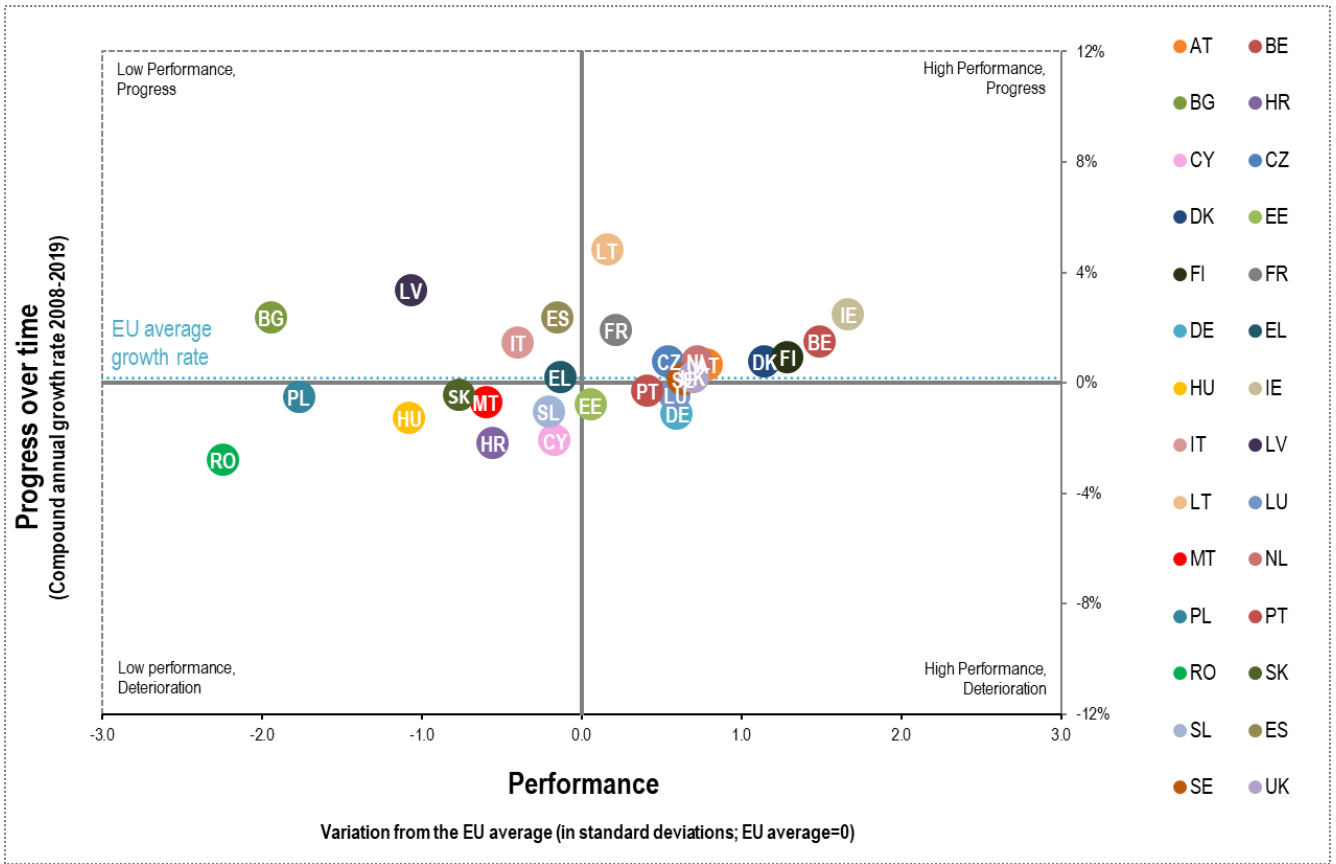


Figure 32: EU-28 progress on the skills & innovation indicator; Base year: 2008<sup>7</sup>

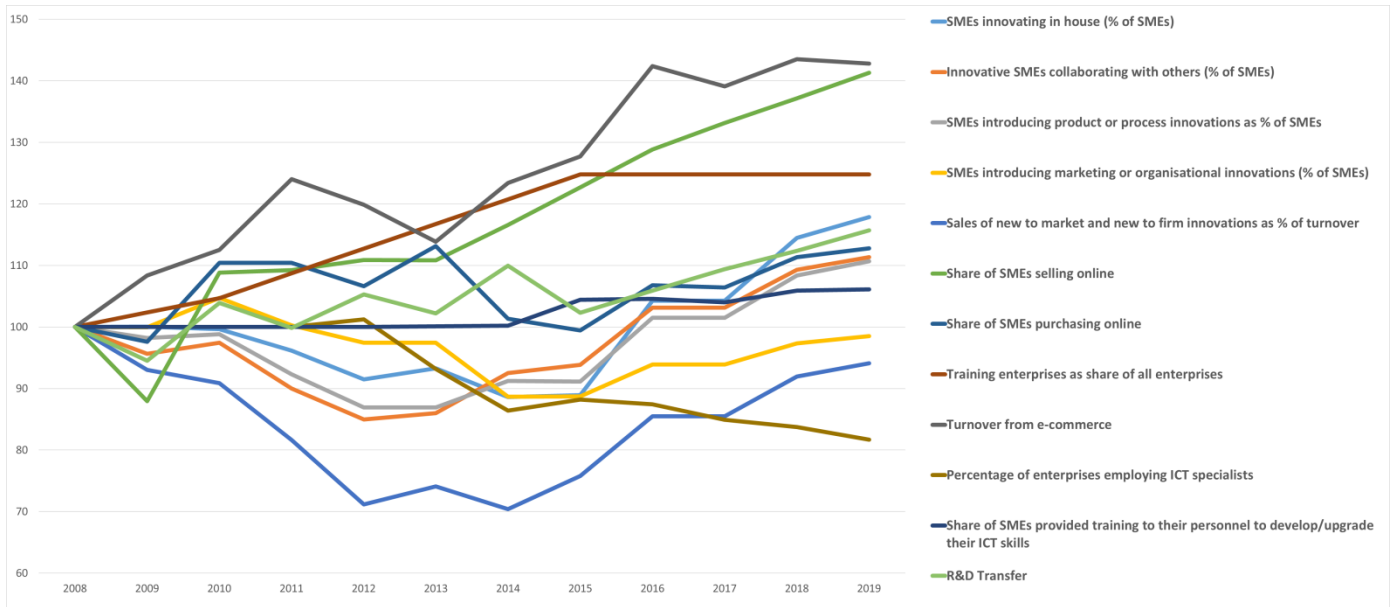


Figure 33: SBA policy measures at EU-28 level for skills & innovation (2011-Q1/2019)

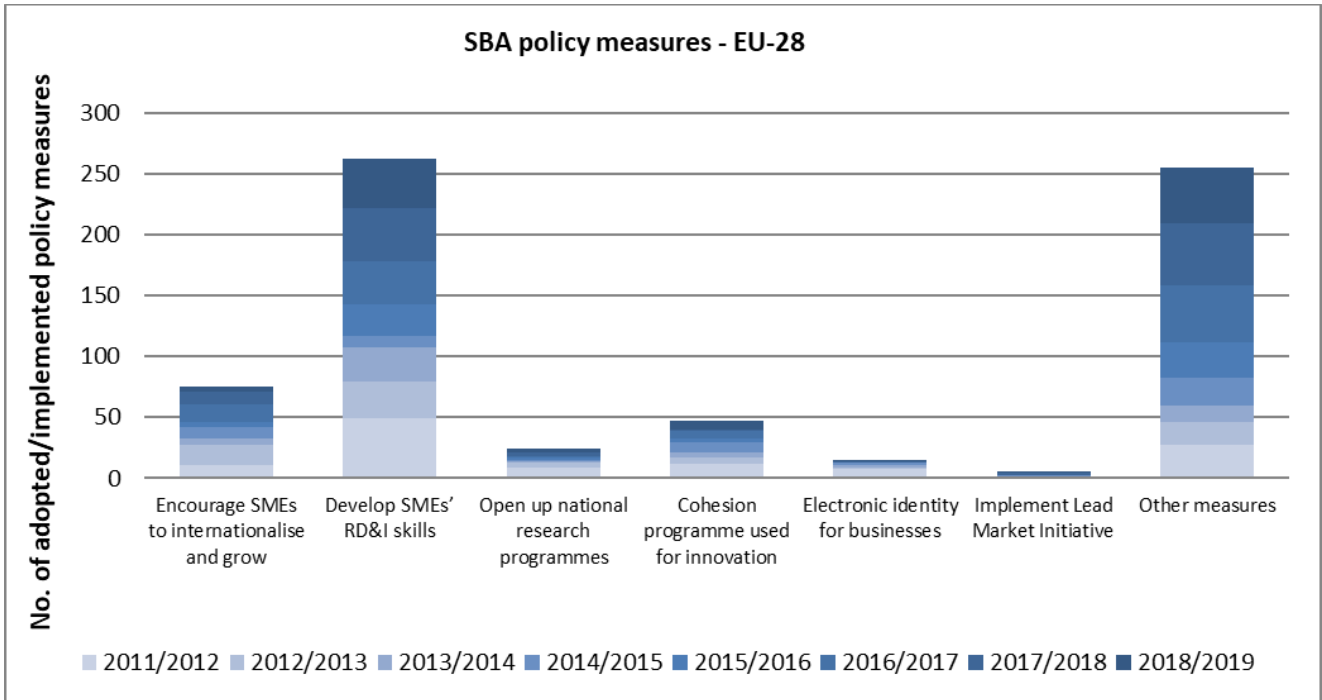


Table 8: Overall policy implementation at EU-28 level for skills & innovation & digitalisation

Skills & innovation	Is there a well-developed network of training providers accessible across the country and across different sectors?	24	
<b>Skills &amp; innovation</b> <i>No. of EU-28 Member States with the answer "Yes"</i> <ul style="list-style-type: none"> <li>• 0-7</li> <li>• 8-14</li> <li>• 15-21</li> <li>• 22-28</li> </ul>	Are there public measures to ensure that SMEs can: (i) provide/get access to training for employees; and (ii) get access to business advisory/support services?	28	
	Is there a mechanism in place to assess labour-market needs and to provide education and vocational training to meet the labour-market demand?	24	
	Are there specific measures in place to develop the RD&I skills of SMEs and to support high-growth innovative companies?	28	
	Is there a mechanism to help SMEs: (i) take part in innovation partnerships at national/EU level; and (ii) commercialise RTD results (i.e. intellectual property (IPR) management)?	23	
	<b>Skills &amp; innovation</b> <b>SME Action Programme</b>	Is there financial support for SMEs which engage in vocational education and training (VET)?	22
	Is there a common methodology for building a long-term outlook for jobs and skills in each industry to forecast the training and labour needs of SMEs?	13	
Is the European Social Fund used to finance digital skills training for SMEs?	22		
Is there appropriate and easily accessible funding for cross-border training?	13		

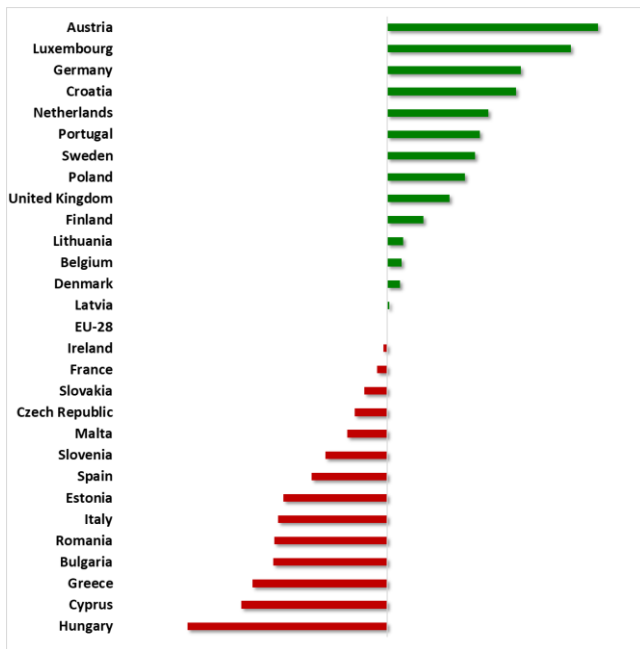
<b>Digitalisation</b> <i>No. of EU-28 Member States with the answer "Yes"</i> <ul style="list-style-type: none"> <li>• 0-7</li> <li>• 8-14</li> <li>• 15-21</li> <li>• 22-28</li> </ul>	Is the roll-out of broadband infrastructure supported?	<b>27</b>
	Is there a beginner's guide for SME-digitisation?	<b>12</b>
	Is there any help provided to SMEs on digital regulation?	<b>17</b>
	Are good-practice sharing opportunities provided for project managers (e. g. for developers of digital learning tools)?	<b>14</b>

### 3.8 Environment

#### Comparative performance of EU Member States

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

**Figure 34: Environment performance (2018-Q12019)**



#### Comparative progress of EU Member States

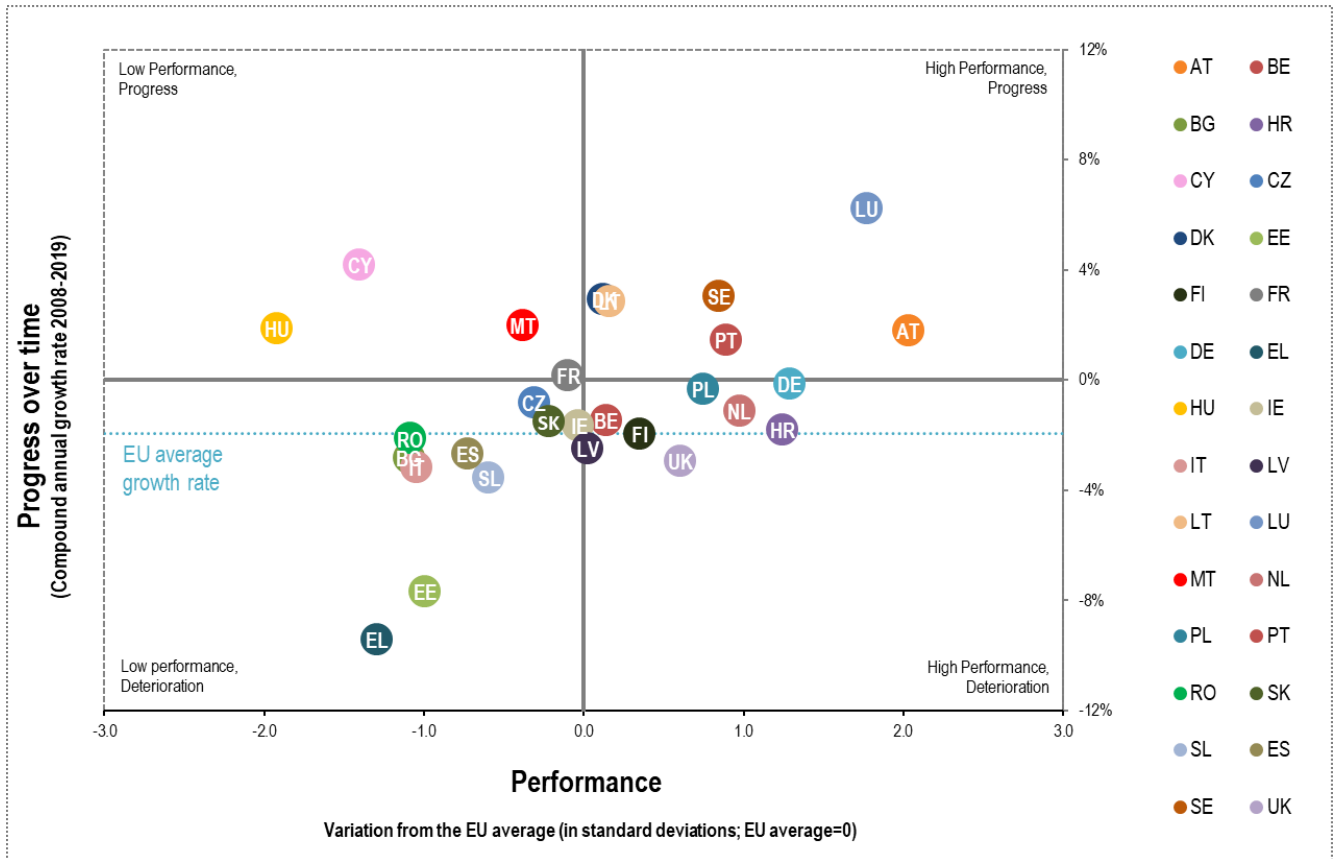
The quadrant chart below (Figure 35) shows each Member State’s relative position in terms of its performance and progress over time on the environment principle. The chart shows significant disparities in both performance and progress among EU Member States. The EU Member States with the most significant progress over time (measured as the compound annual growth rate in 2008-2019) include Luxembourg, Cyprus, and Sweden.

#### Recent policy developments under environment

More than 30 policy measures were adopted/implemented during the current reference period (2018-Q1/2019, see Figure 37). Most measures aimed to: (i) provide incentives to businesses to be eco-efficient; and (ii) fund sustainable energy use. Recent examples of policy developments include Estonia’s investment grant for solar panels, and Sweden’s innovation cluster for liquid biogas, which aims at promoting the transition to heavy transportation that does not use fossil fuels.

Overall, since 2011, over 200 policy measures were adopted/implemented at EU level under the environment heading. Support measures and incentives are widely in place across the EU to encourage energy efficiency and the use of renewables by SMEs. Support measures and incentives are also widely in place to encourage the development of innovative eco-efficient processes, products or services (see by Table 9). However, green public procurement is not yet commonplace, and most EU Member States have not adopted measures to help SMEs become EMAS certified.

**Figure 35: Positioning of each EU-28 Member State in terms of their performance and progress over time for environment (2008-2019)**



**Figure 36: EU-28 progress on the environment indicator;  
Base year: 2008<sup>7</sup>**

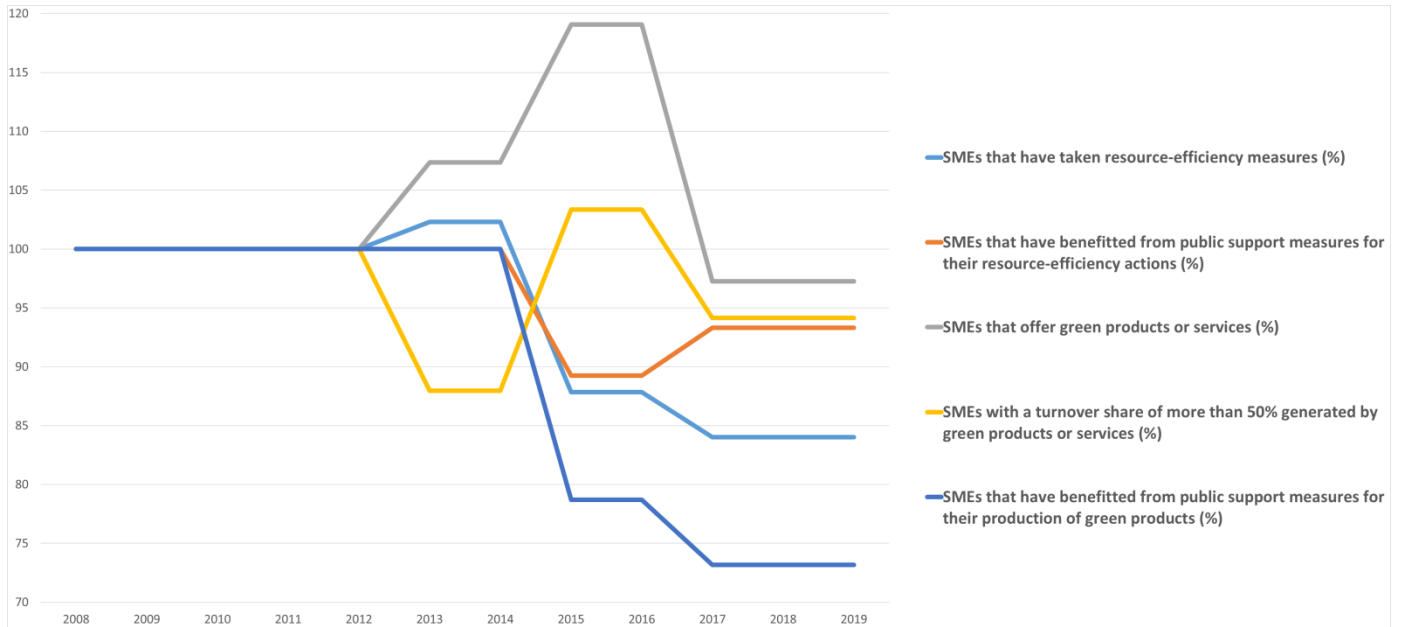


Figure 37: SBA policy measures at EU-28 level for environment (2011-Q1/2019)

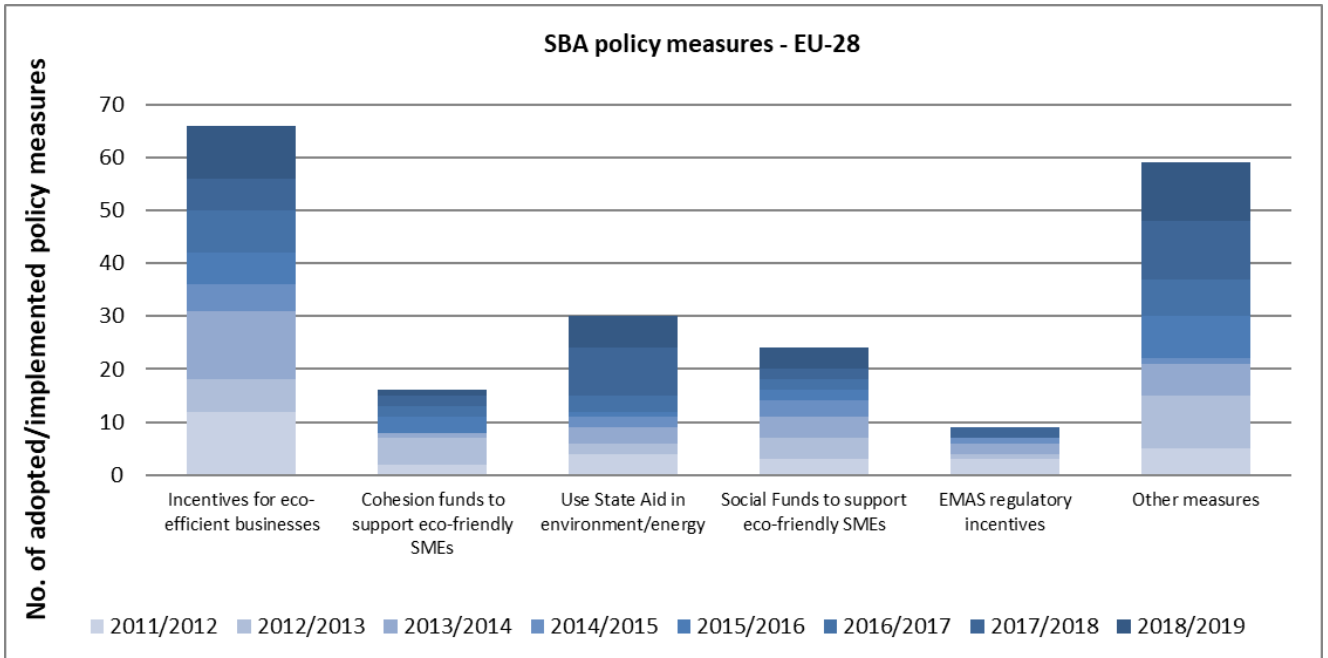


Table 9: Overall policy implementation at EU-28 level for environment

Environment	Are there support measures in place to ensure energy efficiency/use of renewables by SMEs? Support measures include measures to encourage the development of innovative eco-efficient processes, products or services; and measures to encourage their uptake by traditional companies.	26
<b>No. of EU-28 Member States with the answer "Yes"</b> <ul style="list-style-type: none"> <li>• 0-7</li> <li>• 8-14</li> <li>• 15-21</li> <li>• 22-28</li> </ul>	Are there support measures to incentivise SMEs to become EMAS certified?	10
	Are there support measures to put in place green public procurement?	18
	Are there support measures such as an organisation specifically responsible for providing strategic support to SMEs to ensure to ensure they comply with environmental and energy regulations?	15

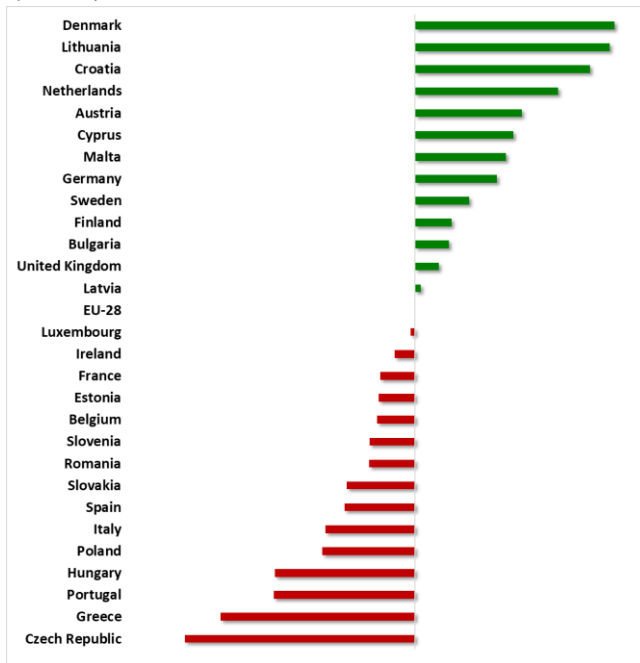


### 3.9 Internationalisation

#### Comparative performance of EU Member States

Figure 38 shows the relative position of the EU Member States in terms of: (i) their performance for the most recent year on the internationalisation principle; and (ii) their distance from the EU average. The best performing EU Member States are Denmark, Lithuania and Croatia. The worst performing EU Member States overall are currently Czechia, Greece, and Portugal.

**Figure 38: Internationalisation performance (2018-Q12019)**



#### Comparative progress of EU Member States

The quadrant chart below (Figure 39) shows each Member State’s relative position in terms of its performance and

progress over time on the internationalisation principle. The chart shows more disparities in performance than in progress. Nearly all EU Member States have improved in internationalisation since 2008. The EU Member States with the most significant progress over time (measured as the compound annual growth rate in 2008-2018) include Poland, Italy, and Slovakia.

#### EU-28 progress on the internationalisation indicator

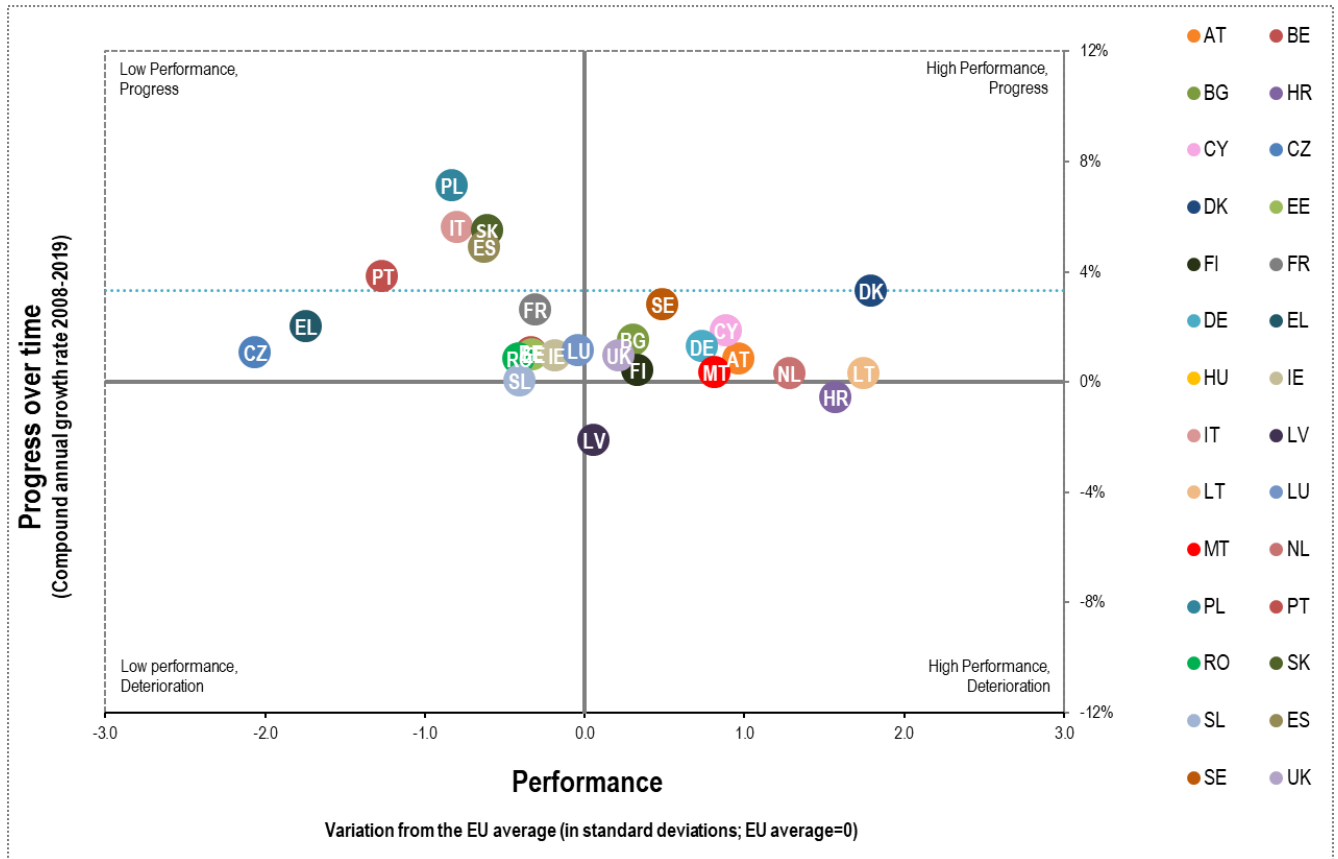
According to the latest figures, the percentage of extra-EU exports and imports of goods by SMEs in industry has increased overall since 2008 (see Figure 40). Indeed, the share of SMEs who are ‘extra-EU online exporters’ has substantially increased since 2008.

#### Recent policy developments under internationalisation

More than 40 policy measures were adopted/implemented in the current reference period (2018-Q1/2019), as illustrated in Figure 41. Recent examples of policy developments include Ireland’s nationwide delivery of ‘Prepare Your Business for Customs’ training workshops, and Portugal’s ‘Internationalisation opportunities voucher’ (*Vale oportunidades de internacionalização*). Portugal’s programme provides financial support to SMEs to access consultancy services on assessing internationalisation skills, developing an internationalisation business plan, and developing a marketing strategy.

Since 2011, around 280 policy measures have been adopted/implemented in the EU to help SMEs do business abroad. Most EU Member States have now set up an umbrella organisation to provide different types of support services to help SMEs to do business abroad. And nearly all EU Member States have put in place different types of financial support measures dedicated to helping SMEs in their international business activities (see Table 10).

**Figure 39: Positioning of each EU-28 Member State in terms of their performance and progress over time for internationalisation (2008-2019)**



**Figure 40: EU-28 progress on the internationalisation indicator; Base year: 2008<sup>7</sup>**

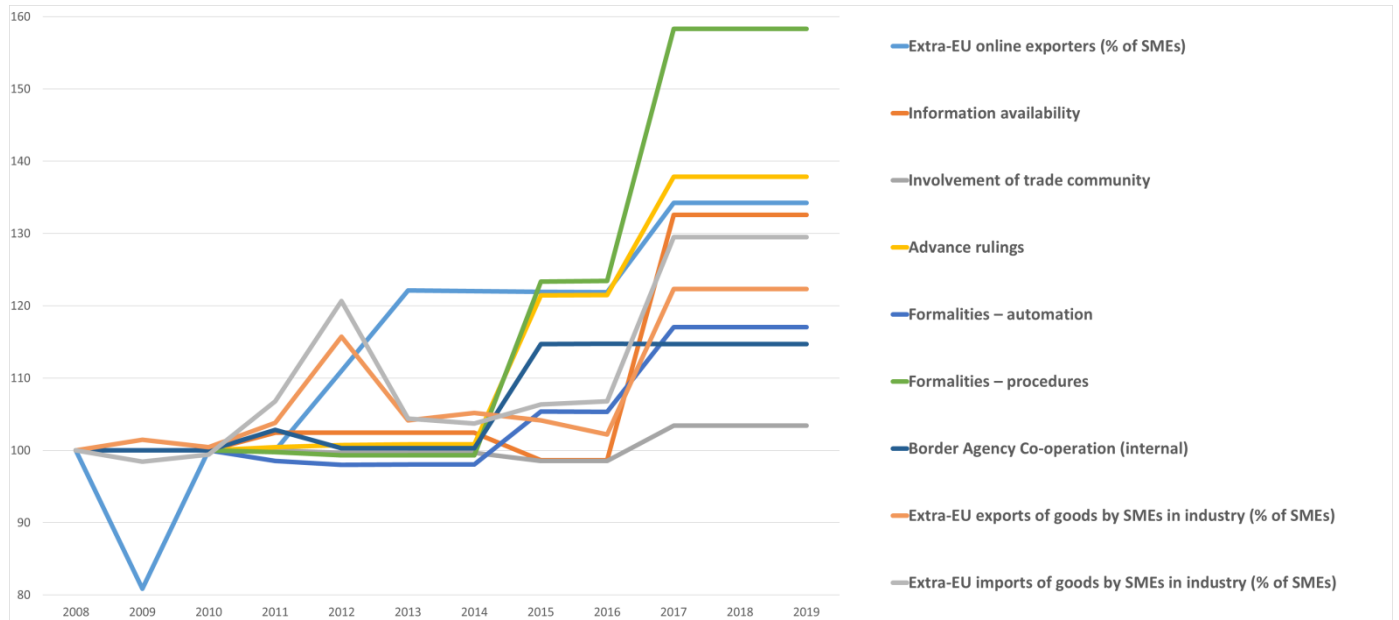


Figure 41: SBA policy measures at EU-28 level for internationalisation (2011-Q1/2019)

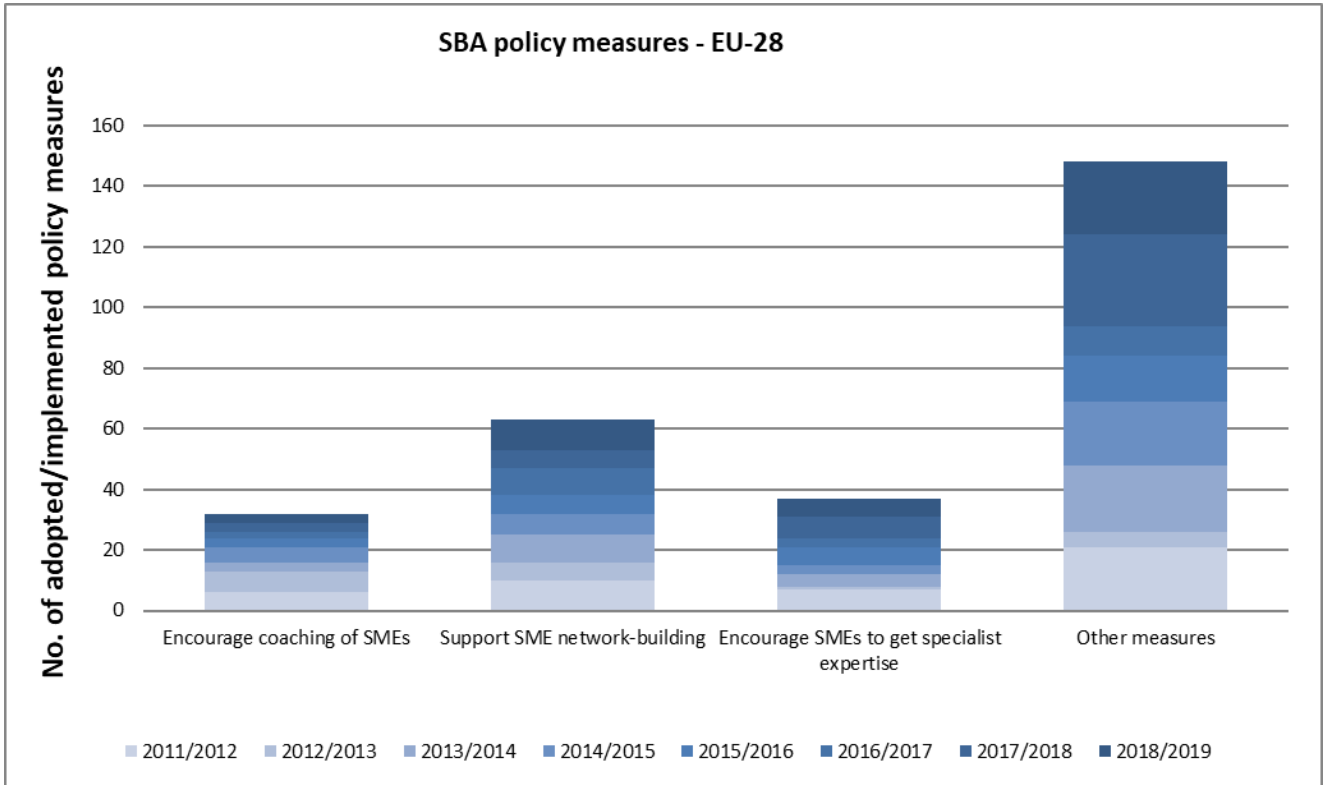


Table 10: Overall policy implementation at EU-28 level for internationalisation

<b>Internationalisation</b> No. of EU-28 Member States with the answer "Yes" <ul style="list-style-type: none"> <li>• 0-7</li> <li>• 8-14</li> <li>• 15-21</li> <li>• 22-28</li> </ul>	Is there an umbrella organisation providing all sorts of support (strategic, operational, legal, financial, linguistic, etc.) to SMEs to promote their internationalisation and to stimulate trade and exports?	<b>24</b>
	Is there financial support (loans, guarantees, equity, export credit insurance facilities) available specifically for SME internationalisation?	<b>27</b>
	Are there missions/partnership agreements/trips/networking events organised by the responsible authorities to promote new market entry by SMEs inside and outside the EU?	<b>28</b>
	Are there clusters, accelerators and trade organisations in the country to boost SME internationalisation?	<b>27</b>
<b>Access to market</b> <b>SME Action Programme</b>	Are there single access points for information on applicable rules and regulations in foreign markets?	<b>24</b>



## 4. Interesting initiatives

In this section, we present recent examples of interesting initiatives for each SBA principle from EU Member States to show what governments can do to support SMEs.

## Entrepreneurship

### GO! campaign — Germany

The GO! start-up campaign aims to promote business start-ups; strengthen the culture of entrepreneurship in Germany; and encourage people to identify opportunities to start a business and put their own ideas into practice. The GO! initiative bundles several existing and new measures in 10 focus areas. These focus areas include: the improvement of social and political appreciation for self-employed people; the provision of economic knowledge and entrepreneurial thinking; the simplification of company succession; the improvement of the environment for setting up businesses; and encouraging women and migrants to found their own companies. GO! also aims to simplify business creation and business succession, while improving the conditions for start-up financing. It is supported by a joint declaration of the Ministry of Economy and Energy and key business organisations. GO! is being supported by a comprehensive communication campaign (outdoor, print and online advertising, post cards, website), trade fairs, conferences, etc.

References:

<https://www.existenzgruender.de/DE/GO/inhalt.html>[www.abc.se](http://www.abc.se)

[https://www.bmwi.de/Redaktion/DE/Downloads/Monatsbericht/Monatsbericht-Themen/2018-12-auf-einen-blick.pdf?\\_\\_blob=publicationFile&v=4](https://www.bmwi.de/Redaktion/DE/Downloads/Monatsbericht/Monatsbericht-Themen/2018-12-auf-einen-blick.pdf?__blob=publicationFile&v=4)

### ‘Second chance’

#### Second Chance Business Scheme — Greece

The ‘Second Chance Business Scheme’ (*Πρόγραμμα δεύτερης επιχειρηματικής ευκαιρίας*) is being implemented by the Manpower Employment Organisation. The scheme aims to reintegrate 5,000 unemployed — or formerly self-employed — people back into the workforce or to provide them with an opportunity to set up a business. Eligible and selected applicants will receive grants to create the new business. The scheme has a budget of €80 million.

References:

<http://www.oaed.gr/-/programma-deutes-epicheirematikes-eukairias-5-000-anergon-proen-autoapascholoumenon-me-stochoten-epanentaxe-tous-sten-agerasias>

## ‘Think Small First’

### SME Ombudsperson — Poland

The SME Ombudsperson is a new independent institution created in 2018 as part of the ‘Constitution of Business’ initiative. It is responsible for championing the rights of SMEs, including the promotion of: freedom of enterprise; trust between the public administration and entrepreneurs; and fair competition. In close cooperation with SME organisations, the SME Ombudsperson can both take part in the consultations for proposed laws, and support individual companies in particular disputes with the public administration. The Ombudsperson can also improve conditions for SMEs by promoting educational initiatives and by suggesting improvements to the public administration and even to state-owned companies.

Issues affecting the development of SMEs are still actively managed by the relevant ministries and institutions. Nevertheless, the relatively independent status of the SME Ombudsperson outside the government — and its collaboration with SME stakeholders — enable this office to serve as unique voice in the SME environment. This voice can advocate for SMEs on both general (legislative) and particular matters. The Ombudsperson is seen by stakeholders as a chance to further implement the ‘Think Small First’ policy in the legislative process and facilitate the development of SME-friendly public administration. However, more time is needed to assess the extent to which these ambitious goals will be achieved.

References:

Journal of Laws: <http://www.dziennikustaw.gov.pl/du/2018/648/1>

Website of the SME Ombudsperson: <https://rzecznikmsp.gov.pl/>

## ‘Responsive administration’

### Amendments to the General Tax Act — Croatia

At the beginning of 2019, amendments to the General Tax Act entered into force. The goal of these amendments was to simplify the taxation system and take administrative burden off entrepreneurs by improving transparency in the taxation process. It is hoped that this will be achieved through:

- reducing reporting requirements from the previously prescribed four times a year, to once a year when submitting tax returns on income tax or tax on profits;
- making it possible to electronically submit a complaint (appeal); and
- making it easier to convert accounting documents from paper to electronic format and vice versa.

The amendments are part of the tax administration’s strategy to develop its information system. They seek to modernise the issuance of tax documents and increase the digitisation of the tax administration. The aim is also to improve digital services for taxpayers by: (i) avoiding the need for them to physically show up in the tax administration offices; and (ii) reducing the cost of tax preparation and of submitting tax documents. The tax administration hopes this will fully achieve two-way electronic communication between the tax administration and taxpayers.

References:

[https://narodne-novine.nn.hr/clanci/sluzbeni/full/2018\\_11\\_106\\_2065.html](https://narodne-novine.nn.hr/clanci/sluzbeni/full/2018_11_106_2065.html)

<https://www.zakon.hr/z/100/Opći-porezni-zakon>

<https://vlada.gov.hr/UserDocsImages//2016/Sjednice/2018/11%20studeni/124%20sjednica%20VRH//124%20-%2010.pdf>

## State aid & public procurement

### Startup in Residence — Netherlands

Start-ups can offer innovative solutions to address the societal challenges that are currently being addressed by government.

The Dutch government initiated the 'Startup in Residence' (SIR) programme to facilitate collaboration between the government and innovative entrepreneurs in the development, procurement and deployment of innovative solutions.

The Ministry of Agriculture, Nature and Food Quality and the Ministry of Economic Affairs and Climate Policy have already initiated a joint SIR programme.

References:

<https://www.rijksoverheid.nl/documenten/kamerstukken/2018/12/21/kamerbrief-over-stand-van-zaken-startup-en-scale-up-beleid>

<https://startupinresidence.com/ministry-of-security-and-justice/>

## Access to finance

### Capitalise 2018 credit line (Capitalizar 2018) — Portugal

Capitalise 2018 is a €1.6 billion credit line organised by the Agency for Competitiveness and Innovation (IAPMEI), SME Investments, the SPGM investment society, mutual guarantee societies, and the main national credit institutions. It aims at supporting micro, small and medium-sized enterprises, or other companies with turnover equal to or less than €150 million and excluding business groups whose consolidated turnover exceeds €200 million.

The Capitalise 2018 credit line provides loan guarantees to banks ranging from 50%-70% of the loan. It also provides other benefits, including lower spreads and a guaranteed fee subsidy.

Coordinated by SME Investments and SPGM, this credit line is subdivided into five specific categories set out below.

- (i) The 'micro and small enterprises' line - Budget allocation: €450 million. Eligible operations: New investment in tangible or intangible fixed assets or strengthening of the management fund or of permanent capital.
- (ii) 'Industry 4.0' line: - Budget allocation: €100 million. Eligible operations: Supporting digitisation and financing projects that involve the production of a good or the implementation of industry '4.0'-type (e.g. automation, cyber-physical systems, internet of things, cloud computing) solutions in the manufacturing process.
- (iii) 'Management fund' line - Budget allocation: €700 million. Eligible operations: Management fund or strengthening of permanent capital.
- (iv) 'Treasury ceiling' line - Budget allocation: €150 million. Eligible operations: Financing of treasury requirements.
- (v) 'Investment' line - Budget allocation: €200 million divided in two sub-lines. The first sub-line is allocated by 'general' allocation (€100 million). Eligible operations: New investments (i) located in the NUTS region of Lisbon and the Algarve and (ii) which are new SMEs. The second sub-line is allocated if the project supports the 'Portugal 2020' framework programme (€100 million). Eligible operations: New investment in tangible or intangible fixed assets (general appropriation); or financing of eligible expenditure for projects approved under the 'Portugal 2020' framework programme.



In the first six months after the launch of the 'Capitalise 2018' credit line, more than 10,000 companies received financing for a total amount of about €800 million. With a utilisation rate of 47%, this first allocation of credit supported the creation of around 125,000 jobs.

References:

<https://www.pmeinvestimentos.pt/linhas-de-credito/linha-capitalizar-2018/>

<https://www.iapmei.pt/Paginas/Linha-de-Credito-Capitalizar-2018.aspx>

## Single market

### **An Act to amend the Economic Code on abuse of economic dependence, unfair terms and unfair market practices between companies — Belgium**

The objective of the amended law is to set up a general legal framework to better regulate and minimise certain predatory business practices and behaviour. These amendments will prohibit: the abuse of economic dependence; unfair trade terms and conditions; and aggressive and deceptive market practices.

The law is particularly significant for SMEs. For example, smaller suppliers who distribute their products through large retail chains are economically dependent on this business relationship and are vulnerable to unfair terms and conditions.

The amended law will enter into force in stages — from September 2019 to December 2020.

## Skills & innovation

### **Vocational training of the future — Austria**

Digitisation, new technologies and other emerging trends have completely changed job specifications and skills requirements. Young Austrians have been losing interest in apprenticeships (the number of apprentices fell by 10,000 between 2008 and 2015) and 30% of Austrian SMEs complain that they cannot find workers with the right skills. To address these challenges, the Austrian government set up the Austrian Vocational Education and Training System for the Future.

Austria set up a step-by-step plan to restructure VET by adapting some existing curricula and introducing new curricula to address the challenges of emerging trends and digitisation. In the first step in 2018, 15 new training streams were created, focusing on skills such as coding, e-commerce, and application development. Approximately 3,000 additional apprentices are expected to join these training streams. In addition, 9 VET profiles have been adapted to meet the requirements of digitisation, modernising the training profile for 11,000 apprentices. For example, the curriculum for dental technicians changed to 'dental technician 4.0', with a greater focus on new technologies, such as 3D printing, 3D-scanning, network engineering and data security. The initiative has already been successful: the number of apprentices increased by 3.1% between 2016 and 2019. Between now and 2020, 50 additional VET curricula will be adapted to the necessities of the future.

References:

[https://www.ots.at/presseaussendung/OTS\\_20181226\\_OTS0014/schramboeck-start-neuer-digitaler-lehrberufe-2019](https://www.ots.at/presseaussendung/OTS_20181226_OTS0014/schramboeck-start-neuer-digitaler-lehrberufe-2019)

[https://www.ris.bka.gv.at/Dokumente/BgblAuth/BGBLA\\_2018\\_II\\_147/BGBLA\\_2018\\_II\\_147.pdf#sig](https://www.ris.bka.gv.at/Dokumente/BgblAuth/BGBLA_2018_II_147/BGBLA_2018_II_147.pdf#sig)

## Environment

### A green scheme for tourism: a comprehensive model for promoting sustainable business models in tourism — Slovenia

Slovenia's Green Scheme of Slovenian Tourism is a good example of how to promote the development of sustainable business models in tourism. Launched in 2015 by the Slovenian Tourist Board (STO) and supported by the Ministry of Economic Development and Technology, it provides a comprehensive framework for sustainable tourism development in Slovenia. The core of the Green Scheme is a certification programme. It sets guidelines for tourist destinations and tourist companies (covering accommodation providers, travel agencies and tourist attractions), and provides tools for monitoring progress in sustainability by implementing sustainable business models in tourism companies. Businesses that meet the criteria obtain a 'green' label (green accommodation, green travel agency, green tourist attraction) and receive marketing support from the STO under the umbrella brand 'Slovenia Green'. This increases their visibility and competitiveness on the global tourist market. The certification scheme is based on the European tourism indicators for sustainable destination management (ETIS), and on the green destination standards, thus ensuring international comparability.

The Green Scheme of Slovenian Tourism is recognised worldwide as a unique and comprehensive national programme for the development of sustainable tourism. It promotes the development of high-quality and innovative tourism products with high added value. It also contributes to the efficient use of energy and renewable energy sources and thus to the preservation of the environment. Finally, it promotes the internationalisation of SMEs and thus increases the competitiveness of tourism providers in the global tourism market. At the ITB Berlin 2018 tourism trade show, Slovenia received the Sustainable Destinations 2018 award in the category 'Best of the Planet — Best of Europe'. It was recognised as one of the six most sustainable destinations in the world and the most sustainable destination in Europe.

Since 2015, STO has certified 48 destinations, 25 accommodation providers, 4 natural parks and 2 travel agencies which comply with the green strategy and have received the Slovenia Green label.

References:

Green Scheme of Slovenian Tourism:

<https://www.slovenia.info/en/business/green-scheme-of-slovenian-tourism>

<https://www.slovenia.info/en/press-centre/press-releases/9309-slovenia-receives-numerous-awards-at-the-itb>

## Internationalisation

### Visiidid.ee — a door-opening tool to new markets — Estonia

High-level visits to foreign markets are a powerful tool to support the global ambitions of Estonian businesses and to help them enter new markets. They also help to attract foreign investments. The website [visiidid.ee](http://visiidid.ee), launched at the end of 2018, provides a calendar and description of all scheduled visits by high-level government figures that include accompanying business delegations. The website covers visits organised by the president of Estonia, the prime minister; ministers and ministries; Enterprise Estonia; and the Chamber of Commerce and Industry. [Visiidid.ee](http://visiidid.ee) is part of a broader business-diplomacy strategy, which aims to combine the efforts of the public and the private sector to work towards common goals.

The digital platform aims to: (i) make it easier for Estonian SMEs, and businesses in general, to participate in high-level visits; (ii) promote Estonia as a reliable export partner; (iii) give participating businesses extra credibility; and (iv) 'open the doors' to remote and difficult markets.

All businesses registered in Estonia and owned at least partially by Estonians can apply to participate in the programme. Participation is subject to acceptance by the organisers of the visit. Enterprise representatives must cover their own travel and accommodation costs, as well as any local and organiser's costs.

The platform is managed by — and the visits organised in cooperation with — Enterprise Estonia, the Estonian Chamber of Commerce and Industry, and the Ministry of Foreign Affairs. It is funded from the budget of Enterprise Estonia. Between its launch in mid-December 2018 and March 2019, the website has received 17,500 visitors and mediated 40 high-level visits. It is still too early to make any assessment of the impact and effectiveness of this tool. However, the initial feedback of businesses is positive, and new business partnerships have been started.

References:

<https://visiidid.ee>

## 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 the policy measures that 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](mailto:grow-spr@ec.europa.eu)

Small Business Act:

[http://ec.europa.eu/growth/smes/business-friendly-environment/small-business-act/index\\_en.htm](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

<sup>1</sup> 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/>

<sup>2</sup> 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 (<https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20190208-1>, last accessed 29.10.2019).

<sup>3</sup> 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.

<sup>4</sup> 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](http://ec.europa.eu/eurostat/web/products-datasets/-/bd_9pm_r2), last accessed 15.4.2019).

<sup>5</sup> The 2019 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.

<sup>6</sup> The policy measures presented in this SBA fact sheet are only a selection of the measures the government took in 2018 and the first quarter of 2019. The national SME policy expert that PwC (DG GROW's lead contractor for the 2019 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.

<sup>7</sup> 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.