Key points

Past & future SME performance:
SMEs are the backbone of the Slovak non-financial business economy. While they generate 55.1% of value added, (EU average: 56.4%), the SME employment share of 72.7% exceeds the average EU share of 66.6%. Consequently, the average annual productivity of SMEs is approximately €18,300 per person, which is only 41.1% of the EU average of €44,600. SME value added growth is forecast to accelerate, with a rise of 16.3% expected in 2018-2020. SME employment is likely to follow a more moderate growth path, increasing by 3.8% in the same period, equivalent to 45,100 new jobs by 2020.

Implementing the Small Business Act for Europe (SBA):
Slovakia performs below the EU average in 5 out of 10 SBA areas: entrepreneurship, skills & innovation, internationalisation, ‘second chance’ and ‘responsive administration’. The country is one of the EU’s weakest performers in ‘responsive administration’. However, its performance is in line with the EU average in State aid & public procurement, access to finance and environment and above the EU average in the single market area. During 2018 and the first quarter of 2019, the reference period for this year’s fact sheet, Slovakia adopted 7 policy measures addressing 5 out of 10 of the SBA’s policy areas.

SME policy priorities:
To sustain its economic progress, Slovakia needs to make a decisive shift from its current high dependency on the car manufacturing industry, which is foreign-owned and export-oriented, towards stronger integration in global value chains, in-house innovation and digitisation, especially for SMEs. This requires intensive efforts to improve the skills and adaptability of the labour force. SMEs also need continued support for their R&D activities. At the same time, an effective business environment is needed to spur innovation and encourage the diversification of the economy. Long and complex insolvency procedures, general stigma surrounding failure and the inefficiency of the justice system hamper entrepreneurship ambitions.

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.
SMEs contribute significantly to Slovakia’s non-financial business economy by generating 55.1% of total value added. Although this value is close to the EU average of 56.4%, there are wide differences in terms of productivity and employment. The SME employment share of 72.7% exceeds the average EU share of 66.6%. This indicates that the average productivity of Slovak SMEs is €18,300 per person, which is 41.1% of the EU’s average productivity of €44,600. Moreover, Slovak SMEs employ an average of 2.5 people, significantly less than the EU average of 3.9. In 2014-2018, overall SME value added increased by 27.3%. This was largely driven by micro firms, which accounted for 46.5% of value added growth. SMEs have also been the main growth drivers for employment, creating 154,000 more jobs in this period (out of which 115,800 were created by micro firms), almost five times the total of 32,000 jobs created by large firms.

SME value added and employment in the construction sector increased by 55.8% and 11.7%, respectively, in 2014-2018 with a noteworthy rise of 24.4% in 2017-2018 for value added. The completion and launch of a number of major construction projects helped drive growth in this sector in 2014-2018. These included the new Jaguar Land Rover car plant, the Bratislava Bypass motorway, and the finalisation of several large infrastructure projects in 2015. Another growth driver was the

Table of Contents

1. SMEs — basic figures

<table>
<thead>
<tr>
<th>Class size</th>
<th>Number of enterprises</th>
<th>Number of persons employed</th>
<th>Value added</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Slovakia</td>
<td>EU-28</td>
<td>Slovakia</td>
</tr>
<tr>
<td>Micro</td>
<td>461,961</td>
<td>97.2%</td>
<td>706,361</td>
</tr>
<tr>
<td>Small</td>
<td>10,492</td>
<td>2.2%</td>
<td>227,929</td>
</tr>
<tr>
<td>Medium-sized</td>
<td>2,255</td>
<td>0.5%</td>
<td>249,446</td>
</tr>
<tr>
<td>SMEs</td>
<td>474,708</td>
<td>99.9%</td>
<td>1,183,736</td>
</tr>
<tr>
<td>Large</td>
<td>521</td>
<td>0.1%</td>
<td>443,638</td>
</tr>
<tr>
<td>Total</td>
<td>475,229</td>
<td>100.0%</td>
<td>1,627,374</td>
</tr>
</tbody>
</table>

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.
increase in residential housebuilding, a result of greater mortgage availability and rising household incomes\(^2\).\(^3\).

Manufacturing is one of Slovakia’s most important SME sectors, generating nearly a quarter of total SME value added and a similar share of total SME employment. In 2014–2018, this sector grew by 15.5% in terms of value added, with the highest growth of 24.3% achieved by medium-sized firms. However, productivity gains have been much stronger for large firms, whose value added increased by 28.6% in this period. SME employment increased by 15.7% in 2014–2018, equivalent to 38,900 new jobs. The driving force behind this sector’s strong performance has been the manufacture of motor vehicles and other subcontracting sectors, such as manufacture of basic metals and manufacture of electrical equipment. The opening of Jaguar Land Rover’s car production plant in 2018 positively influenced industrial production and boosted the labour market. It is expected to be the main growth driver in the manufacturing sector in the years ahead\(^4\).

Slovakia’s business demography has grown significantly in recent years. In 2017, a total of 65,404 new SMEs were registered, an 11.2% increase compared to the 58,838 new SMEs registered in 2016. In 2017, a total of 52,599 SMEs deregistered, a slight decrease of 2.4% compared to 53,868 in 2016. Consequently, there was a net increase of 12,805 SMEs in 2017, more than double the net increase of 4,970 businesses in 2016\(^5\).

Many Slovak firms have successfully scaled up in recent years. In 2016, 1,996 firms (12.8% of all firms in the business economy\(^6\) with at least 10 employees) were considered high-growth firms\(^7\). This is higher than the EU average of 10.7%. High-growth firms are particularly prevalent in transportation and storage with a share of 17.0% and in the administrative activities sector with a share of 15.7%.

In 2018, SMEs in the specialised knowledge-intensive services and high-tech manufacturing sectors, both of which are usually R&D-intensive, accounted for 28.9% of SME value added in the manufacturing and services sectors. This is lower than the EU average of 33.0%.

SME value added growth is forecast to accelerate, with an expected rise of 16.3% in 2018–2020. SME employment is likely to follow a more moderate growth path, with an expected increase of 3.8% in this period, equivalent to 45,100 new jobs by 2020.

### 2. SBA profile\(^8\)

Slovakia performs below the EU average in 5 out of the 10 SBA policy areas: entrepreneurship, skills & innovation, internationalisation, ‘second chance’ and ‘responsive administration’. The country is one of the EU’s weakest performers in ‘responsive administration’. However, its performance is in line with the EU average in State aid & public procurement, access to finance and environment and above the EU average in the single market area.

Since 2008, Slovakia’s progress in implementing the SBA has been mixed. The Ministry of the Economy and the Slovak Business Agency have launched a series of flagship initiatives to implement the SBA – often without support from other ministries or agencies. A mix of policy measures and recommendations were collected based on several rounds of consultations with stakeholders and approved by the government in three packages in June 2017, May 2018 and most recently in February 2019. Their main aim is to decrease the administrative burden for businesses. However, most of the SBA’s recommendations in State aid and public administration have not yet been addressed or implemented.

During the current reference period, Slovakia adopted seven policy measures addressing 5 out of the 10 SBA policy areas. Furthermore, Slovakia officially announced two new measures under ‘responsive administration’, but these have not yet been adopted/implemented. During the reference period, the government focused its efforts on cutting red tape and improving the national vocational education system. Other measures focused on supporting the development of the social economy and the sustainability of family businesses.
SBA performance of Slovakia: state of play and development from 2008 to 2019

Legend:
1. Entrepreneurship
2. 'Second chance'
3. 'Responsive administration'
4. State aid & public procurement
5. Access to finance
6. Single market
7. Skills & innovation
8. Environment
9. Internationalisation

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

3.0 ‘Think Small First’

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

Since 2008, Slovakia has made significant progress on applying the ‘think small first’ principle. Most notably, in October 2015 the Slovak Business Agency set up the Centre for Better Regulation. This centre monitors and evaluates *ex ante* and *ex post* the impact of all new legislation, including impact on SMEs (the SME test). In addition, the regulatory impact assessment (RIA) framework was further strengthened with the RIA 2020 strategy adopted in January 2018. The strategy is based on five strategic pillars: (i) raise public awareness; (ii) improve the quality of *ex ante* assessments; (iii) introduce *ex post* regulatory assessments; (iv) implement innovative approaches to law making; and (v) involve and engage other entities in better regulation activities. Work has started on setting up the ‘complex IT platform’, a collaborative tool that will support the implementation of the strategy, and includes both monitoring and analytical functions as well as a database. Slovakia’s Ministry of the Economy is coordinating the implementation of the RIA 2020 strategy across all other ministries and administrative bodies.

In 2014-2019, Slovakia took several steps towards reducing the administrative burden for citizens and businesses. In May 2018, the Slovak Parliament adopted Act n. 177/2018 (Act Against Bureaucracy). The law amends or supplements more than 100 existing laws, decrees and measures and is expected to save businesses and citizens €13 million and more than 620,000 hours spent in dealing with the administration. Thanks to the interconnection of existing registers (e.g. ownership deeds, commercial and criminal registers), setting up businesses or requiring authorisations will become much simpler. In February 2019, the government presented a new package of additional simplification measures as an amendment to the Act Against Bureaucracy. The proposed measures will eliminate paper submission of declarations concerning school attendance and payment of social or health insurance taxes.

One of these measures was introduced during the current reference period. The ‘Review of size criteria for obligations for SMEs’ (Prehodnotenie veľkostných kritérií pri ktorých vznikajú povinnosti pre podnikateľov) aims to simplify the administrative burden on SMEs by tailoring certain regulatory requirements to the size of the company. For instance, some requirements apply to SMEs with more than 20 employees, additional requirements apply to SMEs with more than 50 employees, and all other requirements would apply to larger companies with more than 250 employees.
3.1 Entrepreneurship

Slovakia’s performance in the area of entrepreneurship is currently below the EU average, having deteriorated since last year. The established business ownership rate dropped from 10% in 2017 to 5% in 2018. Moreover, just 47% of the population aged 18-64 consider entrepreneurship as a desirable career choice, the second lowest rate in the EU. The low media attention given to entrepreneurship in Slovakia and the country’s underdeveloped entrepreneurship education at both secondary and post-secondary levels are also contributing factors. On a positive note, early-stage entrepreneurial activity among women in Slovakia is one of the highest in the EU, at 9%.

Since 2008, Slovakia addressed most of the SBA recommendations in the area of entrepreneurship. The new National Business Centre in Bratislava, managed by the Slovak Business Agency, is playing an important role as a one-stop shop. It offers information and support services, including acceleration and incubation programmes, to start-ups and SMEs and encourages the creation of new businesses. Following the creation of the National Business Centre, regional business centres are being set up in other parts of Slovakia. Such centres currently exist in all seven regional capital cities of the country.

Two new important measures were implemented during the current reference period.

- The Law on Social Economies and Social Enterprises (Sociálné podnikanie) defines social entrepreneurship. It recognises three forms of registered social enterprises: (i) integration enterprises, which promote the employability of people who are unemployed and disadvantaged; (ii) social housing enterprises, which focus on the provision of rental housing; and (iii) other registered social enterprises (community-based or public-benefit based), which provide other socially relevant services. The law also offers direct and indirect forms of assistance to social enterprises, including financial instruments, demand support and compensatory forms of aid. EU funding will support the new law’s implementation.

- The ‘tool for facilitation of family business transfers’ (Podporný nástroj pre zvládnutie generácie výmeny v rodinných podnikoch) is a new support scheme launched by the Ministry of the Economy and the Slovak Business Agency. It offers lectures, workshops and mentoring to family businesses and expert advisory services on inter-generational sustainability.
3.2 ‘Second chance’

‘Second chance’ refers to ensuring that honest entrepreneurs who have gone bankrupt get a second chance quickly. Slovakia remains below the EU average in this area and no significant improvements have been made since 2008. Insolvency procedures are long and expensive. They can last up to 4 years (the longest in the EU) and take up to 18% of the debtor’s estate (the second highest in the EU). In addition, according to the latest data from the Global Entrepreneurship Monitor, 38% of surveyed stakeholders mentioned that fear of failure holds them back from starting a business; this is 5 percentage points more than last year.

Fast track procedures and early warning mechanisms are not in place and bankruptcy procedures take longer than 3 years. Furthermore, no laws were introduced to ensure that honest re-starters are treated on an equal footing with new entrepreneurs.

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

3.3 ‘Responsive administration’
‘Responsive administration’ refers to public administration being responsive to the needs of SMEs. At present, Slovakia is one of the EU’s worst performers in this area. Starting a new business in Slovakia is especially cumbersome and time-consuming due to the number of administrative procedures being highest in the EU (8 procedures in total). In order to obtain a building permit, there are 14 different procedures, some of them taking up to 90 days.

According to surveyed experts, the competency and effectiveness of government staff in helping new and growing firms has continuously declined since 2015. Average skill levels of public employees (based on OECD-PIAAC indicators12) are significantly lower than in the private sector, and this disparity is one of the highest in the EU13.

However, Slovakia’s scores on some indicators are improving. For example, the number of required tax payments dropped from 22 in 2015 to 8 in 2017, which is less than the EU average. In addition, registering a property is cost-free in Slovakia.

Slovakia’s judicial system needs to be further improved. The length of judicial proceedings and the backlog of cases adds to the time needed to process new cases, and reduces businesses’ confidence. On a positive note, the new law on whistleblowing (no. 54/2019) should help limit corruption and improve trust.

Government databases are still not sufficiently interconnected, which hampers full implementation of the ‘only once’ principle. According to the Digital Economy and Society Index (DESI)201914, Slovakia ranks 21st in the EU for digital public services. To improve its performance, as part of implementing its e-government strategy, Slovakia is introducing new measures to simplify the authorisation of electronic documents and facilitate electronic communication between the government and businesses. A one-stop-shop is in place in Bratislava and provides support services and information to SMEs.

Two significant new measures were implemented during the current reference period.

- The ‘law against bureaucracy’ (one time is enough) (Antibyrokratický zákon (jedenkrát a dost)) requires public administrations to check data availability in the public information system before asking citizens and businesses for this information.

- The ‘dual learning’ law (Duálne vzdelávanie) amends the law on vocational training by addressing administrative and legal barriers and strengthens collaboration on vocational education between trade schools and employers.

In addition, two new measures were officially announced.

- The ‘entrepreneur’s checklists’ (checklist povinnosti podnikateľa) aim to guide entrepreneurs on the requirements for running a business. Each checklist will be tailored to a specific sector and will provide examples of best practices. Frequent types of consumer right violations will also be highlighted.

- ‘Counselling for SMEs at the Regional Office of Public Health’ (Poradenstvo z hľadiska ochrany verejného zdravia) will provide SMEs with information to improve their awareness of legislation on health requirements related to running a business. This is expected to decrease unintended infringements of health legislation.

### 3.4 State aid & public procurement

<table>
<thead>
<tr>
<th>Percentage of businesses participating in public tenders (%)</th>
<th>2017, Slovakia: 31; EU avg: 32</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage SMEs account for in the total value of public contracts awarded (%)</td>
<td>2017, Slovakia: 20.01; EU avg: 51.35</td>
</tr>
<tr>
<td>Percentage of calls for tenders which were split into lots</td>
<td>2018, Slovakia: 20.0; EU avg: 20.89</td>
</tr>
<tr>
<td>Proportion of bids coming from SMEs</td>
<td>2018, Slovakia: 78.8; EU avg: 72.52</td>
</tr>
<tr>
<td>Percentage of awards for which the winner was an SME</td>
<td>2018, Slovakia: 77; EU avg: 57.32</td>
</tr>
<tr>
<td>Average delay in payments from public authorities (in days)</td>
<td>2018, Slovakia: 4; EU avg: 8.12</td>
</tr>
</tbody>
</table>

**Note:** Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.
Important methodological changes have been introduced for this principle in this year’s fact sheet. Three new indicators from the Tenders Electronic Daily (TED) database have been added and refer to procurement above EU thresholds:

- percentage of awards for which the winner was an SME;
- proportion of bids by SMEs;
- percentage of calls for tender 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 to last year’s.

Slovakia’s score in this area is in line with the EU average. The proportion of bids coming from SMEs in Slovakia increased from 60% in 2016 to 65% in 2017, and reached 79% by 2018. Furthermore, the number of calls split into lots grew from 21% in 2016 to 30% in 2018.

### 3.5 Access to finance

Slovakia’s performance on access to finance is in line with the EU average. Its overall performance, weaker compared to last year, is reflected in the deterioration of access to public financial support according to 19% of surveyed stakeholders (8 percentage points higher than in 2017). The willingness of banks to lend is also exhibiting a similar trend, with 11% of surveyed stakeholders indicating a deterioration since 2017. The rate of rejected loans also increased, climbing from 8% in 2016 to 13% in 2018. The lack of available venture capital is not offsetting the tightening of credit. However, the cost of borrowing for small loans relative to large loans is continuously improving – dropping from 45% in 2013 to 28% in 2018. The use of trade credit in B2B transactions has been steadily increasing since 2015. This is not without risks, especially for SMEs: almost 28% of surveyed companies have reported an increase in the number of days that sales are outstanding (DSOs) and late payments.
Since 2008, Slovakia has made substantial policy progress in addressing access to finance for SMEs and has implemented most SBA recommendations. For example, public funds for innovation investments and a micro-loan programme to support micro firms and SMEs were created. However, alternative finance remains underdeveloped. Within the current programming period 2014-2020, €400 million was allocated to support SMEs through a wide range of measures, including financial instruments (bank guarantees), venture capital, etc. to be distributed to beneficiaries through financial intermediaries/banks. The Slovak Investment Holding (SIH) and Slovak Guarantee and Development Bank are implementing these measures. SIH selected fund managers to make investments and recently announced its own direct investment strategy. However, alternative finance remains underdeveloped. Although in 2015 entrepreneurs identified access to venture capital as the least problematic barrier from a list of 13, in 2018 it was ranked as the eighth most significant barrier.

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

3.6 Single market

Overall, Slovakia performs above the EU average on the single market principle, having improved since the last reference period. Only two single market directives are outstanding. Slovakia's government has recently achieved its lowest ever average transposition delay for overdue directives – 2.7 months. In addition, the proportion of public contracts secured by Slovak SMEs in the single market increased fourfold, from 2% in 2014 to 8% in 2017.

Slovakia has made notable policy progress since 2008. The government has focused efforts on simplifying access to information on single-market-related issues and opportunities and set up a SOLVIT centre and single point of contact to support SMEs.

No significant new measures were implemented or announced during the current reference period.
3.7 Skills & innovation

Slovakia’s performance in skills & innovation remains below the EU average.

The level of availability of national R&D to SMEs in Slovakia is one of the lowest in the EU. To address this issue, in 2018 the Ministry of the Economy supported SMEs by investing €167 million in the science and innovation programme. An additional €100 million was allocated to smart innovations and Industry 4.0 developments, to help Slovak businesses implement smart technologies in their production systems. In addition, 600 micro-, small- and medium-sized businesses in the creative sector have registered for an innovation voucher scheme. This addresses the fact that Slovakia’s innovation rate ranks below the EU average and dropped from 29% in 2017 to 22% in 2018.

On a positive note, the number of sales of new-to-market and new-to-firm innovations in Slovakia is one of the highest in the EU.

Slovakia’s integration of digital technology by businesses fell compared to its 2018 position, and the country now ranks 21st in the EU. According to the Digital Intensity Index, only 15% of Slovak companies are highly digitised (EU average: 18%), and every second Slovak company has a very low level of digitisation (EU average: 46%).

The performance of Slovak SMEs is mixed when it comes to e-commerce. The proportion of companies that employ ICT specialists is decreasing, dropping from 22% in 2012 to 15% in 2018. The proportion of SMEs that train their staff to help them develop/upgrade their ICT skills has also dropped, from 23% in 2012 to 16% in 2018.

To foster a successful digital transformation in Slovakia, it is necessary to improve the overall quality of education. Although teachers’ salaries are gradually increasing, educational performance continues to decline. Only 25% of the adult population is computer literate, and there is an acute shortage of qualified workers in the ICT and electronics industries. To address this issue, the Slovak government has adopted several measures, focused in particular on SMEs. For example, since January 2018 companies have the opportunity to deduct up to 100% of their R&D expenses, a big change from the previous 35% limit.
Slovakia could take additional steps, such as creating a national network of training providers to support SMEs. The country is already modernising the quality and relevance of VET (Vocational education and training) to match labour market needs, by removing obstacles to a wider rollout of the dual-scheme. In September 2018, the amendment to the 2015 VET Act entered into force and introduced incentives to support school-company cooperation. SMEs are encouraged to participate in such schemes.

### 3.8 Environment

Overall, Slovakia’s performance on the environment is in line with the EU average. However, the proportion of SMEs that put in place resource-efficiency measures is below the EU average and dropped from 95% in 2013 to 84% in 2017. Even though it remains above the EU average, the proportion of SMEs that benefited from public support measures for their resource-efficiency actions dropped from 64% in 2013 to 43% in 2017. Similarly, the proportion of SMEs that benefited from public support measures for their production of green products collapsed from 28% in 2015 to a mere 1% in 2017 – the second lowest rate in the EU.

The most important measure that Slovakia implemented in the last decade is the Energy Efficiency Act, which transposed the EU Energy Efficiency Directive and created a national legal framework for implementing energy audits and increasing energy efficiency. However, support measures to SMEs to get certified according to the EU Eco-management and Audit Scheme (EMAS) are not available and there is still no organisation responsible for providing strategic support to SMEs to ensure environmental and energy regulatory compliance. Some work on boosting research capacities in the area of the environment and sustainable agriculture has been undertaken. However, there is no specific information available yet on how efficient this work has been and what measurable results have been achieved.

No significant new measures were implemented or announced in the current reference period.
3.9 Internationalisation

Slovakia’s performance remains below the EU average in the area of internationalisation. The country has the lowest proportion of SMEs with both imports and exports of goods from outside the EU. Furthermore, the proportion of SMEs with extra-EU online exports is also below the EU average. On the other hand, Slovakia performs well on several trade facilitation indicators. Its performance on advance rulings and formalities is better than the EU average and has improved since 2012.

Slovakia has achieved moderate policy progress in this area since 2008. Over the past decade, the Slovak government focused its efforts on providing financial support for SMEs to internationalise and export, including support to encourage the creation of clusters. The ‘Support of the Internationalisation of SMEs’ national programme provides counselling and information to SMEs who aim to enter into foreign markets. However, Slovakia lacks an umbrella organisation that coordinates the various internationalisation support programmes and measures. SMEs in Slovakia could also benefit from the greater development of clusters to support internationalisation.

One significant new measure was adopted in the current reference period. The ‘Support scheme for export of Slovak franchise concepts’ (Podpora exportovania franchisingových konceptov), launched by the Ministry of the Economy, provides counselling and support services for businesses to export their franchise concepts, including help on how to adjust business models and maximise value creation.
4. Interesting initiative

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

Facilitation of family business transfers

Studies show that only 30% of family businesses survive when passed to the second generation and this rate drops to 10-15% when the business passes to the third generation. To address this, the Slovak government launched the ‘Tool for the facilitation of family business transfers’ scheme (Podporný nástroj pre zvládnutie generačnej výmeny v rodinných podnikoch).

Under the scheme, which is run by the Slovak Business Agency, government-paid experts offer the following free support services to SMEs:

- expert advisory services, consulting services, mentoring and coaching;
- market research and proposals for actions and strategies to improve the market position of the family business;
- training seminars, workshops;
- reimbursement of costs of participating in trade fairs and conferences.

References:

http://www.sbagency.sk/rodinne-podnikanie-O#XMqIQ6TRZPY

Important remarks

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

SME Performance Review:


grow-spr@ec.europa.eu

Small Business Act:


Entrepreneurship and SMEs:

https://ec.europa.eu/growth/smes

Endnotes

1 The two graphs below present the trend over time for the variables. They consist of index values for the years since 2008, with the base year 2008 set at a value of 100. As from 2017, the graphs show estimates of the development over time, produced by DIW Econ on the basis of 2008-2016 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/


%20analy%C3%BDza%20Slovensk%C3%A9ho%20Stavebn%C3%A9%20Aktivity%20Q4_2015.pdf


6 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.

7 In line with 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_spm_r2, last accessed 15.4.2019).

8 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.
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.


Programme for Assessment and Analysis of Adults’ Skills https://www.oecd.org/skills/piaac/


http://www.siof.sk/contact.php (one of the selected fund managers)

Source: (soon to be published) Index of Barriers For Doing Business 2018, A Survey of The Young Entrepreneurs Association of Slovakia and Slovak Business Agency,