



# 2019 SBA Fact Sheet

## Spain

### Key points

#### **Past & future SME performance<sup>1</sup>:**

Small and medium-sized enterprises (SMEs) generate 61.3% of total value added and 71.9% of total employment in Spain. Between 2014 and 2018, SME value added rose by 19% and employment by 13.5%. The outlook for SMEs in Spain continues to be positive. SME value added is expected to grow again by 6.4% between 2018 and 2020. Over the same period, SME employment is forecast to increase by 2.8%, with an expected 249,600 new SME jobs created by 2020.

#### **Implementing the Small Business Act for Europe (SBA)**

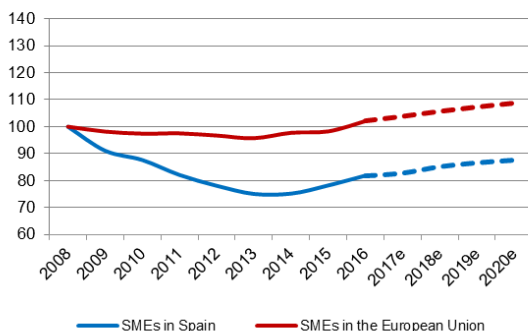
Overall, Spain's performance on the SBA indicators is mixed. In four SBA principles ('second chance', 'responsive administration', access to finance, and skills & innovation), Spain performs in line with the EU average. On entrepreneurship, State aid & public procurement, single market, environment and internationalisation, it ranks below the EU average. Spain does not rank above the EU average in any area. In 2018 and during the first quarter of 2019 (the current reference period), it took policy measures to tackle 5 out of the 10 SBA principles.

#### **SME policy priorities**

Spain has adopted a number of important SBA-related policy measures, though further action is needed to develop alternative sources of financing, to facilitate the participation of SMEs in public procurement, and to implement e-procurement. Further action is needed to increase public support to innovating SMEs, to adopt resource-efficiency measures, and to produce green products. Equally, action is needed to tackle the burden of government regulations and to improve the entrepreneurial environment.

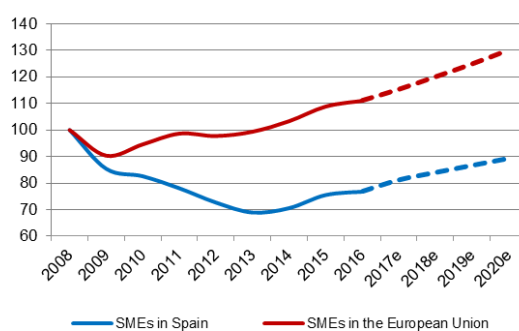
**Number of persons employed in SMEs**

(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		
	Spain		EU-28	Spain		EU-28	Spain		EU-28
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	2,641,722	94.7%	93.0%	4,716,631	38.7%	29.7%	129.3	25.2%	20.8%
Small	130,221	4.7%	5.9%	2,470,409	20.3%	20.1%	95.3	18.6%	17.6%
Medium-sized	15,540	0.6%	0.9%	1,581,595	13.0%	16.8%	90.4	17.6%	18.0%
<b>SMEs</b>	<b>2,787,483</b>	<b>99.9%</b>	<b>99.8%</b>	<b>8,768,635</b>	<b>71.9%</b>	<b>66.6%</b>	<b>315.0</b>	<b>61.3%</b>	<b>56.4%</b>
Large	3,369	0.1%	0.2%	3,426,004	28.1%	33.4%	198.9	38.7%	43.6%
Total	<b>2,790,852</b>	<b>100%</b>	<b>100%</b>	<b>12,194,639</b>	<b>100%</b>	<b>100%</b>	<b>513.9</b>	<b>100%</b>	<b>100%</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.*

SMEs play a major role in Spain's 'non-financial business economy'. They generate 61.3% of total value added and 71.9% of total employment, exceeding the EU averages by roughly 5 percentage points on both fronts. Micro firms are particularly important to the Spanish labour market, accounting for 38.7% of total employment. This is significantly higher than the EU average of 29.7%. On average, Spanish SMEs employ 3.1 people, fewer than the EU average of 3.9. Annual SME productivity, calculated as value added per person employed, is €35,900, equivalent to 80.6% of average SME productivity in the EU.

SMEs in Spain have not yet recovered from the 2008 crisis, unlike large firms, which have already surpassed their pre-crisis levels. In 2018, SME value added and employment was still 16%, 14.7% below their 2008 levels. Nonetheless, SMEs in the 'non-financial

business economy' have made significant progress since 2013, when value added and employment were hit hardest by the crisis. Between 2014 and 2018, SME value added rose by 19% and employment by 13.5%. Most recently, between 2017 and 2018, SME value added rose by 3.5% and employment by 2.9%.

SMEs in wholesale and retail trade, the biggest SME sector in Spain, have generated consistent value added growth in recent years. Between 2014 and 2018, SME value added rose by 23.4% and almost reached its pre-crisis level, just 3.6% lower than it was in 2008. By contrast, over the same period, SME employment increased only moderately, by 9%, remaining 10.3% lower than it was in 2008. The Spanish government's Retail Trade Competitiveness Plan has contributed to the steady growth of wholesale and retail trade. With a total investment of €22.6

million between 2013 and 2018<sup>2</sup>, the goal of the initiative is to increase the competitiveness of SMEs, promote shopping to tourists and boosting e-commerce<sup>3</sup>. The boom in e-commerce has also generated growth in the sector. In 2017, e-commerce trade volume amounted to €31,300 million, up 92.8% since 2014<sup>4</sup>.

Spanish SMEs in the construction sector have also generated robust growth in recent years. In terms of value added, construction was the fastest growing SME sector between 2014 and 2018, up 47.3%. SME employment also increased substantially, up 29.8% over the same period. However, the sector was hit badly by the 2008 crisis, with the result that in 2018, SME value added and employment remained below their pre-crisis levels, by 56.1% and 43.4% respectively. Most of the sector's overall growth was fuelled by strong growth in the building construction sub-sector, stimulated by a pick-up of demand for new housing<sup>5</sup>, and reflected in a steady increase in the number of building permits issued<sup>6</sup>. Furthermore, construction work has become more economically attractive for SMEs thanks to the consistent rise in the house price index, which rose by 24.4% between 2014 and 2018<sup>7</sup>. The construction sector has also benefited from the internationalisation of the industry, with foreign revenue from international construction projects increasing by 13.8% in 2017<sup>8</sup>.

The upturn in economic growth is not fully evident in recent business demographics. In 2017, 384,390 new companies were registered, 8.4% fewer than in 2016<sup>9</sup>. The number of companies coming off the register fell by 12.9% between 2016 and 2017, to 234,580<sup>10</sup>, resulting in a net increase in the total number of registered companies.

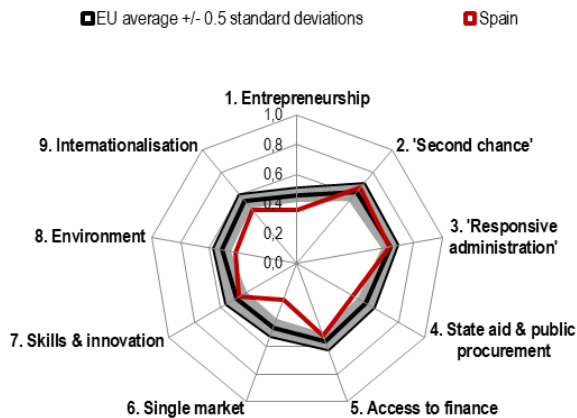
As per the data collected by the European Startup Monitor 2019 project<sup>11</sup>, 63% of the Spanish startups that responded to the online questionnaire were set up by one male founder or an all-

male team of founders. 4% were set up by one female founder or an all-female team of founders. The remaining 33% were set up by at least one man and one woman. In terms of their stage of development, 31% are in the pre-seed or seed stage, 48% in the start-up stage, 2% in the steady stage and 19% in the growth stage. Regarding financial aspects, 75% are operating at a loss, 15% currently break-even and 10% are profitable. Of those start-ups that are operating at a loss, 83% expect to break-even in less than 2 years, while 17% expect that it will take them over 2 years to break-even. 72% have a turnover between €1 and €500,000; 15% report having no turnover yet and the remaining 13% have a turnover of over €500,000. They have 8 employees on average, of which around 32% work on a part-time basis. On average they plan to hire 5.4 people within a year.

Many Spanish firms have successfully scaled up their operations in recent years. According to the latest available data, in 2016, 16,837 firms (13.9% of all firms in the 'business economy'<sup>12</sup> with at least 10 employees) were high-growth firms. This is more than the EU average of 10.7% high-growth firms<sup>13</sup>. In 2018, Spanish SMEs in the specialised knowledge-intensive services and high-tech manufacturing sectors, both of which are usually R&D-intensive, accounted for 24.5% of SME value added in the manufacturing and services sectors, below the EU average of 33%.

The outlook for SMEs in Spain continues to be positive. SME value added is expected to grow by 6.4% between 2018 and 2020. Over the same period, SME employment is expected to increase by 2.8%, generating 249,600 new jobs by 2020. This corresponds to 56.5% of all new jobs created by 2020 in the 'non-financial business economy'.

## 2. SBA profile<sup>14</sup>



Overall, Spain's performance in this SBA area is mixed. Although four SBA principles ('second chance', 'responsive administration', access to finance, and skills & innovation) are in line with the EU average, entrepreneurship, State aid & public procurement, single market, environment and internationalisation are below the EU average. Similar to the previous year, Spain does not rank above the EU average in any area.

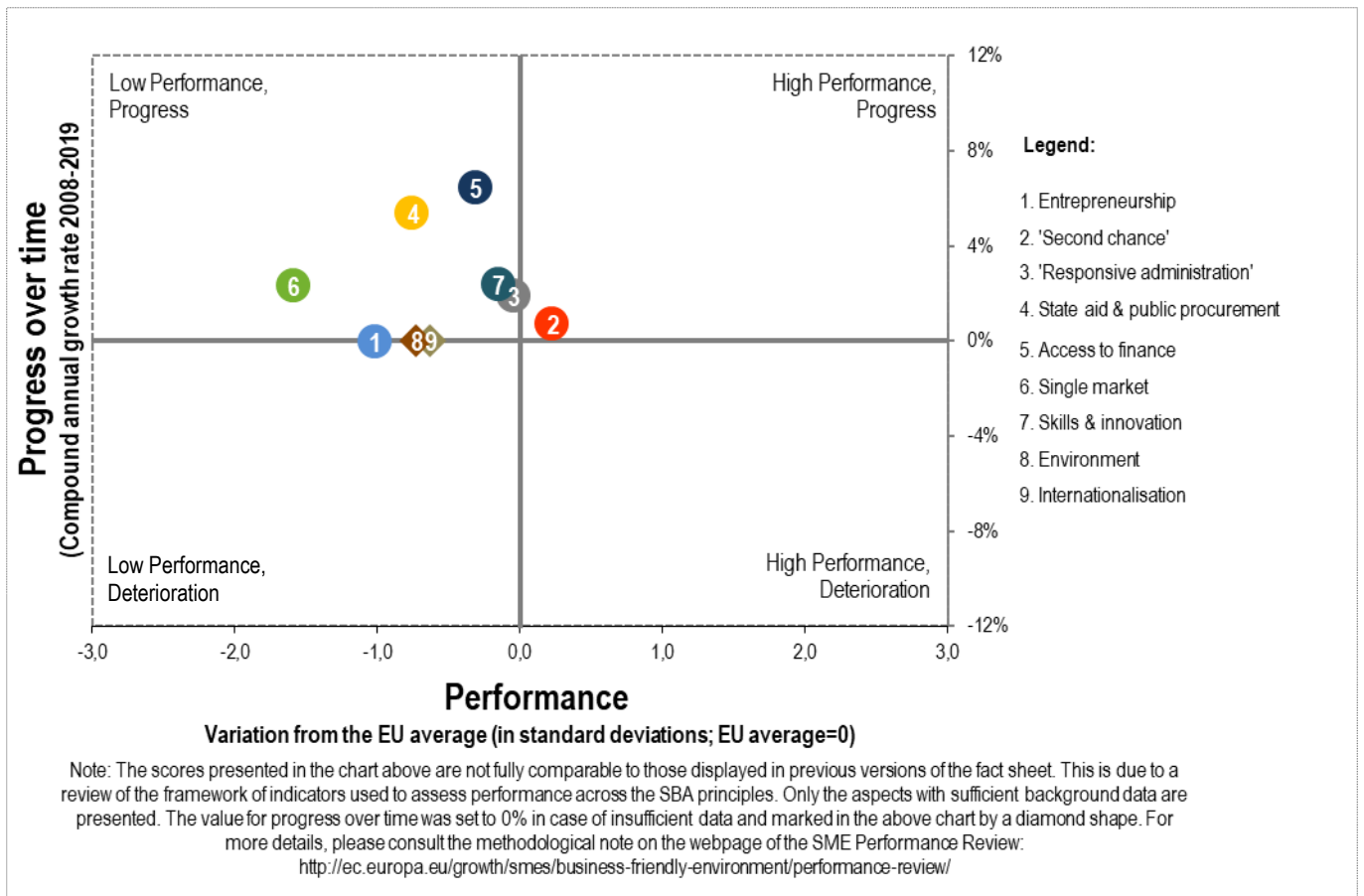
Spain's performance in entrepreneurship improved slightly since the previous year but remains below the EU average. Performance in access to finance also improved, from below the EU average to be in line with the EU average. Spain continues to be the weakest performing EU Member State on the single market indicators.

During the current reference period, Spain adopted 11 policy measures to tackle 5 out of the 10 policy areas under the Small Business Act. It took limited policy action over the current reference period compared with the previous reference period, when it adopted 21 policy measures. Spain has adopted all the measures it had previously announced.

Over the current reference period, the skills & innovation heading was once again a priority for the government, with four new measures adopted and two new measures formally announced. It achieved limited progress on the environmental front, with two measures adopted. It implemented only one measure under access to finance and internationalisation. Spain also announced two new measures under the 'Think Small First' principle. Spain made the least progress in four areas ('second chance', 'responsive administration', State aid & public procurement and single market) over the current reference period, with no new significant measures adopted or announced.

The recently published 'Strategic Framework in SME Policy 2030' (*Marco Estratégico en Política Pyme 2030 Pequeña y Mediana Empresa*) has set clear objectives for full implementation of the SBA recommendations.

## SBA performance of Spain: state of play and development from 2008 to 2019<sup>15</sup>



### 3. SBA principles<sup>16</sup>

#### 3.0 ‘Think Small First’

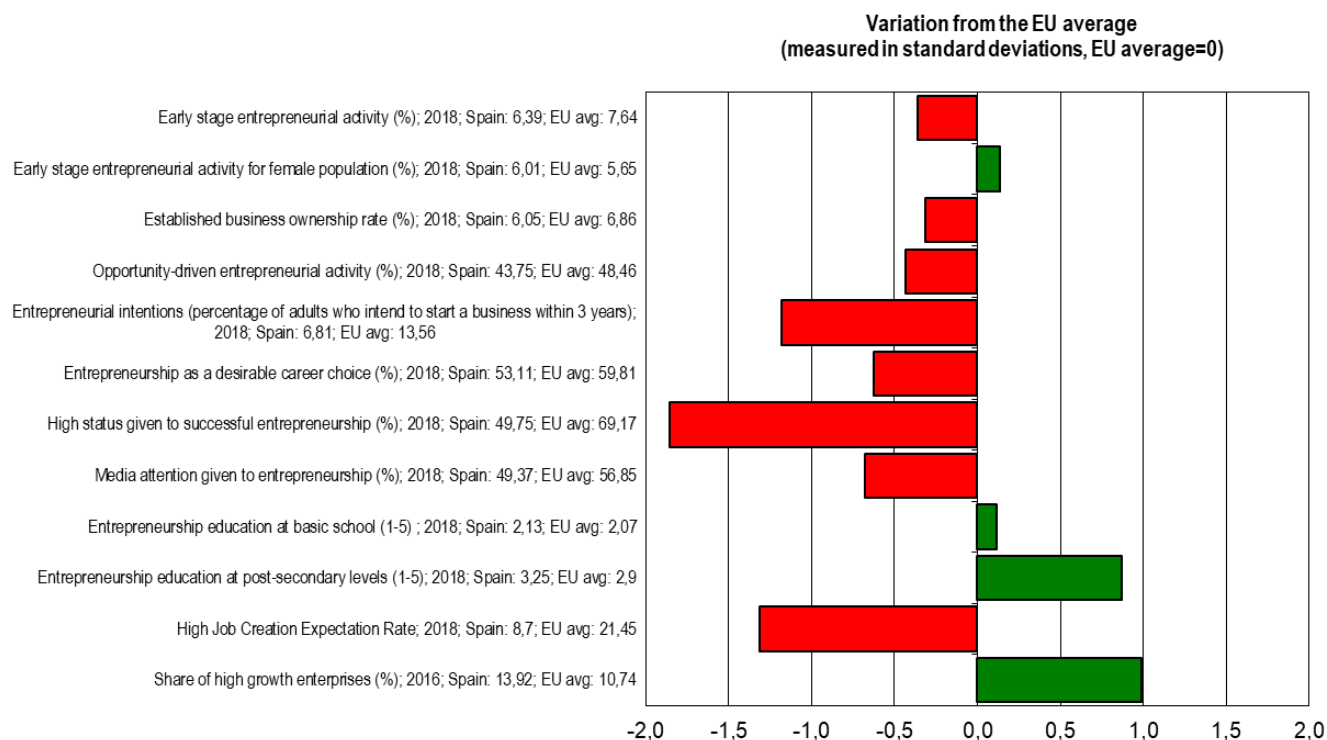
The ‘think small first’ principle is meant to be a guiding principle for all policy- and law-making activities. It requires policymakers to take SMEs’ interests into account at the early stages of the policy-making process. The principle also calls for newly designed legislation, administrative rules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

Spain has actively implemented the SBA recommendations under the ‘Think Small First’ principle since 2008. For instance, it published the ‘Manual of administrative simplification and burden reduction for the General State Administration’ in 2014 to facilitate the growth of Spanish SMEs. It brought in the ‘SME test’ through Law 40/2015 on the legal regime of the public sector and

Regulatory Impact Assessments (RIAs) by Royal Decree 931/2017. Regional governments are also applying the ‘SME test’. Results from the RIAs are used to amend draft legislation. SMEs are consulted and the SME envoy continues to play an active role. However, common commencement dates for new legislation and amendments to existing legislation are still not in place.

Over the current reference period, Spain launched the SME Platform (*Plataforma PYME*)<sup>17</sup>. This is a single information point for entrepreneurs and SMEs covering the full life cycle of a company, from business plan to setting up, development, and growth.

#### 3.1 Entrepreneurship



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

Spain continues to rank below the EU average on entrepreneurship indicators, despite improvements reported since the previous reference period. Entrepreneurial intentions in Spain remain the second lowest in the EU. Similarly, Spain has one of the lowest scores in the EU indicating whether successful entrepreneurs have a high status. The newly introduced indicator on job creation expectation rate, which measures the percentage of companies involved in Total early-stage Entrepreneurial Activity (TEA) who expect to create six or more jobs in the next five years, is the

second lowest in the EU. On a positive note, the share of high-growth companies is among the highest in the EU, with Spain scoring 3 percentage points above the EU average in 2016, up 17% against the previous reference period. Spain has also continued the positive trend noted in recent years on entrepreneurship education at primary, secondary and post-secondary school levels.

Since 2008, Spain has taken a significant number of policy measures to promote entrepreneurship. It has tackled most of the

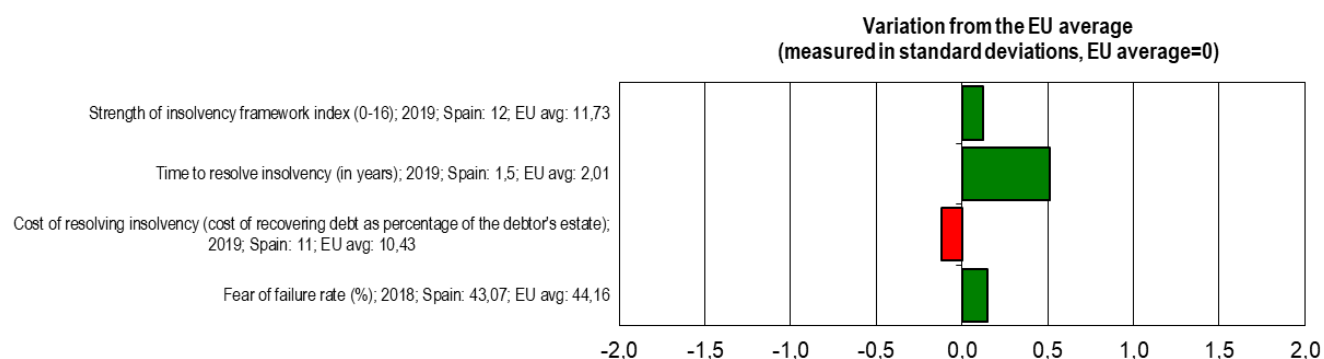
SBA recommendations made. In addition, considering the required improvements in entrepreneurship indicators, the recently published ‘Strategic Framework in SME Policy 2030’ (*Marco Estratégico en Política Pyme 2030 Pequeña y Mediana Empresa*) establishes a set of objectives for improving the entrepreneurship ecosystem conducive to growth and competitiveness.

In the current reference period, Spain implemented three measures under the entrepreneurship principle.

- Resolution of 23 April 2018 (*Resolución de 23 de abril de 2018 del Instituto de la Mujer y para la Igualdad de Oportunidades*) provides financial support to SMEs that aim to implement a plan for improving gender equality and non-discrimination.

- Royal Decree-Law 11/2018, of 31 August (*Real Decreto-Ley 11/2018, de 31 de agosto*) partially amends Law 14/2013. This measure allows researchers from another EU Member State to continue living in Spain after completing the research. This limited period will allow researchers to search for employment or to start a business project in Spain.
- The ‘Business Growth Programme’ (*Programa de Crecimiento Empresarial*) offers subsidised counselling (up to 50 hours) to certain Spanish SMEs with high growth potential to support the definition of strategic objectives and expansion plans.

### 3.2 ‘Second chance’



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

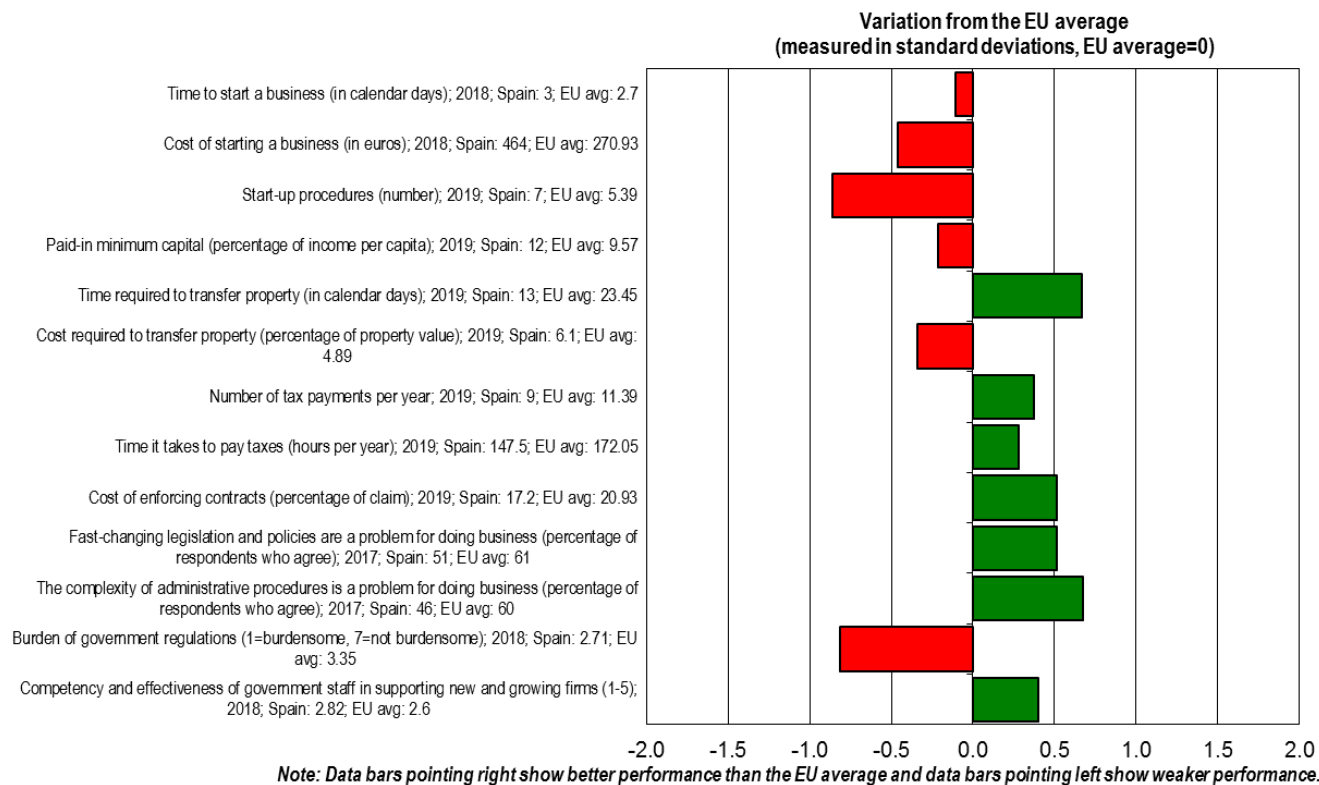
‘Second chance’ refers to ensuring that honest entrepreneurs who have gone bankrupt get a second chance quickly. Spain continues to rank in line with the EU average on this. It has made little to no progress on most indicators. The time and cost to resolve insolvency remain the same since 2011, at 1.5 years and 11% of the debtor’s estate respectively. However, the fear of failure rate has increased by around 4 percentage points since 2016.

Since 2008, Spain has achieved significant policy progress under the ‘second chance’ principle. It has implemented most of the SBA recommendations, for instance, putting in place a fast-track bankruptcy procedure for entrepreneurs. It brought in Royal Decree-Law 4/2014 and Law 25/2015 to help SMEs before and after bankruptcy.

Over the current reference period, Spain did not adopt or announce any significant new measures.



### 3.3 ‘Responsive administration’



‘Responsive administration’ refers to public administration being responsive to the needs of SMEs. Spain’s performance on the ‘responsive administration’ indicators remains in line with the EU average. The time and cost to start a business has remained the same since 2013, taking three days and costing €464. No further improvements have been reported since 2015 regarding the number of procedures to start a business (still seven). Since 2015, the paid-in minimum capital needed has fallen steadily to 12% of income per capita. Spain has also reduced the time needed to pay taxes, from 167 hours per year in 2015 to 147.5 hours per year in 2019. On a negative note, the burden of government regulations that SMEs face continues to increase.

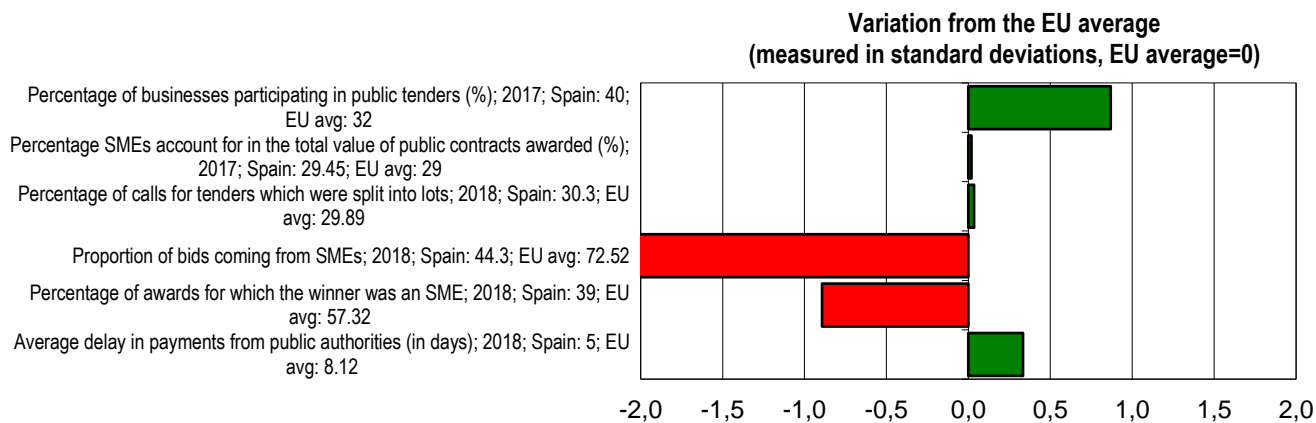
Spain has achieved moderate policy progress in the area of ‘responsive administration’ since 2008. In particular, it has taken steps to reduce administrative burden and make it easier for businesses to engage with public authorities. In addition, it created the CIRCE platform as a single-point-of-contact to standardise and simplify administrative procedures.

Effective application of the legislation adopted to achieve market unity and harmonise regional laws (*Ley 20/2013, de 9 de diciembre, de garantía de la unidad de mercado*) is crucial to facilitate businesses across Spain, but further work on is needed to implement the legislation. On a positive note, the Spanish courts are beginning to rule on disputes arising from this Law (as stated by the national competition authority). The courts are rejecting any territorial requirement included on regulatory bases as a prerequisite to obtain training subsidies for employment. In addition, the recently published ‘Strategic Framework in SME Policy 2030’ (*Marco Estratégico en Política Pyme 2030 Pequeña y Mediana Empresa*) aims to merge a number of one-stop-shop initiatives run by the General State Administration.

Spain did not announce or adopt any significant new measures over the current reference period.



### 3.4 State aid & public procurement



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

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 from 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 to last year’s.

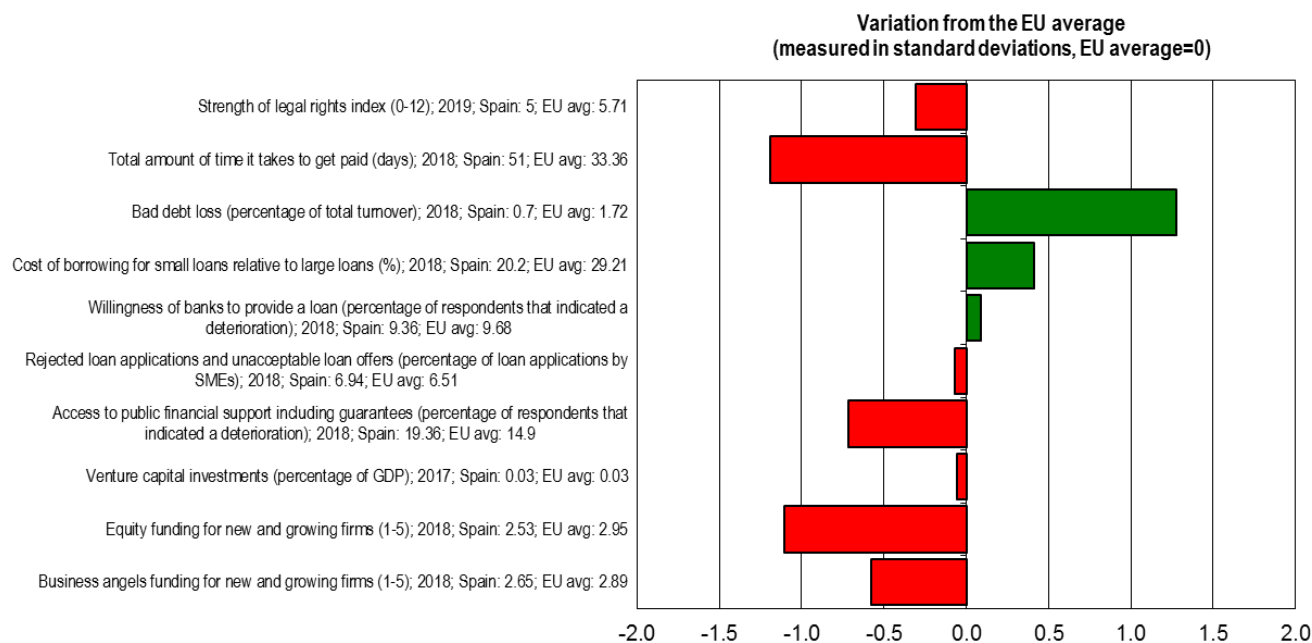
Spain ranks below the EU average on State aid & public procurement. Although the percentage of businesses participating in public tenders has substantially increased (from 28% in 2016 to 40% in 2017), the proportion of bids coming from SMEs has fallen since 2016 by 12 percentage points and is now the lowest in the EU. On a positive note, tenders are increasingly being split

into lots. Moreover, the average payment time by the public authorities has fallen dramatically from 79 days in 2014 to 5 days in 2019.

Since 2008, Spain has made moderate policy progress in addressing the SBA recommendations under State aid & public procurement. Recently, Act 9/2017 on public-sector contracts aimed to facilitate the participation of SMEs in public procurement. Act 9/2017 provided better access to public tenders for SMEs thanks to the participation-tracking obligations and improved transparency that has given better monitoring capabilities to authorities. This Act also brought in a new requirement on the division of contracts into smaller lots and helped subcontracted SMEs to receive their payments on time.

Act 9/2017 entered into force over the current reference period.

### 3.5 Access to finance



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

Spain's performance on access to finance is in line with the EU average, having improved since the last reference period. Spain has one of the lowest level of bad debt loss in the EU, down 2.3 percentage points since 2016. Although it remains higher than the EU average, the total number of days it takes for a company to get its invoices paid has fallen by around 20 days since 2016. In addition, the cost of borrowing small loans relative to large loans is decreasing, in line with the reduction of the annual average of interest rates for small loans. On a negative note, access to public financial support including guarantees is getting harder, dropping nine points since the previous reference period. The indicator tracking the willingness of banks to provide loans went up slightly, though it is still far below pre-crisis levels.

Since 2008, Spain has made significant policy progress. For instance, it has put grants and risk capital measures in place to support SMEs and start-ups. However, although funding is available for businesses at the start-up phase, it is lacking for the scale-up phase.

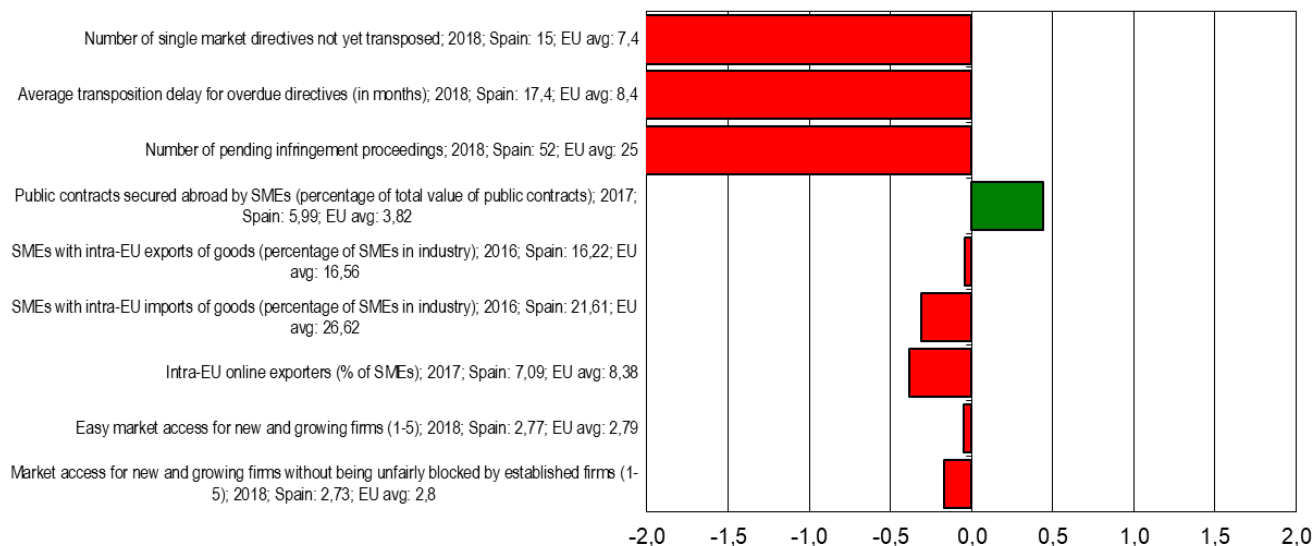
SMEs continue to rely on traditional sources of finance (i.e. bank credit) that can make them especially vulnerable to cyclical funding conditions.

During the reference period, Spain adopted one significant new measure. CERSA (*Compañía Española de Refianzamiento SA*) introduced the Guarantee Programme for SMEs and entrepreneurs (*Programa de avales para PYMES y emprendedores*)<sup>18</sup> that provides a free counter-guarantee for SMEs that have signed guarantee contracts with Mutual Guarantee Companies.

Spain also formally announced another measure. The 'Global Innovation Line' (*Línea de Innovación Global*) from CDTI (*Centro para el Desarrollo Tecnológico Industrial*) would provide financial support to innovative projects to generate value added<sup>19</sup>. The programme covers up to 75% of the eligible cost and the projects must have a minimum budget of €667,000 and a maximum of €10 million.

### 3.6 Single market

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



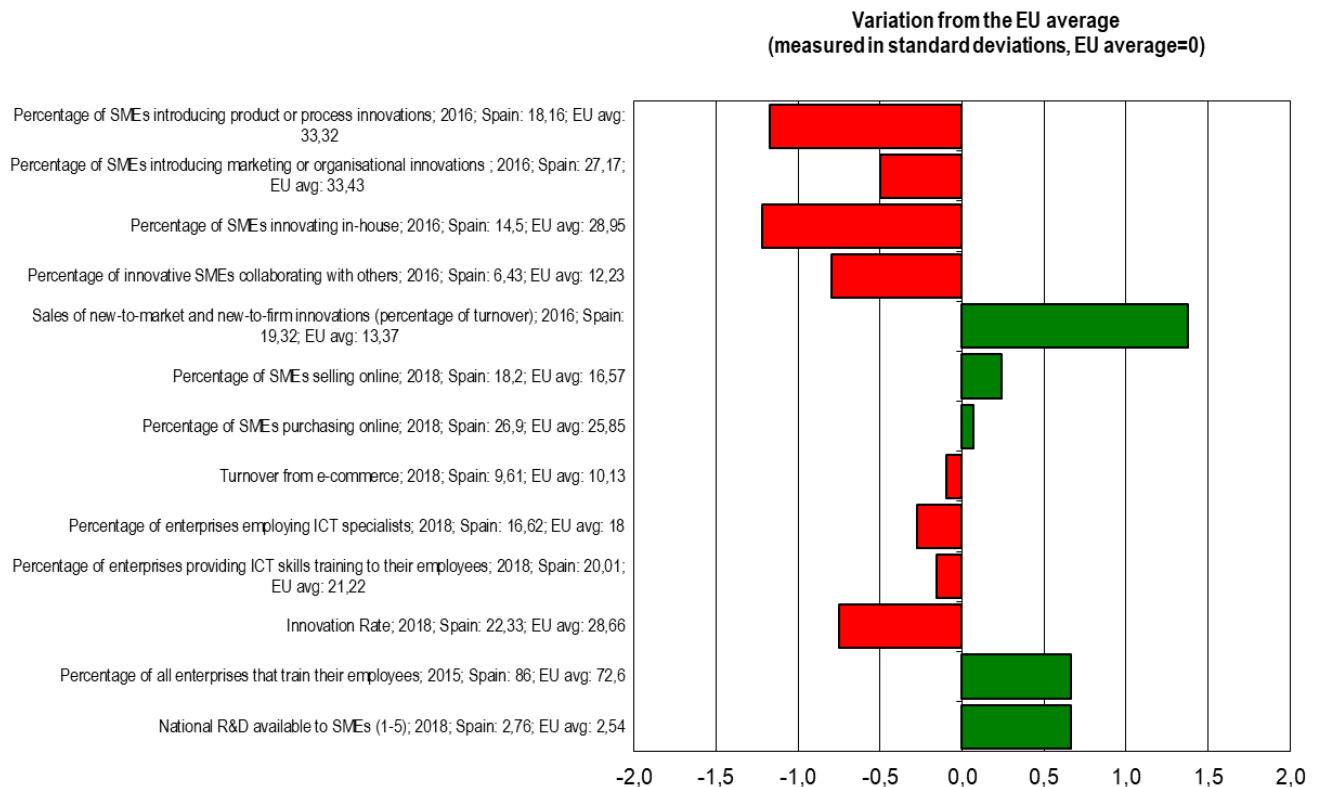
Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

Spain is the weakest performing EU Member State on this front. Although Law 20/2013 on market unity is an important tool to help improve Spain's performance under this SBA principle, even once fully implemented it would not cover all aspects, with further action needed. Although the number of single market directives not yet transposed has fallen by nine since 2016, Spain has the highest number of directives not transposed among all EU Member States. Similarly, the average transposition delay for overdue directives is the highest in the EU, up by 5 months since 2017. Spain also has the highest number of pending infringement proceedings in the EU. The share of SMEs importing to/exporting from other EU Member States has fallen since the previous reference period.

Since 2008, Spain has made limited policy progress in this area. It has addressed most of the SBA recommendations, including setting up a single-point-of-contact to support SMEs in the single market, an 'Internal Market Information System' and a SOLVIT centre. Furthermore, the 'CEVIPYME' (*Centro de Apoyo a la PYME en materia de gestión de Propiedad Industrial, Intelectual e Innovación*) helps SMEs to overcome difficulties in accessing patents and trademarks in the single market.

Over the current reference period, Spain did not announce or adopt any new significant measures under the single market principle.

### 3.7 Skills & innovation



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

Spain continues to rank in line with the EU average for skills & innovation and, overall, has made substantial improvements since 2008. The indicators for Spain give a mixed picture on both innovation and skills. The share of innovative SMEs collaborating with others and the share of SMEs innovating in-house have continued the negative trend since 2014. However, Spain has the second highest sales of new-to-market and new-to-firm innovations as a percentage of turnover in the EU, up by six percentage points since 2015. The share of SMEs introducing marketing or organisational innovations has also risen, by less than five percentage points since 2012. Spain's score on access to new research and technology for new and growing firms in comparison with large, established firms is one of the highest in the EU. Regarding the indicators measuring skills, enterprises employing ICT specialists has fallen by 7 percentage points since 2016. Similarly, the share of SMEs that provide training to their staff to develop or upgrade their ICT skills fell over the previous year. The new indicator on the innovation rate of new and nascent entrepreneurs claiming that their product or service is new to at least some customers and that few/no businesses sell the same product has fallen by three percentage points and remains below the EU average.

Spain has made moderate policy progress in this area. It has implemented a number of public support measures to boost SME innovation. For instance, the programme to support 'Innovative Entrepreneurial Clusters' (AEIs) aimed to foster the uptake of new and advanced technologies by SMEs. Funding is also available to stimulate 'Collaboration Networks' (*Retos de Colaboración*) between research centres and technological firms. On skills, though the indicators show below-average performance, the government has adopted measures to support SMEs to re-skill their employees and has put in place mechanisms to assess labour market needs with a view to adapting education and vocational training.

Over the current reference period, Spain adopted four new significant measures.

- The Industrial and Technological Development Centre (*Centro para el Desarrollo Tecnológico Industrial — CDTI*) funds Cervera Transfer R&D projects (*Proyectos I+D Transferencia Cervera*) implemented by companies in cooperation with state-owned technological centres.
- CDTI will also fund the participation of Spanish organisations in projects selected for the 9<sup>th</sup> call of the Eurostars-2 Programme, through a call for direct grants

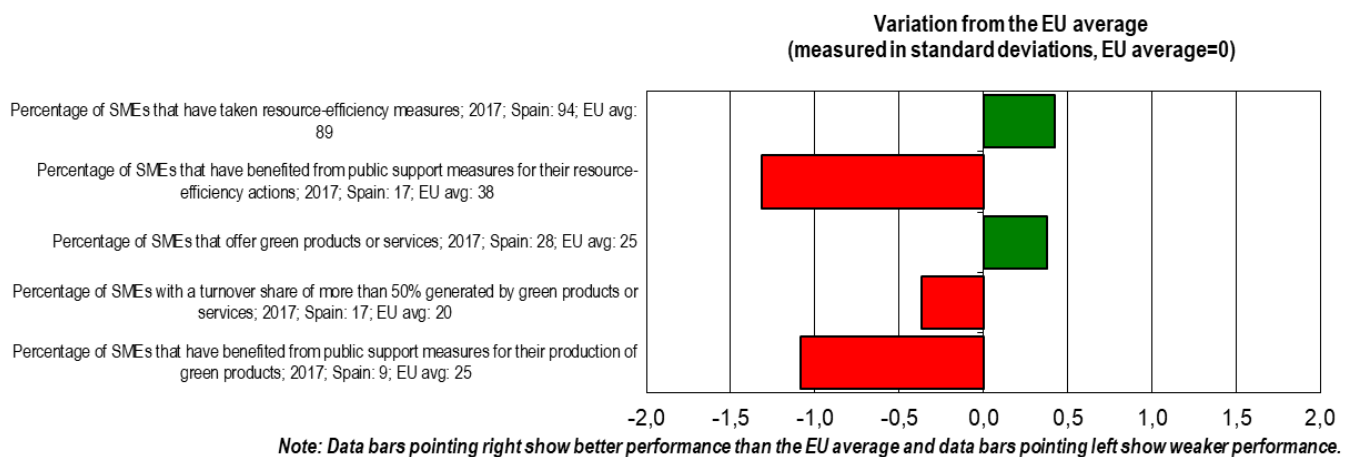
(*Convocatoria de concesión directa de ayudas a los proyectos de participación española seleccionados en la novena convocatoria del Programa Eurostars-2 — actuaciones Interempresas Internacional*). Financial support will cover up to 25% of eligible costs of the project but companies working together with an SME can have up to 60% of eligible costs covered.

- Under the National Plan for Scientific and Technical Research and Innovation 2017-2020 (*Plan Estatal de Investigación Científica y Técnica y de Innovación 2017-2020*), the ‘Torres Quevedo’ Programme provides funding (subsidies, loans, returnable advanced payments, credit lines, or a combination of these forms) to cover the expenses related to the hiring, training and mobility of staff involved in research, development and innovation projects for three-year period.

- The Spanish Patent and Trademark Office adopted a resolution that grants aid to applications for patents and utility models in Spain and abroad (*Resolución de 12 de marzo de 2018, por la que se convoca, para el año 2018, la concesión de subvenciones para el fomento de las solicitudes de patentes y modelos de utilidad españoles y en el exterior*).

Spain also announced two further relevant measures. In particular, it announced a call for financial support for research, development and innovation projects under the ‘Connected Industry 4.0’ initiative (*Convocatoria de concesión de apoyo financiero a proyectos de investigación, desarrollo e innovación en el ámbito de la iniciativa Industria Conectada 4.0*).

### 3.8 Environment

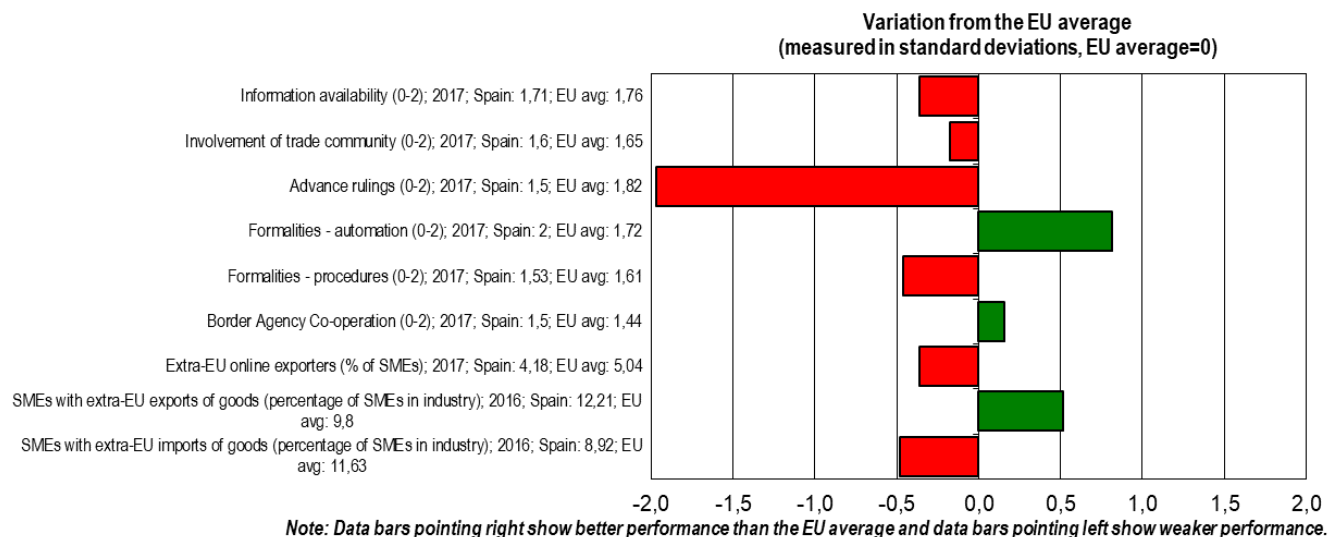


Spain has not made any updates since the previous fact sheet was published. It continues to rank below the EU average on indicators related to the environment. Despite having one of the lowest shares of SMEs that receive public support for resource-efficiency measures in the EU, Spain has the second highest share of SMEs that have taken resource-efficiency measures. The share of SMEs receiving public support for producing green products remains far below the EU average.

Spain has made limited policy progress since 2008. It has not brought in incentives for SMEs to acquire EMAS certification (*EU Eco-Management and Audit Scheme*) and lacks an organisation specifically responsible for providing advice and support to SMEs to comply with environmental and energy efficiency regulations. The newly published ‘Strategic Framework in SME Policy 2030’ has set objectives to address these issues. Spain provides

financial support to companies to reduce CO<sub>2</sub> emissions and energy consumption. Spain implemented one significant new measure related to environment over the current reference period. Order PCI/86/2019 approving the ‘Green Public Procurement Plan’ of the General State Administration, its autonomous bodies and Social Security management entities (2018-2025) (*Orden PCI/86/2019, de 31 de enero, por la que se publica el Acuerdo del Consejo de Ministros de 7 de diciembre de 2018, por el que se aprueba el Plan de Contratación Pública Ecológica de la Administración General del Estado, sus organismos autónomos y las entidades gestoras de la Seguridad Social (2018-2025)*) aims to address climate change, resource efficiency and sustainable production and consumption through public procurement.

### 3.9 Internationalisation



Spain continues to rank below the EU average on internationalisation. Spain still has one of the lowest scores in the EU on advance rulings. However, formalities in automation, which mainly focuses on electronic exchange of data, automated border procedures, and use of risk management, is one of the highest in the EU. By contrast, Spain has a slightly below-average number of procedural formalities, mainly regarding the streamlining of border controls, single windows, post-clearance audits, and authorised economic operators.

Despite this, the number of companies exporting on a regular basis soared to 51,768 in 2018 (up 2.4% against 2017), mainly thanks to the Strategy for the internationalisation of the Spanish Economy 2017-2027. On this front, the umbrella organisation ICEX (*España Exportación e Inversiones*) provides internationalisation support to SMEs and stimulate trade and exports. Dedicated financial support to internationalise is

available as are contact points providing information on foreign markets. In addition, the newly published 'Strategic Framework in SME Policy 2030' envisages the adoption of measures to improve the information available on international markets and business opportunities, to improve specialised training activities to help SMEs grow in new markets and to create new financial instruments to meet the needs of SMEs.

Spain implemented one new significant measure over the reference period. The 'Xpande Programme' supports the international expansion of SMEs (*Programa Xpande de apoyo a la expansion internacional de la PYME*). The support programme has two phases: (1) personalised advice to develop SMEs' internationalisation business plans, and (2) financial support to implement the business plan (up to 70% of a maximum budget of €9,000).

## 4. Interesting initiative

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

### The Green Public Procurement Plan

Spain approved its Green Public Procurement Plan by a Decision of the Council of Ministers on 7 December 2018. The plan covers the public procurement of goods, works and services by the general state administration, its autonomous bodies, and the social security management bodies. Its aim is to implement environmental policies and goals related to climate change, the use of resources, and sustainable production and consumption. The plan explicitly seeks to increase participation of SMEs in public procurement based on special selection and award criteria.

The main objectives of the Green Public Procurement Plan are as follows:

- To promote the public procurement of goods, works and services with the least possible environmental impact;
- To promote the Spanish Circular Economy Strategy;
- To provide support through measures focusing on sustainable economic growth;
- To promote the inclusion of environmental clauses in public contracts;
- To publicise the facilities available by the green public procurement legal framework in Spain.

The plan calls for preferential treatment of EMAS-certified companies.

References:

[https://www.boe.es/diario\\_boe/txt.php?id=BOE-A-2019-1394](https://www.boe.es/diario_boe/txt.php?id=BOE-A-2019-1394)



## Important remarks

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

SME Performance Review:

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

[grow-spr@ec.europa.eu](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 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/>

<sup>2</sup> Nota de prensa, 22/1/2018, available at: <https://www.camarazaragoza.com/actualidad/digitalizacion-turismo-de-compras-e-internacionalizacion-prioridades-del-plan-de-competitividad-del-comercio-minorista-en-2018/>,

<sup>3</sup> Camara de Comercio de España, available at: <https://www.camara.es/innovacion-y-competitividad/plan-integral-de-apoyo-la-competitividad-del-comercio-minorista-de> and [https://www.camara.es/sites/default/files/ayudas/balance\\_plan\\_integral\\_2017.pdf](https://www.camara.es/sites/default/files/ayudas/balance_plan_integral_2017.pdf), and <https://www.eyeonspain.com/blogs/costaluz/10540/Legal-tip-975-.aspx>, last accessed 22.5.2019.

<sup>4</sup> Ministerio de Economía y empresa, Febrero 2019, Indicadores de comercio electrónico, accessible at: <https://www.ontsi.red.es/ontsi/sites/ontsi/files/DossierComercioElectronicoFebrer19.pdf>, last accessed 22.5.2019.

<sup>5</sup> [https://murciatoday.com/demand-for-new-housing-in-spain-fuels-increase-in-construction-activity\\_963359-a.html](https://murciatoday.com/demand-for-new-housing-in-spain-fuels-increase-in-construction-activity_963359-a.html), last accessed 23.5.2019.

<sup>6</sup> INE, licencias municipales de obra, [https://www.fomento.gob.es/recursos\\_mfom/listado/recursos/ce2013\\_2017.pdf](https://www.fomento.gob.es/recursos_mfom/listado/recursos/ce2013_2017.pdf), last accessed 23.5.2019.

<sup>7</sup> INE, house price index, available at: <http://www.ine.es/jaxiT3/Datos.htm?t=25171>, last accessed 23.5.2019.

<sup>8</sup> INE, Altas por condición jurídica, actividad principal (divisiones CNAE-2009) y estrato de asalariados, available at: <http://www.ine.es/jaxiT3/Tabla.htm?t=289&L=0>, last accessed 22.5.2019.

<sup>9</sup> INE, Altas por condición jurídica, actividad principal (divisiones CNAE-2009) y estrato de asalariados, available at: <http://www.ine.es/jaxiT3/Tabla.htm?t=289&L=0>, last accessed 22.5.2019.

<sup>10</sup> INE, bajas por condición jurídica, actividad principal (divisiones CNAE-2009) y estrato de asalariados, available at: <http://www.ine.es/dynt3/inebase/index.htm?padre=51&capsel=52>, last accessed 22.5.2019.

<sup>11</sup> [www.europeanstartupmonitor2019.eu](http://www.europeanstartupmonitor2019.eu)

<sup>12</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>13</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>14</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>15</sup> The quadrant chart combines two sets of information. Firstly, it shows current performance based on data for the latest available years. This information is plotted along the X-axis measured in standard deviations of the simple, non-weighted arithmetical average for the EU. Secondly, it shows progress over time, i.e. the average annual growth rates from 2008 to 2019. These are measured against the individual indicators which make up the SBA area averages. Hence, the location of a particular SBA area average in any of the four quadrants provides information not only about where the country is located in this SBA area relative to the EU average at a given point in time, but also about the extent of progress made between 2008 and 2019. All SBA principles, with the exception of the 'Think Small First' principle for which there is not enough statistical data available, are calculated as composite indicators following the OECD/JRC Handbook guide. A detailed methodology can be consulted at: <http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/>

<sup>16</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>17</sup> <https://plataformapyme.es/es-es>

<sup>18</sup> <http://www.cersa-sme.es/garantias-y-avales/avales-para-pymes/>

<sup>19</sup> <https://idrconsulting.com/cdti/linea-de-innovacion-global/>