2019 SBA Fact Sheet

SWEDEN

Key points

Past & future SME performance[1]:

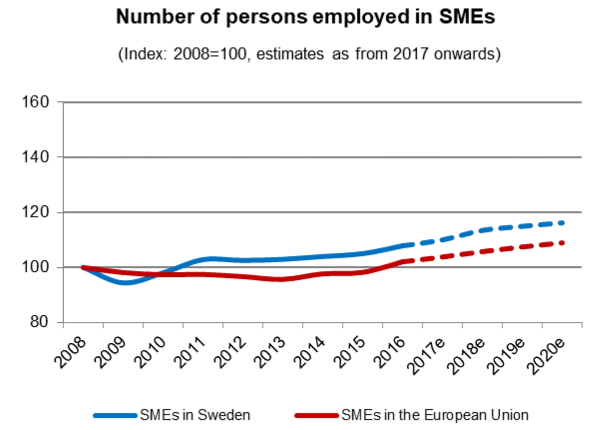
SMEs play an important role in the Swedish 'non-financial business economy', as they generate 61.2% of value added and 65.2% of employment (EU: 56.4% and 66.6%, respectively). In 2014-2018, Swedish SMEs in the 'non-financial business economy' experienced strong growth. The outlook for Swedish SMEs is positive, with an expected growth of 6.4% in their value added in 2018-2020. SME employment is expected to increase by 2.4% in the same period.

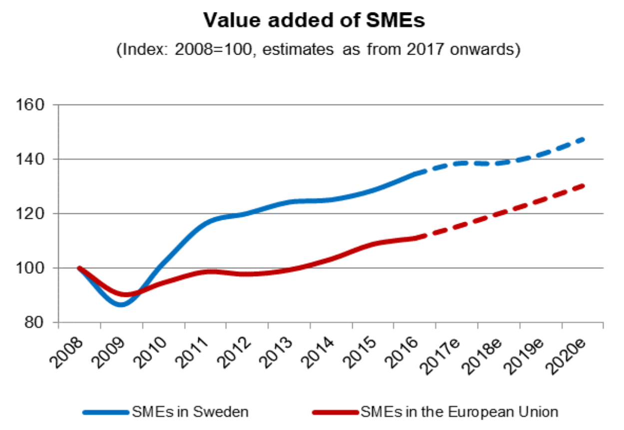
Implementing the Small Business Act for Europe (SBA):

Sweden's SBA profile is strong. The country performs above the EU average in five areas: 'responsive administration', access to finance, single market, skills & innovation and environment. It performs in line with the EU average in three fields: entrepreneurship, 'second chance' and internationalisation while it scores below the EU average in the area of State aid & public procurement. During 2018 and the first quarter of 2019, the reference period for this year's fact sheet, Sweden adopted and/or implemented policy measures which addressed 9 of the 10 SBA policy areas. The field where Sweden has shown the most significant progress during the reference period is the single market.

SME policy priorities:

The availability of skilled labour remains one of the greatest challenges for SMEs. The processing of work permit extensions for highly skilled non-EU professionals is still slow, though waiting times have improved. The female entrepreneurship rate in Sweden is rather low. Finally, further professionalisation of public procurers in the municipalities could reduce the number of irregularities in public procurement.





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.

Internal market, industry, entrepreneurship and SMEs

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1. SMEs — basic figures

Class size	Number of enterprises			Number of persons employed			Value added		
	Sweden		*EU-28*	Sweden		*EU-28*	Sweden		*EU-28*
	Number	**Share**	***Share***	**Number**	**Share**	***Share***	**Billion €**	**Share**	***Share***
Micro	699,377	94.6%	93.0%	797 617	23.8%	*29.7%*	51.9	22.3%	*20.8%*
Small	33,441	4.5%	5.9%	748 188	22.3%	*20.1%*	44.3	19.1%	*17.6%*
Medium-sized	5,806	0.8%	0.9%	638 490	19.0%	*16.8%*	45.8	19.7%	*18.0%*
SMEs	**738,624**	**99.9%**	**99.8%**	**2 184 295**	**65.2%**	***66.6%***	**142.0**	**61.2%**	***56.4%***
Large	1,062	0.1%	0.2%	1 167 660	34.8%	*33.4%*	90.2	38.8%	*43.6%*
Total	**739,686**	**100.0%**	**100.0%**	**3 351 955**	**100.0%**	***100.0%***	**232.2**	**100.0 %**	***100.0%***

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 an important role in the Swedish 'non-financial business economy', as they generate 61.2% of value added and 65.2% of employment, against the EU averages of 56.4% and 66.6%, respectively. Micro firms account for 23.8% of employment, approximately 6 percentage points lower than the EU average of 29.7%. Swedish SME productivity, defined as value added per person employed, is approximately €65,000, far exceeding the EU average of €44,600. On average, Swedish SMEs employ 3.0 people, which is below the EU average of 3.9. Two of the most important SME sectors are wholesale and retail trade and manufacturing, together contributing 35.3% of SME value added and 35.4% of employment.

In 2014-2018, Swedish SMEs in the 'non-financial business economy' experienced strong growth. In terms of value added growth, SMEs significantly outperformed large firms, with a rise of 10.8% compared with 5.3% for large firms. The picture looks different for employment. Large firms performed better in the same period, with employment growth of 12.7%, compared to 9.1% for SMEs.

In 2014-2018, the sector with the strongest growth in SME value added and employment was *construction*, with increases of 21.8% and 23.6%, respectively. A shortage of housing - partly due to population growth and urbanisation - as well as a favourable economic environment with low interest rates, contributed to a high demand for construction[2]. The sector's outlook for the coming years is less favourable: the recent construction boom and associated employment growth have led to a shortage of qualified workers[3].

The *information and communication sector* also generated high SME value added growth in 2014-2018: a rise of 14.8%. During the same period, SME employment increased by 12.8%. Medium-sized firms performed particularly strongly, with value added and employment growth of 18.1% and 16.2%, respectively. These developments were supported by the Swedish Government, which has actively promoted the digital transformation of the Swedish economy, implementing several digital strategies and formulating ambitious policy goals.[4] As a result, Sweden has a well-developed high-speed fibre-optic network and above-average penetration rates of high-speed fibre broadband,[5] thereby establishing a fertile environment for the sector's development.

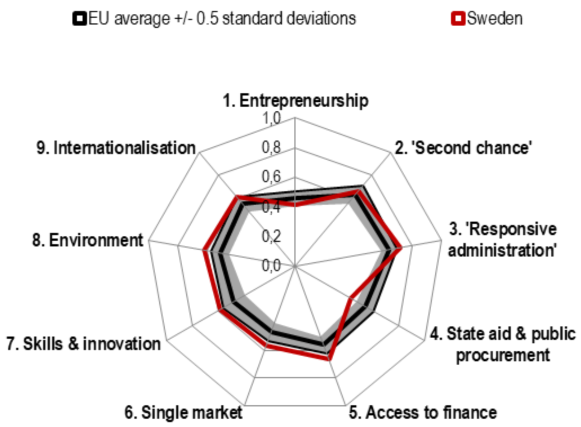
In 2018 a new government authority, the Digital Government Review (DIGG), was established, which focuses on the digitalisation of the public sector, further driving innovation and demand for ICT.

In 2018, 66,750 new businesses were registered in Sweden, compared to 68,887 business registrations in 2017[6]. This implies a fall of 3.1% in 2017-2018[7].

Many Swedish firms have successfully scaled up their operations in recent years. In 2016, 5,045 firms (12.8% of all firms in the 'business economy'[8] with at least 10 employees) were high-growth firms[9]. This is 2.1 percentage points higher than the EU average. High-growth firms are particularly prevalent in administrative and support services, with a share of 18.6%. The second-largest share of high-growth firms was in the information and communication sector, at 18.4%. In 2018, Swedish SMEs in the *specialised knowledge-intensive services* and *high-tech manufacturing* sectors, both of which are usually R&D-intensive, accounted for 34.0% of SME value added in the *manufacturing and services* sectors. This is in line with the EU average of 33.0%.

The outlook for Swedish SMEs is positive, with an expected growth of 6.4% in their value added in 2018-2020. In the same period, SME employment is expected to increase by 2.4%, contributing to the creation of approximately 52,200 new SME jobs.

2. SBA profile[10]



Sweden's SBA profile is strong. The country performs above the EU average in five areas: 'responsive administration', access to finance, single market, skills & innovation and environment. It performs in line with the EU average in three fields: entrepreneurship, 'second chance' and internationalisation, while it scores below the EU average in the area of State aid & public procurement.

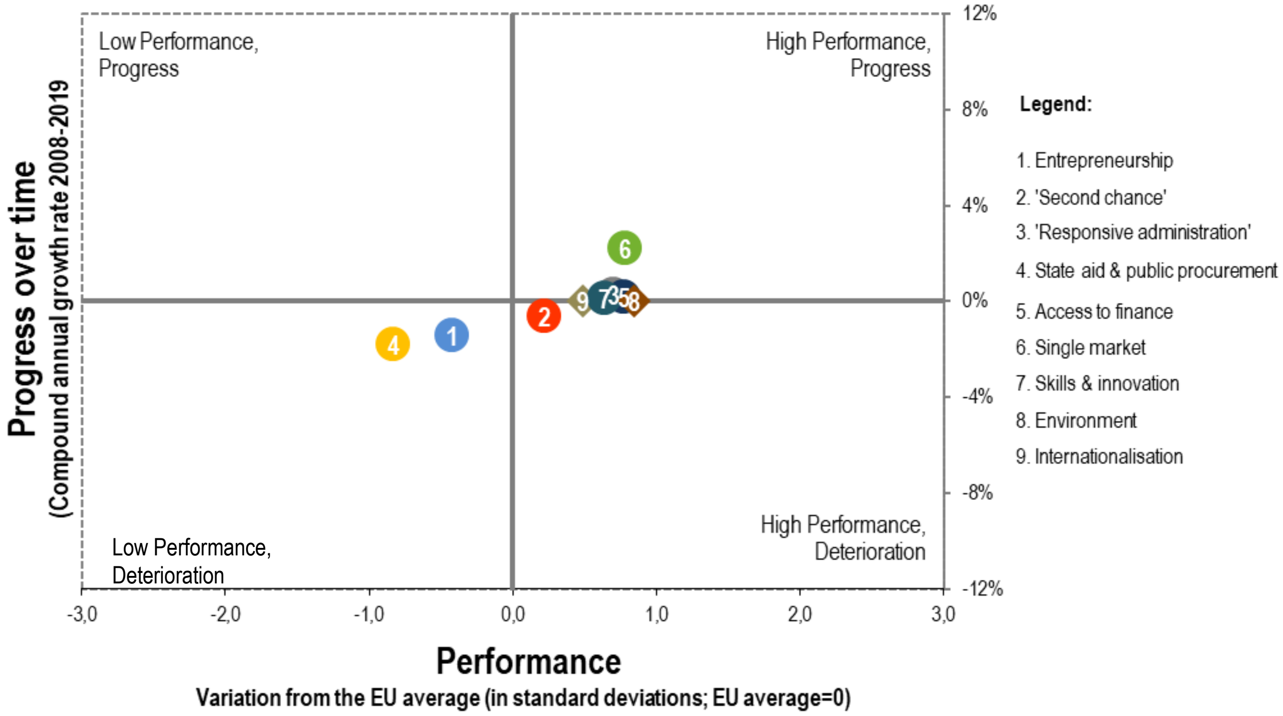
Sweden continues to have a high-quality and competitive business environment. The overall administrative burden for companies is low and SMEs appreciate the stability of the regulatory environment[11].

Sweden adopted and/or implemented policy measures which addressed 9 of the 10 SBA policy areas during the reference period.

The SBA policy area where Sweden showed the most significant progress during the reference period was the single market. Policy areas where Sweden showed less progress during the same period are entrepreneurship, 'second chance' and State aid & public procurement.

Sweden has covered most of the SBA recommendations and the implementation of SBA relevant policies proceeds at a steady pace. This dovetails with the overall progress seen since 2008.

SBA performance of Sweden: state of play and development from 2008 to 2019[12]



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[13]

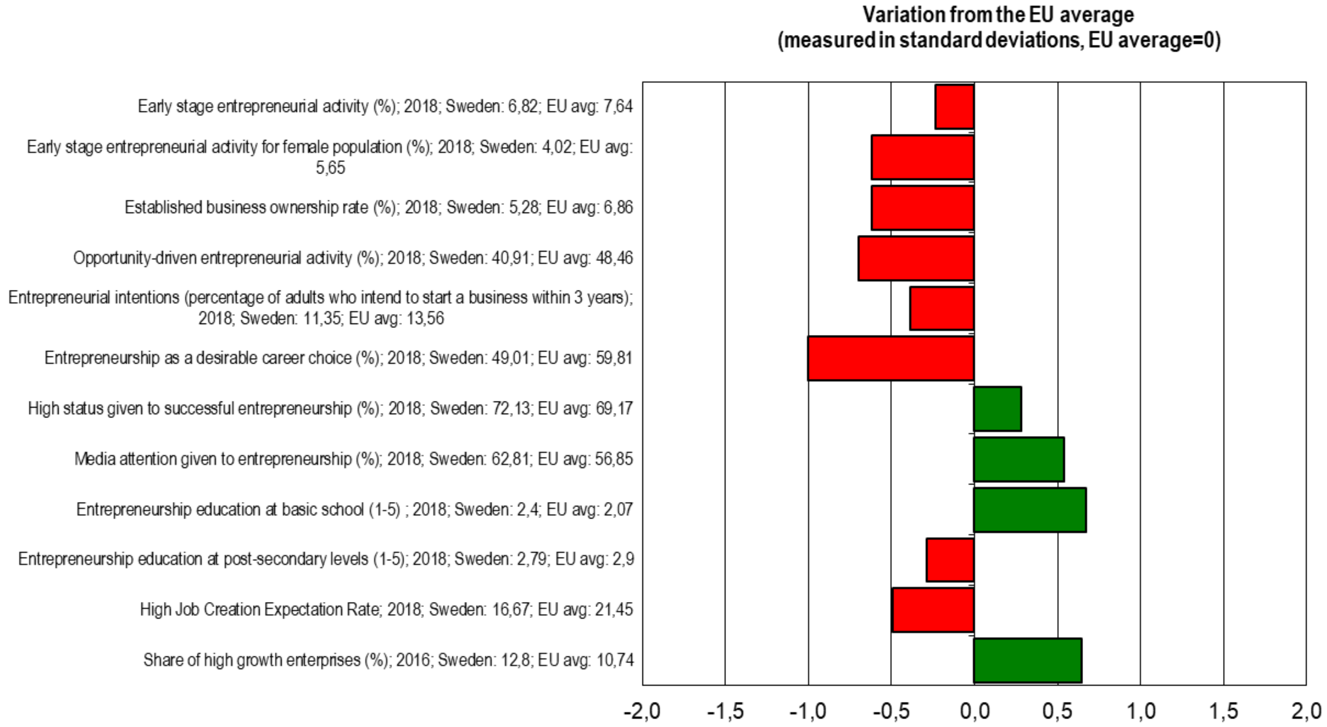
3.0 ‘Think Small First’

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.

Verksamt.se is a website for business information and services including content from more than 50 authorities. The website has regularly been improved over the years and is part of the government’s strategy to make Sweden the world leader in simple and easy ways of contacting authorities[14]. In 2018, the Swedish Agency for Economic and Regional Growth took on an increasing role in running and implementing the ‘Serverat’ programme, in collaboration with the Swedish Association of Local Authorities and Regions as well as the Swedish Companies Registration Office. Serverat's scope has been extended to include many licensing procedures at the municipal level under the EU services Directive. The objective is to facilitate a more complete digital service offering for entrepreneurs and municipalities[15].

During the reference period, one policy measure was adopted. It aims at creating an easier path to jobs and the supply of skills in the business sector (*Uppdrag att skapa enklare vägar till jobb och kompetensförsörjning i näringslivet*). Based on the needs of companies, the policy measure extends hitherto successful initiatives. The goal is to strengthen the position of new arrivals and people who have been outside the job market for a longer time as well as facilitate the creation of more jobs with lower qualification requirements. This measure tallies with the government's goal for employment, equality and integration[16].

3.1 Entrepreneurship



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

Sweden's performance in the field of entrepreneurship has remained in line with the EU average. Both its early stage entrepreneurial activity for the female population (4%) and its opportunity-driven entrepreneurial activity (40.9%) rank well below the EU average. In addition, it also ranks significantly below the EU average in entrepreneurship being a desirable career (49%). However, the percentage of high-growth enterprises (12.8%), the media attention given to entrepreneurship (62.8%) and entrepreneurship education at school (2.4) rank above the EU average.

The female entrepreneurship rate in Sweden is rather low. The currently good labour market conditions might contribute to a general lack of people wanting to start a business. While entrepreneurship framework conditions are good and entrepreneurs have a high status, women are under-represented on private company boards and among entrepreneurs. Both the proportion of Swedish women who are self-employed with employees (1.6 %) and the proportion of own-account workers (3.8 %) are among the lowest in the OECD[17].

During the reference period, Sweden put efforts into supporting an entrepreneurial mind set in both lower secondary education and universities. In addition to more resources for funding of entrepreneurship among young people at lower and upper secondary school level, the following measures were adopted.

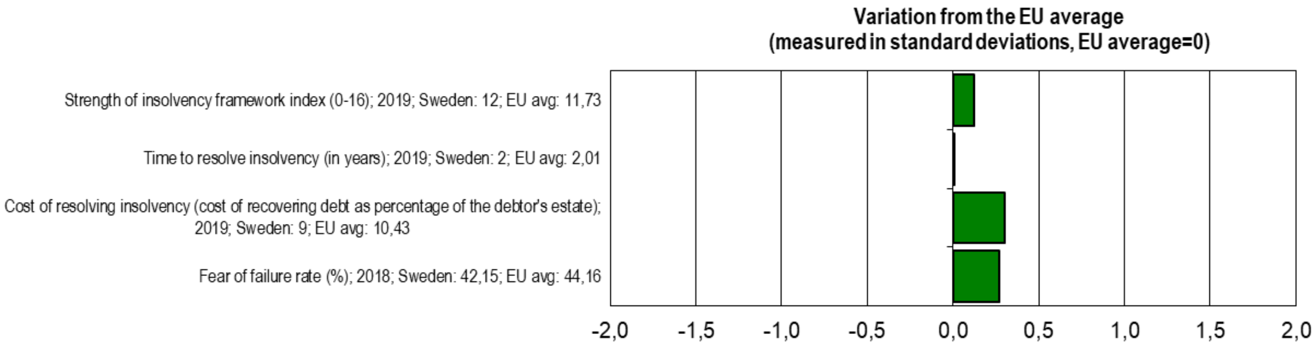
- Funds for a pilot project in entrepreneurship for grades 8 and 9 (*Uppdrag att utbetala medel för en pilotsatsning på entreprenörskap för årskurs 8 och 9*), involving students in secondary education in the development of a fictional company combined with discussions and reflections on business methods.

- Projects related to entrepreneurship among young people at universities (*Uppdrag att stärka arbetet med entreprenörskap och företagande bland unga vid universitet och högskolor*). The key features of this policy measure were to develop digital education for the start-up and development of companies, and to implement a model for workshops based on the experience from Startup-Sweden[18].

- Strengthened insurance coverage for students and entrepreneurs (*Stärkt försäkringsskydd för studerande och företagare*). This legislative proposal means that the qualifying income (used to calculate money paid out for sick or parental leave) for those who start a limited liability company should, during the company's development phase, be calculated on the basis of the same principles as for sole proprietors. In addition, the time for the development phase will be extended from 24 to 36 months. The objective is to increase the social safety net for those starting a business regardless of the company form[19].

- Further initiatives have been undertaken to strengthen entrepreneurship among women born abroad or recently arrived in Sweden[20].

3.2 'Second chance'



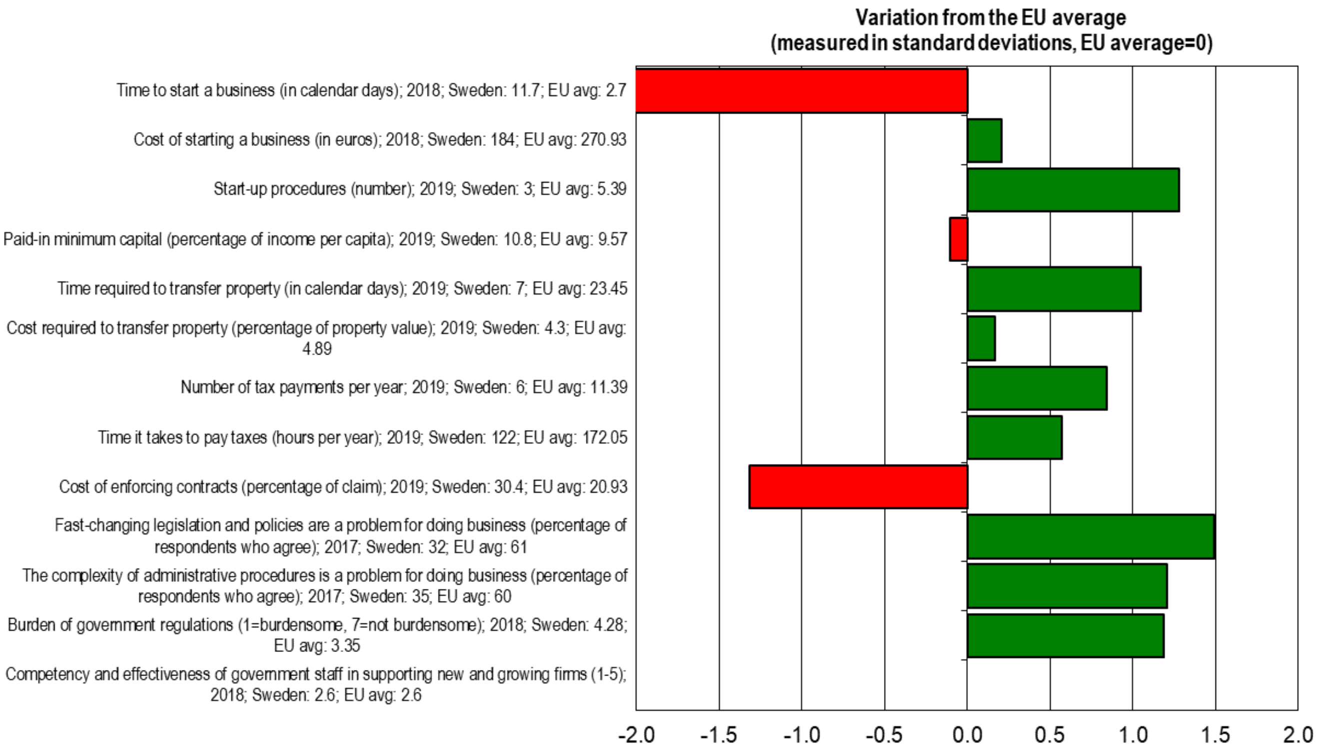
Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

'Second chance' refers to ensuring that honest entrepreneurs who have gone bankrupt get a second chance quickly. Sweden is in line with the EU average in this SBA policy area. The fear of failure rate increased from 36.7% in 2017 to 42.2% during the current reference period. The time and cost of resolving insolvency as well as the strength of the insolvency framework remained the same as in the previous year. They continue to be in line with the EU average.

Swedish entrepreneurs that have had previous experience of starting a company believe that they have greater knowledge of how to run a business, are less worried about failure, have greater growth ambitions and are more innovative than those who enter entrepreneurship for the first time[21]. However, when comparing 2017 figures with those of 2006, more people report refraining from starting a company due to the fear of failure[22].

Sweden did not announce, adopt or implement any significant new policy measures in the 'second chance' policy area during the reference period.

3.3 'Responsive administration'



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'Responsive administration' refers to public administration being responsive to the needs of SMEs. Sweden's performance in this SBA policy area is above the EU average. Its company-friendly business environment performs well in the categories of tax payments, changing legislation and policies as well as administrative procedures and the burden of regulations. At the same time, starting a business takes longer (11.7 days)[23] and the cost of enforcing contracts (30.4% of claim) is higher than the EU average.

One of the greatest challenges for SMEs is the availability of skilled labour. The slow processing of work permit extensions for highly skilled non-EU professionals continues to pose a challenge, though waiting times have improved lately[24].

The ongoing digitisation of the public sector benefits Swedish businesses. Through the e-business portal www.verksamt.se over 50 different government agencies provide information, targeted support, and enable e.g. company registrations and tax calculation.

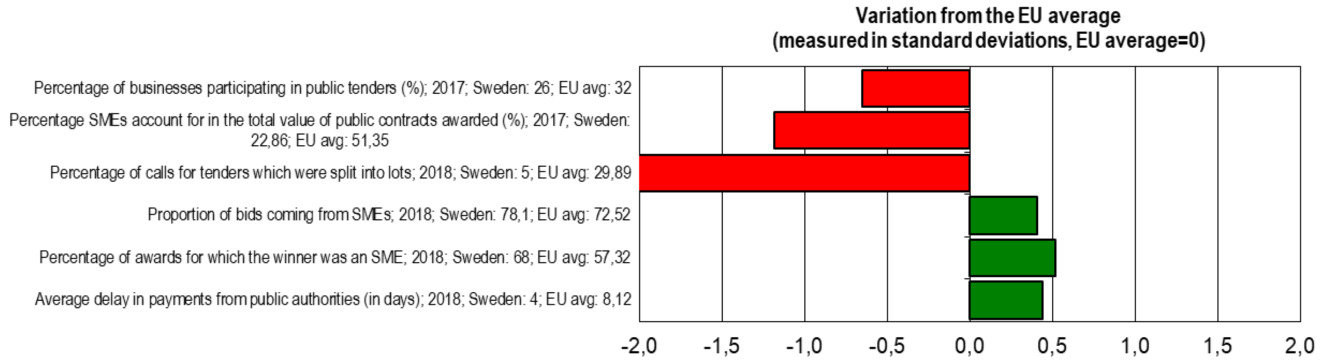
A new agency for digital government, DIGG, will develop, coordinate and support public sector digitisation at both central and local level. The agency was set up in September 2018 with a budget of SEK 98.5 million for 2019[25].

During the reference period, two relevant measures were implemented.

- The Ordinance (2018: 1264) on digital collection of information from companies was implemented by the Swedish Agency for Economic and Regional Growth (*Tillväxtverket*). Sixty-seven authorities are covered by the requirement to collect information digitally from companies and coordinate the collection. The Ordinance, which took effect in October 2018, aims to reduce and simplify the reporting of data for companies. The Swedish Agency for Economic and Regional Growth and the Swedish Companies Registration Office will be responsible for monitoring and advising authorities covered by the Ordinance.[26]

- The second measure aims to investigate how to shorten the time for an application by companies within the hospitality industry (*Uppdrag att lämna förslag om kortare handläggningsprocesser för företag i besöksnäringen*). The objective is to submit proposals on how to shorten the time for processing applications, which have particular importance for companies in the hospitality industry[27].

3.4 State aid & public procurement



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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.

Sweden's performance in State aid & public procurement was below the EU average during the reference period. The proportion of calls for tenders, which were split into lots (5%)[28], as well as the proportion of businesses participating in public tenders (26%) and the share of SMEs in the total value of public contracts awarded are below the EU average.

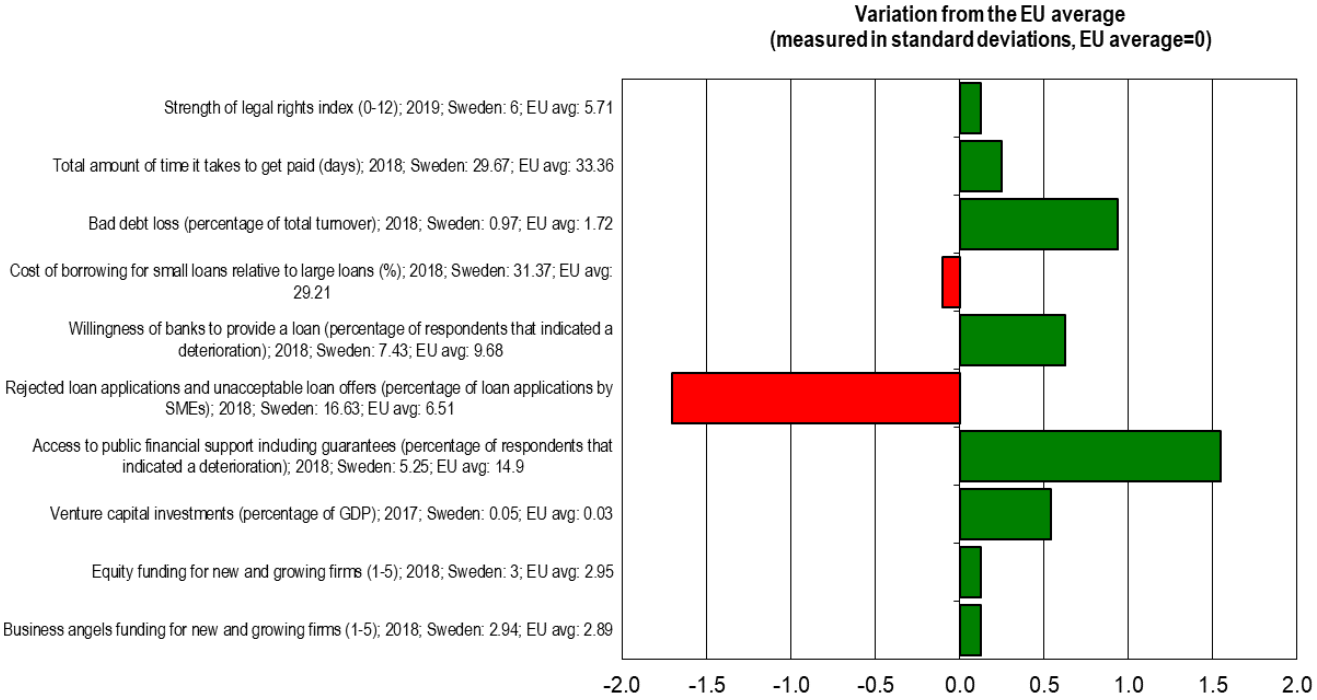
On the other hand, SMEs' share of the number of awarded public contracts and the delay in payments from public authorities remain in line with the EU average.

Overall, the transparency of the public procurement system has improved. The proportion of contract award notices without information on the contract value has significantly decreased[29].

Challenges remain in a few specific areas. In particular, the professionalisation of public procurers in the municipalities could reduce the overall level of irregularities in public procurement[30].

During the reference period, a policy measure for identifying and analysing the conditions for alternative financial instruments in the public welfare sector was adopted (*Uppdrag att kartlägga och analysera förutsättningarna för alternativa finansiella instrument i offentlig välfärdssektor*). The National Agency for Public Procurement will map and analyse the pre-requisites for alternative financial instruments in the public welfare sector. The objective is to achieve simultaneously social effects in society, financial returns for the investor and savings for the public sector. The analysis will include how the instruments relate to existing Swedish legislation. The authority will cooperate with relevant players in the area[31].

3.5 Access to finance



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

Sweden continues to perform above the average in access to finance. However, the SAFE survey of the European Commission suggests that the situation for SMEs is not as good as it has been in recent years.

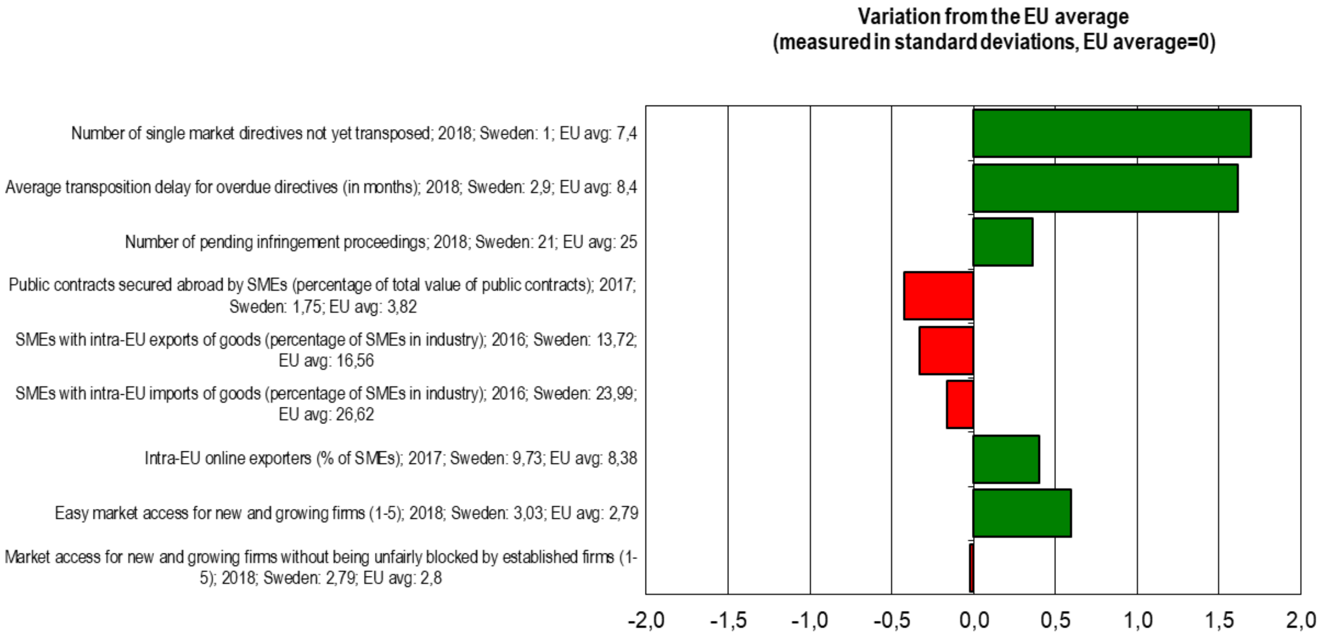
Access to finance is the biggest concern for 7% of Swedish SMEs (EU: 7%). SMEs reported finding customers, availability of skilled staff or experienced managers and costs of production or labour as their three most relevant issues. The SMEs surveyed indicated that the three most relevant sources of financing are equity capital (relevant for 64% of SMEs), leasing (49%) and credit lines (47%). Bank loans remain the relevant form of external financing for 34% of Swedish SMEs (EU: 47%)[32].

Out of those SMEs who applied, 12% of bank loan applications were rejected (EU: 5%). Furthermore, 5% of companies who successfully applied received less than they applied for (EU: 11%) and 5% reported that they declined the loan offer from the bank because they found the cost unacceptable (EU: 1%). It means that in total 22% of Swedish SMEs did not manage to get the full bank financing they had planned for during 2018 (EU: 18%). The financing was used for fixed investments by 43% of SMEs, while 30% used it for inventory & working capital[33].

The country ranks favourably as regards bad debt loss and access to public financial support. Sweden's performance regarding the legal rights index, the amount of time to get paid, the cost of borrowing small loans and its business angels and equity funding indicators are in line with the EU average.

During the reference period, one policy measure was implemented. The government believes that a requirement for the reporting of payment times should be introduced. It is proposed that companies with at least 500 employees should report annually to the Swedish Companies Registration Office on agreed payment times, actual payment periods and late payments. The reported data will make it possible to monitor the development of payment times. In order to prevent any unnecessary administrative burden, reporting should as far as possible be automated using digital solutions. In December 2018, the government adopted a policy measure whereby the Swedish Companies Registration Office will look in to how the choice of different technical solutions for the registration of payment times affects the costs for companies[34][35].

3.6 Single market

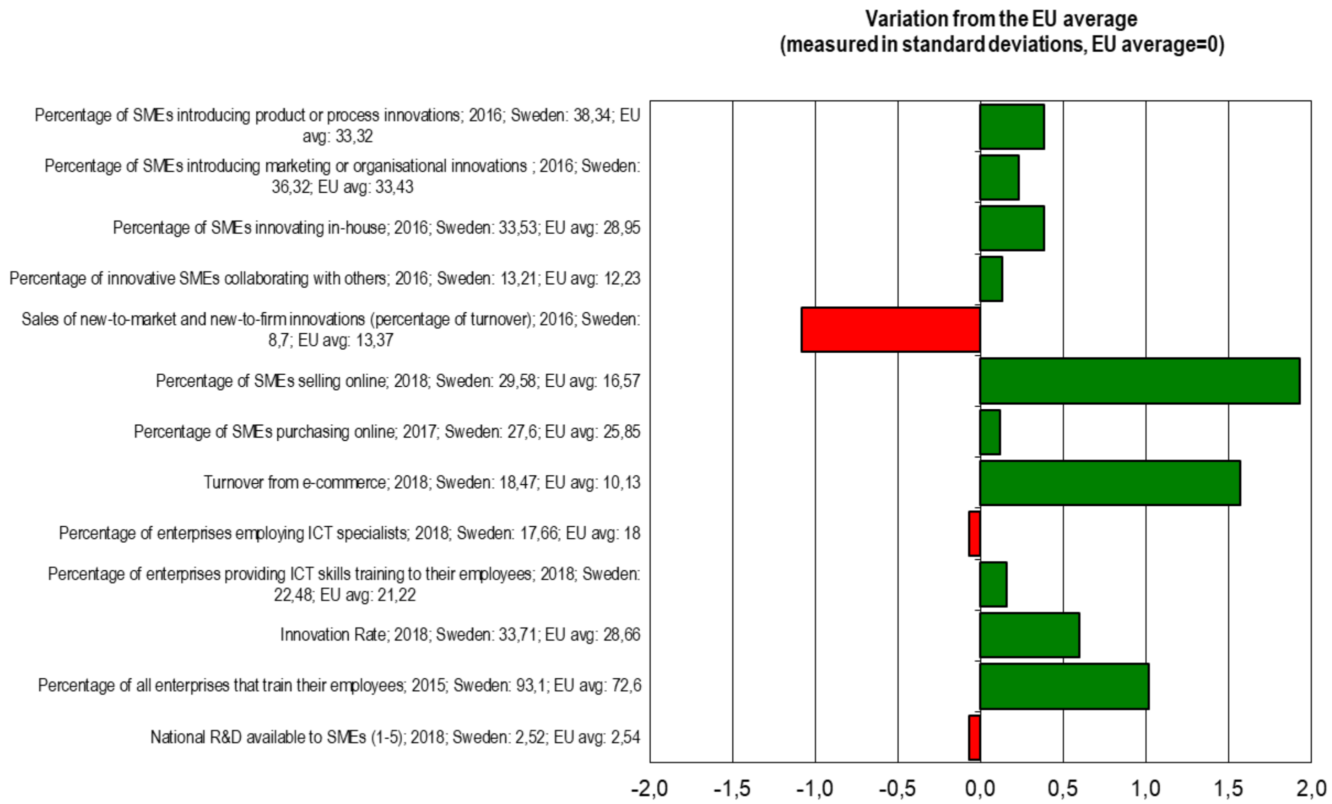


Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

Sweden's performance in this area remains above the EU average. Particularly its share of single market directives, which are not yet transposed (decreasing from three in 2017 to one in 2018), and the number of pending infringements proceedings (dropping from 25 in 2017 to 21 in 2018) are among the top performers in the EU. In addition, the average transposition delay for overdue directives ranks second best within the EU. Sweden's market access for new and growing firms ranks above the EU average, after having dropped below it in the previous year (2.53 in 2017). In terms of intra-EU exports and imports, its performance is line with the EU average, as is also the case for intra-EU online exports.

During the reference period, one policy measure was adopted aimed at future regional growth (*Uppdrag respektive erbjudande att redovisa prioriteringar avseende det framtida regionala tillväxtarbetet, inklusive sammanhållningspolitiken*). The policy measure addresses challenges in sustainable regional growth. It looks for advice concerning cross-border (county and national) cooperation in view of the proposed EU regulation for cohesion policy 2021–2027[36].

3.7 Skills & innovation



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

The country's performance in the field of skills & innovation remains above the EU average. It topped the European Innovation Scoreboard in 2018 and 2019[37]. Sweden is among the best-ranked countries in terms of SMEs selling their products and services online. However, its percentage share of SMEs purchasing online remains in line with the EU average. The country scores second highest in the percentage share of enterprises that train their employees (93.1%). This might explain the above EU average performance of its innovation rate (33.7%) and the percentage share of SMEs introducing product innovations (38.34%). The country's sales of new-to-market innovation (8.7%) are still low and remain significantly below the EU average (13.4%). Several measures and initiatives were adopted during the reference period, which included the following.

- The establishment of a knowledge platform for artificial intelligence (*Uppdrag om att etablera en kunskapsplattform för artificiell intelligens*). The idea is to develop training initiatives and related activities in education and research in line with the development of artificial intelligence. The objective is to make use of the opportunities that artificial intelligence can provide, with the purpose of enhancing Swedish welfare and competitiveness[38].

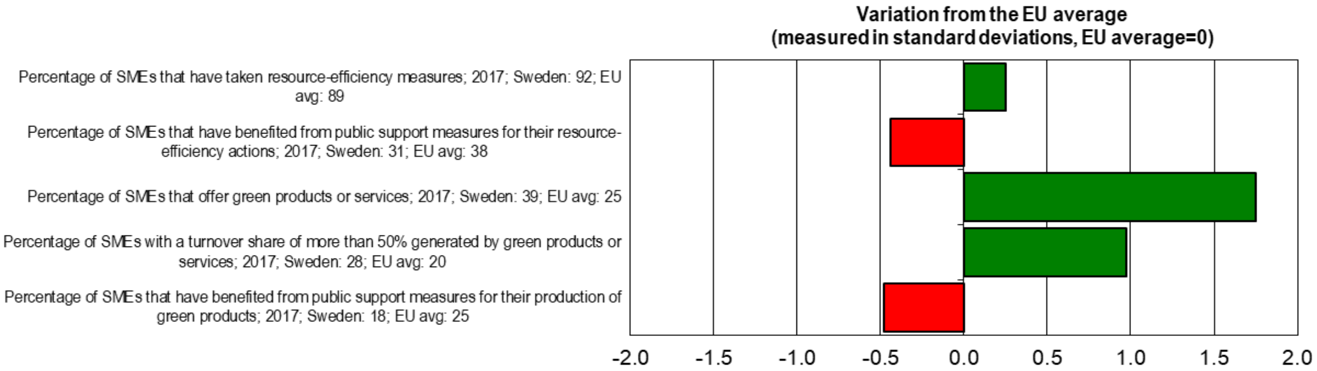
- The development of skills in the field of artificial intelligence (*Uppdrag om en kompetensutvecklingsinsats inom området artificiell intelligens*). This skills development effort will promote in-depth knowledge of artificial intelligence in both the business sector and the public sector in order to support competitiveness and increased welfare. The development work must be done in dialogue with relevant organisations in the business sector and society in general[39].

- The development of expertise in digitalisation in small businesses' management (*Uppdrag att utveckla kompetens om digitalisering i små företags ledning*). This initiative develops and implements a programme to increase knowledge within SMEs' management and boards of how to benefit from digitalisation, as well as assessing and managing the associated risks. The objective is to increase companies' ability to benefit from digitalisation for their business[40].

- Strengthening the conditions for industrialisation and manufacturing in Sweden (*Uppdrag att stärka förutsättningarna för industrialisering och tillverkning i Sverige*). This policy measure contributes to the government's goal of the 'Smart industry strategy' through fostering stronger synergies between innovative companies and industry. The measure aims at providing better opportunities for industrial companies to broaden their customer base. The objective is equally to facilitate the conditions for companies to industrialise and manufacture new products in Sweden[41].

- Funds for the establishment of a collaboration arena/platform for the development of the food sector (*Uppdrag att lämna bidrag för etablering av en samverkansarena för livsmedelssektorns utveckling*). This fund supports the establishment phase of a collaboration platform for different kinds of stakeholders of Sweden Food Arena. The platform will contribute to promoting innovation in the food sector and ensure a long-term skill supply, with the aim of increasing the competitiveness of companies in the food sector[42].

3.8 Environment



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Sweden's performance in environment remains above average. It ranks high in the percentage share of SMEs offering green products (39%). This explains the above EU average score by SMEs with more than 50% of turnovers generated from green products (28%). In addition, it ranks above the EU average in the share of SMEs that have taken resource-efficiency measures. The indicator regarding the country's SMEs having benefited from public support measures for their green products and recourse-efficiency actions is in line with the EU average.

During the reference period, the following measures were announced or implemented.

- Establishment of innovation clusters for ethanol and efficient electrified urban freight transport (*Uppdrag att inrätta innovationskluster för etanol och transporteffektiva elektrifierade urbana godstransporter*). It includes two innovation clusters, one for ethanol and one for efficient electrified urban freight transport. The objective is to foster the development of fuel and vehicle technology for fossil-free heavy transport; and this in collaboration between the public sector, business and academia. The demonstration of fossil-free heavy transport technology not only contributed to the reduction in the use of fossil fuels nationally, but also to technology and knowledge export and reduced pollution in other countries[43].

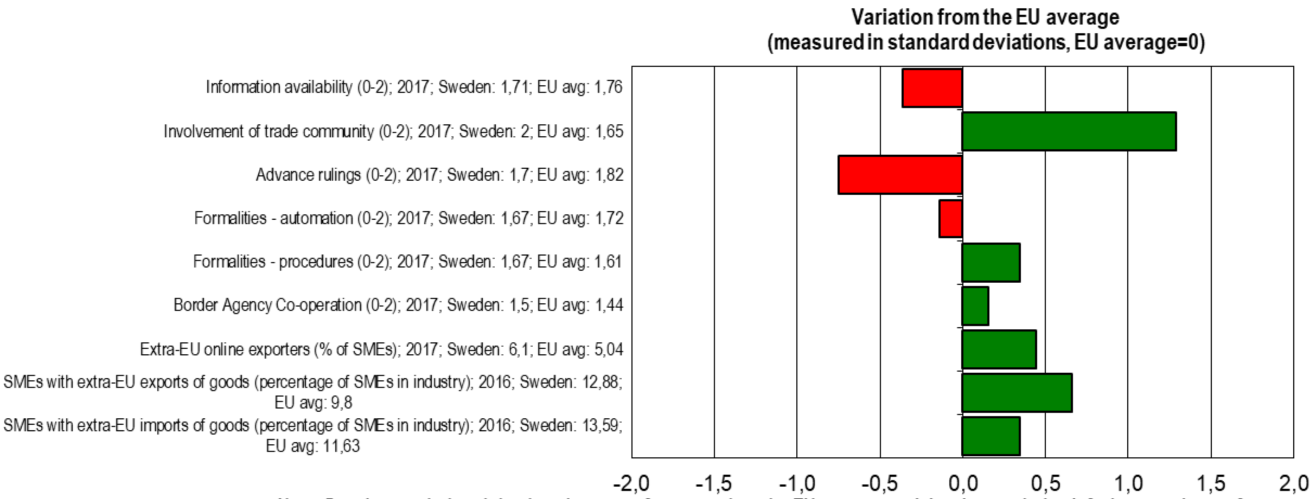
- Support for the construction of a test centre for electro-mobility (*Uppdrag att stödja uppbyggnaden av ett testcenter för elektromobilitet*). The test centre aims to research and develop new technologies within electro-mobility such as electrified vehicles and vessels, aircraft and work machines, as well as to strengthen expertise in these areas in Sweden. The initiative subsidises costs related to investments in tangible and intangible assets needed to build the test centre[44].

- Measures to promote the production, consumption and export of organic food (*Uppdrag att, inom ramen för livsmedelsstrategin, vidta åtgärder för främjande av produktion, konsumtion och export av ekologiska livsmedel*). The objective is to increase employment and growth in food production. The measures aim at achieving the government's goals for organic production and consumption, including the goal that 30% of the Swedish agricultural market should consist of certified organic agricultural land by 2030 and 60% of public food consumption should consist of certified organic products by 2030[45].

- Establish an innovation cluster for liquid biogas (*Uppdrag att inrätta ett innovationskluster för flytande biogas*). This cluster is going to promote the transition to fossil-free heavy transportation and announce funding for the development and use of liquid biogas in combination with the establishment of an innovation cluster for liquid biogas. The objective is to promote the transition by demonstrating fossil-free fuel and vehicle technology achieved in collaboration between the public sector, business sector and academia[46].

- The government is to appoint a delegation for the circular economy (*Regeringen utser delegation för cirkulär ekonomi*). The delegation should advise the government, develop a strategy, identify obstacles and the need for education and information regarding the circular economy, as well as be a knowledge centre and a coordinating force both at regional and national level. The measure is connected to the EU project C-Voucher, which tests methods for promoting circular business models by SMEs. The goal of the measure is to facilitate a circular economy combined with enhancing Sweden's competitiveness, driving innovation in circular models, reducing Sweden's environmental and climate impact and contributing to the implementation of Agenda 2030[47][48].

3.9 Internationalisation



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

Sweden's performance in the field of internationalisation declined slightly compared to last year and is now in line with the EU average. The involvement of Sweden's trade communities ranks high in the EU. The country's extra-EU SME exports score above the EU average, imports score in line with the EU average, as is also the case for extra-EU online exporters. Equally, its procedures and automation as well as border agency cooperation fall in line with the EU average. However, the country's advance rulings rank well below the EU average and information availability still ranks in line with the EU average. During the reference period, the following measures were implemented:

By the end of 2018, Regional Export Centres were established in all regions and the online import/export information at verksamt.se/utland was further developed, including an updated matching tool to find regional export support and the launch of a guide on export ("Att tänka på vid export")[49].

Innovation collaboration with India in the field of Smart Cities (*Uppdrag till Vinnova att stödja innovationssamarbete med Indien inom området smarta städer*). It covers in-depth cooperation between Swedish and Indian companies, researchers and relevant public institutions. The measure is based on the Smart City Sweden initiative, which highlights reference projects, supply chains and innovative start-up companies from all over Sweden. The measure's objective is to increase knowledge exchange between Swedish and Indian innovation systems; register an increased impact of Swedish innovation in the Indian market; and achieve better conditions for the export of Swedish system solutions in accordance with the government's export strategy[50].

The initiatives will include funds for business-driven research and innovation projects, and support for other innovation-oriented collaborations and exchanges between companies, authorities, research infrastructure and incubators. The measure will be carried out in collaboration with the Swedish embassy in New Delhi, the Swedish consulate in Mumbai and Sweden's export and investment council[51].

4. Interesting initiative

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

National approach to artificial intelligence

Sweden aims to be the world leader in harnessing the opportunities offered by digital transformation. In particular, Sweden has been focusing on the rapidly evolving field of artificial intelligence (AI). AI encompasses many technologies including machine learning and deep learning and is able to become smarter over time. The Swedish government has identified the need to develop a national approach to AI. Currently Sweden has a shortage of people with AI skills.

The government has set out to increase AI knowledge and skills in large and small companies, in municipalities, county councils and authorities. It is investing about €47 million in developing Swedish artificial intelligence skills and members of the Swedish business community are backing the initiative. The collaboration platform will include smaller start-up companies to conduct research. The measures to enhance skills and knowledge in AI can be found under the SBA policy area 3.7 Skills & Innovation.

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https://www.svd.se/regeringen-satsar-pa-ai

https://digital.di.se/artikel/regeringen-satsar-500-miljoner-pa-ai-och-backas-av-svenska-storbolag

Important remarks

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

SME Performance Review:

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

grow-spr@ec.europa.eu

Small Business Act:

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

European Small Business Portal:

http://ec.europa.eu/small-business/index_en.htm

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/

[2] https://mundus-international.com/swedens-housing-problem/; last accessed on 22.5.2019

[3] https://www.byggvarlden.se/het-byggmarknad-svalnar-av-116626/nyhet.html; https://byggindustrin.se/artikel/nyhet/stabilt-byggande-i-hela-norden-26209; last accessed on 22.5.2019
https://www.sverigesbyggindustrier.se/UserFiles/Files/BI_Analys/BK1_2019.pdf; last accessed on 22.5.2019

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[5] https://www.bertelsmann-stiftung.de/en/media-center/media/mid/sweden-on-the-way-to-the-digital-future/; last accessed on 22.05.2019

[6] Bolagsverket, Swedish Companies Registration Office https://bolagsverket.se/be/sok/etjanster/statistik/statistik-1.3538, ; last accessed on 22.5.2019

[7] Tillväxtanalys, / Growth Analysis (The Swedish Agency for Growth Policy Analysis) https://www.tillvaxtanalys.se/in-english/publications/statistics/statistics/2019-06-20-newly-started-enterprises-in-sweden-2018.html

[8] 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.

[9] In line with the Commission implementing regulation (EU) No 439/2014, high-growth enterprises are defined as firms with at least 10 employees in the beginning of their growth and average annualised growth in number of employees greater than 10% per annum, over a 3-year period. The share of high-growth enterprises is the number of high-growth enterprises divided by the number of active enterprises with at least 10 employees. Source of the data on high-growth enterprises is Eurostat (http://ec.europa.eu/eurostat/web/products-datasets/-/bd_9pm_r2, last accessed 15.04.2019).

[10] 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.

[11] Country Report Sweden 2019

https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-sweden_en.pdf

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

[13] 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.

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[20] https://www.esv.se/statsliggaren/regleringsbrev/?RBID=20166

[21] https://entreprenorskapsforum.se/wp-content/uploads/2018/06/GEM_Nationell_Rapport_2018_Webb.pdf

[22] https://entreprenorskapsforum.se/wp-content/uploads/2018/06/GEM_Nationell_Rapport_2018_Webb.pdf

[23] Bolagsverket (Companies Registration Office) estimates this time to be only four days. Country Report Sweden 2018, p 46.

https://ec.europa.eu/info/sites/info/files/2018-european-semester-country-report-sweden-en.pdf

[24] Country Report Sweden 2019

https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-sweden_en.pdf

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Månadsrapport Juni 2019, Dnr 1.1.1.2-2019-2157, Migrationsverket (Monthly report June 2019, File No 1.1.1.2-2019-2157, Swedish Migration Agency)

[25] Country Report Sweden 2019

https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-sweden_en.pdf

[26]https://bolagsverket.se/om/oss/nyheter/arkiv/2018/ny-forordning-om-digital-inhamtning-av-uppgifter-fran-foretag-1.17442

[27]https://www.regeringskansliet.se/4a17cd/contentassets/9874341c225c47c39965b5ff1fde5b0d/regeringsbeslut-n2018_04122_ff-och-n2018_01482_ff-pdf.pdf

[28] The 5% share of calls for tenders split into lots is based mainly on above-threshold public procurement procedures. The official source for this statistic is Tenders Electronic Daily (TED), where contracting authorities are obliged to advertise their above-threshold procedures.

[29] Country Report Sweden 2019

https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-sweden_en.pdf

[30] Country Report Sweden 2019

https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-sweden_en.pdf

[31] https://www.esv.se/statsliggaren/regleringsbrev/?RBID=18665

[32] Survey on the Access to Finance of Enterprises (SAFE), European Commission, November 2018.

[33] Survey on the Access to Finance of Enterprises (SAFE), European Commission, November 2018.

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[45]https://www.jordbruksverket.se/download/18.5bd82a281633701bda72b9b6/1525703313013/Uppdrag%202_26%20april%202018.pdf

[46] https://www.regeringen.se/49aa30/contentassets/c2d4c09342564936adb9d18aecc0da42/n2018_02934-uppdrag-att-inratta-innovationskluster-for-flytande-biogas-20180509.pdf

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