



The Small Business Act for Europe

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Cooperation**

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Euro-Mediterranean industrial cooperation

Policy framework

- **1995 Barcelona process**
- **2004 European
Neighbourhood Policy**
- **2008 Union for the
Mediterranean**

Euro-Mediterranean industrial cooperation

Objectives

- **Build a Euro-Mediterranean area of shared prosperity**
- **Share policies and programmes for enterprises and industry**



Euro-Mediterranean industrial cooperation

Industry Ministers meet every two years

- To take stock of progress
- To plan the next steps

9th ministerial meeting, Brussels, February 2014

- 2014-2015 work programme

2014-2015 work programme

1. SMEs

2. Networks

3. Trade

4. Textiles/clothing, creative industries

1. EU SMEs in the crisis

- Why are SMEs so important?

1. 99 out 100 European Businesses are SMEs (9 out of ten have less than 10 employees)
2. They provide 2 out of 3 private sector jobs
3. 85% of new jobs between 2002-2010 in the EU were created by SMEs

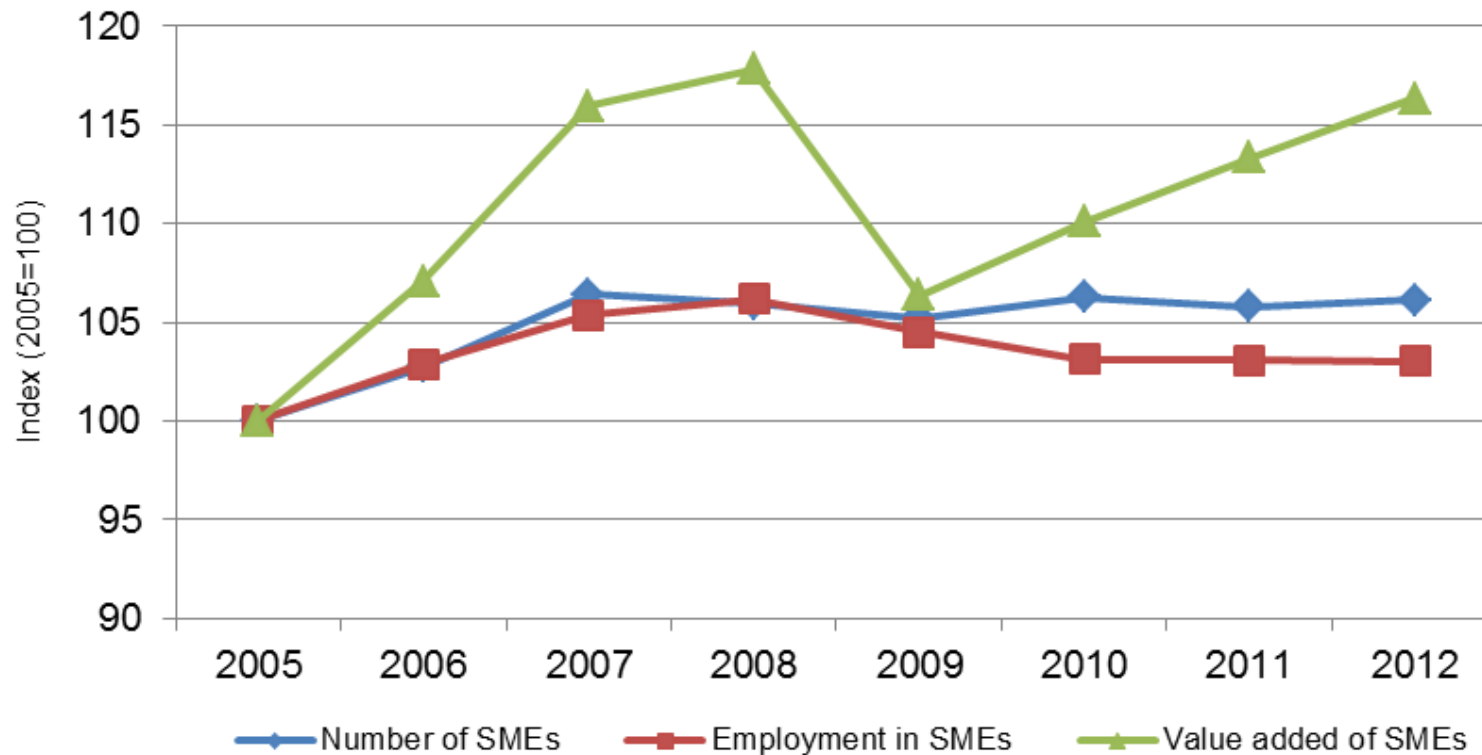
=> All efforts to reinforce the EU's global competitive position have to put SMEs central

What is an SME?

THE NEW THRESHOLDS (Art. 2)

Enterprise category	Headcount: Annual Work Unit (AWU)	Annual turnover	or	Annual balance sheet total
Medium-sized	< 250	≤ €50 million (in 1996 € 40 million)	or	≤ €43 million (in 1996 € 27 million)
Small	< 50	≤ €10 million (in 1996 € 7 million)	or	≤ €10 million (in 1996 € 5 million)
Micro	< 10	≤ €2 million (previously not defined)	or	≤ €2 million (previously not defined)

EU SMEs in the crisis – main trends



Source: Eurostat/National Statistics Offices of Member States/Cambridge Econometrics/Ecorys

Note: 2011 and 2012 figures are estimates.

2.The EU's SME Policy

Guiding principles:

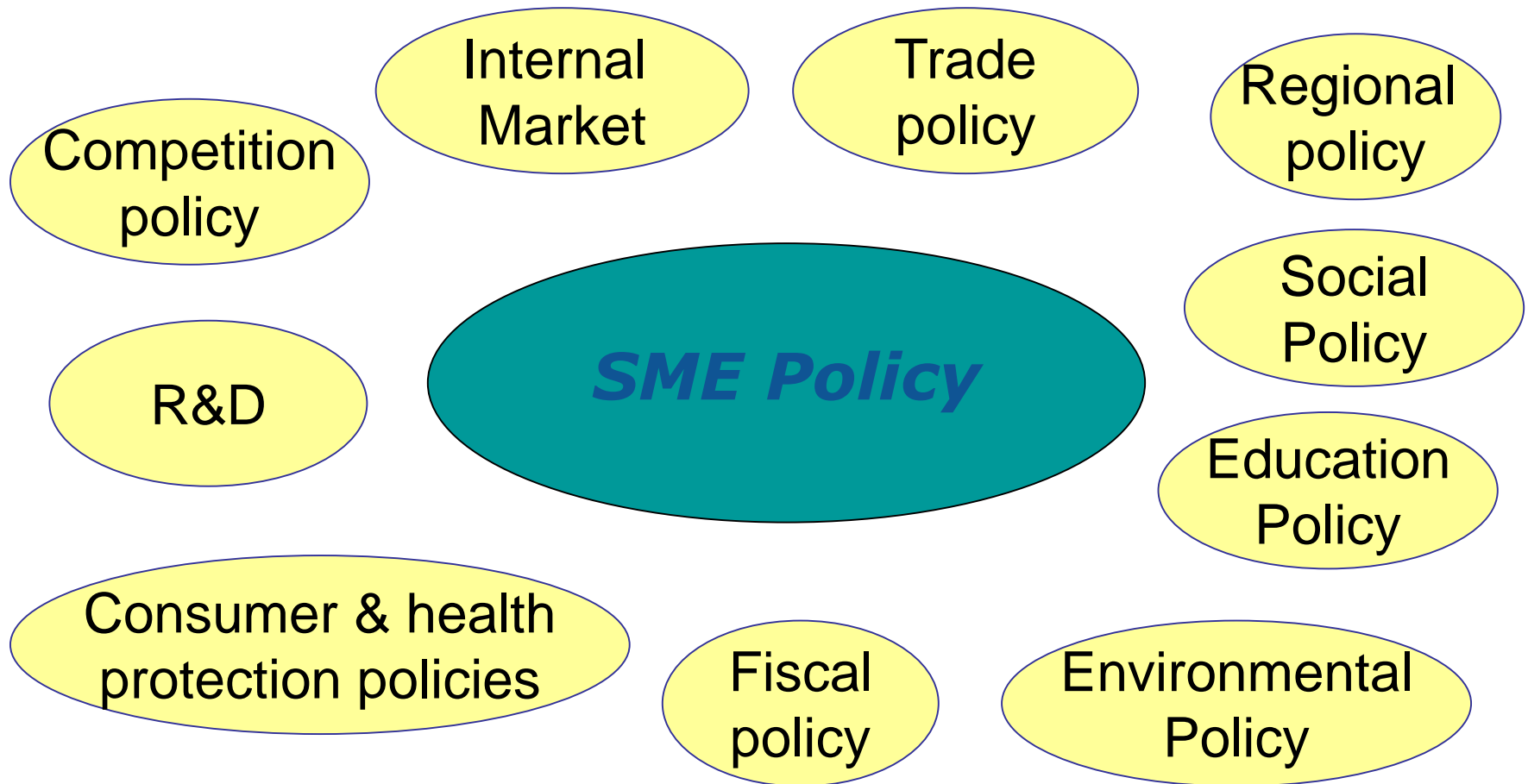
Subsidiarity as the starting point -> SME policy is – first of all- national business

Role of EU

-> areas where joint EU action may yield value-added

-> issues where the EU as such has the responsibility to improve the situation of SMEs

The EU's SME Policy



The EU's SME Policy - The "Small Business Act" for Europe

- **Adopted in June 2008**
- **Main objective: create a common framework for SME initiatives and implement the "Think Small First" principle**
- **10 principles and a set of policy actions to implement them**
- **SBA Review in 2011**

The 10 SBA principles

1. *Support entrepreneurship*
2. *Give a 2nd chance (failure)*
3. *"Think Small First" (reduce burdens)*
4. *Public administration responsive to SME needs (e-government)*
5. *Improve access to public procurement & use of state aid*
6. *Facilitate access to finance*
7. *Benefit from Single Market opportunities*
8. *Access to skills and innovation*
9. *Eco-innovation/environment opportunities*
10. *Access to external markets*

Support programmes/measures

=>SME Innovation

Example: Horizon 2020 (€ 77 000 Mio)

=>SME Finance

Example: COSME (€ 2 400 Mio)

=>SME Access to new markets

Example: Enterprise Europe network

<http://een.ec.europa.eu/>

http://ec.europa.eu/easme/business-cooperation-centres_en.htm



Network of SME Envoy

SME Assembly




Enterprise and Industry
SBA Fact Sheet 2012
Ireland

Key findings:

- Small and medium-sized enterprises are comparatively more prevalent in Ireland than in the EU as a whole.
- The Irish SME sector is still struggling with the effects of the crisis. Employment stabilised in 2010/2011 and value added is now on a very modest growth path, but still well below pre-crisis levels.
- The country clearly satisfies the EU average in six out of 10 SBA areas. It offers by far the best conditions for entrepreneurs who have failed and want to start over again. In 2011 policy focused on improving access to finance for SMEs and second-chance entrepreneurship.

Report the SBA Fact Sheet?

The **SBA Fact Sheet** (SBA) is the EU's flagship policy initiative to support small and medium-sized enterprises (SMEs). The aim of the currently adopted Fact Sheet is to improve understanding of small needs 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 guarantee the implementation of the SBA agenda in their countries.

1. SMEs in Ireland – basic figures

	2011			EU average			2007		
	Number	Share	Value added	Number	Share	Value added	Number	Share	Value added
SMEs	131 189	92.8%	€27.5 bn	141 400	92.8%	€27.5 bn	141 400	92.8%	€27.5 bn
Large	10 100	7.2%	€2.5 bn	10 100	7.2%	€2.5 bn	10 100	7.2%	€2.5 bn
Micro	111 089	80.1%	€1.5 bn	111 089	80.1%	€1.5 bn	111 089	80.1%	€1.5 bn
Small	20 100	14.7%	€2.0 bn	20 100	14.7%	€2.0 bn	20 100	14.7%	€2.0 bn
Medium	10 100	7.2%	€1.0 bn	10 100	7.2%	€1.0 bn	10 100	7.2%	€1.0 bn
Total	141 289	100.0%	€30.0 bn	141 289	100.0%	€30.0 bn	141 289	100.0%	€30.0 bn

Source: For 2011, based on 2010/2011 figures from the European Business Statistics Database. The authors have used data from the European Commission. The data cover the business economy which includes industry, construction, trade and services (NACE Rev. 2 Section B to I, J, L, M and N). The data does not cover the employment in agriculture, forestry, fishing or the agricultural sector. The data is not comparable across countries. The advantage of using data from the authors for different countries has been acknowledged and is comparable across countries. The advantage is that for some countries data may be different from data published by national authorities.

Small and medium-sized enterprises dominate the Irish SME sector, to the detriment of micro-firms. In particular, medium-sized enterprises contribute more than the EU average to employment (21.3% compared to 17.2% in the EU) and value added (28.4% compared to 18.4% in the EU). Overall, however, the SME sector contributes less on average to value added and more to employment than its European counterparts. This suggests that the labour productivity of SMEs in Ireland is lower. This may be the result of the industrial structure of the Irish economy. In terms of sectoral distribution, the services sector is by far the most important for SMEs, 58% of all SMEs, compared to 41% in the EU, come from this sector. On the other hand, only 3% of Irish SMEs are active in manufacturing, whereas the equivalent figure for the EU is 10%.

The sector is still struggling with the effects of the crisis. The figures show that the number of enterprises and employment in Irish enterprises stabilised in 2010-11, although well below the 2008 peak. Only the SME sector's value added is now on a modest growth path.

The high-tech manufacturing and knowledge-intensive sectors are considered crucial for restoring competitiveness to European firms. These firms are relatively more numerous in Ireland, representing 31% of the number of SMEs.

SME Performance Review

SME Assembly

Naples 1-3 October 2014

Daniel ABBOUD

**Association of
Lebanese
Industrialists**

Manal YASSINE

**Ministry of
Industry,
Charter/SBA
Coordinator in
Lebanon**

SME Performance Review: example

1. SMEs in Italy — basic figures

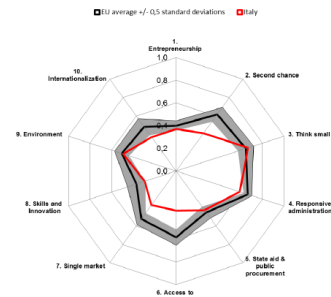
	Number of enterprises			Number of employees			Value added		
	Italy	Share	EU27	Italy	Share	EU27	Italy	Share	EU27
Micro	3,491,826	94.4%	92.1%	6,930,947	46.1%	28.7%	185	29.8%	21.1%
Small	183,198	5.0%	6.6%	3,236,764	21.5%	20.4%	136	21.9%	18.3%
Medium-sized	19,265	0.5%	1.1%	1,861,089	12.4%	17.3%	101	16.3%	18.3%
SMEs	3,694,288	99.9%	99.8%	12,028,799	80.0%	66.5%	422	68.0%	57.6%
Large	3,196	0.1%	0.2%	3,013,012	20.0%	33.5%	198	32.0%	42.4%
Total	3,697,484	100.0%	100.0%	15,041,812	100.0%	100.0%	620	100.0%	100.0%

These are estimates for 2012 produced by London Economics, based on 2008-10 figures from the Structural Business Statistics Database (Eurostat). The data cover the '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 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.

Italy's SME sector has a higher proportion of micro enterprises employing fewer than ten persons, compared to the EU average (Italy: 94%, EU: 92%). Micro firms therefore contribute more to employment and value-added than elsewhere in the EU: nearly half of total employment and one-third of value added. However, trends show that micro enterprises stagnated both in terms of numbers and added value as compared to the average of the SME sector, whereas small and medium-size companies were

employees. Hence, LEs outperformed SMEs, which were hit harder by the economic and financial crisis. This is particularly evident in the construction sector, where value added and employment has fallen respectively by about 30% and 15%, between 2008 and 2012. The crisis-induced difficulties in accessing credit for firms in this sector were compounded by the boom period coming to an end. It had started in 2000 when capital was readily available, real estate investments were profitable and expenditure on public

2. Italy's SBA profile



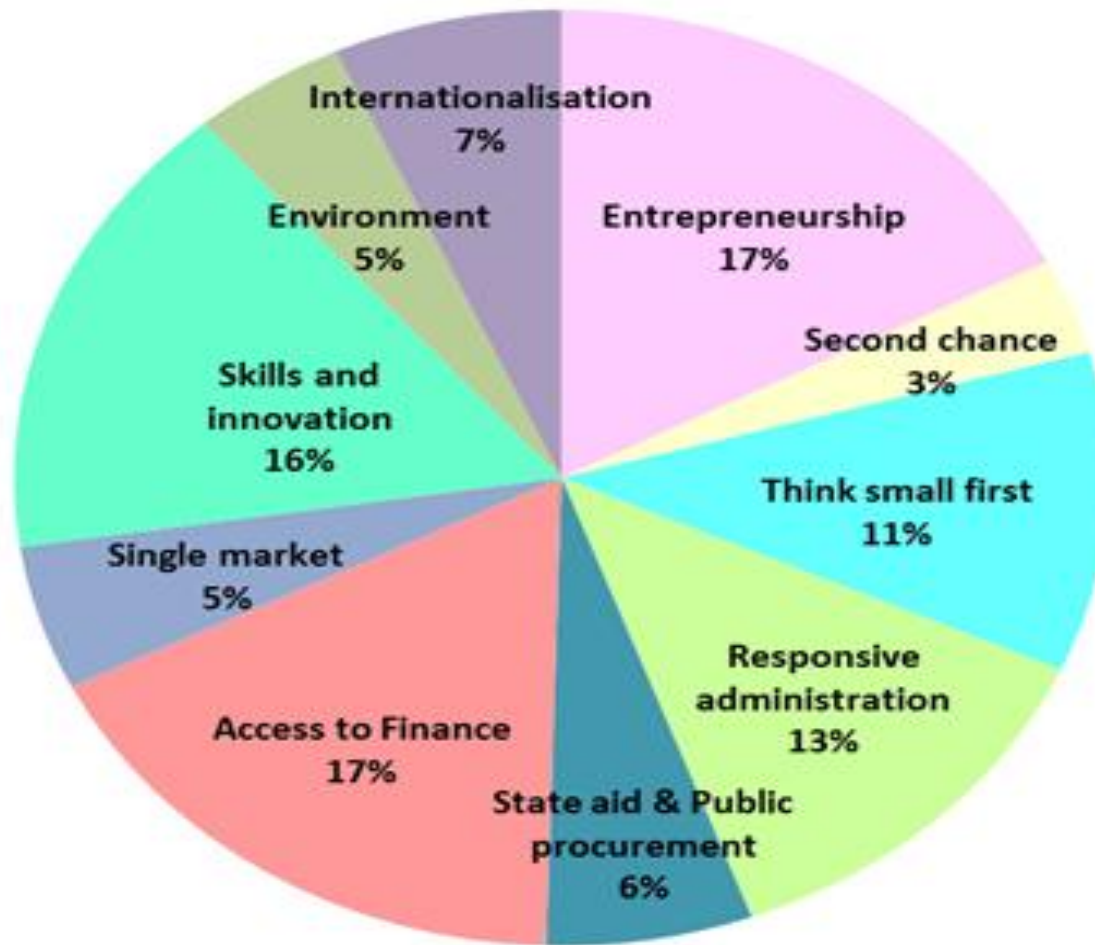
Italy's SBA profile is catching up with the EU average, as it has made major progress over the last 12 months in terms of policy and legislative reforms in most SBA aspects. No fewer than five decrees were converted into law in 2012, each containing important measures for SMEs.

This progress was needed as Italy's SBA profile still lags behind the EU average, especially on access to

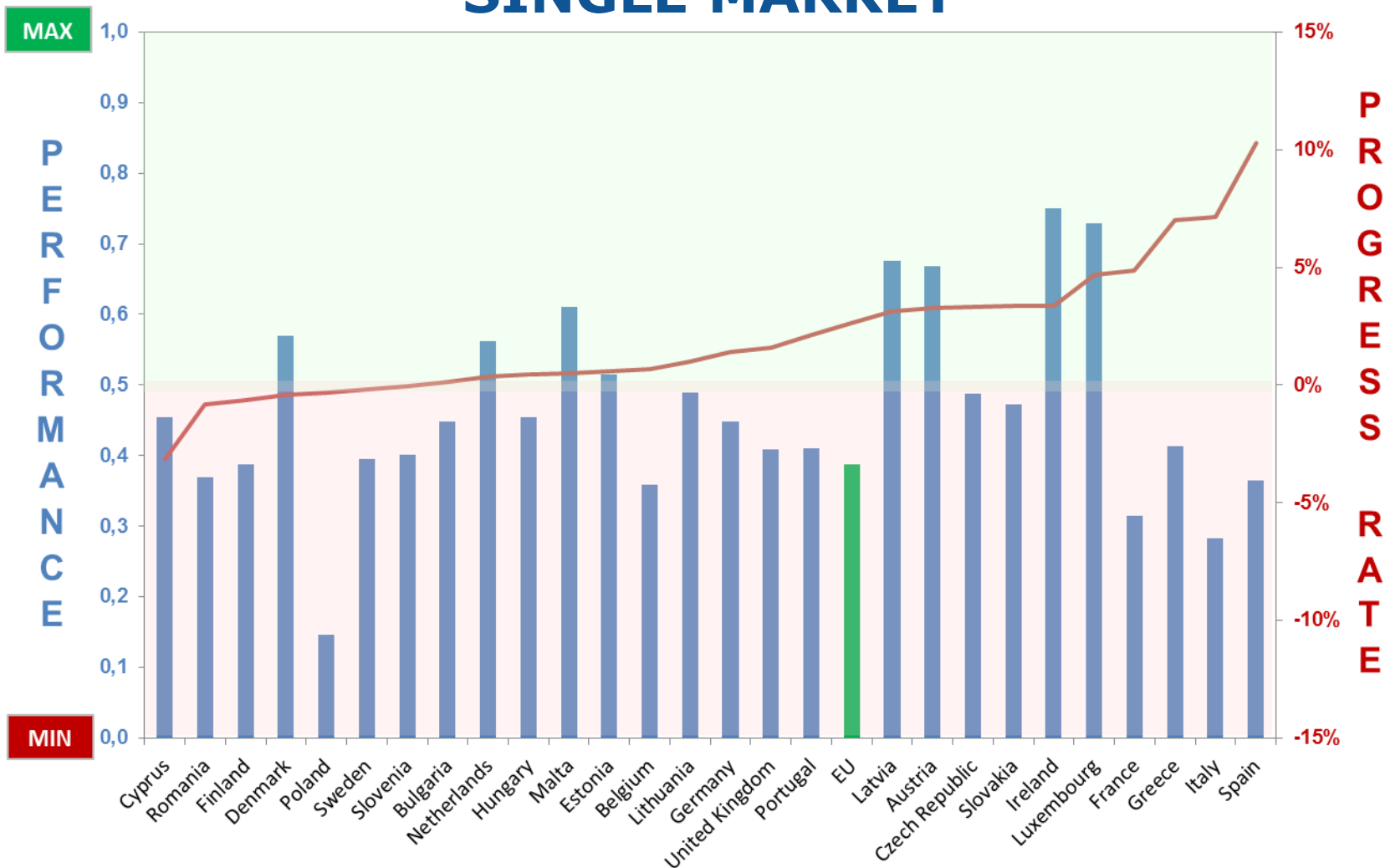
stakeholders consulted for this exercise identified the crucial need not to stall administrative implementation of the approved reforms. Swift implementation of the announced measures is the single most important issue to be monitored for Italy's SBA performance, as no new initiatives were planned for the first months of 2013, due to the current uncertain political context³. This concern is corroborated by the delay in implementing a number of measures that were announced in 2011 and 2012, in particular the tax credit for enterprises to hire young researchers and the Unique Environmental Authorisation for SMEs (AUA). In addition, the annual law for SMEs (Article 18 of the Statute of the Enterprises) was drafted for 2013 but put on hold due to last February's general elections.

The latest developments do not detract from the fact that most of the SBA-related measures have been adopted, in line with Italy's strategy to implement the SBA, which is carried out by the Ministry of Economic Development. This Ministry supports the work of the Italian SME envoy and of the SME Guarantor, and also hosts the Network Contract Observatory and the SME Basic Observatory monitoring SBA

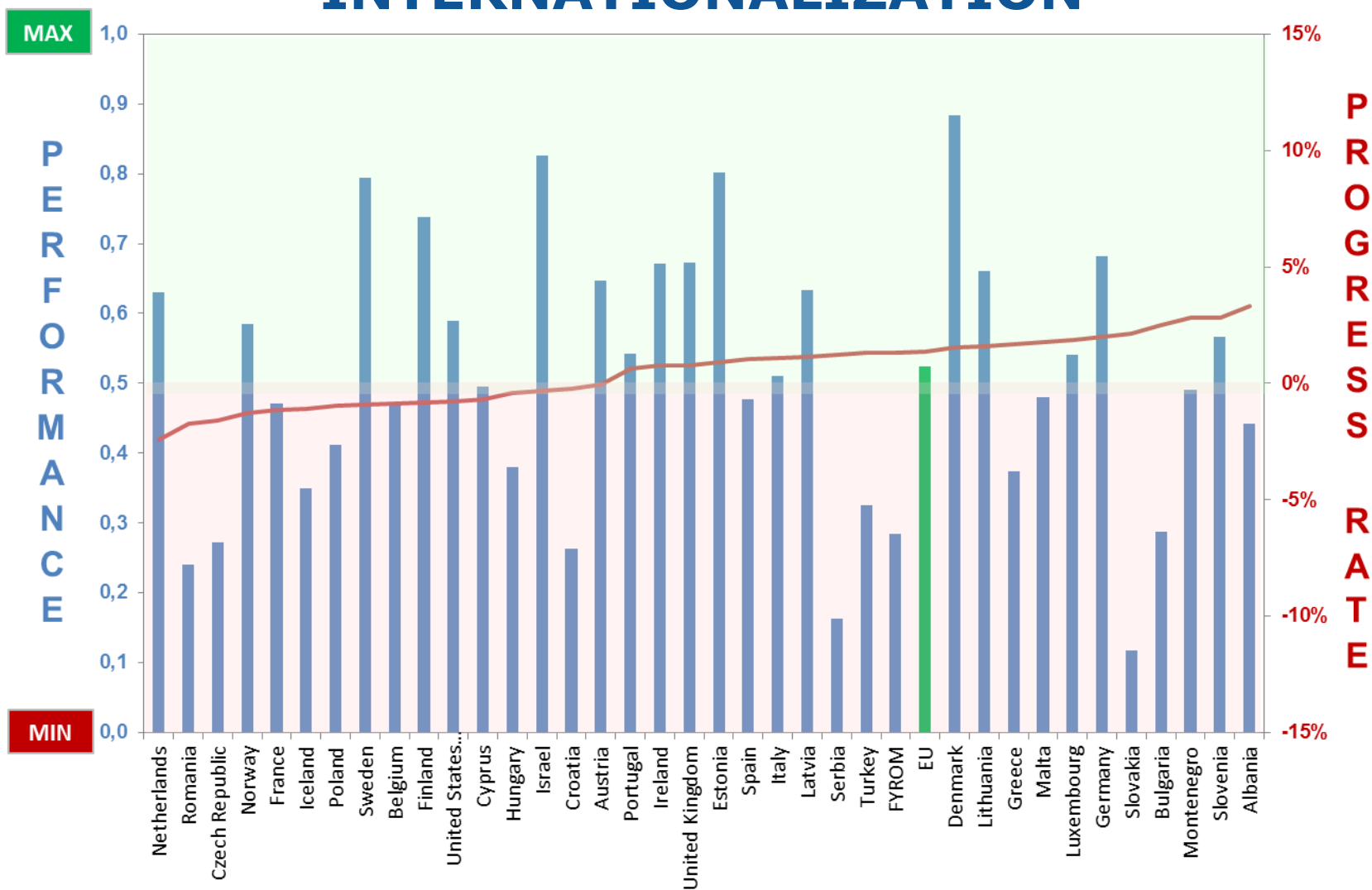
Distribution of policy measures across SBA principles (2008-2012), EU 27



SINGLE MARKET



INTERNATIONALIZATION

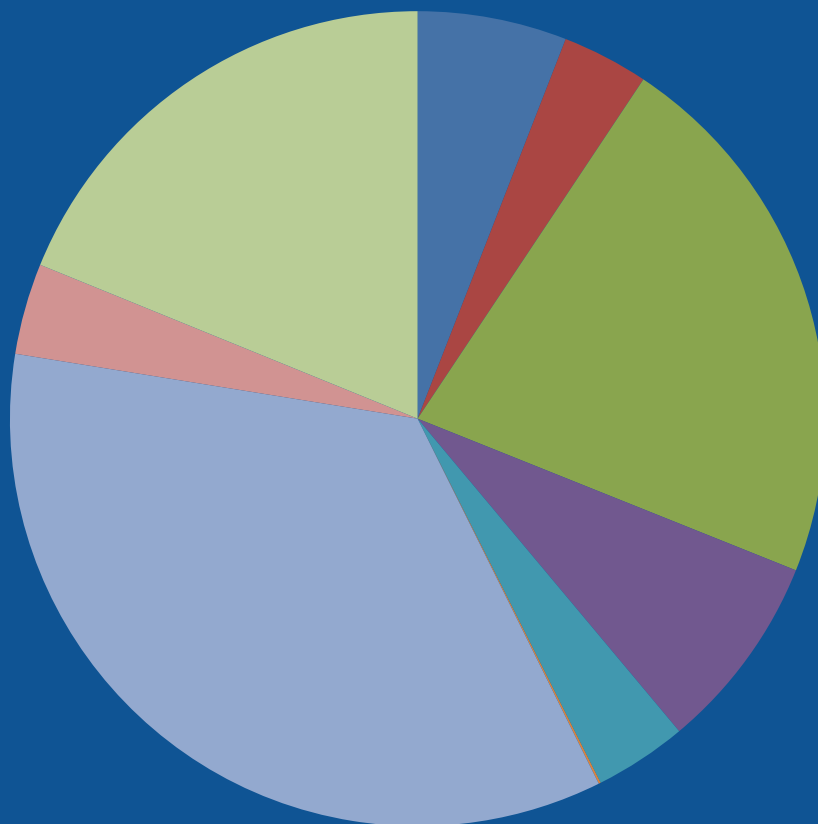


Country	Evaluation	Training
Algeria	16 June 2014	17-18 June 2014 Improving skills; Promoting innovation.
Morocco	23 June 2014	24-25 June 2014 Information on enterprises; Green economy.
Israel	7 July 2014	17-18 September 2014 e-Government (2 days).
Tunisia	10 September 2014	11-12 September 2014 Innovation; Second chance.

Country	Evaluation	Training
Egypt	28 September 2014	12-13 November 2014 Innovation; Green economy.
Lebanon	8 October 2014	09-10 October 2014 Internationalisation of SMEs (2days).
Jordan	15 October 2014	26-27 November 2014 Supporting SMEs to benefit from the Euro-Mediterranean network and partnerships ; Tbc
Palestine	28 October 2014	29-30 October 2014 Topics: Innovation (2 days).
Libya	Tbc	Tbc

EU ongoing assistance in Southern and Eastern Mediterranean countries in support to investment and inclusive growth - by country

Total EU: € 21,187 m



- Regional: € 1,254 m
- Algeria: € 726 m
- Egypt: € 4,603 m
- Jordan: € 1,661 m
- Lebanon: € 779 m
- Libya: € 17 m
- Morocco: € 7,390 m
- Palestine: € 766 m
- Tunisia: € 3,991 m

Sector breakdown of EU assistance in Lebanon

Total: € 779 m



■ Inclusive economic development: € 161 m

■ Private sector and trade development:
€ 227 m

■ Energy: € 84 m

■ Transport: € 77 m

■ Environment, water, sanitation: € 230 m

But also



- Euro-Mediterranean Statistical Business Register Working Group, 9 – 10 September 2014, Paris

ABDALLAH	Ziad	Head of IT department responsible of consumer price index project



Small Business Act for Europe

http://ec.europa.eu/enterprise/policies/sme/small-business-act/index_fr.htm

SME Performance Review

http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm

Coopération industrielle euro-méditerranéenne

http://ec.europa.eu/enterprise/policies/international/promoting-neighbourhood/mediterranean/index_fr.htm

Bases de données de bonnes pratiques

<http://ec.europa.eu/enterprise/policies/sme/best-practices/database/euromed/index.cfm?fuseaction=welcome.detail&language=FR>

<http://ec.europa.eu/enterprise/policies/sme/best-practices/database/SBA/index.cfm?fuseaction=welcome.detail>