



# **16<sup>th</sup> JRC Annual Training on Composite Indicators and Scoreboards**

**DG GROW: Monitoring and assessing countries'  
progress in implementing the Small Business  
Act (SBA)**

**JRC, Ispra, Panel VIII: SMEs & Competitiveness,  
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**DG GROW**

**Unit H.1: COSME Programme, SME Envoys and Relations with EASME**

# 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)

# SMEs, selected facts:

*European SMEs in 2017 (estim.):*

**24.5 million** - No of SMEs in EU-28

**94.8 million** – persons employed

**4 156 billion €** - value-added



*They represent **99.8%** of all enterprises, account for **66.4%** of the workforce employed in the private sector and for **56.8%** of value added*

# What is the Small business act (SBA)?

- *Communication in place since 2008,*
- *A set of politically binding principles,*
- *A set of concrete measures (legislative and non-legislative)*

## ***Objectives:***

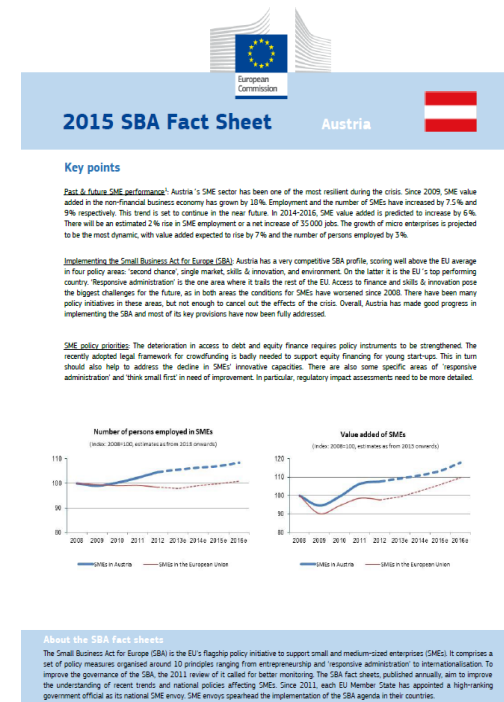
1. Improve the overall policy approach to entrepreneurship
2. Anchor the '*Think Small First*' principle in policy-making
3. Promote SMEs' growth

# What are the 10 SBA principle areas?

- 1. Entrepreneurship***
- 2. 'Second Chance'***
- 3. 'Think small first'***
- 4. 'Responsive administration'***
- 5. Public Procurement***
- 6. Access to Finance***
- 7. Single Market***
- 8. Skills & Innovation***
- 9. Environment***
- 10. Internationalisation***

# The SBA country Fact Sheets - background

- **Objective:** information and monitoring tool for analysis of national SBA implementation and SME policies based on analysis of statistical data and policy information
- **Sources:** well established, internationally recognised databases (EUROSTAT, WB, OECD, etc.); network of country experts
- **Use:**
  - ✓ **Input** into various policy documents of the EC, in particular the European Semester
  - ✓ **Inform/Stimulate** policy debate within Member States between government and businesses



# SBA Fact Sheet: example



## 2017 SBA Fact Sheet

Austria



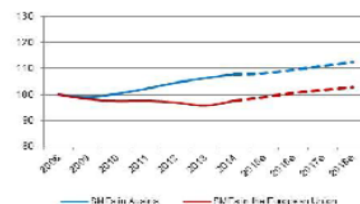
### Key points

**Past & future SME performance:**<sup>1</sup> In 2012-2016, SMEs led growth in the Austrian non-financial business economy as a whole. With increases of 11.0 % in value added and 4.8 % in employment, Austrian SMEs experienced stronger growth than large firms. More recently, in 2015-2016, SME value added and employment rose by 2.2 % and 1.2 % respectively, which is consistent with average annual increases in previous years. In 2016-2018, moderate SME growth is expected to continue, with value added rising by 7.4 % and employment by 2.6 %, resulting in the creation of around 49 700 new jobs.

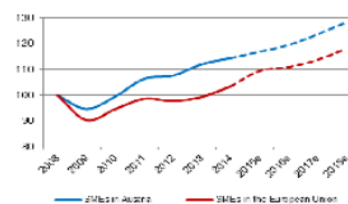
**Implementing the Small Business Act for Europe (SBA):** Austria has maintained its strong SBA profile. In line with previous years, it is performing above the EU average in four principle areas (single market, skills & innovation, environment and internationalisation) and is a top-three performer in the areas of single market and internationalisation. In the remaining areas, its performance is on a par with the EU average.

**SME policy priorities:** Austria has no shortage of measures to help SMEs, but it needs to ensure that they are fully and consistently implemented. In particular in areas where its performance is not above the EU average, it should conduct a coherent and strategic assessment of how to improve. This should look at further measures to improve entrepreneurship education, including in primary and post-secondary curricula, and embrace the digital economy. As regards access to finance, Austria needs to create an ecosystem that fosters equity financing for SMEs, *inter alia* to enable fast-growing companies to scale up more successfully.

Number of persons employed in SMEs  
(index: 2008=100, estimates as from 2015 onwards)



Value added of SMEs  
(index: 2008=100, estimates as from 2015 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 organized around 10 principles ranging from entrepreneurship 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.

# Key SME figures

## 1. SMEs — basic figures

Class size	Number of enterprises			Number of persons employed			Value added		
	Austria		EU-28	Austria		EU-28	Austria		EU-28
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	285 181	87.3 %	93.0 %	707 043	25.6 %	29.8 %	33.4	18.7 %	20.9 %
Small	34 987	10.7 %	5.8 %	666 480	24.1 %	20.0 %	36.8	20.6 %	17.8 %
Medium-sized	5 260	1.6 %	0.9 %	527 552	19.1 %	16.7 %	40.4	22.6 %	18.2 %
<b>SMEs</b>	<b>325 428</b>	<b>99.7 %</b>	<b>99.8 %</b>	<b>1 901 075</b>	<b>68.7 %</b>	<b>66.6 %</b>	<b>110.6</b>	<b>62.0 %</b>	<b>56.8 %</b>
Large	1 077	0.3 %	0.2 %	865 239	31.3 %	33.4 %	67.8	38.0 %	43.2 %
Total	<b>326 505</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>2 766 314</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>178.4</b>	<b>100.0 %</b>	<b>100.0 %</b>

*These are estimates for 2016 produced by DIW Econ, based on 2008-2014 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 account for 62.0 % of value added and 68.7 % of employment in Austria's non-financial business economy, both figures are above the EU average. SME productivity (expressed as the ratio of SME value added to SME employment) was approximately EUR 58 200 *per capita* in 2016, well above the EU average of around EUR 43 500. On average, each Austrian SME has 5.8 employees, about 2 over the EU average.

In 2012-2016, SMEs led growth in the Austrian non-financial business economy as a whole. With increases of 11.0 % in value added and 4.8 % in employment, Austrian SMEs experienced stronger growth than large firms. More recently, in 2015-2016, SME value added and employment rose by 2.2 % and 1.2 %

respectively, which is consistent with average annual increases in previous years.

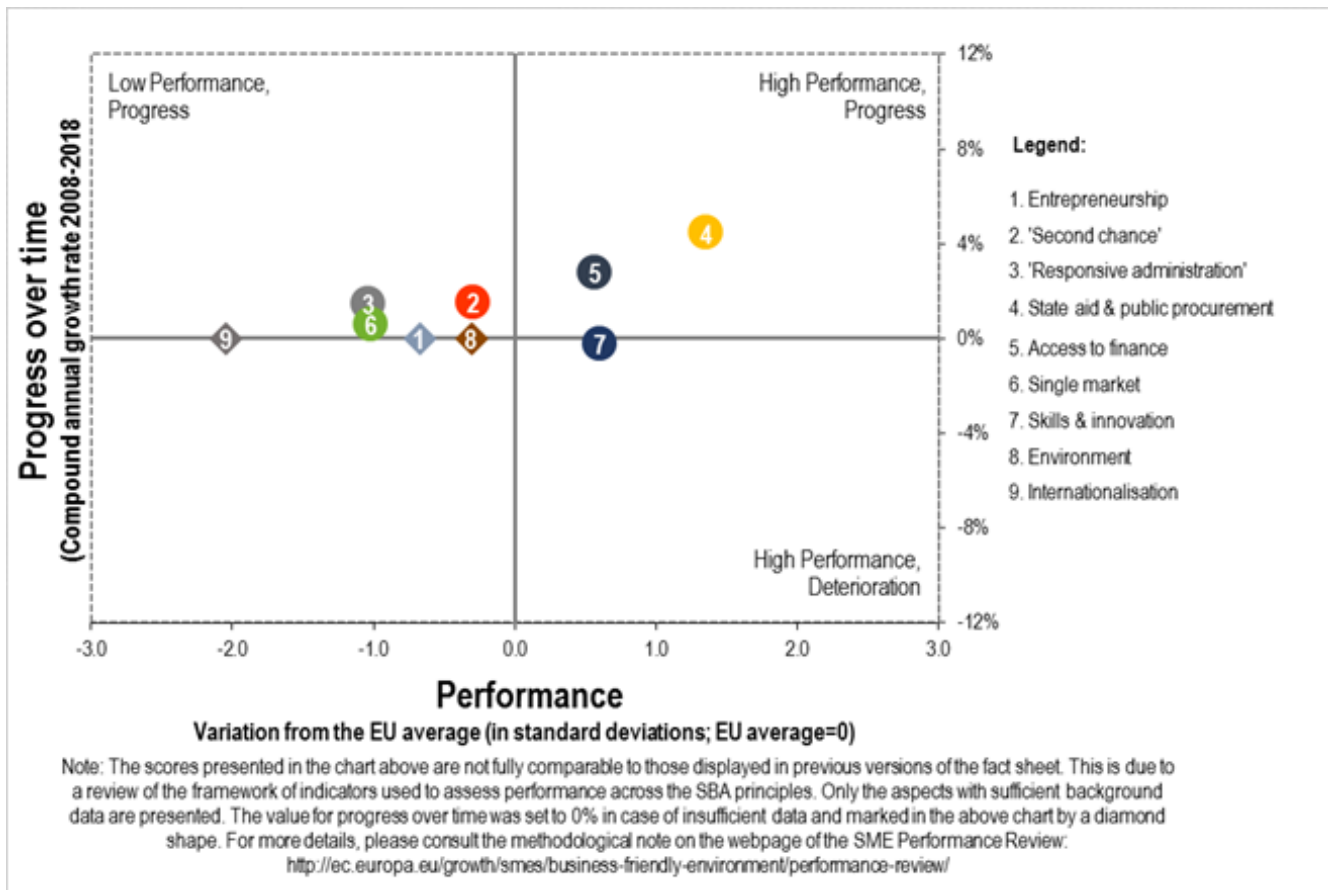
SMEs play an important role in *real-estate activities*. In 2012-2016, SME value added in this sector rose by 12.6 % and employment by 4.3 %. In 2016, much as in previous years, SMEs accounted for around 92 % of both value added and employment in the sector.

The growth in SME value added can be explained by the fact that demand for housing as an investment was stoked by low interest rates<sup>2</sup>. Another cause is population growth, mainly due to immigration more than doubling in 2015 as compared with the previous 10 years<sup>3</sup>. Consequently, real-estate prices rose,



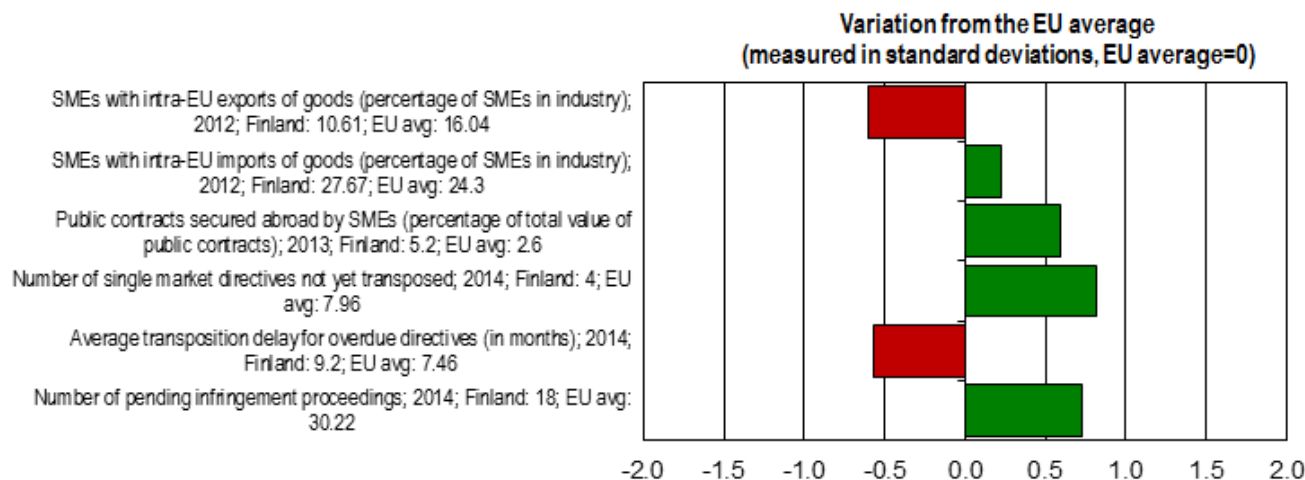
# Performance Indicators:

## Updated country averages over time



# Performance indicators and policy measures

## 3.6 Single market



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

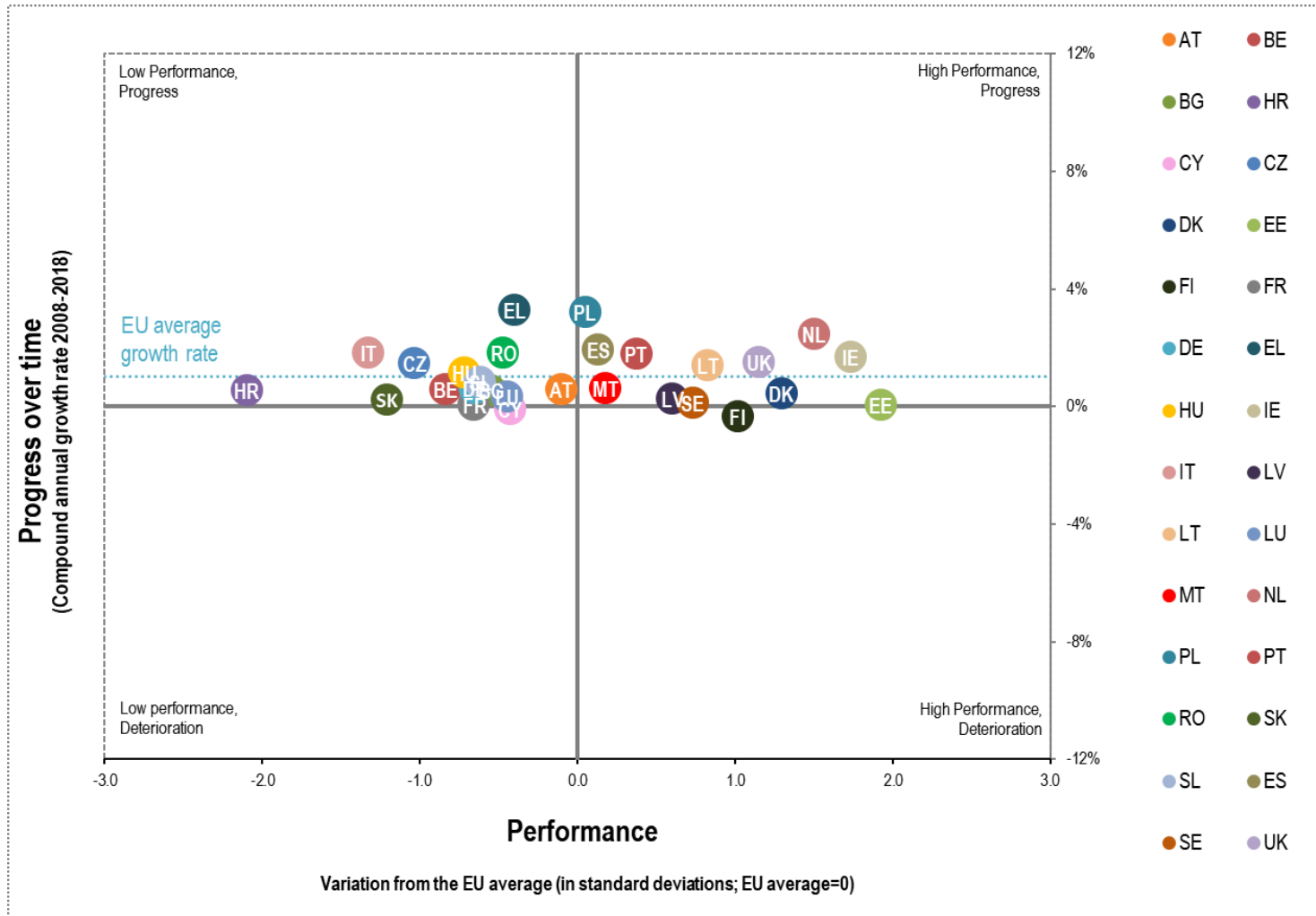
Finland's performance has improved as compared to last year. It ranks now on par with the EU average. This improvement was fuelled by a better track record in implementing the single market legislation. Both, the average transposition delay for overdue directives as well as the number of single market directives not yet transposed were reduced as compared to last year, although the latter is still slightly higher in Finland than in the EU on average. While framework conditions for trading within the single market have improved, the actual trading performance of Finnish manufacturing SMEs has stalled. Most problematic is the relatively small number of SMEs in that sector which sells their goods in other EU countries. As the crisis set in it has actually decreased. While it hovered around 16% during the period 2008-2010, in 2011-2012 it dropped to the current

level of less than 11% as the crisis continued to bore down on the Finnish economy. Given that for the two most recent years, updated figures are not yet available it is too early to say whether the recent internationalisation support measures by the government are taking effect.

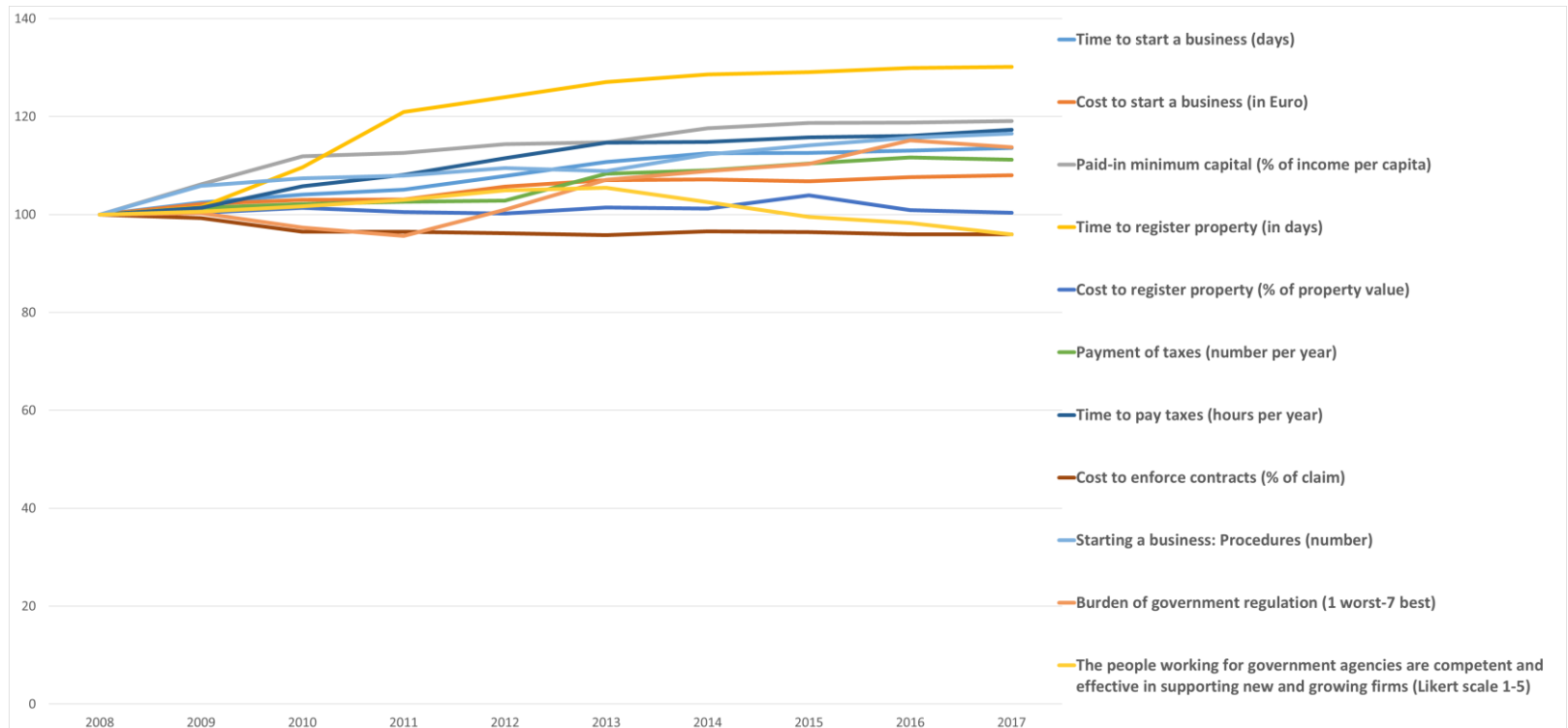
Dedicated measures to improve the integration into the single market had been rare since 2008. Most measures were geared to overseas markets, although some initiatives such as 'Team Finland' also cover the EU area. Apart from the efforts to implement single market legislation and to improve competition, including in the retail trade sector, there have been no other significant measures during the reference period for the 2015 fact sheet or during the previous year. Section Break (Continuous)

Mentioned are only the most interesting, current, and relevant actions

# EU-28: Example: 'responsive administration'



# EU-28 progress per 'Responsive administration' indicator; 2008=100



# Overall policy implementation at EU-28-level for 'Responsive administration'

<b>'Responsive Administration'</b> <i>No. of EU-28 Member States with the answer "Yes"</i> <ul style="list-style-type: none"> <li>0-7</li> <li>8-14</li> <li>15-21</li> <li>22-28</li> </ul>	Is there a 'one-stop shop' where SMEs can perform all administrative requirements and where guidance is provided?	<b>22</b>
	Is there an SME friendly and effective e-Government infrastructure allowing SMEs to quickly handle all procedures (online)?	<b>20</b>
	Is the existing single-point-of-contact responsible for ensuring the effectiveness of start-up procedures?	<b>16</b>
	Are the various databases of different public administrations sufficiently connected so that companies only have to provide information once (except for updates)?	<b>13</b>

# Challenges

## Indicators:

- Dependent on certain indicators
- Discontinuity of indicators
- Growing timeline => more complex calculation of growth rate
- No sufficient coverage of countries
- Search for SME specific, reliable indicators is difficult
- Break in time series

## Impact on readers:

- How to make complex statistics understandable to a bigger public ?
- Statistics are contested / contradicted by national sources

# Dissemination:

- Our website: SME Performance Review  
<https://ec.europa.eu/growth/spr>
- Publication event:  
SME assembly in Graz from 19 - 21 November 2018  
[http://ec.europa.eu/growth/smes/business-friendly-environment/small-business-act/sme-assembly\\_en](http://ec.europa.eu/growth/smes/business-friendly-environment/small-business-act/sme-assembly_en)
- Background document for meetings, missions, etc.
- Press releases, social media, etc.
- Input for European Semester documents



# Thank you very much for your attention!

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