



European Commission

Enterprise and Industry Directorate General

# **Internationalisation – EU policies towards SMEs**

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## SMEs in Europe

- 23 million SMEs in Europe
  - 99.8% of all enterprises
  - 90% of all enterprises: micro enterprises
  - 2/3 of total employment (>100 million jobs)
  - Average workforce: 4.3 employees per SME (1,045 for large enterprises)
  - SMEs represent 60% of value added in the non-financial business economy

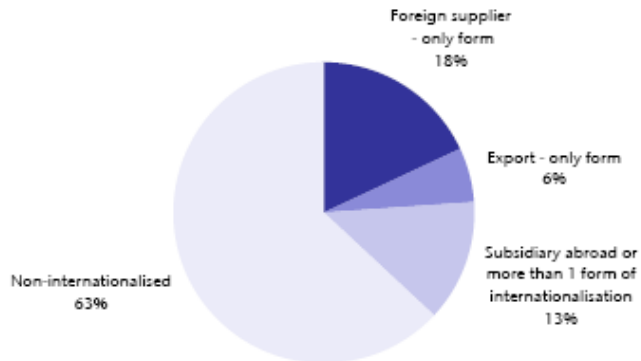
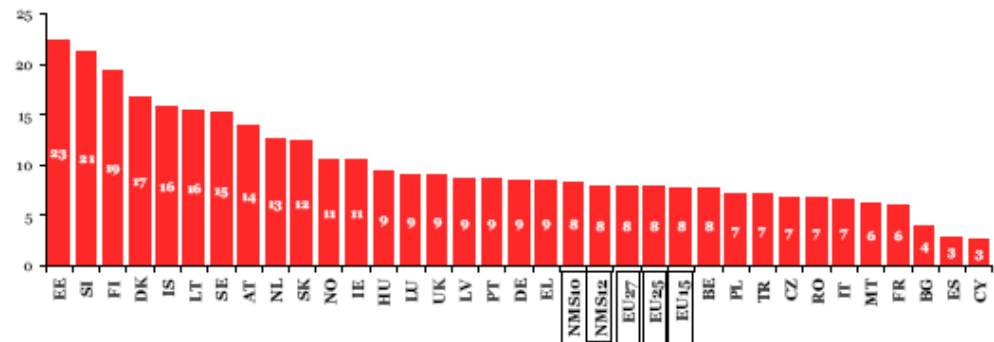
# SMEs and internationalisation: current situation

Main Fact: Very low level of internationalisation of EU SMEs

Only 8% of SMEs export  
(Year 2007, EU 27)

## Exporters

Proportion of enterprises with any revenue from exports



Only 1/3 of SMEs are involved in any form of internationalisation

(Year 2003, EU 15)

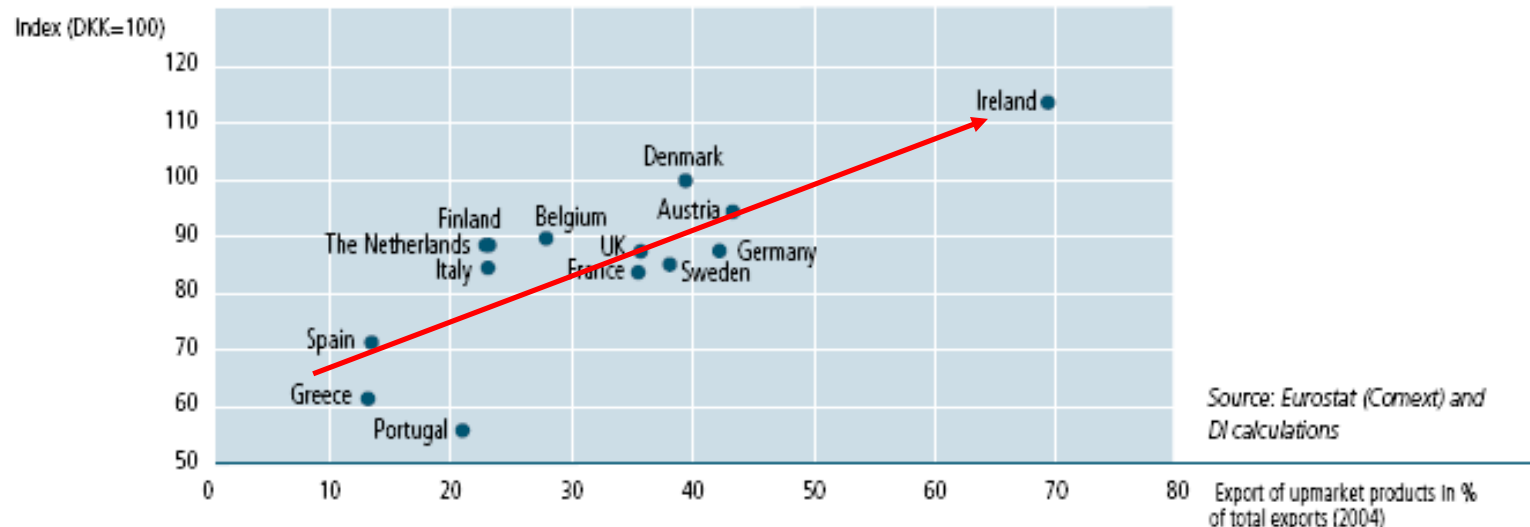
Less than satisfactory use of the internal market by SMEs.

# Internationalisation and Competitiveness

- Internationalisation is not just a route to increased sales/foreign reserves.
- **Internationalisation and innovation** breed from the same drivers and mutually support each other. They are the two key components for Competitiveness and growth.

## Wealth through upmarket product exports

GDP per capita, adjusted for purchasing power (2004)



- There is a relationship between wealth of a country (GDP per capita) and its exports of high value products

# Supporting the internationalisation of SMEs

## Results of a Commission study (2007), conclusions:

- Government support remains crucial:
  1. It “triggers” internationalisation (*Many SMEs would not even consider Internat. without it*)
  2. SMEs benefit disproportionately from internationalisation (*internationalised SMEs are more competitive and have greater capacity for growth and jobs than non-internationalised SMEs*)
- Successful policies integrate ALL actors (national and regional bodies, SME organisations, banks...) at all levels of policy development
- Policies must focus on addressing SME shortcomings: lack of human and financial resources
- Long term policies: the best route to the next generation of international SMEs is to “breed” international entrepreneurs (entrepreneurship education)



# Role of the European Commission

- Provides guidance and co-ordinate Member States' action
  - Small Business Act
  - Policy projects, Communications
- Provides support to SMEs
  - using DG ENTR instruments
  - through other EU policies
- Reaches out to SMEs:
  - SME Envoy: Ensure EU policies are SME friendly
  - Enterprise Europe Network



# Small Business Act

Package of principles and concrete measures for the EU and Member States involving all Commission Services and MS. Led by DG Enterprise

→ Coherent and comprehensive approach to SME policy. Focus on measures to support SME competitiveness.

→ Proposing specific measures to facilitate operations of an SME across the whole life cycle. Internationalisation related:

1. Proposing a European Private Company Statute
2. Proposing to facilitate SMEs access to standards
3. Proposing to increase SMEs ability to access fast growing markets
4. Proposing to facilitate SME access to trans-national research
5. Proposing measures to facilitate SME access to public procurement
6. Simplifying and clarifying the Late Payment Directive to ensure that SMEs are paid on time



# EU funds and programmes

- Structural funds (ERDF and Cohesion funds)
  - € 23 billion for SMEs in 2000 -2006
- RTD Framework Programme
  - € 6 billion for SMEs during 2007-2013
  - Target: 15% of SME participation
  - Up to 75% co-funding of project costs
- CIP Framework Programme
  - € 3.6 billion, of which € 1.1 direct funding managed by EIF
  - Previous period (2001-2006) € 510 million



# Enterprise Europe Network

Single network, launched January 2008, with integrated services for SMEs:

1. **business co-operation and information**
2. **innovation and technology transfer**
3. encouraging **participation in FP 7**
4. **feed-back** to the EC

•**Building on existing expertise and know-how:**

- Services based on strength and experience of former EIC + IRC Networks
- More than 2.000 full time employees, over 500.000 inquiries p.a
- “*No wrong door*”: direct service/signposting to right business organisation

•**Achieve full geographical coverage and proximity to SMEs:**

- 550 partners including former EIC and IRC plus MORE THAN 120 newcomers
- All network partners will co-ordinate via reinforced networking activities
- Extension beyond EU-27 (TR, NO, IS, IL, CH, MK, ARM, Chile... and more to come)

# Services Directive and other initiatives

**SERVICES DIRECTIVE.** Approved 29/12/2006, to be implemented before end of 2009.

It will promote SME expansion inside the Internal Market.

- Art. 5: Member States are required to simplify licensing procedures
- Art. 6: Points of Single Contact must be available in all Member States
- Art. 8: All procedures to be completed by electronic means

Estimated net effects:

- 30-60% increase in trade and 20-35% in investment in services
- EU gross value added to grow 0.8% minimum
- Up to 600.000 net jobs created

## **OTHER INITIATIVES**

- TRADE Market access database, export helpdesk and complaints register

<http://mkaccdb.eu.int/mkaccdb2/indexPubli.htm>

- AL invest III [www.al-invest3.org](http://www.al-invest3.org) and Asia Invest [http://ec.europa.eu/europeaid/where/asia/regional-cooperation/trade-business/ ca invest en.htm](http://ec.europa.eu/europeaid/where/asia/regional-cooperation/trade-business/ca_invest_en.htm)

(matchmaking events: Latin America and Asia)

- Gateway to Japan (and Korea) <http://www.gatewaytojapan.org> (training and matchmaking)

- The EU-China Managers Exchange and Training Programme [www.metp.net.cn](http://www.metp.net.cn)



# Thank You!

For any additional information:

**Enterprise and Industry DG:**

<http://ec.europa.eu/dgs/enterprise>

**SME Portal:**

[http://ec.europa.eu/enterprise/sme/index\\_en.htm](http://ec.europa.eu/enterprise/sme/index_en.htm)

**SME Envoy:**

[http://ec.europa.eu/enterprise/smes/sme\\_envoy\\_en.htm](http://ec.europa.eu/enterprise/smes/sme_envoy_en.htm)

**Enterprise Europe Network:**

[http://www.enterprise-europe-network.ec.europa.eu/index\\_en.htm](http://www.enterprise-europe-network.ec.europa.eu/index_en.htm)