



# European SME Strategy

for a sustainable and digital Europe

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# SMEs – A CRUCIAL WEIGHT IN THE EU NON-FINANCIAL BUSINESS ECONOMY



**25 million**

**100 million**

**4.36 trillion**

enterprises

jobs

€ of value added



**99.8%**

enterprises



**66%**

jobs



**56%**

of value added

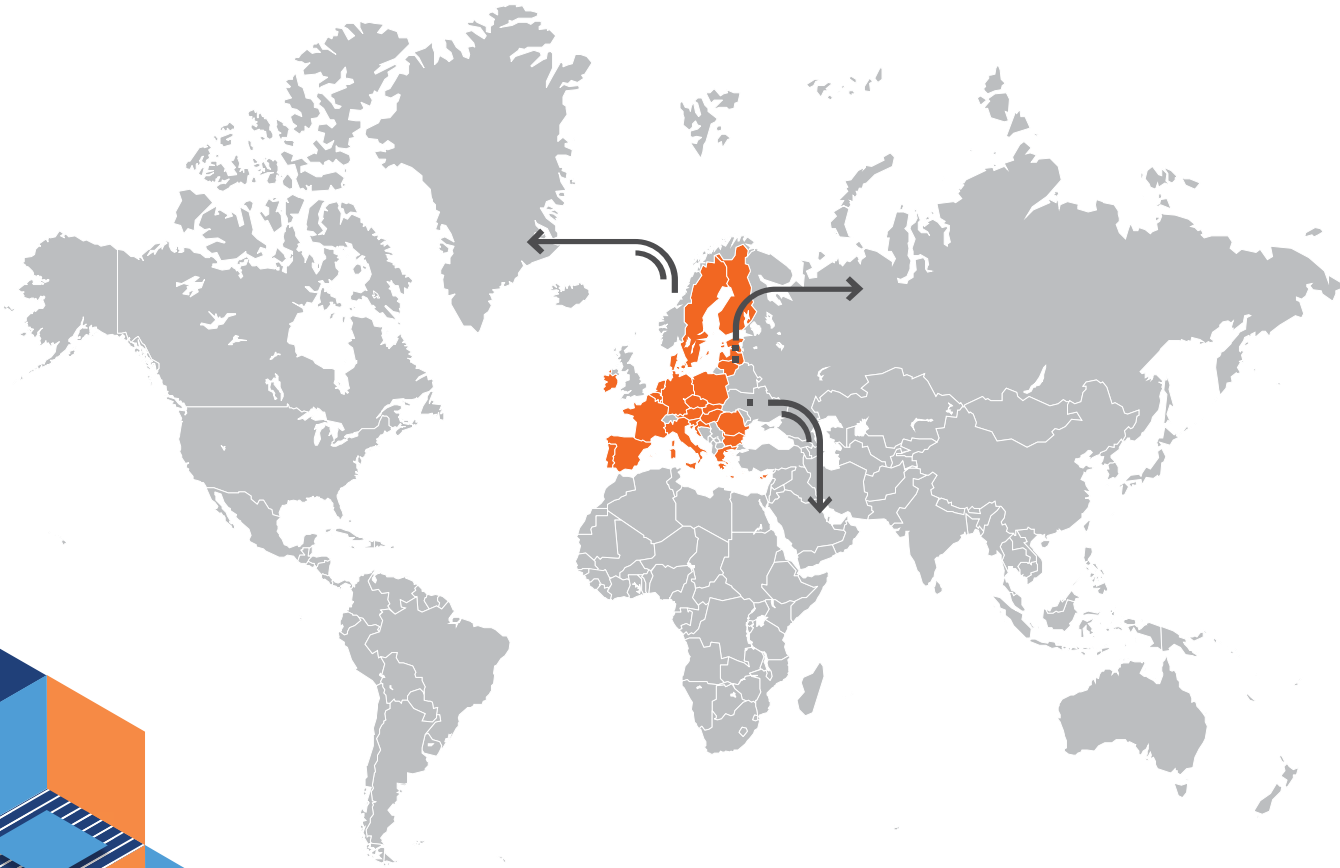
## ONE OF PRIORITIES OF THE NEW COMMISSION: A DEDICATED SME STRATEGY

This priority was motivated by the **economic weight** and **growth potential** of SMEs as well as by their:

- potential to **innovate** (be it in high-tech start-ups or in any other SMEs),
- **size-related challenges** (as smaller firms have more limited resources),
- provision of **training opportunities across regions and sectors**, including for low-skilled workers, and
- **support for society's welfare**, including in rural and remote areas (including through the taxes paid).



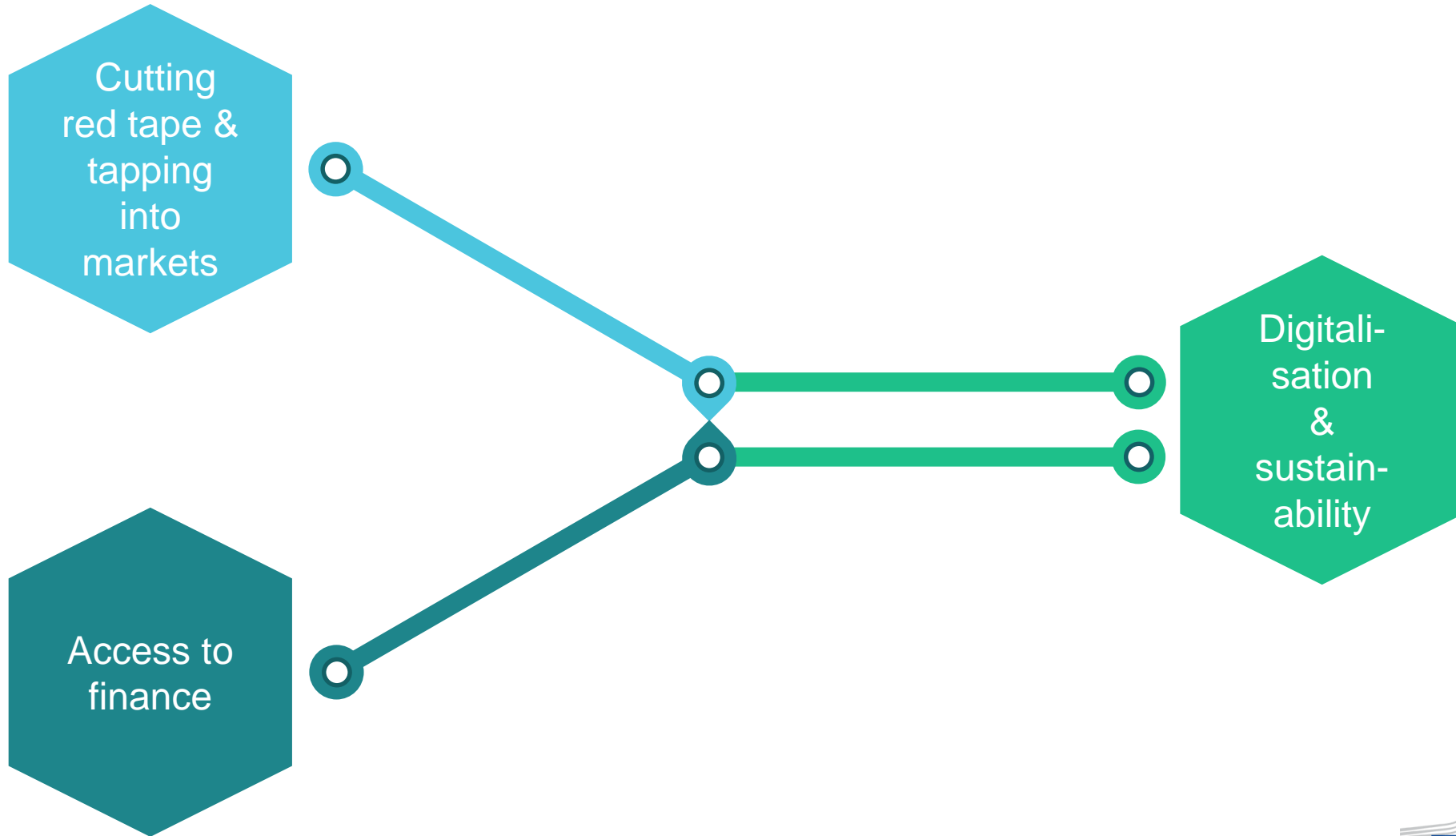
# EUROPEAN SME STRATEGY OBJECTIVES



1. To drive the transition to the new sustainable and digital economy.
2. To make Europe the most attractive place to start a business and expand it.



# EUROPEAN SME STRATEGY – MAIN COMPONENTS



# EUROPEAN SME STRATEGY – TWIN TRANSITION CHALLENGES



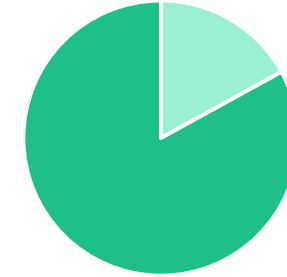
**75%**

of SMEs in Europe  
DO NOT  
offer green products  
or services



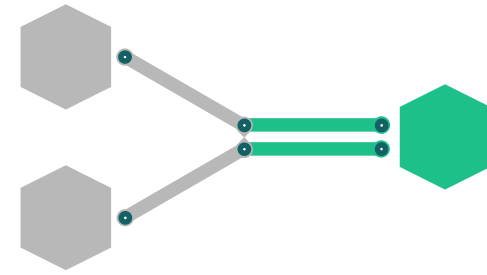
**50%**

of SMEs in Europe  
DO NOT  
undertake innovation

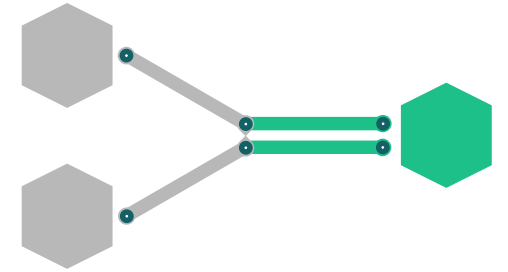


**83%**

of SMEs in Europe  
HAVE NOT yet  
successfully integrated  
digital technologies in  
their business model



# EUROPEAN SME STRATEGY – SUSTAINABILITY AND DIGITALISATION – KEY ACTIONS



## Enterprise Europe Network

- **Sustainability Advisors** to guide SMEs on practical ways to become more sustainable

## Digital Innovation Hubs

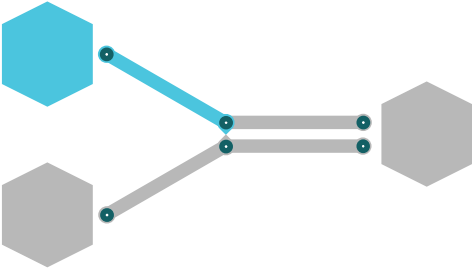
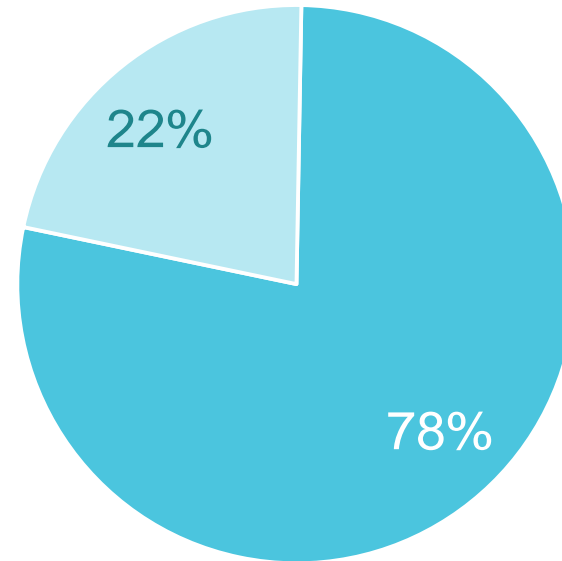
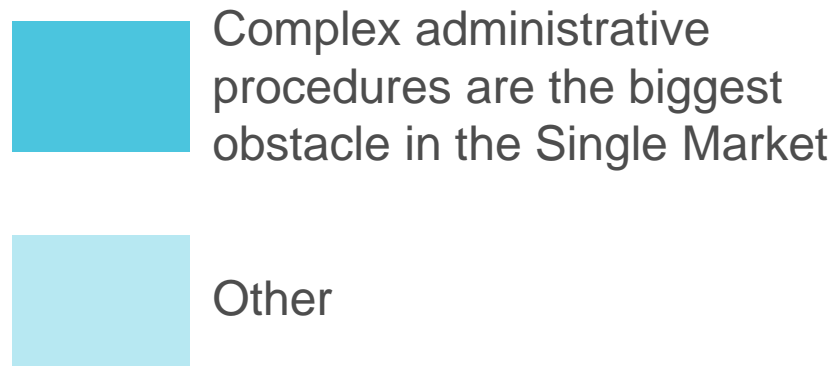
- **240 regional hubs** to advise SMEs on **digital innovation**

## European Innovation Council

- 300 million euros in 2020 for **innovation delivering Green Deal objectives**



# EUROPEAN SME STRATEGY – ADMINISTRATIVE CHALLENGES



**Complex administrative procedures are the biggest obstacle when operating in the Single Market for 78% SMEs**

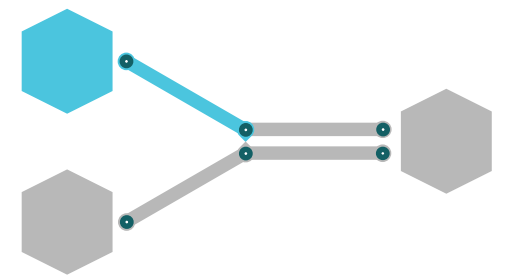


**€ 10.000**

In the sector of business services, costs incurred by SMEs when complying with administrative formalities can reach very high amounts, even up to € 10.000.



# EUROPEAN SME STRATEGY – CUTTING RED TAPE AND TAPPING SINGLE MARKET - KEY ACTIONS



## Late payments

- Ensure prompt payment
- Step up enforcement of the Late Payment Directive

## Single digital gateway

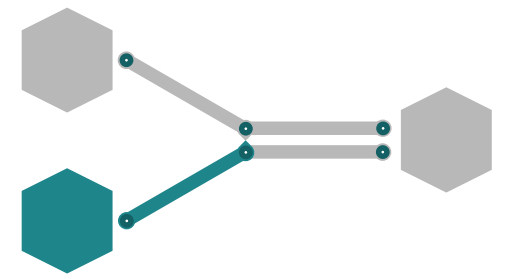
- One-stop-shop for information
- Coordinated replies to questions on doing business cross-border

## EU Startup Nations Standard

- Partnership with Member States for a start-up and scale-up environment
- One-stop shops
- Employee stock-option arrangements
- Visa processing

# EUROPEAN SME STRATEGY – ACCESS TO FINANCE

## CHALLENGES



SMEs experienced  
finance gap of 20-35 billion EUR per year

### Banks

**18%**

of SMEs in the EU did **not obtain the full bank loan** they had planned for

### Capital markets

**10%**

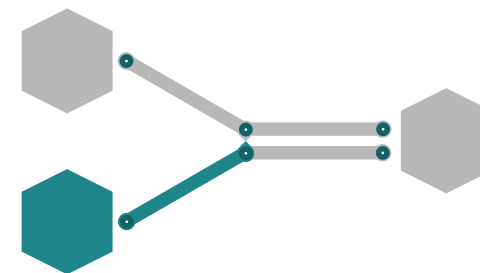
of businesses in Europe **used capital market finance** compared to more than **25%** in the US

### Venture Capital

**8 times**

**Venture capital investments** in Europe are roughly 8 times **smaller than in the US**

# EUROPEAN SME STRATEGY – ACCESS TO FINANCE – KEY ACTIONS



## Entering EU stock markets

- Make it more attractive for SMEs to go public in Europe
- SME Initial Public Offering (IPO) Fund to launch in 2021

## Helping high-potential enterprises scale up

- ESCALAR initiative
- Attracting more private investments
- Boosting the size of venture capital funds

## Boost funding for female-led companies and funds

- Gender-smart finance initiative

# EU SME ENVOY - A PARTNERSHIP FOR DELIVERY AND MONITORING OF SME POLICY

EU SME ENVOY



EP, Council, CoR, EESC  
Local and regional  
authorities

Annual report to COMPET Council

European Commission

Regulatory Scrutiny Board **NEW!**  
Fit-4-future platform  
Single market enforcement task  
force

SMEs, including  
startups, and  
Business  
Organisations

Strategic Entrepreneurship  
Ambassadors **NEW!**

Member States /  
National Envoys

European Semester  
Enhanced SME  
Performance Review



# EUROPEAN CONSTRUCTION SECTOR OBSERVATORY

[https://ec.europa.eu/growth/sectors/construction/observatory\\_en](https://ec.europa.eu/growth/sectors/construction/observatory_en)

- launched in 2015
- individual country profiles, fact sheets on individual national and/or regional policy measures, trend and analytical reports

## Analytical Reports:

- Improving the human capital basis
- Late payment in the construction sector



Thank you!

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