



## BUSINESS COMPETITIVENESS & SMEs PROGRAMME



### What is the Business Competitiveness and SMEs Programme?

The proposal of the European Commission for a Business Competitiveness and SMEs Programme aims at encouraging the competitiveness of European enterprises. With entrepreneurs, Business Support Organisations and small and medium-size enterprises (SMEs) as its main targets, the programme will support entrepreneurship, will provide better access to finance and will deliver business support services at the regional level.

The Programme will run from 2014 to 2020 with a foreseen budget of € 2.387 billion (constant prices).

### What are the objectives of this Programme?

This Programme will seek to support Business Competitiveness and SMEs in the EU, focusing on:

- Facilitating Access to finance for SMEs
- Creating an environment favourable to SMEs' creation and growth
- Encouraging an entrepreneurial culture in Europe
- Strengthening the sustainable competitiveness of EU businesses
- Supporting the internationalisation of SMEs and improving their access to markets

In order to achieve its objectives, the Business Competitiveness and SMEs Programme will ensure continuity with initiatives and actions already undertaken by the Entrepreneurship and Innovation Programme (EIP), building on the results and lessons learnt.

While many successful features of the EIP will be continued, management of the Programme will be simplified to make it easier for entrepreneurs and SMEs to benefit from it.

### Added value of the Programme

The Business Competitiveness and SMEs Programme will support complement and coordinate actions by the Member States

The Programme will specifically address problems of a transnational nature which, by means of economies of scale and demonstration effect, can be more effectively addressed at the European level. As a result:

- The access to finance will be easier for entrepreneurs and small and medium businesses.
- Self-employment and business development will be targeted by this programme as important sources of growth and job creation at the European level.
- Member States will be in a better position to maintain the competitiveness of their industrial basis, increase the number of their entrepreneurs, and raise their employment rate.

### Who are the main beneficiaries?

- Entrepreneurs, in particular in SMEs, will benefit from an easier access to funding for development, consolidation and growth of their business.
- Citizens who want to become self-employed and face difficulties in setting up or developing their own business, for instance young entrepreneurs.
- Member States' authorities (at national, regional and local level), which will be better assisted in their efforts to elaborate and implement effective policy reform. In particular, they will benefit from EU-wide reliable data and statistics, best practice and financial support to test and scale up sustainable solutions for improving global competitiveness.



## Key Actions under the Programme

### 1. Access to finance for SMEs through dedicated financial instruments

The financial instruments target companies in different phases of their lifecycle: creation, expansion and business transfer.

They will be managed by the European Investment Fund in cooperation with financial institutions in the different Member States.

### 2. Enterprise Europe Network: a network of business services centres

The Enterprise Europe Network is a “one-stop shop” for business needs of SMEs in the EU and beyond. It provides enterprises with a range of quality and free-of-charge business support services to help make them more competitive, such as:

- information, guidance and customised assistance on EU funding opportunities, including in the Research and Innovation area.
- Free-of-charge services, such as those offered by the IPR Helpdesk for China, which helps managers of EU-funded projects manage the intellectual property rights and related issues in that country.
- Support for SME cooperation, especially for cross-border activities.

### 3. Entrepreneurship

Support will be given to encourage trans-national networks to exchange good practices and identify scope for expanding business activities.

A broad range of specific actions will be organised every year in the EU to support SMEs or specific target groups, such as young or women entrepreneurs.

Analytical work will be undertaken to facilitate evidence-based policy-making by national and regional policy-makers. Such work includes the compilation and analysis of data on performances and policies of the member States and regions, as well as other economies, and also studies on the latest trends and development in certain sectors in European and global markets. Examples include the annual EU Competitiveness Report and the analysis on reducing the administrative burden in EU legislation affecting SMEs.

A number of conferences and other public events will be organised to assemble and disseminate sectoral knowledge, inform policy-makers, and make policy suggestions to increase the coherence and cooperation between EU Member States’ policies to foster entrepreneurship.

### 4. Business competitiveness and policy development

Actions improving the competitiveness of business sectors filling gaps in transnational cooperation and exchanges of best practices.

Actions enhancing SMEs capacity to adapt to international competition through the transnational transfer of know how, skills and market exploitation of export opportunities.

### 5. Internationalisation of SMEs and improve their access to markets

The Business Competitiveness and SMEs Programme will provide SMEs with business support to facilitate business expansion in the EU Single Market and in markets outside the EU. International business cooperation will be fostered, in particular, to reduce the differences in regulatory and business environments between the EU and its main trading partners.

## Impact of the Business Competitiveness and SMEs Programme

The Programme is expected to contribute to an increase of the EU GDP of €1.1 billion per year and € 200 million additional turnover for European businesses per year.

The Enterprise Europe Network is expected to assist 39,000 companies, resulting in 29,500 jobs created and/or safeguarded, helping to launch 900 new business products, services or processes per year.

Access to finance will be easier for entrepreneurs, in particular those willing to launch cross-border activities, resulting in an expected increase of €3.5 billion in additional lending and/or investment for European businesses.

## What happens now?

The Commission proposal will be discussed by the European Parliament and by the Council, who will have to find an agreement and adopt the Programme.

The Business Competitiveness and SMEs Programme should start on 1.1.2014.