

The new EU SME Strategy: just another document, or a game-changer?

Entrepreneurs, policy-makers, business support organisations and the media are gathered in Helsinki this week for the 2019 SME Assembly. The event comes on the cusp of a new European Commission, and President-elect Ursula von der Leyen has already committed to a dedicated SME Strategy as an early priority for the 2019-24 term. Sounds good, but long-term Brussels observers have seen several previous small business initiatives come and go over the years with little discernible impact on the grass roots of our economy. If this one is to differ, it needs to enable SMEs to grasp opportunities and help them respond to their main challenges.

The new edition of the EUROCHAMBRES Economic Survey (EES2020), which I will present to the SME Assembly, provides some valuable context about the situation for Europe's millions of micro, small and medium businesses. Based on feedback from 53.000 businesses – 90% of which are SMEs – across 28 countries in our European Chamber network, EES2020 uncovers low levels of business confidence linked to various concerns. A number of important messages for the new SME Strategy can be drawn from these findings.

Make the single market our SMEs' domestic market

Low domestic demand is ranked in EES2020 as the top challenge for next year. Chambers firmly believe that a more integrated single market can mitigate these concerns among our businesses about national sales. If the single market were fully integrated, it would effectively become an enlarged domestic market for our businesses, regardless of their size and their sector. This is not yet the case: far too many barriers remain to trading within the EU, particularly for smaller operators, and tackling these must be a priority for the von der Leyen Commission and, lest we forget, the European Parliament and member states.

From trade deals to commercial deals

The slowdown in exports forecast in EES2020 is a consequence not only of the many remaining obstacles to intra EU trade, but also the turbulent global trade climate. EUROCHAMBRES fully supports the European Commission's continued pursuit of open and fair markets with key partners, but they must in parallel work with Chambers to enable EU SMEs to convert trade deals into commercial deals that will boost our economy.

Skills gap: a brake on Europe's socio-economic progress

A shortage of skilled staff ranks higher than ever before among the challenges for the year ahead in EES2020. To close the skills gap, we need coordinated, concrete and ambitious initiatives across Europe to identify and prepare the competences required for the labour market. Vocational training and apprenticeship schemes must be promoted and implemented, while a stronger lifelong learning culture needs to be embraced by all stakeholders.

‘Think small first’ must be more than a slogan

Other EES2020 indexes underline the cautious attitude among many European entrepreneurs for the next 12 months, also predicting slowdowns in employment and investment. Reflecting all of this, the general business confidence index in EES2020 is at its lowest level since the 2013 edition.

So, while the mood among SMEs across Europe for 2020 is not deeply pessimistic, it is also far from optimistic. If the new EU SME strategy is to help lift that mood and boost our smaller businesses’ capacity to drive job creation, sustainable competitiveness and growth in the medium to long term, it must have substance.

There is widespread agreement on what Europe’s SMEs need; the challenge is how to deliver on these needs. This is the challenge that the new SME Strategy must address if it is to have traction and impact. ‘Think small first’ must be more than a slogan.

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Complementary information

The full report of the EUROCHAMBRES Economic Survey 2020 can be accessed [here](#).