



EU Entrepreneurship Agenda 2019 MKB-Nederland

'Strong entrepreneurship in a strong Europe'

MKB-Nederland (SME Netherlands) unites 130 trade associations and a total of 170,000 companies. These are companies from all economic sectors, including construction, industry, retail, crafts, recreation and tourism and business services. Those entrepreneurs set our course. We are committed to a promising business climate, nationally and internationally.

SMEs are the backbone of the European economy and society. Companies contribute to the quality of life in villages, cities and the countryside and provide goods and services that shape our society. Only with the help of thriving SMEs can Europe respond to today's challenges and achieve strong economic growth, prosperity and employment. Our businesses contribute to a stronger Europe. But that is only possible if we remain competitive, if there is room for innovation and if there is the chance to capitalise on opportunities such as digitisation and the circular economy.

SMEs face a series of concrete challenges: access to qualified staff, digitisation, sustainability, financing, access to new markets. Moreover, SMEs suffer from regulatory burdens, administrative barriers by EU legislation and fragmentation of rules and inadequate enforcement in the internal market.

SMEs are the key to the challenges facing Europe. A strong focus on SMEs and a concrete European SME agenda will strengthen Europe. That is why the new European Commission should develop a clear policy for SMEs immediately at the start of its mandate. With this in mind, MKB-Nederland has set the priorities for the future of the European SME policy: SMEs for a stronger Europe.

**MKB**
Nederland



Jacco Vonhof
President
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SUCCESS: ACQUISITION FRAUD

MKB-Nederland is pleased that a first step has been taken towards a European ban on acquisition fraud. The European Parliament has approved amended legislation calling for tackling ghost invoices and forcing Member States to inform citizens and businesses on a website about this type of fraud. This has been achieved by MKB-Nederland in cooperation with the European partners.

ENTREPRENEURSHIP: THE DRIVING FORCE IN EUROPE

If we want to continue to assure ourselves of the growth of entrepreneurship and therefore of our prosperity, a strong SME policy is needed. At the level of the European Union, we can create more opportunities and benefit from them. European policy affects a large number of areas that are important for SMEs. EU policy should always be shaped from the perspective of small businesses. What do we ask from the new European Commission?

- The EU SME policy should be strengthened by a visible and concrete horizontal SME policy agenda, building on the Small Business Act (SBA). The ten principles of the SBA should be revised. It should be clear by the end of 2019 what the new EU Commission wants to have achieved with a new SME policy at the end of its mandate (2019-2024). The SME Envoy network should play a leading and stimulating role.
- In the new Multi-annual Financial Framework, a budget must be set aside to stimulate the development and competitiveness of SMEs.

Figures: SMEs in Europe

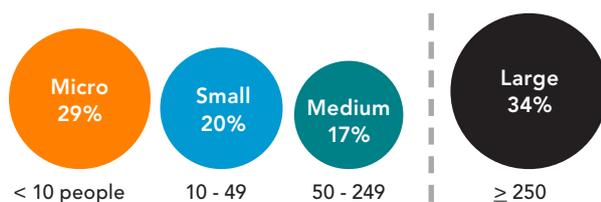


SMEs EMPLOY 2 OUT OF EVERY 3 EMPLOYEES AND PRODUCE 57 CENTS OF EVERY EURO OF VALUE ADDED



9 OUT OF 10 EU SMEs ARE MICROS (less than 10 employees)

EMPLOYMENT SHARE PER SIZE CLASS



Better regulation

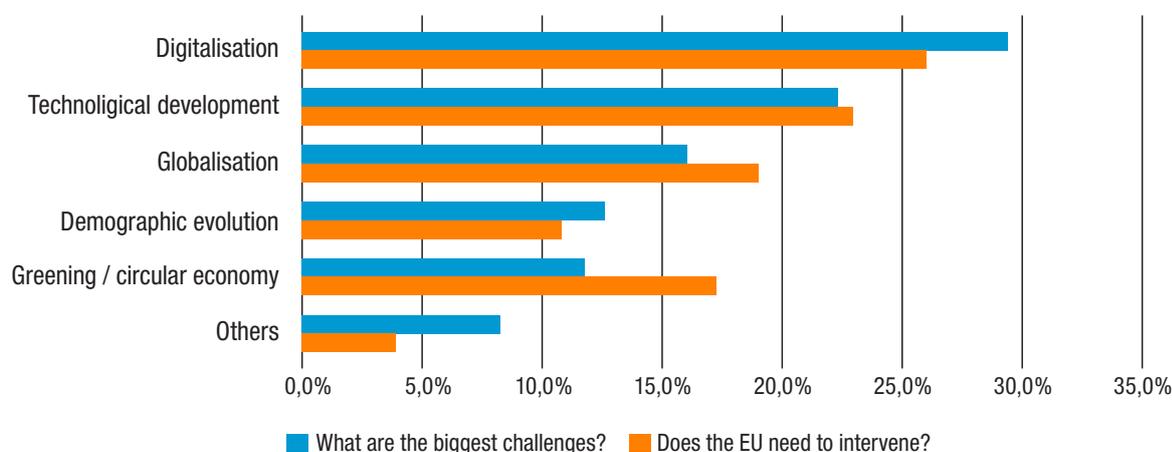
Regulations should be designed from the perspective of small businesses. This prevents unnecessary administrative burdens or unworkable situations that hamper the ability of SMEs to grow. To take the interests and wishes of SMEs into account when formulating policies and rules, the EU has taken an important step with the introduction of the Think small first principle: for each new rule, it must first be considered whether it actually works in practice for small companies and whether it is not too complicated or too expensive for them.

In addition, the Better Regulation policy of European Commissioner Frans Timmermans has ensured a better assessment of whether new rules are necessary and workable. The Refit programme, which has assessed whether a large number of existing rules are still adequate, helps entrepreneurs. Not least because Refit offers them a direct entrance to the policymakers in Brussels.

- The Think small first, Better Regulation and Refit programmes should also be continued by the next Commission. Refit should thereby assess if European rules are futureproof. But in addition, the importance and perspective of SMEs must be taken into account in EU policies much more structurally and consistently than is currently the case.

Source: Annual report on European SMEs (november 2018).

BOX: The biggest challenges for European SMEs



Source: SMEunited Memorandum for the upcoming elections of the European Parliament 2019

POLICY GOALS



SMEs AS A DRIVER FOR SOCIAL PROGRESS

Social partners should be closely involved in labour market and social security reforms. A new mix of flexibility and security must be found. SMEs are limited by a significant shortage of skilled staff. As a result, Europe is missing out on growth and prosperity.

- MKB-Nederland strongly supports the free movement of workers. Mobility in the EU is necessary to create employment opportunities for job seekers and provides opportunities in places where there are shortages of skills.
- The European Labour Authority will provide overview and insight for businesses in their rights and obligations in labour mobility. SMEs will be represented in the management board of ELA. The approach must be 'Think small first'. Bureaucracy and administrative burdens must be prevented.
- The development of adequate skills should be in line with the needs of SMEs. New technologies and digitisation require a focused extension of training programmes in order to ensure the skills and competence needed.



DIGITISATION

SMEs are important contributors to the digital transformation and need an environment that facilitates the development of innovative products and services. The EU should support SMEs that want to digitalise their businesses. Entrepreneurs are looking for knowledge about the digital transformation, the correct legislative frameworks and suitable funding to make investments possible.

- A new EU approach should develop rules that leave room to frontrunners and at the same time create a level playing field.
- Data should be accessible for SMEs.
- The Commission should initiate a Digital Knowledge Centre where entrepreneurs can ask for information.
- The completion of the digital internal market is essential.



SUSTAINABILITY AND CIRCULAR ECONOMY

Sustainability is an important topic for SMEs. Dutch businesses are fully committed to the Paris Agreement. Innovation and funding is needed to guarantee a full scale transition in the EU and to meet the energy and climate targets for 2050. It is key that European policies and legislation on sustainability offer the right framework to enable the transition to greener and more sustainable business operations.

- Barriers for SMEs to participate in the circular economy, such as the definition of waste and extended producer responsibility, should be removed. The regulations for chemical products must be manageable for SMEs.



SMEs INTERNATIONAL - TRADING IN THE SINGLE MARKET

The EU's internal market is of great importance to Dutch SMEs. Dutch SMEs do most of their business with other EU countries. A strong, uniform and complete EU internal market helps companies to trade cross border without obstacles caused by legislation. Better compliance and enforcement of internal market rules in the EU is therefore essential. Implementation and enforcement must be the same in all Member States.

- The EU's competitiveness is vital for the position of SMEs that trade and operate within the EU. Tackling existing barriers, such as disproportionate regulation of professions in some Member States, is a boost for cross-border entrepreneurship.
- EU trade agreements must contain SME chapters, such as the agreement with Japan.
- Investment protection must also be affordable for SMEs.
- And the future trade agreement with the UK should enable SMEs to develop their business as well as possible.



RESEARCH & INNOVATION

Dutch SMEs actively participate in and highly value Horizon 2020. Key assets of Horizon 2020 are its three-pillar structure (with science, societal challenges and industrial leadership, including key enabling technologies as focus points), building strong public-private partnerships which enable new, innovative networks, dedicated SME instruments and excellence as a central criterion. The new Horizon Europe programme should also have a specific focus on stimulating and facilitating SMEs to innovate.

- Horizon Europe should cover the whole innovation chain from basic, to applied research to close-to-market actions.
- Special support for SMEs, including the prolongation of the very successful SME Instrument and an earmarking of a dedicated budget of 20%, should be maintained.



SME FINANCING AND SME DEFINITION

Financing SMEs is important to stimulate economic growth in the EU. Dutch SMEs are still largely dependent on traditional bank loans. Alternative forms of funding should also be available to SMEs in order to allow more risky investments for innovation. But a broader range of financiers also suits the diversity in SMEs.

- EU funding instruments are important for developing a more diverse funding market in Europe.
- The European SME definition is an important tool for SMEs to acquire access to funding. This EU SME definition of 2003 should not be fundamentally modified.