

Thinking BIG! - How SMEs plan to grow and internationalize

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SME Action Day

SMEs are ambitious

Four in five European SMEs consider growth to be very important for their company.

About 50% plan to grow at a rate of over 10% in the next three to five years. One fifth aim at a future growth rate of more than 20%.

Internal growth is perceived to be more important than external growth.

SMEs are innovative

The development of new products/services and national expansion are particularly relevant.

For half of all SMEs, in-house R&D activities are a key source for innovation, and to a lesser extent R&D alliances and purchased solutions.

Only one in five companies (17%) receives subsidies in this regard, with national and regional programmes being more common than European programmes.

SMEs become more international

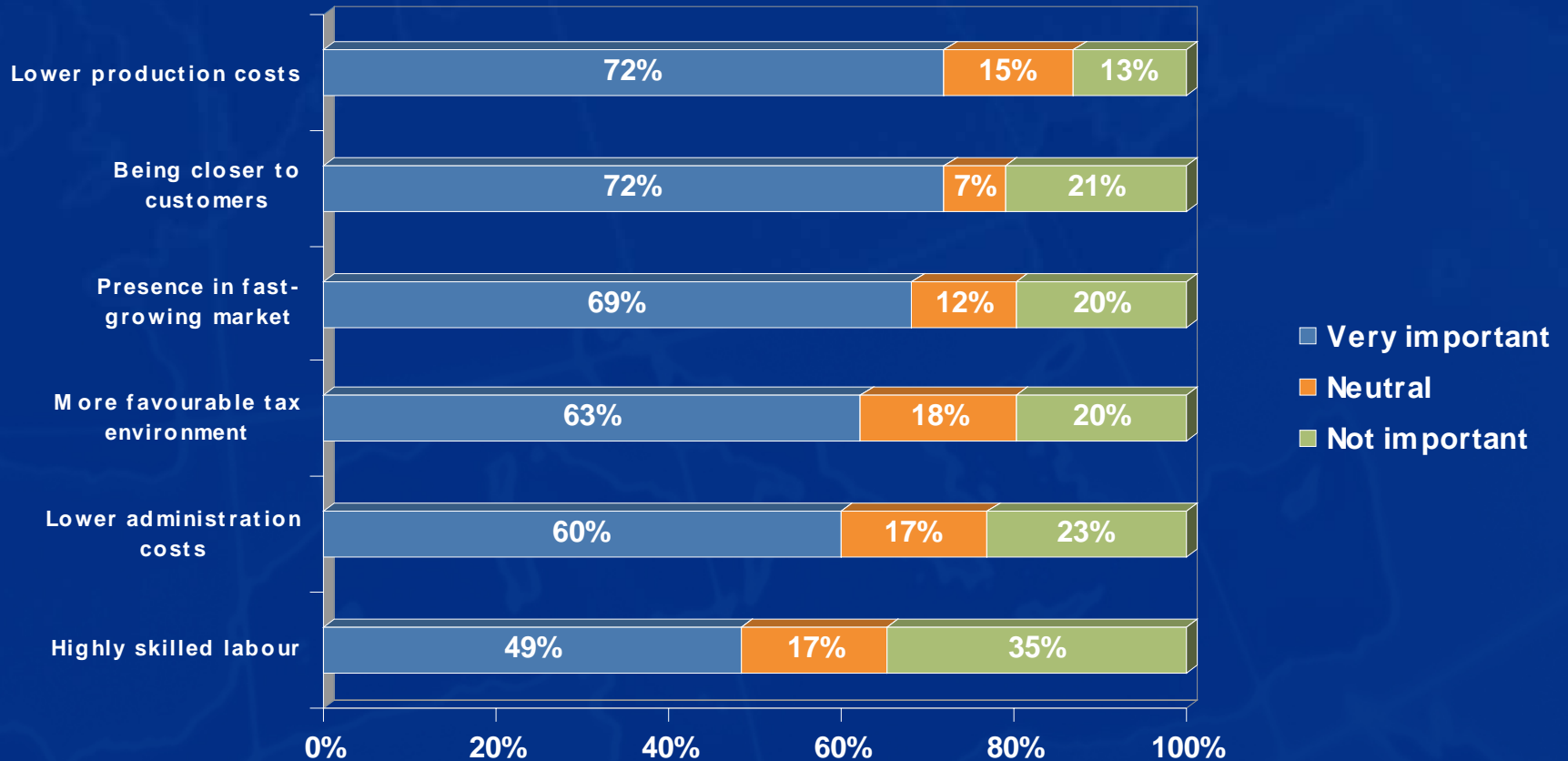
53% of European SMEs have international operations on the European market or beyond.

Generally, international activities are more common amongst larger firms (40%) compared to smaller firms (26%).

While half of the SMEs consider international operations in the EU as very important, one third also perceives operations beyond the EU as very relevant. However, there are great differences between the countries.

20% of the companies have established manufacturing operations abroad, primarily in the EU-15 and Eastern Europe.

Incentives for shifting production abroad



Q: on a scale from 1 to 5, how important were/are the following aspects for shifting production abroad?

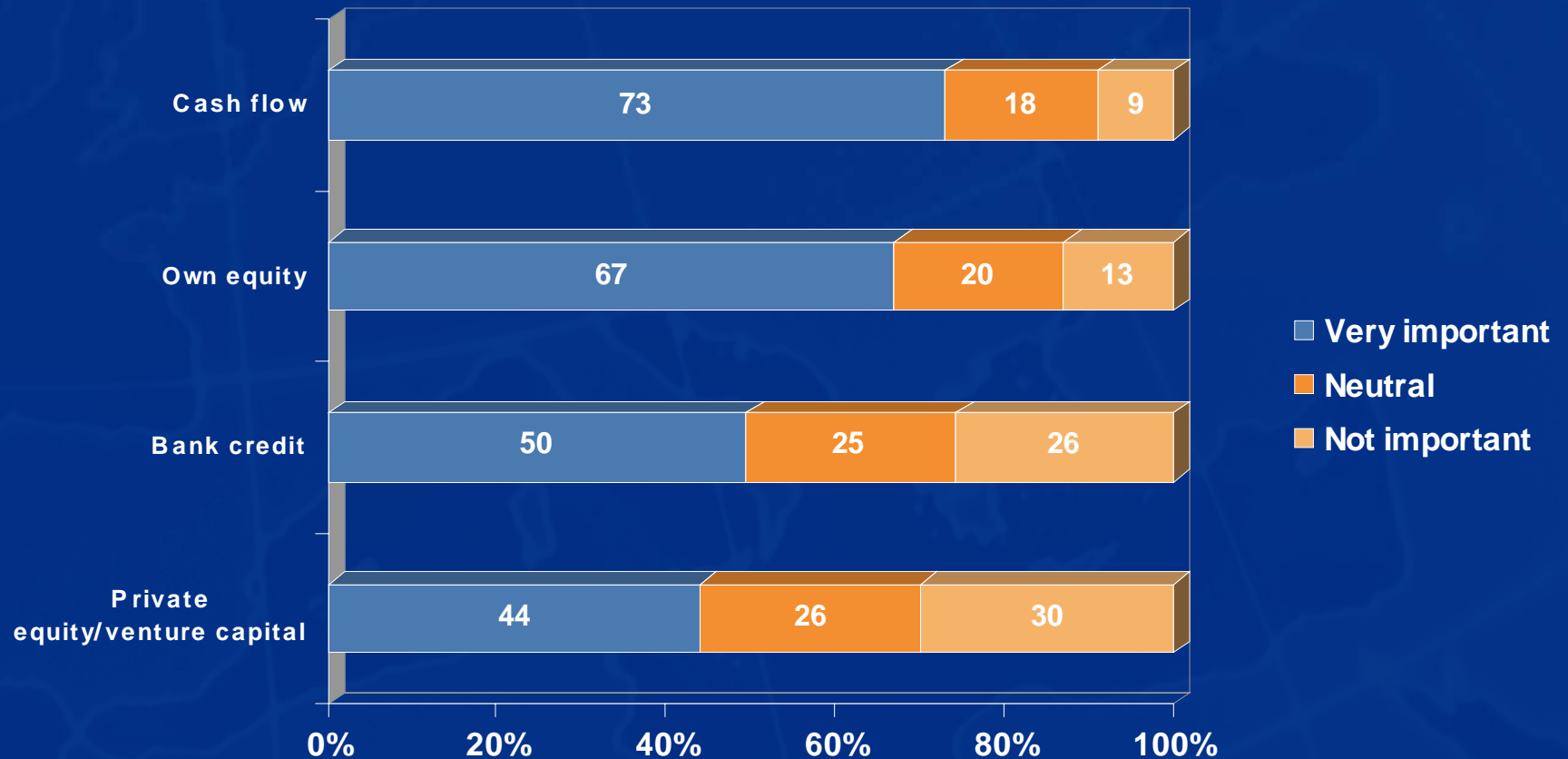
SMEs rely on themselves

Most SMEs in Europe focus on the use of cash flow and own equity for financing growth.

Private equity and venture capital are less important finance options.

Only one in ten firms uses or plans to use stocks or bonds.

Options for financing future growth



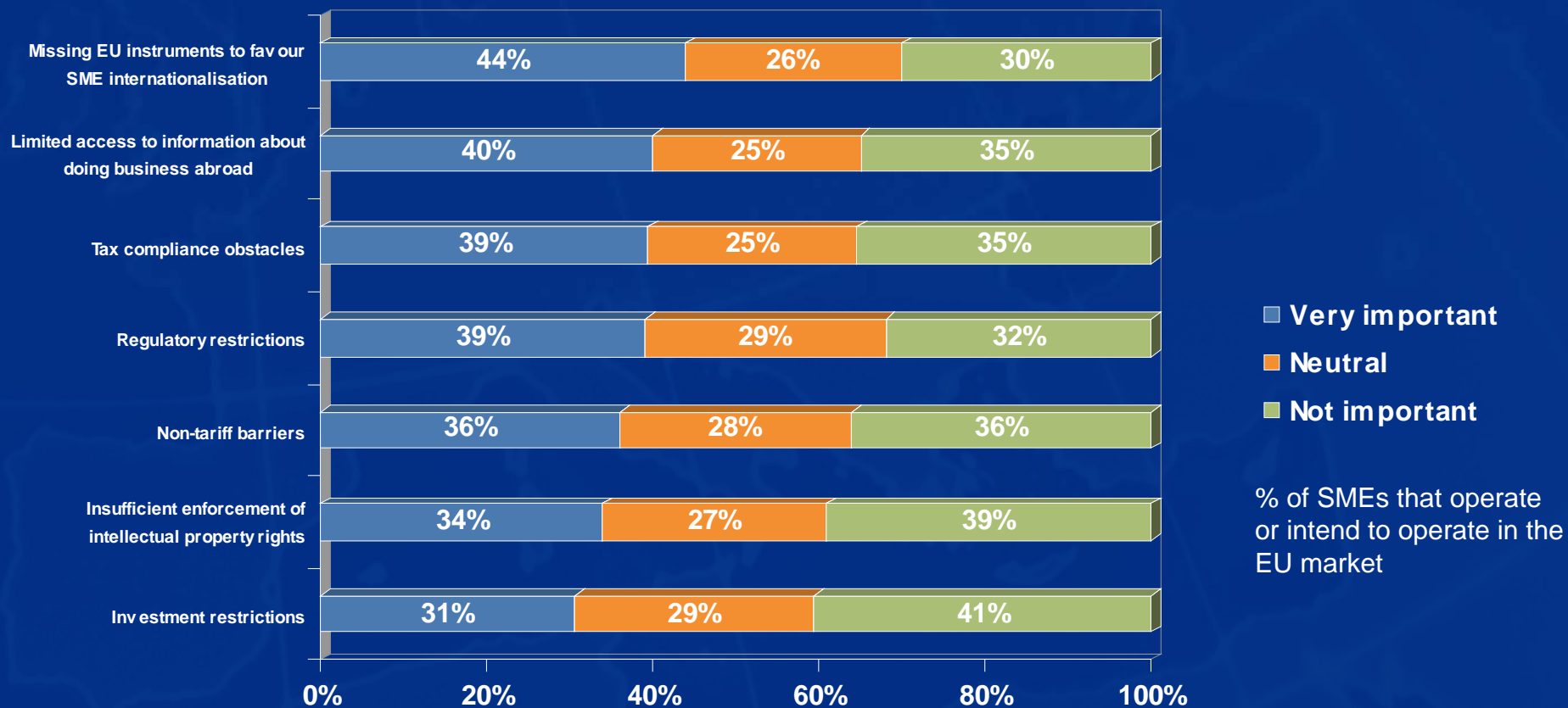
In general SMEs are positive about Europe

Half of the SMEs are very positive about the EU's achievements regarding the monetary union and trans-European networks. But one third is also very critical about fiscal/economic policies and cohesion/solidarity between the member states.

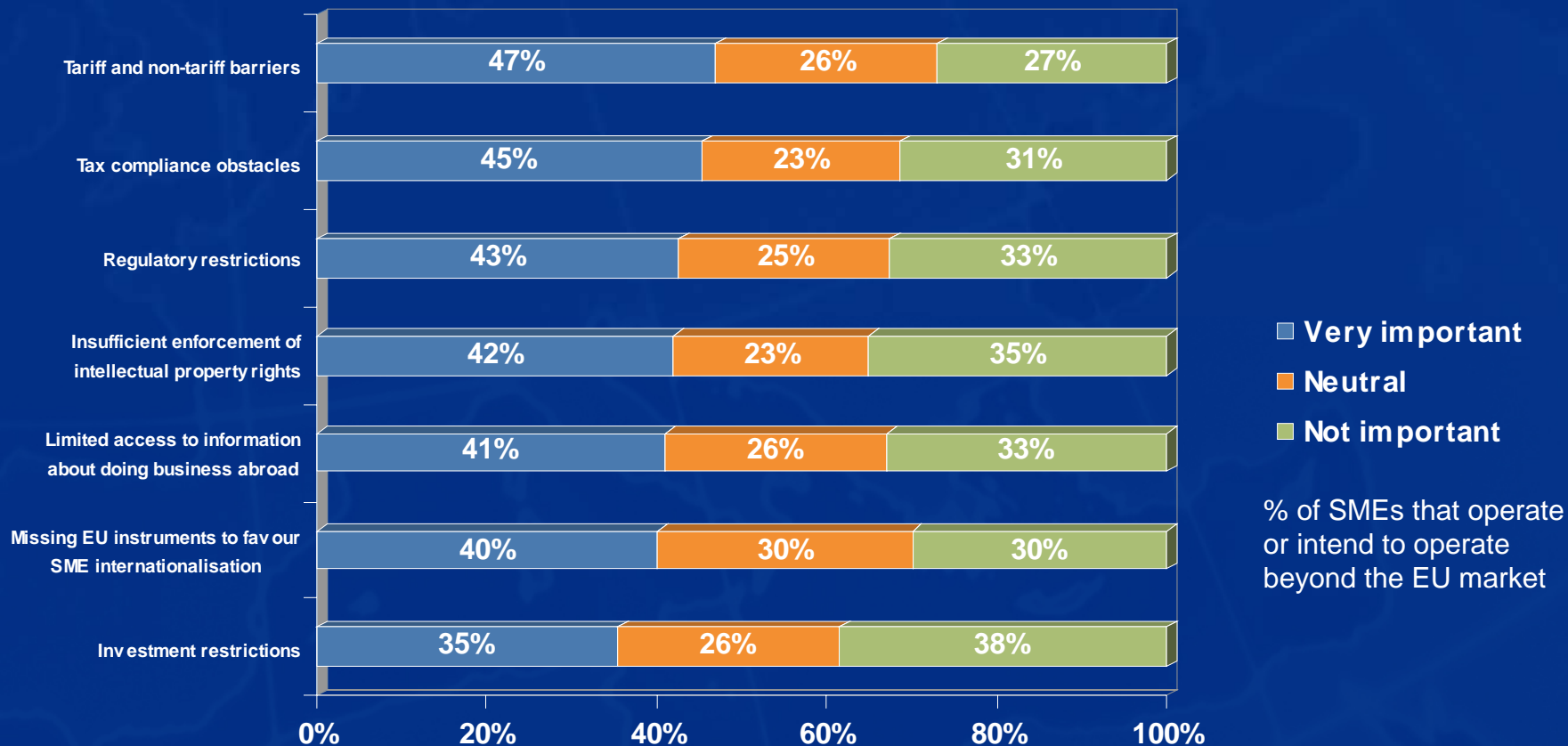
Most European SMEs agree with the positive effects of the environmental regulations, particularly with regard to environmental protection (63%).

One in two SMEs believes that compliance with higher standards is a driver for higher energy efficiency and also improves the company image (56%). But 41% also confirm the negative effect of high compliance costs.

Obstacles to operations in the EU market



Obstacles to operations beyond the EU market



Resume

- **SMEs are ambitious.**
- **SMEs stand for innovation.**
- **SMEs become more international.**
- **SMEs rely on themselves.**
- **SMEs still struggle with many obstacles.**



Yes, SMEs think BIG!

Thank you for your attention.



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