European observatory for SMEs. 3rd annual report 1995

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OBJECTIVE: to present the Commission's comments on the third annual report on the European Observatory for SMEs, which aims to provide the institutions and private individuals with comprehensive information on the performance of SMEs in the internal market and the factors influencing them.
SUBSTANCE: the Commission welcomes the publication of this third report on the situation of SMEs, particularly as it reaffirms the need to promote mutual consultation and joint coordination leading to the exchange of best practices between Member States so as to provide the innovative dynamic and potential of SMEs with an adequate platform. The report shows that in the Europe of Fifteen, there are currently more than 17 million enterprises; 99.9% employ less than 500 people and 93% are micro-companies. SMEs account for 70 million jobs, that is, 71% of all employees working in the non-primary private sector in Europe. The report also indicates that, although the economic environment surrounding SMEs has converged over the last six years in the Europe of Twelve, SMEs are still not reaping the full benefits of the current economic recovery. Compared with the 1988-1993 period, job creation by SMEs is at a standstill. Moreover, there are significant differences in terms of the creation of enterprises across Europe, with a relatively high number of new companies in Germany and Finland and a much smaller number in Italy, Spain and the United Kingdom. It would seem that the differences observed in the economic environment in terms of population wealth and fiscal policies affecting SMEs have a major influence on the creation of new enterprises. All public policies should aim to provide a consistent and transparent framework within which economic operators may compete on the basis of equal treatment. To achieve this, individual support measures to increase productivity, promote competition and improve the flexibility of the market must be stepped up. The report contains a number of recommendations aimed at strengthening the EU's policies concerning SMEs, particularly in the following areas: - a stable macro-economic framework; - an open, competitive environment; - a network of infrastructures, transport, telecommunications and information technology; - greater competitiveness on the part of companies, particularly by improving the education system (promoting the spirit of enterprise) and through better research and technological development; - a favourable environment for companies: creating a better legal, administrative, fiscal and social environment for firms (particularly by reducing constraints imposed by administrative formalities); - support measures for companies (information, training and advice for firms).