Basic information	
2020/2131(INI) INI - Own-initiative procedure	Procedure completed
A new strategy for European SMEs **Subject** 3.45.02 Small and medium-sized enterprises (SME), craft industries	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, Research and Energy	BORCHIA Paolo (ID)	16/04/2020
	Shadow rapporteur GIESEKE Jens (EPP) CUTAJAR Josianne (S&D) DLABAJOVÁ Martina (Renew) HAHN Henrike (Greens/EFA) ROOS Robert (ECR) PEREIRA Sandra (GUE/NGL)	

Committee for opinion	Rapporteur for opinion	Appointed
INTA International Trade	BOURGEOIS Geert (ECR)	19/05/2020
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	ALIEVA-VELI Atidzhe (Renew)	04/06/2020
IMCO Internal Market and Consumer Protection	SCHREINEMACHER Liesje (Renew)	01/04/2020
TRAN Transport and Tourism	FERREIRA João (GUE/NGL)	28/05/2020
AGRI Agriculture and Rural Development	PICIERNO Pina (S&D)	27/05/2020
CULT Culture and Education	NEGRESCU Victor (S&D)	07/04/2020

JURI Legal Affairs	LEBRETON Gilles (ID)	02/09/2020

Key events

Date	Event	Reference	Summary
17/09/2020	Committee referral announced in Parliament		
12/11/2020	Vote in committee		
02/12/2020	Committee report tabled for plenary	A9-0237/2020	Summary
14/12/2020	Debate in Parliament		
16/12/2020	Decision by Parliament	T9-0359/2020	Summary
16/12/2020	Results of vote in Parliament		

Technical information

Procedure reference	2020/2131(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/9/02826

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE653.858	25/06/2020	
Amendments tabled in committee		PE657.190	07/09/2020	
Committee opinion	AGRI	PE652.568	24/09/2020	
Committee opinion	IMCO	PE653.798	30/09/2020	
Committee opinion	INTA	PE653.813	30/09/2020	
Committee opinion	CULT	PE653.852	05/10/2020	
Committee opinion	EMPL	PE653.907	06/10/2020	
Specific opinion	JURI	PE657.461	07/10/2020	

Committee opinion	TRAN	PE652.524	20/10/2020	
Committee report tabled for plenary, single reading		A9-0237/2020	02/12/2020	Summary
Text adopted by Parliament, single reading		T9-0359/2020	16/12/2020	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2021)190	18/06/2021	

A new strategy for European SMEs

2020/2131(INI) - 16/12/2020 - Text adopted by Parliament, single reading

The European Parliament adopted by 533 votes to 58, with 82 abstentions, a resolution on a new strategy for European SMEs.

The 24 million SMEs in the EU-27 are the backbone of the economy and, before the pandemic, they generated more than half of the EU's GDP while employing about 100 million workers. 98.9 % of enterprises in the EU's non-financial business economy are small enterprises with fewer than 49 workers. However, the economic crisis and the grim economic outlook triggered by the pandemic have brought a considerable and indeterminate number of SMEs and start-ups to the verge of insolvency.

According to Members, SMEs should be at the centre of the European Green Deal and digital strategy, and be properly supported by tailored financial instruments and an SME-friendly legislative environment in order be enabled to play an important role in the growth of the European economy.

Structural challenges prior to the COVID-19 crisis

Parliament stressed the need for the SME strategy to be updated in the light of the COVID-19 crisis while keeping the focus on advancing the transition toward a socially, economically and environmentally resilient society and a competitive economy.

The resolution called for further measures to improve the business environment, such as:

- the adoption of an SME action plan with clear objectives, milestones and timeline, accompanied by regular monitoring, reporting and evaluations;

- measures to promote a more favourable environment for business creation and to strengthen entrepreneurship;

- the setting of ambitious and binding quantitative and qualitative EU-wide targets for the reduction of administrative burdens by June 2021 at the latest;

- improved regulatory alignment to be accompanied by smart digitalisation, increased user-friendliness, more streamlined procedures and more secure and private data procedures;

- more targeted national and EU-level technical and administrative assistance, exchange of best practice and training opportunities for SMEs;

- a binding test that is able to assess, with regard to SMEs, the costs and benefits of legislative proposals, including their economic impact and their impact on SME employees;

- a revived implementation of the small business act (SBA);

- support to a dedicated EU SME envoy to bring more visibility to SMEs' concerns;

- customised EU funding to attract more participation from non-digital, high-tech and innovative SMEs;

- full and fair access to bank loans for SMEs;

New challenges arising from the COVID-19 pandemic

Parliament urged Member States and the Commission to address the problem of late payments, which continue to create significant liquidity challenges for SMEs and strengthen monitoring and enforcement of the Late Payment Directive.

Deeply concerned by the fact that sectors such as tourism, hospitality, culture, the creative industries, transport, trade fairs and events, which are largely composed of SMEs, have been hit hardest by the COVID-19 crisis, Members stressed the importance of continuous, swift measures aimed at restoring and retaining trust among travellers and operators.

They also regretted that only 17 % of SMEs have so far successfully integrated digital technology into their businesses. They called for the action aimed at tackling skills mismatches and shortages to be strengthened and at equipping SMEs with digital literacy and skills, as well as improving skills in relation to public procurement and financial education, in addition to credit and supply chain management skills for rapidly changing labour markets, also in the light of the acceleration induced by the COVID-19 crisis.

In addition, Members called for increasing the proportion of graduates in science, technology, engineering and mathematics (STEM) and closing the gap that women face in these fields.

Recovery strategy

While regretting that the recovery strategy gives little support to SMEs, Parliament insisted that a substantial part of the resources of the Horizon Europe programme should be made available to SMEs. It called on the Commission and Member States to:

- invest in the data economy, artificial intelligence, smart production, the Internet of Things and quantum computing and ensure a strong SME component in these fields;

- adopt a favourable regulatory framework and technical and financial support mechanisms, including through private investment, so as to enable SMEs to adopt environmentally friendly practices, products, processes and services effectively and rapidly;

- prioritise the announced intellectual property action plan to strengthen the capacity of European enterprises, especially SMEs, to innovate.

Parliament called on the Commission to put in place a level playing field and a regulatory environment in which SMEs can compete globally, as well as tools such as a single digital entry point to easily identify opportunities for SMEs in international trade agreements.

A new strategy for European SMEs

2020/2131(INI) - 02/12/2020 - Committee report tabled for plenary, single reading

The Committee on Industry, Research and Energy adopted the own-initiative report by Paolo BORCHIA (IDG, IT) on a new strategy for European SMEs.

The 24 million SMEs in the EU-27 are the backbone of the economy and, before the pandemic, they generated more than half of the EU's GDP while employing about 100 million workers. 98.9 % of enterprises in the EU's non-financial business economy are small enterprises with fewer than 49 workers. However, the economic crisis and the grim economic outlook triggered by the pandemic have brought a considerable and indeterminate number of SMEs and start-ups to the verge of insolvency.

Structural challenges prior to the COVID-19 crisis

Although Members welcomed the Commission's SME strategy published in March 2020, they stressed the need for it to be updated in the light of the COVID-19 crisis while keeping the focus on advancing the transition toward a socially, economically and environmentally resilient society and a competitive economy. The SME strategy should be aligned with the industrial strategy, the European data strategy and the European Green Deal.

The report called for further measures to improve the business environment, such as:

- the adoption of an SME action plan with clear objectives, milestones and timeline, accompanied by regular monitoring, reporting and evaluations;

- ambitious and binding quantitative and qualitative targets at EU level for the reduction of administrative burdens to be set as soon as possible after conducting an impact assessment and in any case no later than June 2021, and in advance of the Commission communication;

- improved regulatory alignment to be accompanied by smart digitalisation, increased user-friendliness, more streamlined procedures and more secure and private data procedures;

- more targeted national and EU-level technical and administrative assistance, exchange of best practice and training opportunities for SMEs;

- the creation of a single digital entry point for all enquiries on EU financing opportunities for SMEs and ensure that EU support schemes, including those addressing the COVID-19 aftermath, contain a strong SME component;

- a revived implementation of the small business act (SBA);

- support to a dedicated EU SME envoy to bring more visibility to SMEs' concerns;

- customised EU funding to attract more participation from non-digital, high-tech and innovative SMEs;

- full and fair access to bank loans for SMEs;

New challenges arising from the COVID-19 pandemic

Recalling that liquidity must be swiftly provided to SMEs, the committee urged Member States and the Commission to address the problem of late payments, which continue to create significant liquidity challenges for SMEs. It urged Member States that still have not done so to implement the Late Payment Directive, in particular regarding public administrations and to business-to-business relations.

Members recognised the need for a temporary relaxation of State aid rules and an acknowledgement that they have led to the uneven implementation of measures across the EU. The Commission and the Council are called on to take swift action to ensure a competitive level playing field among Member States.

Members expressed deep concern that sectors such as tourism, hospitality, culture, the creative industries, transport, trade fairs and events, which are largely composed of SMEs, have been hit hardest by the COVID-19 crisis. They stressed the importance of continuous, swift measures aimed at restoring and retaining trust among travellers and operators.

They also regretted that only 17 % of SMEs have so far successfully integrated digital technology into their businesses. They called for the action aimed at tackling skills mismatches and shortages to be strengthened and at equipping SMEs with digital literacy and skills, as well as improving skills in relation to public procurement and financial education, in addition to credit and supply chain management skills for rapidly changing labour markets, also in the light of the acceleration induced by the COVID-19 crisis.

Lastly, Members called for the adoption of a parallel and stronger policy to improve internet infrastructure and connectivity conditions to the benefit of SMEs in remote areas, as a basic condition to improve digitalisation and embrace an effective transformation.