Enterprise and Industry

SBA Fact Sheet 2012
GREECE

In a nutshell:

- The SME sector is more important in Greece than in the average EU country, and Greek SMEs tend to be smaller than their EU peers

- The crisis has caused a dramatic decrease in the number of Greek SMEs, estimated to be 90 000 thousand units between 2008 and 2011

- Greece lags behind the EU average by a considerable margin in five out of ten SBA areas

- Recently, important policy measures have been taken in the SBA areas of Access to finance, Internationalisation, Second chance, Responsive administration and Skills and innovation.

About the SBA Fact Sheets[1]:

The Small Business Act for Europe (SBA) is the EU's flagship policy initiative to support small and medium-sized enterprises (SMEs). The aim of the annually updated Fact Sheets is to improve understanding of recent trends and national policies affecting SMEs. Since 2011, each EU Member State has appointed a high-ranking government official as its national SME envoy. SME envoys spearhead the implementation of the SBA agenda in their countries.

1.   SMEs in Greece– basic figures

	Number of Enterprises			Employment			Value added		
	Greece		*EU27*	Greece		*EU27*	Greece		*EU27*
	Number	Share	*Share*	Number	Share	*Share*	Billion €	Share	*Share*
Micro	703.648	96,6%	*92,2%*	1.338.671	57,1%	*29,6%*	23	34,2%	*21,2%*
Small	21.586	3,0%	*6,5%*	404.290	17,2%	*20,6%*	14	21,2%	*18,5%*
Medium-sized	2.649	0,4%	*1,1%*	255.492	10,9%	*17,2%*	10	14,8%	*18,4%*
SMEs	**727.883**	**99,9%**	***99,8%***	**1.998.453**	**85,2%**	***67,4%***	**47**	**70,2%**	***58,1%***
Large	399	0,1%	*0,2%*	346.200	14,8%	*32,6%*	20	29,8%	*41,9%*
Total	**728.282**	**100,0%**	*100,0%*	**2.344.653**	**100,0%**	*100,0%*	**66**	**100,0%**	*100,0%*

Estimates for 2011, based on 2005-2009 figures from the Structural Business Statistics Database (Eurostat). The estimates have been produced by Cambridge Econometrics.The data cover the 'business economy', which includes industry, construction, trade and services (NACE Rev. 2 Sections B to J, L, M and N). They do not cover enterprises in agriculture, forestry, fishing or the largely non-market services such as education and health. The advantage of using Eurostat data is that the statistics from different countries have been harmonised and are comparable across countries. The disadvantage is that for some countries these data may be different from data published by national authorities.

The Greek SME sector differs considerably in its structure from the EU as a whole. First of all, it is relatively more important; in Greece the number of large enterprises is only half that of the average EU country, and they provide only 15 % of the jobs. Secondly, within the SME sector micro enterprises are more heavily represented: they account for 96.6 % of enterprises, 56.6 % of the jobs and 33.9 % of the value-added, against an EU average of 92.2 %, 29.7 % and 21.2 % respectively. It can be noted that the number of SMEs in Greece is less than half the EU average, whereas the gap is smaller for employment. The gap is even less for value-added, especially in the case of small enterprises, where it disappears altogether. Small enterprises produce a larger share of total value-added than their EU peers despite being much less numerous in relative terms. This suggests that the productivity of Greek micro enterprises is, by EU standards, quite low. On the other hand, since they employ just 1.88 workers each, their value-added per worker is much closer to the EU average than their value-added per company.

Greek SMEs tend to specialise in trade more than their EU peers (38 % against 30 %), and less in services (40 % against 45 %). It is significant that while the proportion of enterprises active in construction and
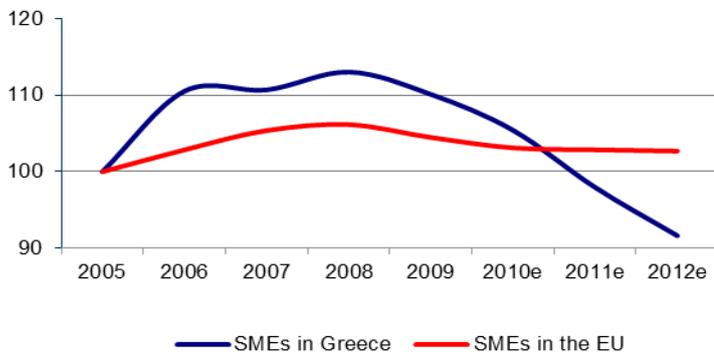
SME trends in Greece[2]
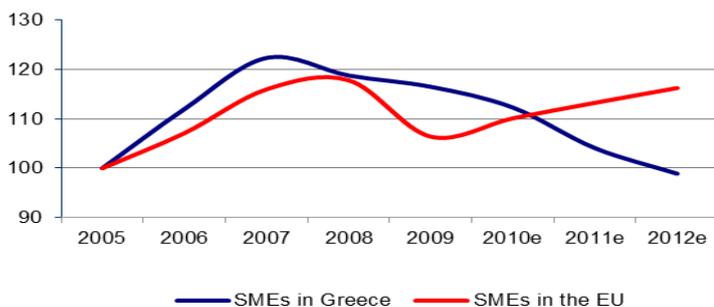
Number of SMEs
(Index: 2005=100, estimates from 2010 on)

— SMEs in Greece — SMEs in the EU
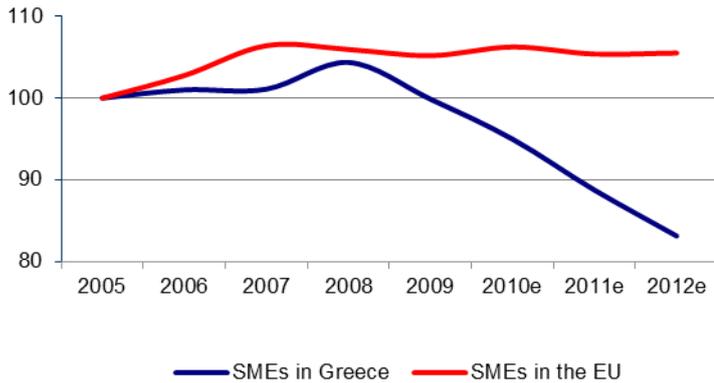
Employment in SMEs
(Index: 2005=100, estimates from 2010 on)

— SMEs in Greece — SMEs in the EU

Value-added of SMEs
(Index: 2005=100, estimates from 2010 on)

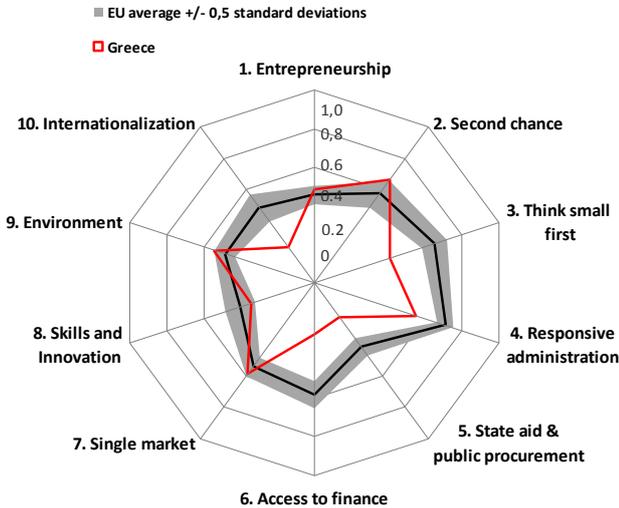— SMEs in Greece — SMEs in the EU

industry is very close to the EU average (13 % and 10 % in comparison with 15 % and 10 % respectively), their contribution to the value-added figures is much lower for construction (7 % against 13 %) but slightly higher for industry (22 % vs 21 %). In general terms, the combined share of Greek SMEs specialising in high-tech manufacturing and knowledge-intensive services, which are likely to be more productive, is only 18 % in Greece, while these SMEs account for almost a third of the EU total[3].

In the light of recent trends, and based on the available data up until the end of 2012, the Greek SME sector is estimated to have been hit particularly hard by the crisis in terms of the number of enterprises, which is now not only inferior to 2008, the last year before the crisis, but also to the base year of 2005. The picture is less bleak in terms of employment, which has also decreased drastically (in absolute numbers, by an estimated 200 000 between 2008 and 2011), but has stabilised at a higher level compared to the number of enterprises. The same holds true for the value-added figures.
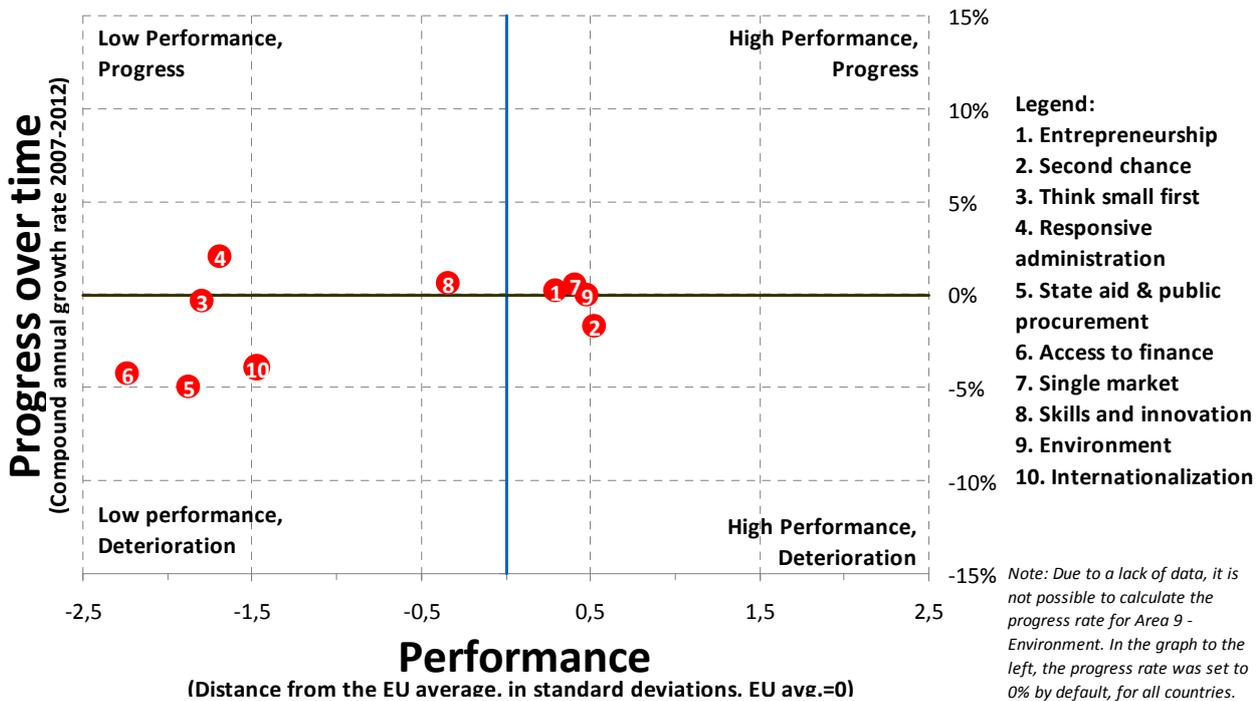
Value-added of SMEs

Outer circle: EU27
Inner circle: Greece

■ High-tech manufacturing and knowledge-intensive services

■ Low tech manufacturing and less knowledge-intensive services

2. Greece's SBA profile

EU average +/- 0,5 standard deviations
Greece

The Greek SBA profile shows a slightly better than average score in the area of Second chance only, an average score for Environment, Single mark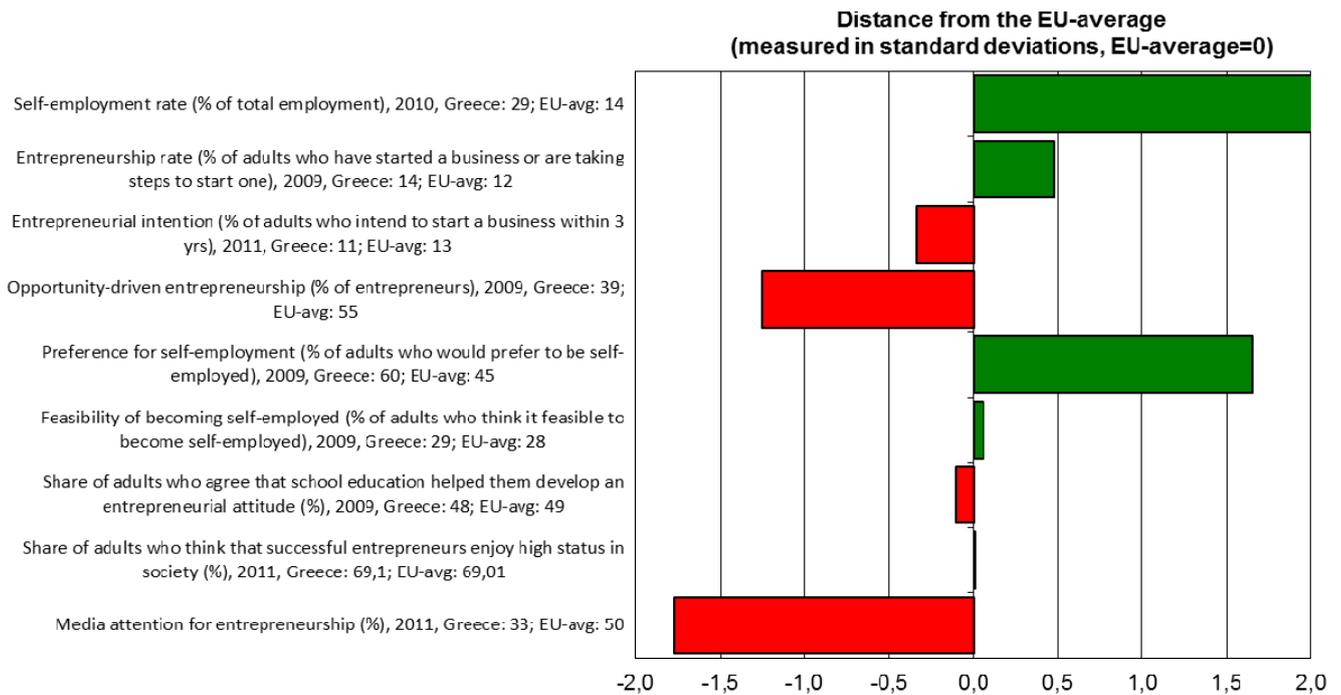et, Entrepreneurship and Skills and innovation, and worryingly low scores in the remaining areas. The trend for the 2007-2012 period for the last-motioned areas is also of concern, with the exception of Responsive administration, which shows an improvement, and Think small first, which is stable. The decline in Access to finance, an important area for the health of the economy, is of particular concern in light of the current economic climate. It is therefore encouraging that it has been at the centre of policy efforts in the recent years[4]. The other SBA areas that have been the focus of particular attention by policy-makers are Internationalisation, Second chance, Responsive administration and Skills and innovation, while less attention has been given to the remaining ones. In this context, the Greek government implemented the 'Business Friendly Greece' plan in 2011, a wide-ranging action plan of institutional reforms covering most SBA areas, in cooperation with the 12 relevant ministries.

Greece's SBA performance 2007-2012[5]

Legend:
1. Entrepreneurship
2. Second chance
3. Think small first
4. Responsive administration
5. State aid & public procurement
6. Access to finance
7. Single market
8. Skills and innovation
9. Environment
10. Internationalization

Note: Due to a lack of data, it is not possible to calculate the progress rate for Area 9 - Environment. In the graph to the left, the progress rate was set to 0% by default, for all countries.

I. Entrepreneurship

**Distance from the EU-average
(measured in standard deviations, EU-average=0)**

Indicator	
Self-employment rate (% of total employment), 2010, Greece: 29; EU-avg: 14	
Entrepreneurship rate (% of adults who have started a business or are taking steps to start one), 2009, Greece: 14; EU-avg: 12	
Entrepreneurial intention (% of adults who intend to start a business within 3 yrs), 2011, Greece: 11; EU-avg: 13	
Opportunity-driven entrepreneurship (% of entrepreneurs), 2009, Greece: 39; EU-avg: 55	
Preference for self-employment (% of adults who would prefer to be self-employed), 2009, Greece: 60; EU-avg: 45	
Feasibility of becoming self-employed (% of adults who think it feasible to become self-employed), 2009, Greece: 29; EU-avg: 28	
Share of adults who agree that school education helped them develop an entrepreneurial attitude (%), 2009, Greece: 48; EU-avg: 49	
Share of adults who think that successful entrepreneurs enjoy high status in society (%), 2011, Greece: 69,1; EU-avg: 69,01	
Media attention for entrepreneurship (%), 2011, Greece: 33; EU-avg: 50	

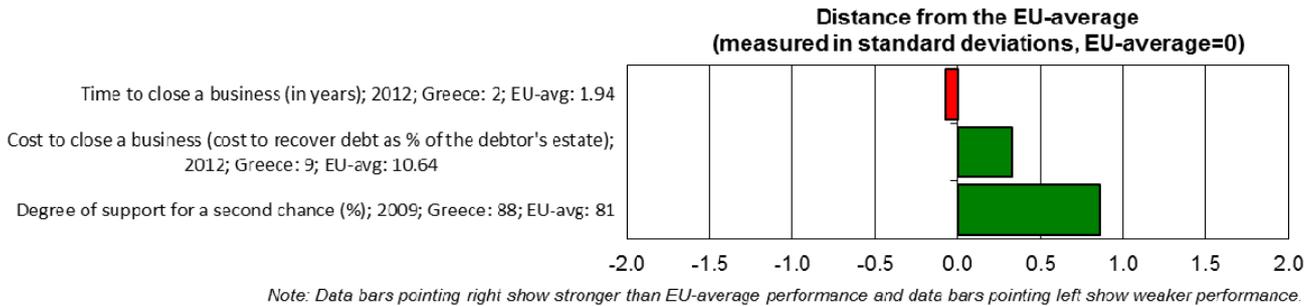-2,0 -1,5 -1,0 -0,5 0,0 0,5 1,0 1,5 2,0

Note: Data bars in green (pointing right) show stronger than EU-average performance and data bars in red (pointing left) show weaker performance.

In this SBA area Greece's performance is comfortably within the EU average. However, the aggregate result disguises wide variations in the single indicators. Greeks are much more likely than the EU population as a whole to be self-employed (29 % compared to just 14 %) and, significantly, tend to prefer it that way (60 % vs 40 %). On the other hand, many Greek entrepreneurs have started their businesses because of a lack of alternatives rather than the desire to exploit an opportunity they identified in the market, and the media attention for entrepreneurship in Greece clearly lags behind the EU average. The other indicators deviate very little from the mean, except for the entrepreneurship rate, which is slightly above average. However, since it refers to 2009, it may not reflect the current situation.

Policy-wise, in January 2012, the Ministry of Education, Lifelong Learning and Religious Affairs launched the programme 'Entrepreneurship Cells' to support youth entrepreneurship by providing grants to students or graduates, so that they can develop their business ideas and receive entrepreneurship training or counselling.
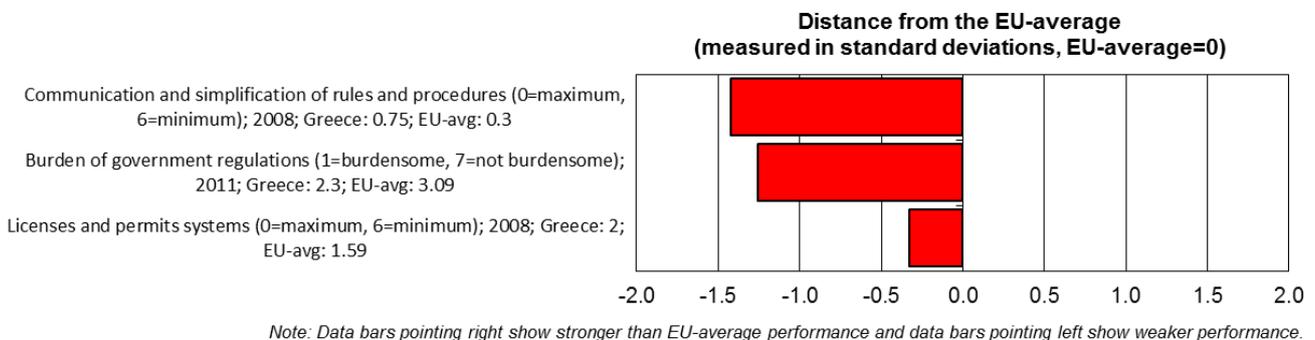
II. Second chance

Distance from the EU-average
(measured in standard deviations, EU-average=0)

Time to close a business (in years); 2012; Greece: 2; EU-avg: 1.94

Cost to close a business (cost to recover debt as % of the debtor's estate); 2012; Greece: 9; EU-avg: 10.64

Degree of support for a second chance (%); 2009; Greece: 88; EU-avg: 81

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Note: Data bars pointing right show stronger than EU-average performance and data bars pointing left show weaker performance.

In the Second chance area, Greece records slightly better marks than its EU peers. In particular, Greeks are more likely (88% vs 81%) to think that entrepreneurs who have failed once should be given a second chance, while the cost involved and the time needed to close a business in Greece fall within the EU average.

No significant new policy measures were undertaken in 2011 and the first quarter of 2012.

III. Think small first

Distance from the EU-average
(measured in standard deviations, EU-average=0)

Communication and simplification of rules and procedures (0=maximum, 6=minimum); 2008; Greece: 0.75; EU-avg: 0.3

Burden of government regulations (1=burdensome, 7=not burdensome); 2011; Greece: 2.3; EU-avg: 3.09

Licenses and permits systems (0=maximum, 6=minimum); 2008; Greece: 2; EU-avg: 1.59

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Note: Data bars pointing right show stronger than EU-average performance and data bars pointing left show weaker performance.
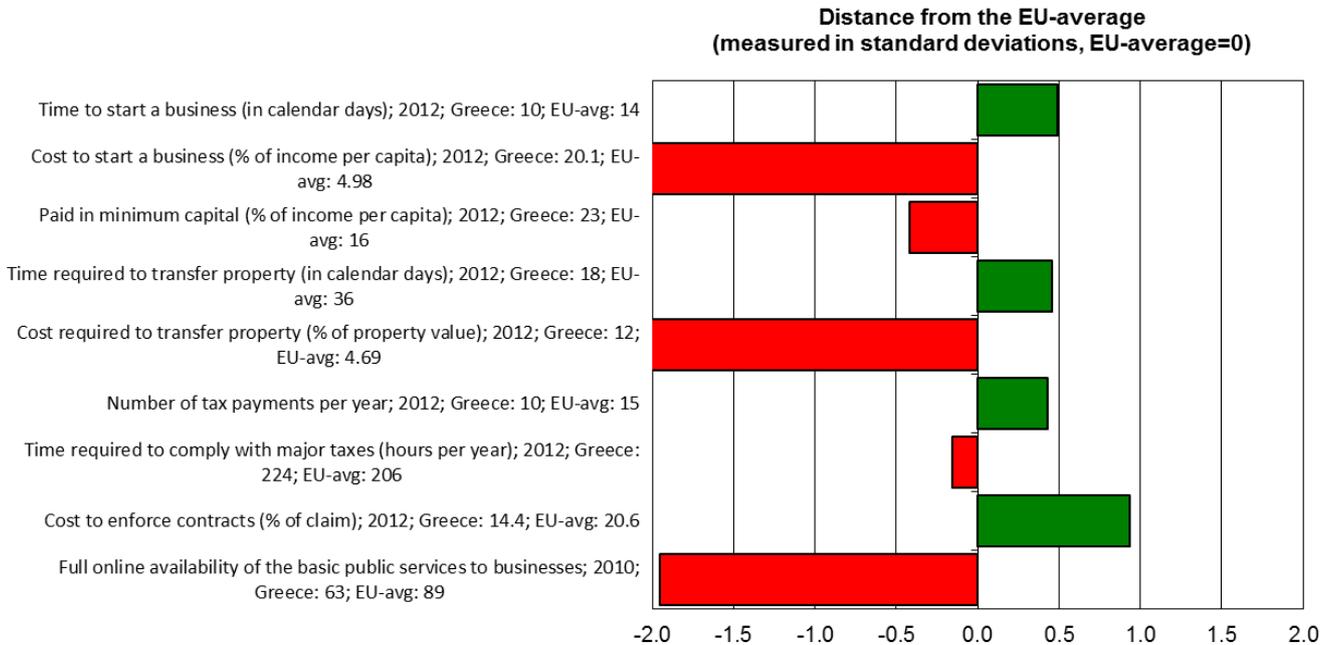
In the Think small first area, Greece clearly trails the EU average, except in the case of the licences and permits systems, where its performance is not far off the mean. In particular, the Greek authorities perform less well than their EU peers in terms of communication and simplification of rules and procedures, and impose a higher burden on the companies they monitor.

Policy-wise, Law 4072/2012 for the improvement of the business environment, in addition to introducing some simplified provisions on entrepreneurship, introduced a new corporate form, Private Company, in order to facilitate entrepreneurship, especially for SMEs. A Private Company is a capitalised company with limited liability, which can be established with minimum capital of one euro and fewer information obligations. The provisions stipulate that such companies can only publicise documents and particulars in the General Electronic Commercial Registry, and are therefore exempted from all relevant costs. Moreover, share capital can be created by way of contributions from other assets (such as a shareholder undertaking to work for the company) or a security for a company's debts.

IV. Responsive administration

Distance from the EU-average
(measured in standard deviations, EU-average=0)

Time to start a business (in calendar days); 2012; Greece: 10; EU-avg: 14

Cost to start a business (% of income per capita); 2012; Greece: 20.1; EU-avg: 4.98

Paid in minimum capital (% of income per capita); 2012; Greece: 23; EU-avg: 16

Time required to transfer property (in calendar days); 2012; Greece: 18; EU-avg: 36

Cost required to transfer property (% of property value); 2012; Greece: 12; EU-avg: 4.69

Number of tax payments per year; 2012; Greece: 10; EU-avg: 15

Time required to comply with major taxes (hours per year); 2012; Greece: 224; EU-avg: 206

Cost to enforce contracts (% of claim); 2012; Greece: 14.4; EU-avg: 20.6

Full online availability of the basic public services to businesses; 2010; Greece: 63; EU-avg: 89

Note: Data bars pointing right show stronger than EU-average performance and data bars pointing left show weaker performance.

Three indicators in this SBA area drag the Greek performance below the EU average: it is four times more expensive to start a business in Greece than in the EU as a whole[6], it is much more costly to transfer property, and public services are less likely to be fully available online. The remaining indicators tell a different story: the time required to set up a business or to transfer a property is a little above the EU average, paying taxes does not require more effort than in the average EU country, the required paid-in minimum capital is not far off the mean and the enforcement of a contract is actually cheaper. However, the three poor performers cited above are much lower than the mean, thereby compromising the overall performance of Greece.

Important policy measures were taken in this area in 2011. New, simplified procedures for establishing new companies were introduced in April 2011 by the Ministry of Development, Competitiveness and Shipping. Under the new procedures, lasting only one hour, a company can be set up within one day. Although the method seems to work well in many cases, the required period is higher for entrepreneurs without a clear tax or social security status. Given the poor quality of record-keeping by the tax authorities and the social security funds, the number of these cases experiencing delays could be high.

Furthermore, in April 2011 a law simplifying the procedures for the licensing of business activities, involving both companies and technical professions, was introduced. The new law changes the existing principle 'audit before the licence' to a new approach where, for low-polluting activities, the licence is given prior to any audit. Furthermore, the authority for granting licences has been extended to the Chambers of Commerce, in addition to the existing offices in the regional authorities.
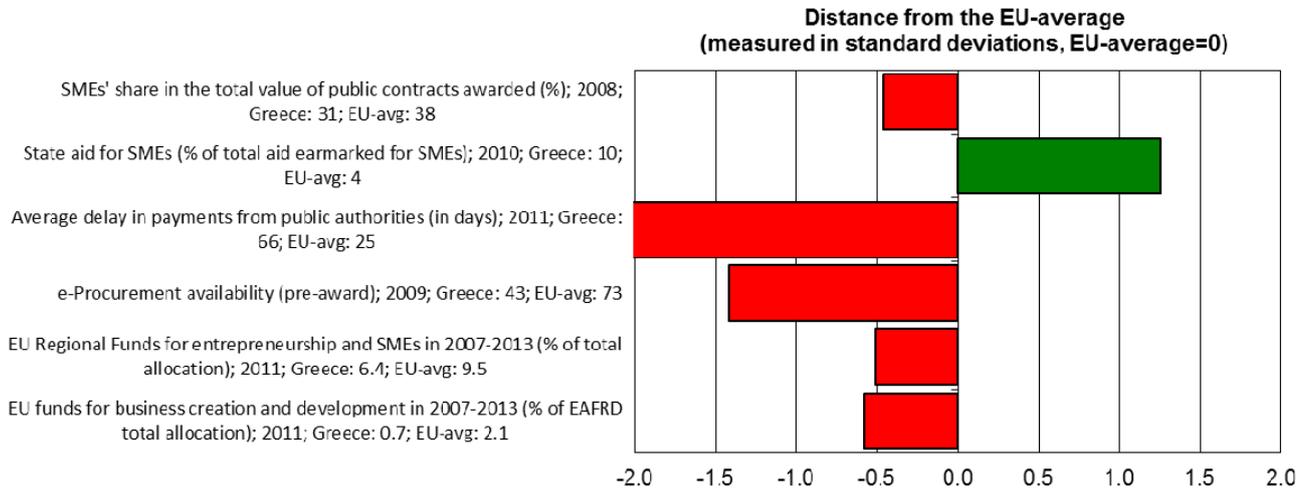
In the context of building a more responsive administration, the General Secretariat of Industry is supporting the new digital platform, StartUp Greece (www.startupgreece.gov.gr), an online tool to promote entrepreneurship. This platform has created an entrepreneurial community whose main objectives are to disseminate information, provide a networking forum for young entrepreneurs and, ultimately, change the perceptions of entrepreneurship.

V. State aid and public procurement

Distance from the EU-average
(measured in standard deviations, EU-average=0)

SMEs' share in the total value of public contracts awarded (%); 2008; Greece: 31; EU-avg: 38

State aid for SMEs (% of total aid earmarked for SMEs); 2010; Greece: 10; EU-avg: 4

Average delay in payments from public authorities (in days); 2011; Greece: 66; EU-avg: 25

e-Procurement availability (pre-award); 2009; Greece: 43; EU-avg: 73

EU Regional Funds for entrepreneurship and SMEs in 2007-2013 (% of total allocation); 2011; Greece: 6.4; EU-avg: 9.5

EU funds for business creation and development in 2007-2013 (% of EAFRD total allocation); 2011; Greece: 0.7; EU-avg: 2.1
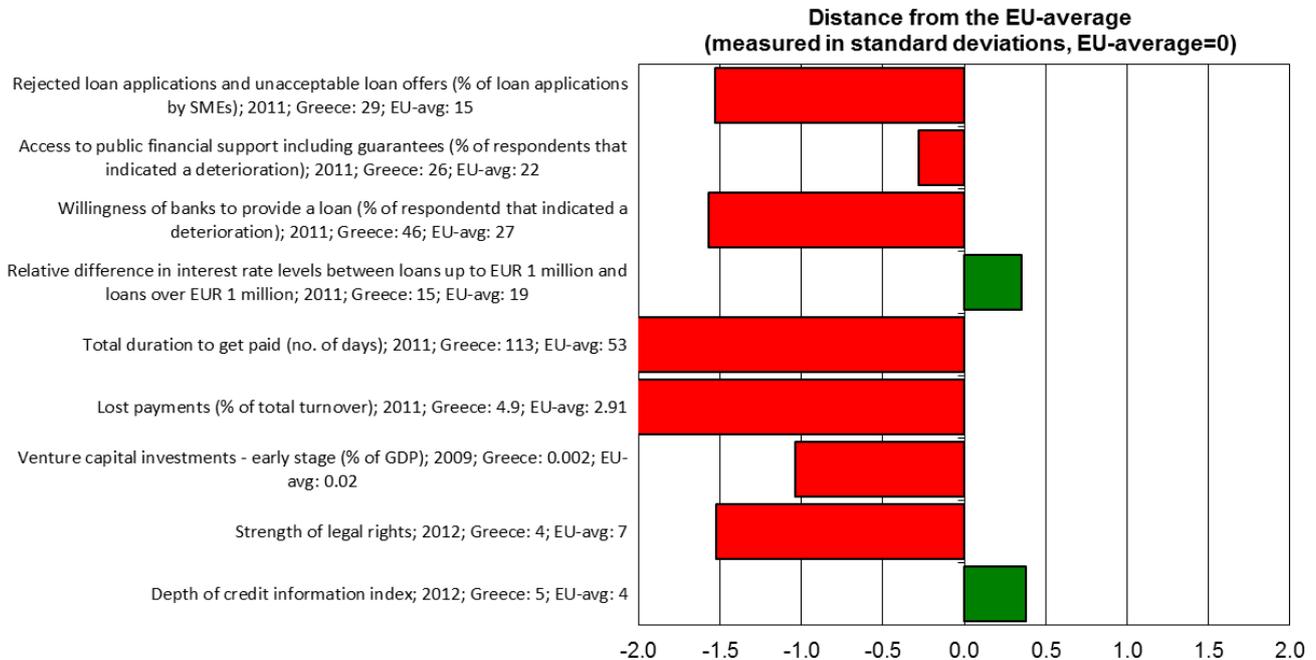
Note: Data bars pointing right show stronger than EU-average performance and data bars pointing left show weaker performance.

Greece reports low marks in this area, despite performing well on state aid to SMEs is concerned. In particular, the Greek authorities are guilty of long payment delays (66 days against an EU average of 25). On the other hand, results for the use of EU funds for entrepreneurship and SMEs (regional funds) and business creation and development (agricultural funds) are only slightly below the mean, as is the case for the indicator measuring the share of the value of public contracts going to SMEs. The last indicator, the availability of e-procurement, trails the EU average, but it should be noted in this regard that in 2011 important policy measures were taken, which are not yet reflected in the score. These measures, introduced by the General Secretariat of Trade, take the form of online auctions for public procurement, and are intended to increase transparency, decrease the cost of procurement and reduce the participation barriers for smaller companies. The service started in August 2011, and is set to gradually expand to cover an increasing number of procurement needs. It is however too soon to judge its impact and degree of implementation.

VI. Access to finance

**Distance from the EU-average
(measured in standard deviations, EU-average=0)**

Rejected loan applications and unacceptable loan offers (% of loan applications by SMEs); 2011; Greece: 29; EU-avg: 15	
Access to public financial support including guarantees (% of respondents that indicated a deterioration); 2011; Greece: 26; EU-avg: 22	
Willingness of banks to provide a loan (% of respondentd that indicated a deterioration); 2011; Greece: 46; EU-avg: 27	
Relative difference in interest rate levels between loans up to EUR 1 million and loans over EUR 1 million; 2011; Greece: 15; EU-avg: 19	
Total duration to get paid (no. of days); 2011; Greece: 113; EU-avg: 53	
Lost payments (% of total turnover); 2011; Greece: 4.9; EU-avg: 2.91	
Venture capital investments - early stage (% of GDP); 2009; Greece: 0.002; EU-avg: 0.02	
Strength of legal rights; 2012; Greece: 4; EU-avg: 7	
Depth of credit information index; 2012; Greece: 5; EU-avg: 4	

Note: Data bars pointing right show stronger than EU-average performance and data bars pointing left show weaker performance.

In this vital SBA area, Greece is the lowest scorer in the EU and, worryingly, also shows a negative trend over time.

Three indicators show results in line with the EU average: access to public financial support, the interest rate difference between smaller and larger loans, and the availability of credit information. All the remaining indicators fall below it. In particular, 29 % of loan applications by Greek SMEs were rejected (EU average: 15 %), a fact confirmed by the indicator showing that banks are much less willing to provide a loan. The total time it takes to get paid is more than double the EU average (113 days vs 53), lost payments make up 4.9 % of the total (EU average: 2.9 %), venture capital investments are only a tenth of the mean, and finally legal rights also seem to need strengthening.

On the policy front, the public authorities have introduced important measures, often supported by EU instruments, to improve the situation.
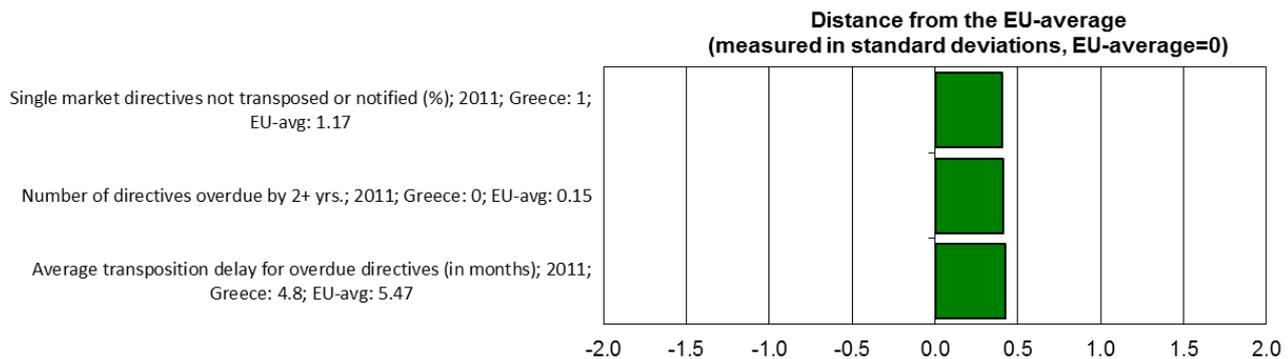
In February 2011, the programme JEREMIE (Joint European Resources for Micro to Medium Enterprises) was initiated by the Ministry of Development, Competitiveness and Shipping in order to support micro and small enterprises. It embraces a number of measures: financing of risk-sharing loans at reduced rates, the provision of guarantees for loans and support to venture capital investments. Financing covers only tangible and intangible assets, and not expenses such as operational cost, salaries, rent and insurance contributions. An important instrument within JEREMIE is the microfinance programme, launched in November 2011. It aims to provide interest subsidies for microloans targeting the development needs of enterprises with less than 10 employees and an annual turnover of up to EUR 2 million. The programme covers 50 per cent of the incurred interest on the loan.

In order to improve access to finance for SMEs and start-ups, the National Fund for Entrepreneurship and Development (ETEAN SA) provides revolving engineering financial instruments. ETEAN SA co-invests funds with banks to provide loans to SMEs on favourable terms (e.g. very low interest rates). One of these is the 'Entrepreneurship Fund', where banks are selected through a public expression of interest. The

government contributes EUR 300 million while the selected banks co-invest EUR 600 million. In addition, a loan guarantee fund is being created.

Additionally, ETEAN SA provides loan guarantees to SMEs through its own capital funds.

VII. Single market

Distance from the EU-average
(measured in standard deviations, EU-average=0)

Single market directives not transposed or notified (%); 2011; Greece: 1; EU-avg: 1.17

Number of directives overdue by 2+ yrs.; 2011; Greece: 0; EU-avg: 0.15

Average transposition delay for overdue directives (in months); 2011; Greece: 4.8; EU-avg: 5.47

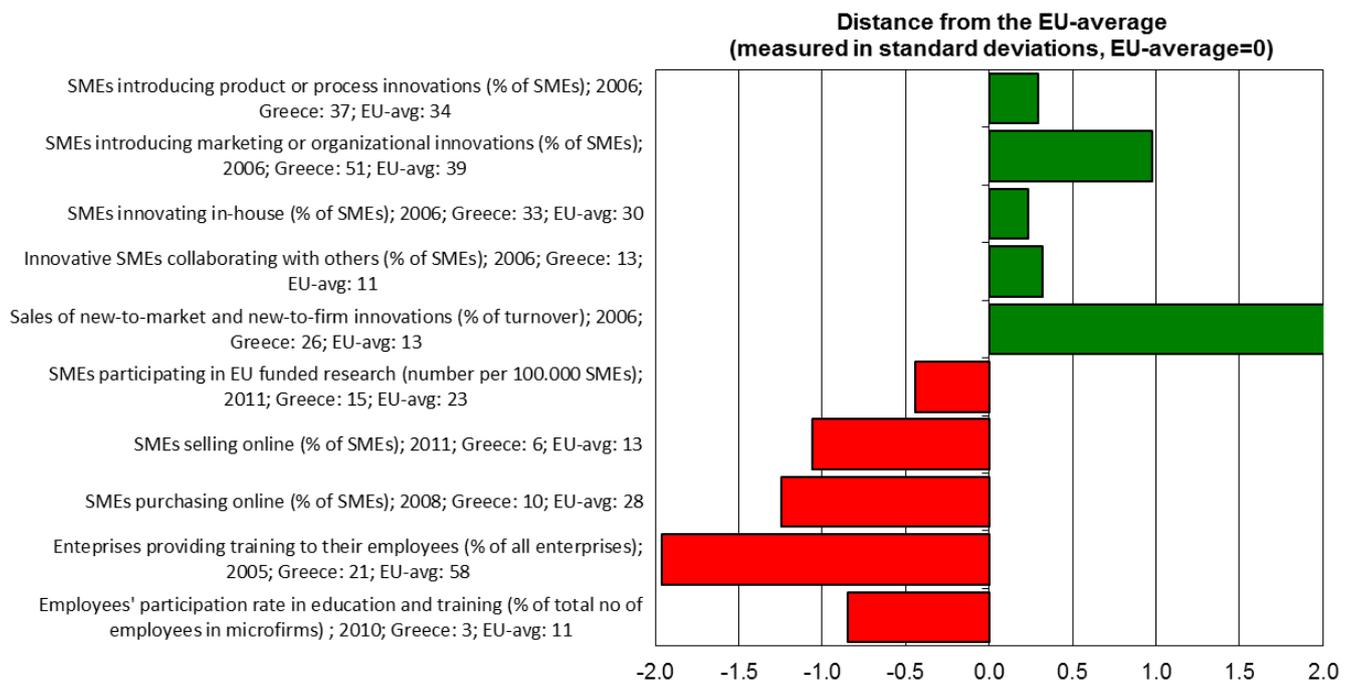*Note: Data bars pointing right show stronger than EU-average performance and data bars pointing left show weaker performance.*

In the Single market area, Greece performs within the 0.5 standard deviation band and can therefore be considered average, on the plus side. However, it should be noted that only indicators referring to Greece's performance and punctuality in transposing EU legislation are available. Therefore, only this aspect should be considered when appraising the results, in the absence of data about intra-EU trade.

Policy-wise, no significant measures were reported in this area in 2011 and the first trimester of 2012.

VIII. Skills and innovation

Distance from the EU-average
(measured in standard deviations, EU-average=0)

SMEs introducing product or process innovations (% of SMEs); 2006; Greece: 37; EU-avg: 34

SMEs introducing marketing or organizational innovations (% of SMEs); 2006; Greece: 51; EU-avg: 39

SMEs innovating in-house (% of SMEs); 2006; Greece: 33; EU-avg: 30

Innovative SMEs collaborating with others (% of SMEs); 2006; Greece: 13; EU-avg: 11

Sales of new-to-market and new-to-firm innovations (% of turnover); 2006; Greece: 26; EU-avg: 13

SMEs participating in EU funded research (number per 100.000 SMEs); 2011; Greece: 15; EU-avg: 23

SMEs selling online (% of SMEs); 2011; Greece: 6; EU-avg: 13

SMEs purchasing online (% of SMEs); 2008; Greece: 10; EU-avg: 28

Enterprises providing training to their employees (% of all enterprises); 2005; Greece: 21; EU-avg: 58

Employees' participation rate in education and training (% of total no of employees in microfirms) ; 2010; Greece: 3; EU-avg: 11

Note: Data bars pointing right show stronger than EU-average performance and data bars pointing left show weaker performance.

Greece performs in line with its EU peers in this SBA area, but with significant variations among the individual indicators. It performs below the EU average in terms of the provision of training to
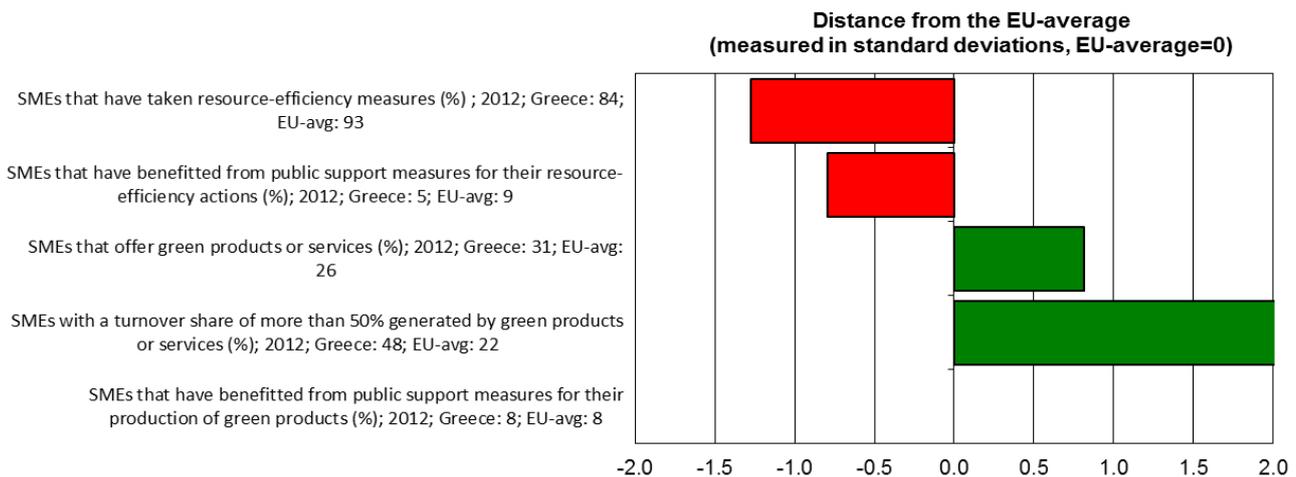
employees, and their participation in it; furthermore, it also lags behind in online trade, with only 6 % Greek SMEs selling online against an EU average of 13 %. (The picture for online purchasing is similar, but the available data is significantly older.) On the other hand, the picture is brighter with regard to the introduction of product or process innovations and, even more so, of organisational innovations. Greek SMEs are no less likely to be involved in in-house innovations than their EU counterparts, to be participating in EU-funded research programmes or collaborating with other innovative SMEs. The turnover they raised in 2006 from selling new-to-market or new-to-firm innovations is, at 26 %, double the EU average. On the policy front, this is one of the areas which has seen a high level of activity in 2011.

In order to bring innovation closer to the market, the General Secretariat of Industry of the Ministry of Development, Competitiveness and Shipping launched the programme 'New Innovative Entrepreneurship' in May 2011. Its main objective is to encourage a shift from necessity-driven to opportunity-driven entrepreneurship. It supports young companies in developing both product and service innovations.

In September 2011, the General Secretariat for Research and Technology introduced a pilot phase for the programme 'Creation of business clusters — One Greek product, one Market: The Planet'. The programme supports the development of innovative business clusters in those sectors where Greece has a competitive advantage, and it aims to stimulate innovative activity by supporting product and service innovations, and encouraging specialisation and the creation of economies of scale.

Furthermore, in May 2011 the General Secretariat of Research and Technology launched the programme 'Cooperation 2011' to provide grants for collaborative R&D projects among firms of all sizes, research centres, universities, technological institutes and other public bodies. The programme aims to improve the competitiveness of Greek firms through R&D collaborative projects in those technology fields deemed a national priority.

IX. Environment

Distance from the EU-average
(measured in standard deviations, EU-average=0)

SMEs that have taken resource-efficiency measures (%) ; 2012; Greece: 84; EU-avg: 93

SMEs that have benefitted from public support measures for their resource-efficiency actions (%); 2012; Greece: 5; EU-avg: 9

SMEs that offer green products or services (%); 2012; Greece: 31; EU-avg: 26

SMEs with a turnover share of more than 50% generated by green products or services (%); 2012; Greece: 48; EU-avg: 22

SMEs that have benefitted from public support measures for their production of green products (%); 2012; Greece: 8; EU-avg: 8

Note: Data bars pointing right show stronger than EU-average performance and data bars pointing left show weaker performance.
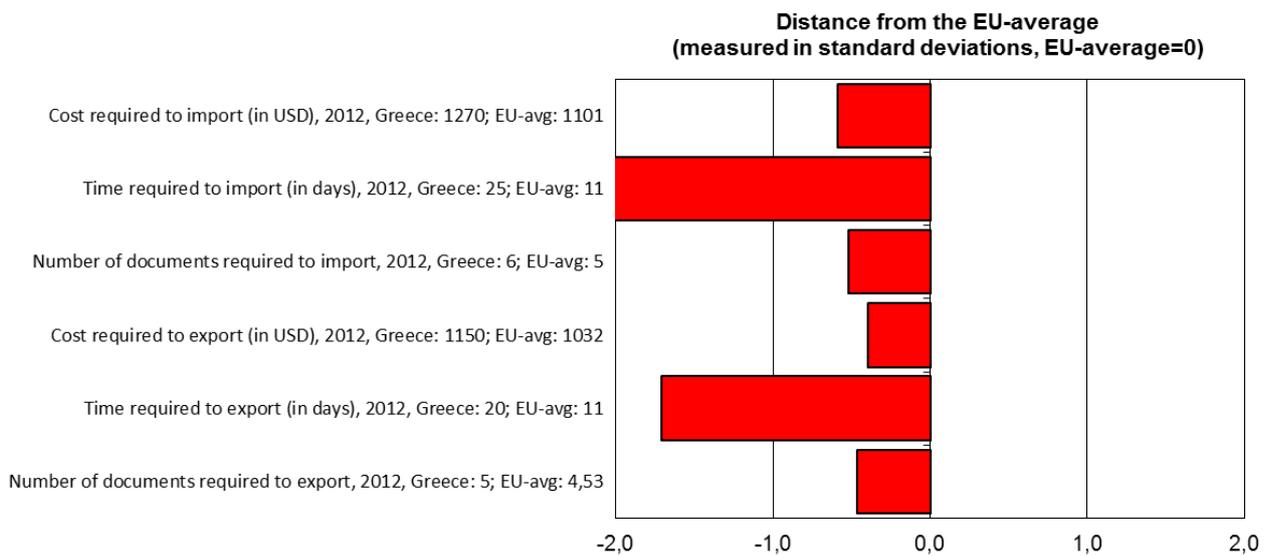
While Greece performs quite well in the Environment area in general terms, only one indicator is close to (actually identical to) the EU average: the share (8 %) of SMEs that have benefited from public support measures to produce green products. All other indicators are either better or worse than the EU average. Hence, the share of Greek SMEs that offer green products or services exceeds the EU average (31 % vs 26 %), and almost half of these companies see more than 50 % of their turnover generated by

them, compared to an EU average of little more than a fifth. On the contrary, Greece lags behind in the resource-efficiency field, both in terms of SMEs that introduced resource-efficiency measures and in terms of public support for them.

Given that Greece scores relatively well in this area, it is not surprising that it was not deemed a priority, and consequently no significant new policy measures were taken in 2011 and the first trimester of 2012.

X. Internationalisation

Distance from the EU-average
(measured in standard deviations, EU-average=0)

Cost required to import (in USD), 2012, Greece: 1270; EU-avg: 1101

Time required to import (in days), 2012, Greece: 25; EU-avg: 11

Number of documents required to import, 2012, Greece: 6; EU-avg: 5

Cost required to export (in USD), 2012, Greece: 1150; EU-avg: 1032

Time required to export (in days), 2012, Greece: 20; EU-avg: 11

Number of documents required to export, 2012, Greece: 5; EU-avg: 4,53

-2,0   -1,0   0,0   1,0   2,0

Note: Data bars in green (pointing right) show stronger than EU-average performance and data bars in red (pointing left) show weaker performance.

The indicators available (those about extra-EU trade are not) present quite a negative picture, especially in terms of the time needed for importing and exporting in Greece: 25 and 20 days respectively, against an EU average of 11 in both cases. The remaining indicators either fall within or just outside the boundaries of the average performance. Therefore, it can be said that in terms of cost of importing and exporting, and the number of documents required, the burden that Greece imposes on SMEs is not much higher than the EU average.

Policy-wise, the programme 'Internationalisation — Business Competitiveness' was initiated in March 2011 by the General Secretariat of Industry of the Ministry of Development, Competitiveness and Shipping. The aim of this measure is to increase the internationalisation of businesses, to stimulate business partnerships and to increase the visibility of Greek companies and their products in the international market. The programme provides grants

for activities such as exhibitions, marketing, improving the design of the products, protecting IPRs (intellectual property rights), etc.

Furthermore, in November 2011 another programme was launched by the same Ministry in order to support human resources training in SMEs on issues relating to the internationalisation of their business activities.

Lastly, the new Law 4072/2012 on the improvement of the business environment provides for the creation of an integrated information system ('Single Window') to facilitate exporting and importing procedures. This single window provides a single platform for carrying out all the necessary transactions for import and export activities.

3. Good practice

To show what the government is doing to promote SMEs, we include an example of good practice.

The Ministry of Development, Competitiveness and Shipping modified the Bankruptcy law in September 2011 to allow companies to continue operating during legal procedures, and prevent closure. The new approach is aimed at avoiding bankruptcy and preventing the disruption of a company's productive activity, while at the same time giving creditors a better chance of getting paid. These twin aims are to be achieved by allowing maximum flexibility when drafting an agreement between the debtor and the creditor, and by giving the parties broad discretion in proposing different measures to cover all possible situations. This makes it more likely that a case-specific settlement between the debtor and creditor can be reached in a timely fashion, limiting the period of uncertainty about the survival of the enterprise and the resulting damages.

About the SBA Fact Sheets

The Small Business Act (SBA) Fact Sheets are produced by DG ENTR as part of the SME Performance Review (SPR), which is its main vehicle providing an economic analysis of SME issues. They combine the latest available statistical and policy information for the 27 EU Member States and another 10 non-member countries. They also feed in to the EU's Competitiveness and Innovation Framework Programme (CIP). The Fact Sheets — produced annually — help to marshal the available information to facilitate SME policy assessments and monitor SBA implementation. They document the status quo and progress. They are not an assessment of Member States' policies but should be regarded as an additional source of information to underpin evidence-based policy making. For example, the Fact Sheets cite only those policy measures deemed relevant by local SME policy experts. They do not, and cannot, reflect all measures taken by the government over the reference period. More policy information can be found on a database accessible from the SPR website. Please also see the end notes overleaf.

For more information

SME Performance Review:

http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm

Small Business Act:

http://ec.europa.eu/enterprise/policies/sme/small-business-act/index_en.htm

The European Small Business Portal:

http://ec.europa.eu/small-business/index_en.htm

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[1] The SBA Fact Sheets 2012 benefited substantially from input by the European Commission's Joint Research Centre (JRC) in Ispra, Italy. The JRC made major improvements to the methodological approach, statistical work on the dataset and the visual presentation of the data.

[2] The three graphs below describe the trend over time for the variables. They consist of index values for the years since 2005, with the base year 2005 set at a value of 100. As from 2010, the graphs show estimates of the development over time, based on 2005-2009 figures from the Structural Business Statistics Database (Eurostat). The estimates were produced by Cambridge Econometrics. The data cover the 'business economy', which includes industry, construction, trade, and services (NACE Rev. 2 Sections B to J, L, M, N). The data do not cover enterprises in agriculture, forestry, fishing or largely non-market services, such as education and health. A detailed methodology can be consulted at: http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm.

[3] The indicators measuring the number of high-technology SMEs in the manufacturing industries and knowledge intensive SMEs in the service sectors and their contribution to employment and value-added were calculated by reference to the Eurostat definition of 'High-technology' and 'knowledge-based services' aggregations based on NACE Rev. 2. For more information please see: http://epp.eurostat.ec.europa.eu/cache/ITY_SDDS/Annexes/htec_esms_an3.pdf

[4] The policy measures presented in this SBA Fact Sheet may be only a selection of the measures taken by the Government in 2011 and the first three months of 2012. The selection was made by the national SME policy expert contracted by Ecorys (DG ENTR´s lead contractor for the 2012 Fact Sheets). The experts were asked to select only those measures that, in their view, were the most important, i.e. were expected to have the highest impact in the specific SBA area. The complete range of measures that the experts compiled in producing this year's Fact Sheets will be published alongside the Fact Sheets in the form of a policy database on the DG ENTR website.

[5] The quadrant chart combines two sets of information. Firstly it shows the status quo performance based on data for the latest available years. This information is plotted along the X-axis measured in standard deviations of the simple, non-weighted arithmetical average for EU-27. The vertical corridor marked by the dotted lines defines the EU average. Secondly, it reveals progress over time, i.e. the average annual growth rates for the period 2007-2012. The growth rates are those of the individual indicators which make up the SBA area averages. Hence, the location of a particular SBA area average in any of the four quadrants indicates not only where the country is located in this SBA area relative to the rest of the EU at a given point in time, but also the extent of progress made in the period 2007-2012.

[6] The start-up indicators are based on World Bank data. For methodological details, please consult the Doing Business 2012 report at http://www.doingbusiness.org/. It should be noted that these findings differ from corresponding figures obtained directly from Member States. Under a self-reporting exercise it evidently took five days and cost 910 euros to start a business in Greece in 2011. For more details please see: http://ec.europa.eu/enterprise/policies/sme/business-environment/start-up-procedures/index_en.htm.