



SMES IN THE EU AND LITHUANIA: BOOSTING THE BACKBONE

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Head of European Commission

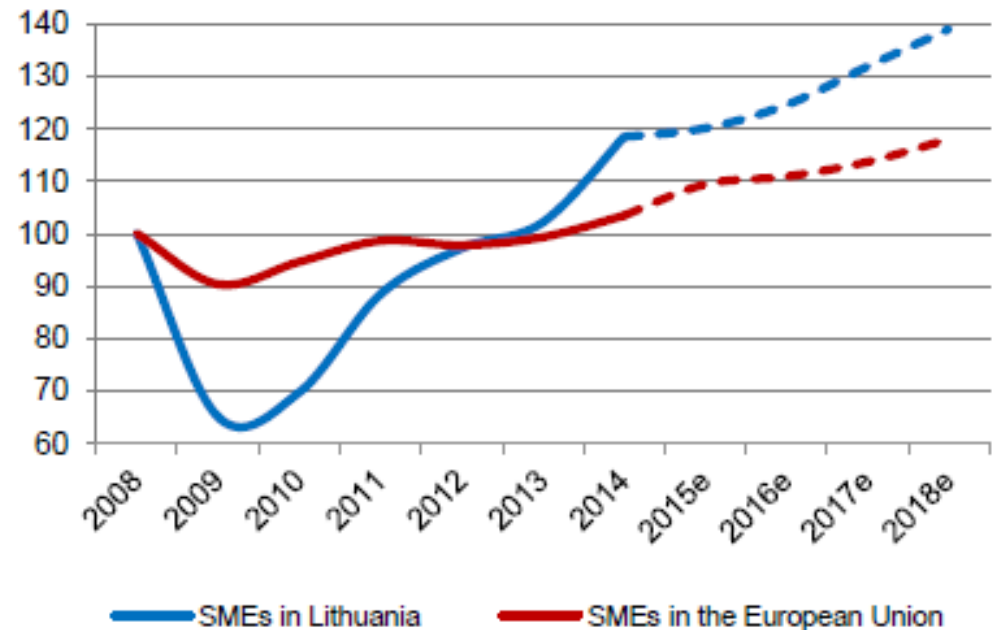
Representation in Lithuania



SMEs - the backbone of European and Lithuanian economy



Value added of SMEs
(Index: 2008=100, estimates as from 2015 onwards)



European Commission, [2017 SBA Fact Sheet: Lithuania](#)



Small Business Act (SBA): health-check of the backbone

Main priorities of the SBA:

- *Promoting entrepreneurship,*
- *Less regulatory burden,*
- *Access to finance,*
- *Access to markets and internationalisation.*

'Think Small First' and 'once only' Principle

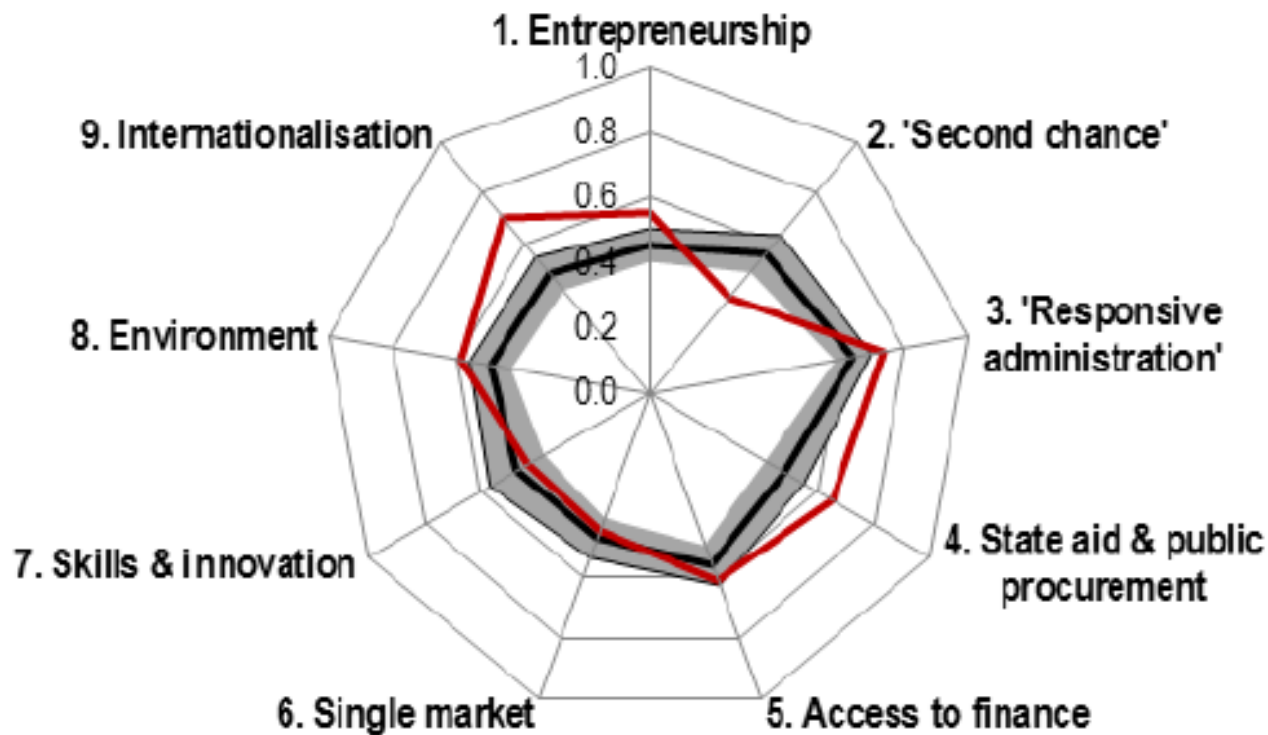
The SME Performance Review – annual health-check



Small Business Act: Lithuania

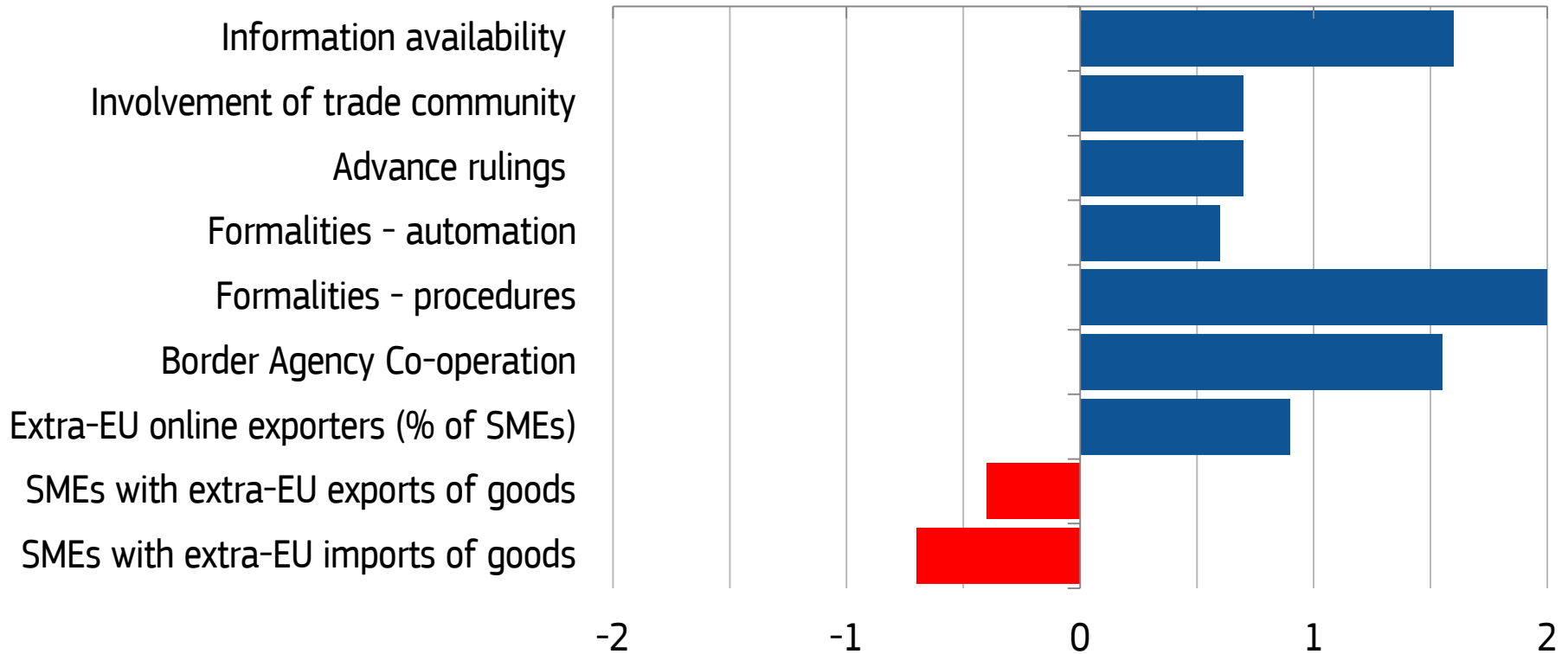
■ EU average +/- 0.5 standard deviations

■ Lithuania





SMEs in Lithuania – not seasick to compete beyond the EU

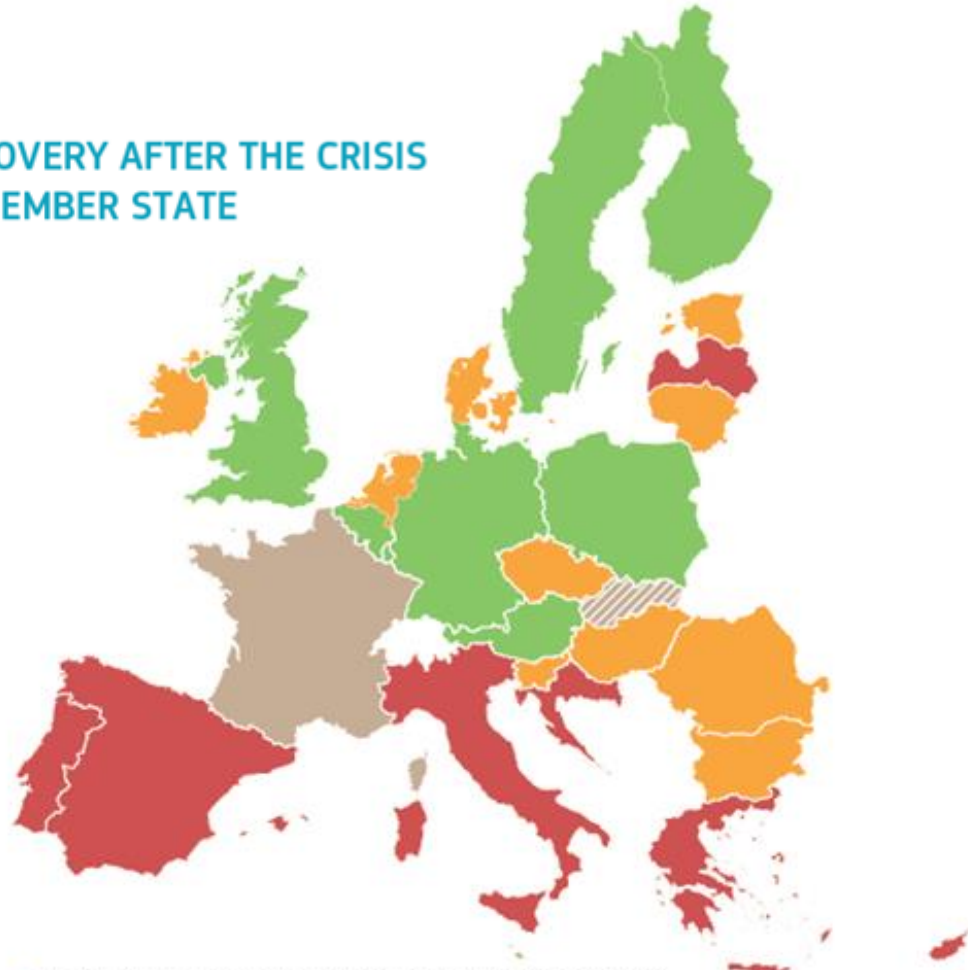


European Commission, [2017 SBA Fact Sheet: Lithuania](#), Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.



Rebuilding muscles after the crisis: growing employment

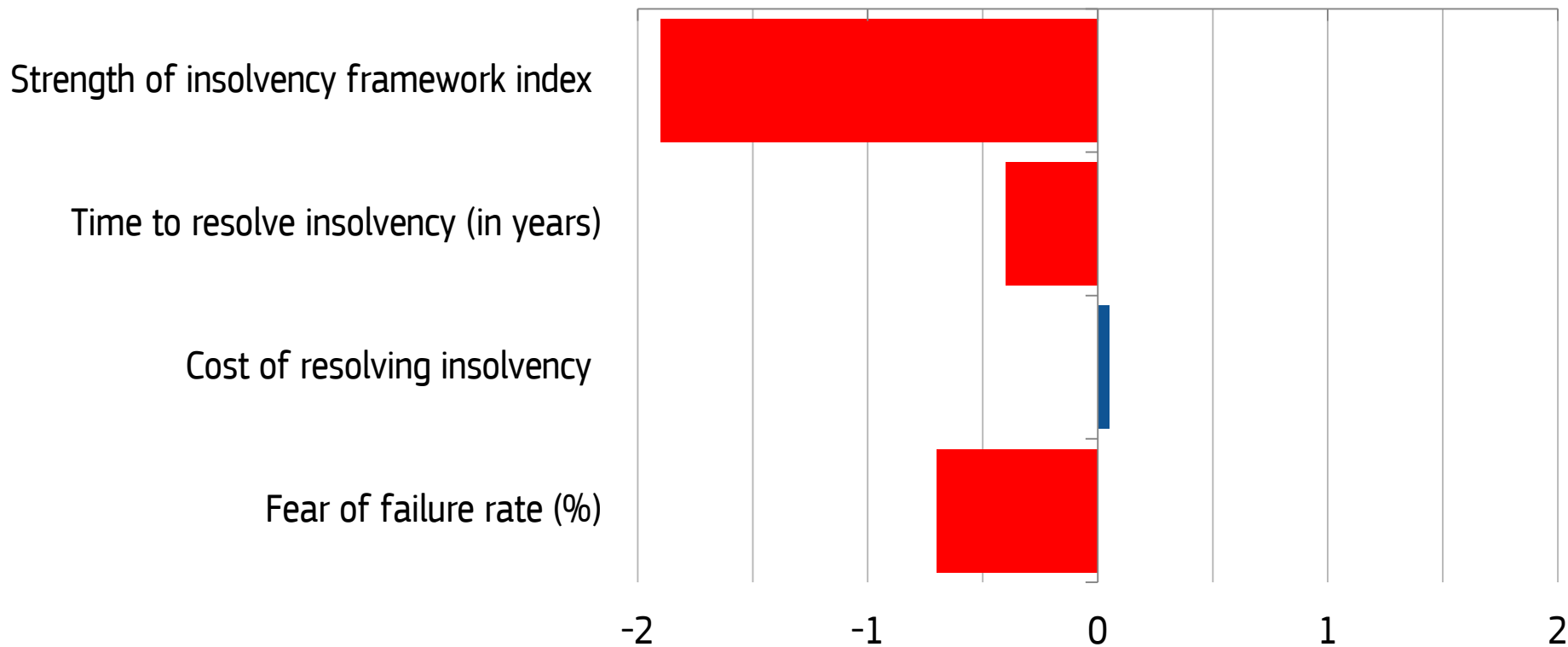
GRADE OF SME RECOVERY AFTER THE CRISIS BY EU MEMBER STATE



- Positive value added and employment ratio in SMEs 2008-2016
- Positive value added but negative employment ratio in SMEs 2008-2016
- Negative value added but positive employment ratio in SMEs in 2008-2016
- Negative value added and negative employment ratio in SMEs 2008-2016
- ▨ Due to structural break, relevant period for the Slovak Republic is 2010-2016



Give a second chance to the SMEs after a knockdown



European Commission, [2017 SBA Fact Sheet: Lithuania](#), Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.



Country report 2018: Lithuania

- an improvement in SMEs access to finance, though **loan rejection rates remain high**;
- The **analysis of the impact of new legislation** on businesses could still be improved
- Despite some improvements, Lithuania's **innovation performance** remains moderate esp. in SMEs.





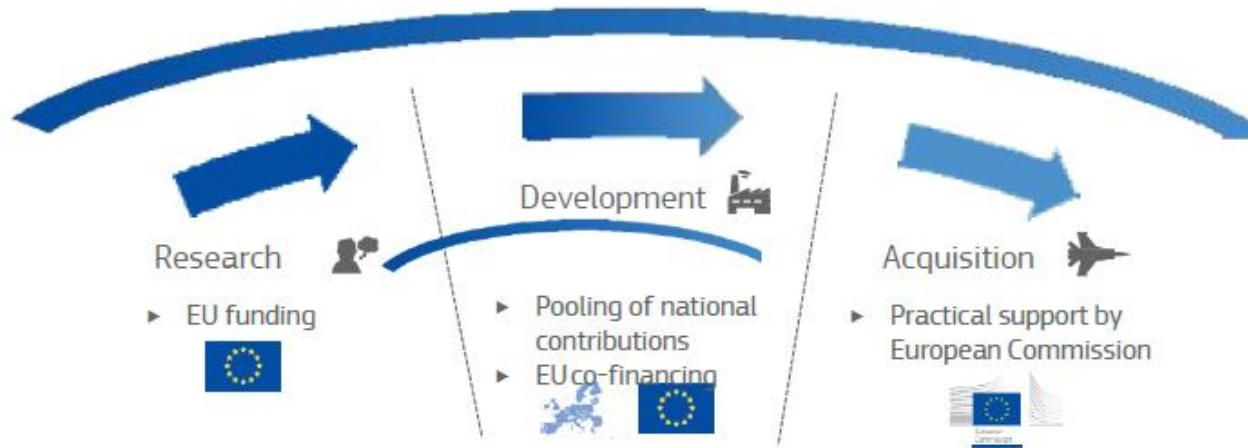
Way forward in assisting SMEs in the EU and Lithuania

- Juncker Plan: "EFSI 2.0" - proportion of the guarantee for SMEs from 26% to 40%, up to 7000 SMEs in Lithuania should benefit (COSME, Innofin, etc.);
- Green Action Plan for SMEs – taking advantages of Green economy transition;
- 6 February 2018 - 6 May 2018 EU's consultation on SMEs definition;
- Counting on the social dialogue.



Bringing SMEs closer to the core of defence

HOW WILL THE FUND WORK?



RESEARCH

Fully and directly funded from EU budget



DEVELOPMENT

Member States budget at least 80%

Co-financing from EU budget up to 20%

UNTIL 2020

POST - 2020

€90 million total

€500 million* / year

€2 billion total

€4 billion* / year

€500 million total

€1 billion* / year

€5.5 billion* / year

* Budget expectations per year



Further boost to SMEs in the future EU budget

- European Regional Development and Cohesion Funds – EUR 273 billion
- Dedicated EUR 3 billion for COSME (Single Market Programme)
- Invest EU Fund
- Innovation and digitalization of SMEs through Horizon Europe and other programmes

Detailed proposals on Single Market and Invest EU – 6-8 June

