

Internationally active SMEs yield better results

25% of EU 27 small and medium-sized businesses (SMEs) export or have exported at some point during the last 3 years. This is revealed in a new European Commission study available on line. Internationally active SMEs report an employment growth of 7% whereas the figure stood at 1% for those without any international activities. There is also a strong relationship between internationalisation and innovation. 26% of internationally active SMEs introduced products or services that were new for their sector in their country; for other small businesses this is only 8%. However, international activities are mostly geared towards other countries inside the internal market and only about 13% of EU SMEs are active in markets outside the EU. European firms are more internationally active, compared with US and Japanese SMEs. These are some of the findings of the study "Internationalisation of European SMEs". It maps the level of internationalisation of European SMEs and identifies the main barriers and advantages of internationalisation.

Commission Vice-President Antonio Tajani, responsible for Entrepreneurship and Industry said: "European SMEs still depend largely on their domestic markets despite the opportunities brought by the enlarged single market and by globalisation at large. It's important for our smaller businesses to improve their performance in cross-border and international trade transactions in order to reinforce growth, enhance competitiveness and support the long term sustainability of companies."

This study analysed 26 separate sectors. The highest percentage of internationalised SMEs is found in wholesale trade, mining, manufacturing and sale of motor vehicles. Within services, the sector 'research' scores very highly. Sectors of activity with the highest share of exporting SMEs are mining (58%), manufacturing (56%), wholesale trade (54%), research (54%), sales of motor vehicles (53%), renting (39%) and transport and communication (39%).

There is a direct link between internationalisation and increased SMEs performance.

1. The most relevant findings of the Survey:

- **25% of EU 27 SMEs export** or have exported at some point during the last 3 years
- **Partner countries are mostly other EU countries** - 76% of all exporting SMEs are oriented towards the internal market.
- There is a direct link between the level of **internationalisation and the size of the company**. The larger the SME, the more internationalised it is.
- There is a negative correlation between the **population size of the SME's home country** and its level of international activity.

2. Better results for internationally active SMEs

- **International SMEs create more jobs:** Internationally active SMEs report an employment growth of 7% versus only 1% for SMEs without any international activities.
- **International SMEs are more innovative:** 26% of internationally active SMEs introduced products or services that were new for their sector in their country; for other SMEs this is only 8%.
- **Import is a stepping stone to export:** SMEs that both import and export, started with import twice as often (39%) than with exports (18%).
- **Public support goes largely un-noticed:** Only 16% of SMEs are aware of public support programmes for internationalisation and only a small number of SMEs use public support.
- **European SMEs are more internationally active than US and Japanese SMEs.** Overall, European firms are more active than their counterparts in Japan or the US. Even if only extra EU exports are considered they still perform better.

3. Recommendations for SME Policy Support

- **awareness** and use of public support programmes need to be promoted.
- **Easier access to support measures** for micro firms: they are the ones that need and would benefit more from support programmes.
- **Innovation and internationalisation** are closely related. This strongly suggests the co-ordination of policy measures aimed at stimulating innovation and internationalisation or even merge the agencies that implement these two types of policies.
- **Import** is a stepping stone to export. Public support programmes should take this fact into account.

Background:

The goal of this study was to provide an updated and comprehensive overview of the level of internationalisation of European SMEs. The data and conclusions of this study are based on a survey of 9,480 SMEs in 33 European countries. The survey was carried out during spring 2009. The study analysed all activities that put SMEs into any meaningful business relationship with a foreign partner: exports, imports, foreign direct investment, international subcontracting and international technical co-operation. The results allow an in-depth overview of the situation by Country, SME size (micro, small, medium) and sector (26 separate sectoral groupings were analysed)

More information

http://ec.europa.eu/enterprise/policies/sme/market-access/internationalisation/index_en.htm