



# Press Release

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## EU support to help small businesses go international needs better management and visibility

The European Commission has identified the main barriers to the internationalisation of the EU's small and medium-sized enterprises (SMEs) and put in place many measures to help them expand their business to international markets both within and beyond the EU, according to a new report by the European Court of Auditors. However, these measures sometimes lack coherence and visibility, and the Commission does not always coordinate them well enough with Member States' own programmes. The Commission's flagship Enterprise Europe Network (EEN) initiative, which provides a support network for SMEs with international ambitions, needs better coverage in non-EU countries, while another smaller initiative specifically focusing on high-tech start-ups – StartUp Europe – needs more long-term continuity in its activities.

SMEs – businesses which employ fewer than 250 workers – are the backbone of the EU economy: they make up 99% of all businesses in the EU. Outside the financial sector, they provide two thirds of jobs in business, and generate over half of the EU's economic production. However, they only account for 30% of EU exports. SMEs are less active in international markets than larger businesses: they are often unaware of international trade and public support schemes, and frequently they simply lack the necessary know-how. To address these challenges, the Commission has put in place a large number of support programmes. In 2011, it adopted an EU strategy for SME internationalisation that set out to improve the coherence and coordination of all existing support.

*"Small businesses are big business for the EU. By trading across Europe and exporting beyond its borders, they can make an even bigger contribution to the EU's economy," said Ivana Maletić, the ECA member in charge of the report. "The Commission should make the information on SME internationalisation support more readily available and bring its programmes closer to European SMEs, which are still not aware of many of the existing instruments and projects."*

The auditors found that the implementation of the strategy remained incomplete. Although the Commission has succeeded in at least partially carrying out key measures, such as developing the online information portal for exporting companies (Access2Markets), important activities to make measures more coherent at EU and Member State level have been unsuccessful. In particular, the Commission did not provide an up-to-date inventory of measures to identify gaps, overlaps and synergies. The auditors also criticise the coherence of the many EU activities addressing SMEs'

*The purpose of this press release is to convey the main messages of the European Court of Auditors' special report. The full report is available at [eca.europa.eu](http://eca.europa.eu).*

## ECA Press

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internationalisation needs, arguing that coordination is lacking on multiple levels, including between EU and Member State activities. They further note that the financial sustainability of the support programmes was not always well addressed by the Commission, with several programmes having been discontinued despite delivering positive results. In terms of awareness-raising, information on support for internationalisation is now more accessible, but the benefits of free-trade agreements (FTAs) – which are crucial, but complex for SMEs – are not yet sufficiently promoted.

The auditors found that the EEN had achieved its targets, but that it needed further efforts to improve its visibility, coordination, coverage in non-EU countries, and capacity building to better support SMEs in accessing finance and exploiting the benefits of FTAs. The EEN's performance varied between countries and consortia, and while the work of some business cooperation centres outside the EU was highly appreciated (e.g. the EU-Japan centre), others were criticised for their poor service and responsiveness. The EEN members also reported that the centres' presence was inadequate in countries that are key trading partners, including China. As for the Startup Europe initiative, the auditors found that it only addressed the needs of start-ups in the short term, as all funded projects ceased at the end of the grant and all activities were beset with general sustainability issues. Cooperation with other instruments was limited and the initiative sometimes led to start-ups being acquired by big businesses from outside the EU, which could be at odds with the goal of helping companies grow internationally while remaining in the EU. The auditors also call on the Commission to improve the monitoring of results to assess the extent to which the initiative as a whole contributed to SME internationalisation.

### Background information

There are over 20 million SMEs in the EU Member States, employing around 100 million people. SMEs are businesses with fewer than 250 employees and either an annual turnover of no more than €50 million or an annual balance sheet of no more than €43 million. Internationalisation is the process by which companies become involved in international markets, primarily through exports. The EU funding specifically targeting SME internationalisation amounted to about €850 million in the 2014-2020 period, including about €450 million for the EEN and €30 million for Startup Europe; it is complemented by EU measures that cover SME internationalisation as one of many areas (e.g. ESI Funds, EFSI, and Horizon 2020). The EEN and StartUp Europe are first contact points for European SMEs and start-ups seeking advisory supports and networking for exporting. At the end of 2020, the EEN had over 625 partner organisations, such as regional development agencies, chambers of commerce, or research institutes in 65 countries, grouped into regional consortia. Between 2014 and 2020, Startup Europe promoted 22 projects, reaching over 1000 businesses. Special report 07/2022, "SME Internalisation instruments: a large number of support actions but not fully coherent or coordinated", is available on the [ECA website](#) and is the latest in a series of ECA publications examining support for SMEs: others in the series include special reports on the [Capital Markets Union](#), [the SME Instrument](#), [venture capital](#) and the [SME guarantee facility](#). The ECA will shortly publish a special report on the EU support for [SME competitiveness](#).

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