

## ENTERPRISES IN EUROPE: Third Report

*93% of the enterprises in the European Union have 9 employees or less*

In 1990<sup>1</sup> the European Union boasted roughly 14 million enterprises which employed 92 million persons, or 64% of the EU's active population, and obtained a total turnover of ECU 10,500 billion. Therefore since 1988 the number of enterprises had increased by 9%, employment had increased slightly less (8%) and turnover had shown a higher increase at 13%. Micro enterprises (ie firms employing 1-9 persons) represented 93% of the total number of enterprises and accounted for 32% of employment and 24% of turnover. There were 12,000 large enterprises in the European Union which were responsible for 28% of employment and 29% of turnover.

SMEs (ie enterprises with 1-499 employees) represented the largest group of firms, accounting for 99.8% of enterprises and 69% of employment and turnover in the twelve EU countries. Their weight was greater in Denmark, Spain and Portugal where they were responsible for about 80% of employment. Although still in the

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**Enterprises in Europe — Third Report** is the result of a joint effort between Directorate General XXIII of the European Commission and Eurostat, the Statistical office of the European Communities.

The publication contains the most up-to-date and harmonised data available broken down by size-class of enterprises and detailed activity sectors for 23 countries which include the Member States of the European Economic Area, Switzerland, the USA, Canada, Japan and Australia.

Subjects covered are: the structural statistics of enterprises, employment and production per country and estimates for the whole of the European Union. There are also several special studies on the demography of enterprises, micro enterprises, SME definition and financial indicators for SMEs.

The publication comes in two volumes and contains approximately 600 pages. It will go on sale at the Office for Official Publications of the European Communities in September 1994.

**For further information:**

EUROSTAT

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<sup>1</sup> Although the study refers to the year 1990, its interest lies in that it gives the most recent overview of enterprises in Europe.



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majority, the number of SMEs was below the average in Germany (63% of employment and turnover), France (66% of employment and 63% of turnover) and the United Kingdom (66% of total employment and only 44% of industrial turnover).

Of the total number of enterprises, 12% were engaged in industry, 13% in construction, 43% in distribution and 32% in the remaining services. Industry had the largest share of employment and turnover (34% and 40% respectively), but distribution achieved a similar total turnover of ECU 4.3 thousand billion.

The study shows the highest 'birth rate' amongst enterprises is found in the business service sector which also enjoys the highest survival rate. In the construction industry 80% of enterprises survived their first year, 60% survived three years while half were still in operation after five years. The lowest survival rates were detected in distribution.

## SME INITIATIVE: Indicative Financial Allocation of Appropriations

The European Commission has placed ECU 13.467 billion at the disposal of Member States to stimulate regional employment and development for the period 1994-1999. These allocations will facilitate the fulfilment of thirteen political objectives established at the European level representing an equal number of programmes or 'Community initiatives.' This assistance completes the ECU 128 billion earmarked in the European budget for regional and social programmes in Member States.

An indicative financial allocation of Community initiative appropriations concerning 9 of the 13 Community initiatives was agreed on by the European Commission on 13 July 1994. It will facilitate the preparation of draft operational programmes which must be submitted by the responsible national authorities within a period of four months after publication in the Official Journal of the European Communities<sup>2</sup>.

Community initiatives are invitations from the Commission to the Member States to submit programmes for co-financing in areas which are of significant interest to the Community as a whole. The majority of them have the fight against unemployment as their priority.

The Community initiative '**Employment and Development of Human Resources**' aims to contribute to the training of those under 20 years of age, to the equality of opportunities between women and men, and to the integration of disabled persons. Seven other initiatives aim at helping workers and enterprises adapt to the changes created by the large European market, technological development and the increase in world competition. Its purpose is to help areas traditionally dependent on coal ('**RECHAR**'), steel ('**RESIDER**'), textiles ('**RETEX**') and a **special programme for the Portuguese textile industry**), and the arms industry ('**KONVER**').

It also aims to stimulate the competitiveness of small and medium-sized enterprises, especially in the least favoured regions ('**PME**') and to assist workers and enterprises throughout the Union to actively respond to industrial changes ('**ADAPT**'). The other initiatives deal with cooperation between frontier-zone regions ('**INTERREG**'), rural development ('**LEADER**'), urban neighbourhood in difficulty ('**URBAN**'), ultraperipheral regions ('**REGIS**'), and finally areas which gain their livelihood from fishing ('**PESCA**').

<sup>2</sup> Official Journal of the European Communities C 180 of 1 July 1994.



**Indicative Financial Allocation of Community Initiative Appropriations 1994-1999\***  
(in millions ECU)

	<i>Interreg</i>	<i>Regis</i>	<i>Leader</i>	<i>Employment</i>	<i>Adapt</i>	<i>Portuguese Textile</i>	<i>SME</i>	<i>URBAN</i>	<i>PESCA</i>
B	82		8	32.1	31.2		12.1	10.5	2.0
DK	17.7		8	11.0	29.5		2.5	1.5	16.4
D	402.2		174	156.8	228.8		183.0	96.8	23.0
EL	595		146	64.4	30.1		82.2	45.2	27.1
E	564.7	214	330	366.6	256.4		227.7	130.4	41.5
F	246	262	187	146.5	249.7		57.7	55.0	27.9
IRL	133.5		46	46.1	21.2		28.4	15.5	3.7
I	347.4		282	348.7	190		187.8	115.3	33.7
L	3.5		1	0.3	0.3		0.3	0.5	
NL	69.1		7	40.7	55.2		9.8	9.9	10.2
P	339.7	124	116	40.3	21	400	122.3	43.7	25.6
UK	99.4		61	146.5	286.6		61.3	75.6	33.9

\* This table does not take into account the adjustments affecting four Member States totalling MECUS 250. The Commission still has to establish the eligible areas for RESIDER, KONVER, RETEX and RECHAR.

Different criteria have been used in allocating budget resources for these initiatives. The basic criteria employed in distributing the SME<sup>3</sup> initiative budget is the level of employment in SMEs in the regions under Objectives no. 1, 2 and 5b of each Member State. Employment data for the SMEs of each Member State are based on statistics from EUROSTAT as listed in the publication 'ENTERPRISES IN EUROPE — Third Report' (see pages 1 and 2).

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## Increased Simplification and Harmonisation for Community Research Programmes.

Under the European Union's Fourth Framework Programme for Technological Research and Development (1994-1998) a special effort will be made to encourage the participation of SMEs in Community research projects. To this end the European Commission has decided to simplify the forms required for submitting research projects<sup>4</sup> and to reduce the amount of information requested of applicants during the basic selection. The descriptive structure of the different programmes has also been harmonised in order to simplify the task of applicants who wish to participate in several programmes.

Other measures have already been taken. Noteworthy them is the fixing of dates for launching calls for proposals (15 March, 15 June, 15 September and 15 December) in the Official Journal of the European Communities and the improvement of selection mechanisms (rotation of the experts responsible for the selection of proposals every three years, and replacement of one third of the experts after each evaluation). To keep enterprises better informed about the European Union's research activities the Commission has published a manual providing all the step by step information applicants need in order to follow the procedures for implementing programmes.

<sup>3</sup> The Communication to Member States fixing the guidelines for operational programmes or for global subsidies which Member States are invited to propose within the framework of a Community initiative for adapting of SMEs to the single market (Initiative SME) has been published in the Official Journal of the EC no. C 180 of 1 July 1994.

<sup>4</sup> Drafts of new forms have been published in a special edition of the European Commission's newsletter 'RDT Info' (No. 6 — June 1994) and researchers are invited to make suggestions as to ways of further improving its content and form.



Two new brochures are also soon to be published. One will describe the procedures involved in drawing up Community policy on research and on the adoption of programmes. The other will take interested persons through the complex system of the different information sources which deal with Community research.

For other news, the 'RDT Info' Newsletter (published every two months) gives information concerning future calls for proposals and on the programmes and publications issuing from them.

**For further information:** EUROPEAN COMMISSION  
DG XII — Science, Research and Development  
Information and Communication  
Otto von SCHWERIN  
rue de la Loi, 200  
B-1049 BRUSSELS  
Tel: +32-2/295.25.59  
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Can my enterprise participate in the Community programmes for technological research and development? Where can I obtain the necessary information? How can I find European partners?

To encourage SMEs to take part in European cooperation in questions of research the European Commission (DG XII, Directorate General for Science, Research and Development) has published a 'Guide for Beginners' entitled:

**EC RESEARCH AND TECHNOLOGY FUNDING FOR SMALL BUSINESS**

Currently available in French, German, English and Italian, this guide can be obtained by writing to: EUROPEAN COMMISSION — DG XII — Science, Research and Development — Press and Information Division — Square de Meeûs 8 — B-1049 BRUSSELS — Fax: +32-2/295.82.20.

## **CRAFT: 23 New Projects for Stepping up the role of SMEs in Technological Innovation**

Due to their small size SMEs face both financial and practical difficulties in developing their innovative capabilities and in participating in Community research programmes. To help overcome such difficulties, CRAFT (European Cooperative Research Action for Technology) provides support to SMEs<sup>5</sup> for cooperative research projects. For SMEs not having their own research capability, CRAFT gives them the opportunity to group together to have some of this research work performed by outside research centres, universities or companies.

Since 1991 1250 SMEs have taken advantage of this programme. Consequently they have been able to participate in the European research programme BRITE-EURAM which assists in applying new technologies to traditional industries and in using new materials. In July 1994 the Commission selected 23 new projects which will assist more than 150 SMEs.

Under the Fourth Framework Programme for Technological Research and Development (1994-1998), the new programme specifically concerned with industrial technologies and materials will dedicate 15% of its budget to SMEs instead of 7% as in the previous period. The CRAFT procedure, initiated in the third framework programme to facilitate the participation of SMEs (especially those not having research capacity) in the BRITE-EURAM programme, will be extended to several other specific programmes in the Fourth Framework Programme.

**For further information:** EUROPEAN COMMISSION  
DG XII — BRITE-EURAM/CRAFT  
Isi SARAGOSSI  
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Fax: +32-2/295.80.46

<sup>5</sup> For the purposes of RDT programmes, SMEs are defined as companies with less than 500 employees, turnover of less than ECU 38 million and less than a third of their capital held by a large company.



## EUROPEAN UNION-MIDDLE EAST PARTENARIAT: in Cairo on 6, 7 & 8 December 1994

The first EUROPEAN UNION-MIDDLE EAST PARTENARIAT will be held in CAIRO, Egypt on 6, 7 & 8 December 1994. It will provide small and medium-sized enterprises from Egypt, Israel, Palestine and Jordan an opportunity to meet with company heads from the European Union in order to establish cooperation agreements in commercial, financial or technical fields.

Among the principal sectors to be represented are: construction, environmental technologies, textiles, mechanics, electronics, medical equipment, plastics and pharmaceuticals.

The profiles and the proposals for cooperation from these Middle Eastern enterprises have been published in a catalogue and widely distributed throughout Europe by a network of specialised consultants.

● **United Kingdom:**

*England and Wales:*

Pax Technology Transfer — Mr John D. Emmanuel, Mr Howard Evans — 112 Boundary Road — LONDON NW8 0RH — UK — Tel. +44/0/71 328 9649 — Fax: +44/0/71 328 9519.

*Scotland:*

Scottish Innovation — Ms. Agnes Barclay — Unit A1, Building 1 — Templeton Business Centre — 62 Templeton Street — Glasgow G40 1DA — Scotland — Tel. +44/41/554 5995 — Fax: +44/41/556 6320.

● **Ireland:**

An Bord Trachtala/The Irish Trade Board — Mr Charles J. Kelly — Merrion Hall, Strand Road — Sandymount — Dublin 4 — Ireland — Tel.: +353/1/269 5011 — Fax: +353/1/269 5820.

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## TRAINING: Internships in Japan for European SMEs

If you would like to develop your commercial relations with Japan, or if you are looking for research, distribution or franchise partners in Japan the HUMAN RESOURCES TRAINING PROGRAMME (HRTP) can help you do business in Japan.

With the support of the European Commission and the Japanese Ministry of Industry and Foreign Trade (MITI) this training programme is organised by the EC-Japan Centre in Tokyo. It comprises training courses covering periods of 11 or 16 weeks. Each period is divided into two parts: a seminar training phase (9 or 13 weeks) aimed at providing a working knowledge of the Japanese language and social structures while taking personal needs and interests into consideration. The training programmes take place twice a year, from January to March (11 weeks) and from August to November (16 weeks).

The European Commission will cover the following expenses: training courses, language courses, study trips and didactic materials. Participants must pay for their own travel expenses (return ticket to Japan), living expenses and any private trips undertaken.

Participants who represent a SME (up to 500 employees) may obtain a grant of approximately ECU 4,000 per month from the DG XXIII. Applications will be judged on the basis of the information provided on the application form.

For further information on admission requirements and to receive application forms for future HRTP, please write to: EUROPEAN COMMISSION

DG XXIII — Sub-Contracting — HRTP — rue de la Loi, 200 (AN80 — Bureau 4/24) — B-1049 BRUSSELS — Fax: +32-2/295.17.40.



## **INTERPRISE: Encouraging Partnerships in Europe**

The INTERPRISE programme (Initiatives to Encourage Partnerships between Industries and/or Services in Europe) aims at stimulating contacts between small and medium-sized enterprises in the European Union. Three regions from three European Union countries need to join forces to set up contacts between enterprise with the purpose of establishing business, technical or financial cooperation. Programmes involving three regions within the European Union may also be extended to include one or more regions from outside the European Union.

Projects supported under INTERPRISE must include at least the following stages: identification and selection of firms in the regions concerned which are interested in establishing cooperation agreements with an enterprise in another participating region; publication and distribution of a catalogue containing cooperation profiles; organisation of an event aimed at facilitating direct contacts between companies taking part (prearranged appointments, interpretation services).

The following INTERPRISE events have been organised for the final quarter of 1994<sup>6</sup>.

### **INTERPRISE 'EURO-AUTO-PARTS'**

*Meetings:* 12-13 October 1994 in NEWCASTLE-UPON-TYNE (UK)

*Countries involved:* United Kingdom, Spain, Germany, The Netherlands

*Sectors:* automotive parts

*Organisation:* NORTHERN DEVELOPMENT COMPANY — Mrs Marion Schooler — Sandyford Road — UK-Newcastle-Upon-Tyne — NE1 8ND — Tel: +44-91/261.00.26 — Fax: +44-91/222.17.79

### **INTERPRISE EUROARENA 94**

*Meetings:* 17-18 October 1994 in DUBLIN (Ireland)

*Countries involved:* Ireland, United Kingdom, The Netherlands

*Sectors:* computers, human resources, environment

*Organisation:* DUBLIN CHAMBER OF COMMERCE — Mr Declan Martin — 7 Clare Street — DUBLIN 2 — Tel: +353-1/661.41.11 — Fax: +353-1/676.60.43

### **INTERPRISE EUROPARTNERS '94**

*Meetings:* 8-10 November 1994 in GRONINGEN (The Netherlands)

*Countries involved:* The Netherlands, Germany, United Kingdom, Denmark, Norway

*Sectors:* machine construction, electronics, shipyards and installations

*Organisation:* ● EIC NOORD-NEDERLAND — Mr Theun J. Wijnbenga — Damsport, 1 — PO Box 424 — NL-9700 AK GRONINGEN — Tel: +31-50.21.44.00 — Fax: +31-50.21.44.70 — ● EIC OOST-NEDERLAND — Ms. Marja Gijzen — Hengelosestraat, 585 — PO Box 5508 — NL-7500 GM ENSCHEDE — Tel: +31-53.84.98.90 — Fax: +31-53.84.97.11.

### **INTERPRISE EQUIPMENT MEDICAL**

*Meetings:* 24-25 November 1994 in CARDIFF (United Kingdom)

*Countries involved:* United Kingdom, Denmark, Spain, France

*Sectors:* medical equipment and materials

*Organisation:* WELSH DEVELOPMENT AGENCY — Mrs Jane Nimmo, Dr Janice Burnie — Pearl House, Greyfriars Road — CARDIFF CF13XX — Tel: +44-222.222.666 — Fax: +44-222.345.615.

### **EUROPHARMATECH '94**

*Meetings:* 27-28 November 1994 in VENICE (Italy)

*Countries involved:* Italy, Denmark, France

*Sectors:* biomaterials — medical engineering

*Organisation:* EUROSERVIZI — Hélène Sadaune — Via Cipro, 18/A — I-30126 Venice Lido — Tel: +39-41/526.75.85 — Fax: +39-41/526.75.85.

<sup>6</sup> For the month of October see also Euro-Info 71/94 — July August.



## **DECIDE II**

*Meetings:* 28-30 November 1994 in CHORLEY (United Kingdom)

*Countries involved:* United Kingdom, France, The Netherlands, Germany, Italy

*Sectors:* defence industries

*Organisation:* EIC NORTH WEST- Mr Martin Stacey — Liverpool Central Libraries — William Brown Street — LIVERPOOL L38 EW — Tel: +44-51/298.19.28 — Fax: +44-51/207.13.42.

## **INTERPRISE MIDEST (Bank of Technology Offers)**

*Meetings:* 5-9 December 1994 in PARIS (France)

*Countries involved:* France, Italy, Belgium, Austria

*Sectors:* sub-contracting in the following sectors: plastics, rubber, composites, electronics, electricity, metals processing, industrial fixing

*Organisation:* — CRCI ÎLE-DE-FRANCE — Mr Bruno Malecamp — 9A, rue de la Porte de Buc — F-78000 VERSAILLES — Tel: +33-1-39.20.58.50 — Fax: +33-1-39.20.58.78.

**For further information:** EUROPEAN COMMISSION  
DG XXIII INTERPRISE  
rue de la Loi, 200 (AN80)  
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## **MED-INTERPRISE: in Cyprus and the Lebanon**

In order to promote cooperation between European SMEs and those of the Mediterranean region the MED-INTERPRISE programme will be held for the first time in Cyprus and the Lebanon. The meetings between company heads will take place in Beyrouth and in Tripoli (Lebanon) from 17-19 October 1994, and in Nicosia (Cyprus) from 20-21 October 1994.

For further information:

- **EURO-LEBANON PARTNERSHIP DAYS:** GOM Vlaams-Brabant, Ms. C. Bom, Toekomststraat 36-38 — B-1080 VILVOORDE, Belgium — Tel: +32-2/251.51.71 — Fax: +32-2/252.45.94.
- **MED-INTERPRISE IN NICOSIA:** Cyprus Chamber of Commerce and Industry — Mr Marios Tsiakkis — Griva Dhigeni 38 & Deligiorgi 3 — PO Box 1455, NICOSIA, Cyprus — Tel: +357-2-44-95-00 — Fax: 357-2-36.56.85.

**For information:** EUROPEAN COMMISSION — DG XXIII B/2 — André HASPELS  
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## FOR YOUR INFORMATION

### in TURIN (Italy) from 14 to 19 November 1994: VETIS 94

Traditionally during shows and trade fairs parts manufacturers exhibit their products and wait for the buyers to visit their stand. At VETIS 94 — the big event of 1994 in the world of automotive sub-contracting — the buyers of automotive parts will, for the first time in Europe, welcome parts suppliers who wish to present their products, services or know-how.

Organised by the Chamber of Commerce of Turin and the European Commission (DG III and DG XXIII), in collaboration with EUROCHAMBRES and different national and international organisations such as ACEA (Association des Constructeurs Européens d'Automobiles), EECA (European Electronic Components Association) and EUPC (European Plastic Converter Association), VETIS 94 will take place within the context of the International Automotive Week in TURIN from 14 to 19 November 1994.

At VETIS 94 the stands are placed at the disposal of those who buy from the largest automotive and automotive parts manufacturers<sup>7</sup>. Rather than be approached by buyers, the parts suppliers offer their products, services and technology directly to the buyers during pre-arranged meetings agreed to by the buyers. These meetings with the parts suppliers have been organised in advance by connecting offers and demands by means of personalised technical files on either the buyers, the parts suppliers or on the cooperation between suppliers. These technical files are available from the persons in charge of VETIS (see address below).

VETIS 94 aims mainly to encourage long-lasting relations of mutual interest between principals and sub-contractors in the international automotive industry. The industrial activities covered include design, engineering, production systems, electronics, mechanics, metallurgy, plastics, interior presentation, etc. All interested companies or associations may contact the VETIS organisers directly for further information or inscription: VETIS 94 — CAMERA DI COMMERCIO DI TORINO — Palazzo Borsa Valori — Via San Francesco da Paolo, 28 — 10123 Torino — Italy — Tel: +39.11.571.63.63 — +39.11.571.63.83.

<sup>7</sup> Tentative list of participants at VETIS 94:

ACG — General Motors International (Italie), AUDI (Germany), BERTONE (Italy), BMW AG (Germany), COSWORTH (UK), CHRYSLER MOTOR Co (USA), FORD MOTOR Co (USA), GENERAL MOTOR Co (USA), G.M. EUROPE (Belgium), GRUPPO FIAT/AUTO (Italy), HYUNDAI (Korea), IDEA (Italy), ITALDESIGN (Italy), PININFARINA (Italy), SEAT (Spain), SKODA (Czech Republic), SSANGYONG MOTOR Co (Korea), STOLA (Italy), SUZUKI MOTORS Co (Japon), TOYOTA MOTOR CORP. (Belgium), VOLKSWAGEN AG (Germany), AUTOVAZ (Russia), CNAIC (China), DAIHATSU MOTOR Co (Japan), MERCEDES BENZ (Germany), PORSCHE AG (Germany), ROLLS ROYCE (UK), ROVER GROUP (UK), UTS (Italy), COGEDAC, PEUGEOT (France), etc.

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