SMEs’ access to public procurement

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Public Hearing
Basic data about SMEs in the EU

• 99.8% of 25 million enterprises
• 70% of total employment
• Average firm size: 5
• About 50% of all European SMEs do not have employees
Just a reminder.....

<table>
<thead>
<tr>
<th>Size class</th>
<th>% of firms</th>
<th>Average size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro (0-9)</td>
<td>93.0</td>
<td>3</td>
</tr>
<tr>
<td>Small (10-49)</td>
<td>5.9</td>
<td>19</td>
</tr>
<tr>
<td>Medium (50-249)</td>
<td>0.9</td>
<td>100</td>
</tr>
<tr>
<td>SMEs</td>
<td>99.8</td>
<td>5</td>
</tr>
<tr>
<td>Large (≥ 250)</td>
<td>0.2</td>
<td>1,049</td>
</tr>
</tbody>
</table>

*EIM Business & Policy Research, Zoetermeer (NL) and Brussels*
Study on SMEs’ access to public procurement

– Commissioned by DG Enterprise
– Objective: measuring the access of SMEs to ‘European-scale’ public procurement and identifying possibilities to improve their access (in 15 MS)
– Study carried out in 2003, using a database of contracts awarded in 2001
Awards in TED 2001

- 52,000 award notices
- Average contract € 345,000
- Average contract for SMEs: € 249,000
- Local authorities: 60% of all contracts
- Many differences between countries
Average size of contract (x € 1,000)

<table>
<thead>
<tr>
<th>Industry</th>
<th>SMEs</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>216</td>
<td>1,232</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>248</td>
<td>386</td>
</tr>
<tr>
<td>Bus. services</td>
<td>319</td>
<td>348</td>
</tr>
</tbody>
</table>

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Experiences of SMEs - I

- Successful involvement of SMEs on PP-market: 78%
- Winning SMEs:
  - Are experienced in PP (tender a lot; PP is mostly part of their strategy; update administrative documents regularly)
  - Get mainly contracts from local authorities
Experiences of SMEs - II

• Winning SMEs face the following main problems:
  – shortage of information;
  – unclear information;
  – administrative burden;
  – short time span.
Experiences of SMEs - III

- Improvement is expected by more (electronic) information and less administrative burden
- SMEs benefit from prior information, pre-selection and external help and training
Experiences of Awarding Authorities

- SMEs strong point: flexibility
- SMEs weak points: financial capacity and continuity
- Expected key solution for improving access of SMEs to public procurement: more and better information; simplification of rules; subcontracting (indirect access to PP)
Links

• Procurement reports:
  http://europa.eu.int/comm/enterprise/entrepreneurship/craft/craft-studies/craft-publicprocurement.htm

• EIM: http://www.eim.nl/

• ENSR: http://www.ensr-net.com/