PRESS RELEASE

Eastern Partner Countries: Structural reforms have improved the environment for SMEs but co-ordinated policies are needed to boost access to finance, entrepreneurship and innovation

Batumi, Georgia, 30 October 2012 – Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine have improved their business environments but further growth and employment will depend on active policies to support small and medium-sized enterprises (SMEs), says a new joint report by the OECD, the European Commission, the European Training Foundation and the European Bank for Reconstruction and Development.

The *SME Policy Index: Eastern Partner Countries 2012 – Progress in the implementation of the Small Business Act for Europe* benchmarks national SME policies against a set of 92 policy indicators and helps policy makers measure convergence with good practices promoted by the Small Business Act for Europe. The report was released today in Batumi, Georgia, at the SME Panel under the Eastern Partnership Platform 2, organised by the European Commission and hosted by the Ministry of Economy and Sustainable Development of Georgia.

"Countries of the Eastern Partner region have already undertaken significant structural reforms to create better framework conditions for SME development", said Antonio Somma, Acting Head of the OECD Eurasia Competitiveness Programme. *"To help SMEs rebound from the crisis, governments need to improve SME access to finance, promote entrepreneurship and stimulate innovative high-growth enterprises."*

SMEs are an important source of job creation and economic growth in Eastern Partner economies. However, the global crisis has hit SMEs in the region hard – restricting bank lending, eroding consumer demand, foreign direct investment, remittances and international capital. The report underscores the need for a more comprehensive approach towards SME development in the region. In particular, Eastern Partner countries need to:

- Set up or further enhance the effectiveness of institutional structures dealing with SME development.
- Develop targeted SME policy tools to support access to finance, innovation and export capacity.
- Consult more closely with the private sector to ensure that reforms are "reality checked" against market needs.
- Support entrepreneurial learning and measures to develop women's entrepreneurship.
- Collect more detailed structural statistics to monitor and evaluate the performance of the SME sector on a regular basis.

The report benefitted from the financial support of the European Union and the Netherlands Embassy in Kyiv, Ukraine.

For more information on the *SME Policy Index: Eastern Partner Countries 2012* publication, please visit: www.oecd.org/daf/psd/eurasia

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The OECD Eurasia Competitiveness Programme, launched in 2008, helps accelerate economic reforms and improve the business climate to achieve sustainable economic growth and employment in two regions: Central Asia (Afghanistan, Kazakhstan, the Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan and Uzbekistan), and Eastern Europe and South Caucasus (Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine). www.oecd.org/daf/psd/eurasia