



# OECD SME and Entrepreneurship Outlook 2021

# Part II Country profiles and methodology

# Methodology of the country profile

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The SME&E Outlook country profiles 2021 benchmark the 38 OECD member countries along: i) the COVID-19 impact on business dynamics, national policy frameworks in place and the short-term and structural policy responses provided by governments; ii) Factors of SME&E structural vulnerability, including the size of the SME and self-employed population, and exposure to lockdowns and disruptions in global value chains; and iii) Sources of SME&E resilience, including digital uptake, access to liquidity support, availability of skills on the labour market, and the entrepreneurship regulatory framework. This chapter presents the methodology, definitions and sources used in the country profiles. It builds on the most recent work and comparable data available at the time of drafting, however, because of cross-country differences in data collection and gaps, interpretation should be done with caution.

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Part II of the SME and Entrepreneurship (SME&E) Outlook 2021 is made of standardised country profiles that explore the factors of vulnerability and sources of resilience of the SME sector and entrepreneurship in the country, and give a spotlight on the government's responses to "build back better". Part II covers the 38 OECD member countries. The profiles are available in the print publication and online.

The SMEEEO country profiles build on work carried out across the OECD and beyond. Measurement and indicators have been selected on the basis of their SME&E policy relevance, international comparability, and the most extensive country coverage. Primary data sources are presented in more details in the Annex Table 1. Policy information was drawn from recent OECD and non-OECD work on monitoring the impact of COVID-19 more broadly. In some cases, information was complemented with national documentation.

A data infrastructure was built and integrated into the OECD corporate data management system to gather, store and harmonise information. After consolidation, the OECD SME&E 'Data Lake' is aimed to support future SME- and entrepreneurship-related policy analysis and to evolve as needs evolve.

## COVID-19 impact on the SME&E sector

The **first section** presents a comparative overview of the stringency of government measures since the beginning of the pandemic and the impact on business dynamics, i.e. firm entries and firm exits over the year.

### **Stringency of government measures**

**The stringency of government measures** is gauged by the *Oxford Government Stringency Index* (Hale et al., 2021<sup>[11]</sup>), a composite measure based on nine indicators including school closures, workplace closures, closure of public transport or travel bans. This composite measure is a simple additive score of the nine indicators measured on an ordinal scale, rescaled to vary from 0 to 100 (100 = strictest). The index is shown as the response level of the strictest sub-region where policies vary at the subnational level. Country values are provided from January 2020 to April 2021.

### **Firm creation and firm exits/bankruptcies**

**Business dynamics** are measured by two indicators: i) *firm entries* as the number of new enterprises created between January 2020 and March 2021, expressed in year-on-year difference (%) and cumulative year-on-year difference (%); and ii) *firm exits* as the number of enterprises exiting between January 2020 and March 2021, expressed in year-on-year difference (%) and cumulative year-on-year difference (%). In case data on firm exits are not available at the country level, variations in the number of bankruptcies are used instead. All data are drawn from the OECD Timely Indicators of Entrepreneurship database (OECD, 2021<sup>[12]</sup>).

### **Policy framework and policy spotlight**

**A brief description of the national SME&E policy framework** is provided for each country. Information is drawn from the stocktake of existing SME policy frameworks in OECD countries conducted as part of the OECD Strategy for SMEs. Three types of SME&E policy frameworks are proposed: i) countries with specific SME&E strategies; ii) countries with (multi)annual action plans or other dedicated documents on SME&E policies; and iii) countries where SME&E policies are part of wider strategies and policy frameworks.

**A snapshot on the major liquidity support measures and structural policy initiatives** implemented in each country to build back better is also discussed. Aligned with the points under discussion in Chapter 2, 3, and 4, this policy spotlight relies on the monitoring of SME policy responses to COVID-19 that was

conducted between February 2020 and February 2021 by the OECD Centre for Entrepreneurship, SMEs, Regions and Cities (OECD, 2021<sup>[3]</sup>). The monitoring of structural policies and recovery plans draws on publicly available information and feedback from the OECD Committee on SMEs and Entrepreneurship.

## Factors of SME&E structural vulnerability

The **second section** benchmarks each country vis-à-vis OECD along four dimensions that are identified as factors of vulnerability during the pandemic: i) the relative size of the micro- and SME (MSME) sector and the population of self-employed; ii) the country's economic exposure to lockdowns and business disruptions; iii) the country's and domestic SMEs' exposure to international trade and global value chain (GVC); and iv) the prevalence of informality, although this factor will be considered on a case-by-case basis since it is less prominent in more advanced economies.

### ***Size of the MSME sector***

Micro-firms, SMEs and self-employed have been severely hit during the crisis (Chapter 1). They were more likely to close business or experience severe drops in sales due to lockdowns or disruptions in supply chains. The size of the MSME sector is expressed as a percentage of total employment and total value added, and compare to the OECD total. The year of reference is 2018 (or latest year available). Data come from the OECD Structural and Demographic Business Statistics database (OECD, 2021<sup>[4]</sup>). The share of the self-employed in total employment is presented from 2005 to 2019 and is drawn from the OECD Annual Labour Force Statistics (OECD, 2020<sup>[5]</sup>).

### ***Economic exposure to lockdowns and business disruptions***

Economic sectors where social distancing is more difficult to implement or where activities are highly related to international mobility and trade have been the most affected by COVID-19 containment measures (OECD, 2020<sup>[6]</sup>). The “Statistical Insights: Small, Medium and Vulnerable” note identifies these sectors. Their contribution to total economy is expressed as a share of total employment in 2018 (or latest year available), which signals the degree of a country's exposure to the business shock.

In addition, two indicators complement this perspective on economic exposure, by shedding light on some regional and sectoral aspects. The country profile looks at the region (TL2 level) with the highest share of jobs at risk due to COVID-19, drawing on the “OECD Regional Outlook 2021” (OECD, 2021<sup>[7]</sup>) and the “Job Creation and Local Economic Development 2020: Rebuilding Better” reports (OECD, 2020<sup>[8]</sup>). The year of reference is 2017 (or latest year available). This section also looks at the direct contribution of tourism as a share of total employment in 2019 (or latest year available) based on the OECD Tourism Statistics database (OECD, 2021<sup>[9]</sup>).

### ***Exposure to international trade and GVCs***

Firms, places and people that were more engaged in international trade and long GVCs were also more vulnerable (Chapter 3).

A country's exposure to trade and GVCs is estimated by the share of SMEs in export and import trade value, and the share of SMEs in export and import trade value of long GVCs. Long GVCs are defined as the top 10 longest value chains based on the OECD Inter-Country Input-Output (ICIO) model (OECD, 2018<sup>[10]</sup>) (De Backer and Miroudot, 2013<sup>[11]</sup>), and using the International Standard Industrial Classification of All Economic Activities Revision 4 (ISIC Rev.4) at two digits: i.e. manufacturing of textiles (13), manufacturing of wearing apparel (14), manufacturing of leather and related products (15), manufacturing of rubber and plastics products (22), manufacturing of basic metals (24), manufacturing of computers,

electronics, and optical equipment (26), manufacturing of electrical equipment (27), manufacturing of other machinery and equipment (28), manufacturing of motor vehicles, trailers and semi-trailers (29), and manufacturing of other transport equipment (30). Data are for 2015 (or latest year available), and drawn from the OECD Trade by Enterprise Characteristics database (OECD, 2021<sup>[12]</sup>).

In addition, the country profile looks at the economic impact of foreign affiliates (FAs) through their local sourcing or supplying activities. The share of FAs sourcing domestically and the share of FA output used domestically are for 2016 and calculations are based on the OECD Analytical AMNE Database on the Activity of Multinational Enterprises (OECD, 2017<sup>[13]</sup>).

For countries where data on FA activities (AMNE data) and the share of SMEs in export and import trade value (TEC data) are not available, structural vulnerabilities are benchmarked using Trade in Value Added (TiVA) database. More specifically, countries are compared based on i) the intensity of their backward linkages in GVCs (proxied by the import content of exports, i.e. foreign value added embodied in gross exports as a percentage of total gross exports), ii) the intensity of their forward linkages in GVCs (proxied by domestic value added embodied in foreign exports as a percentage of total gross exports), iii) their reliance on foreign final demand (proxied by the share of domestic value added embodied in foreign final demand), and iv) the importance of intermediate imports for international competitiveness (proxied by the share of re-exported intermediate imports in total intermediate imports). The year of reference is 2016.

## Sources of SME&E resilience

The **third section** looks at the sources of resilience of SMEs, namely i) their digital readiness, ii) their cash reserves, and/or access possibly given to government liquidity support; iii) the existence of supportive entrepreneurship framework conditions in the country; and iv) the availability and optimal use of innovation skills in the labour market.

### Digital readiness

The COVID-19 crisis gave a big push to SME digitalisation and those that were already operating online or have been able to adapt products and processes to the digital world on short notice have been more likely to sustain activities and revenues amidst the turmoil (OECD, 2021<sup>[14]</sup>) (Chapter 1). Digital readiness is proxied by the uptake of some digital technologies by small enterprises (1-9 employees) prior to COVID-19. Digital uptake is indeed consistently lower in smaller firms across countries, and diffusion gaps are relatively constant across firm size classes (OECD, 2021<sup>[14]</sup>). The benchmark is made on the population the most likely to be lagging in the digital transition.

The digital technologies considered are i) high-speed broadband, i.e. percentage of small businesses with a broadband download speed at least 100 Mbit/s; ii) social media, i.e. percentage of small businesses that are using social media; iii) e-commerce, i.e. percentage of small businesses receiving orders over computer networks; and iv) cloud computing, i.e. percentage of small businesses purchasing cloud computing services. These four technologies have been selected for their particular role in the digital transformation of SMEs (OECD, 2021<sup>[14]</sup>). High-speed broadband connection is a prerequisite for (large) data transfer, just-in-time communication, and the use of other digital technologies. Uneven access to high-speed broadband is also one main factor associated with digital gaps across firms and sectors, and sectoral value added. Social media and e-sales are the primary forms of digitalisation for SMEs, as firms tend to digitalise marketing functions first. Cloud computing serves as a platform technology and helps SMEs enhance IT capacity and access digital solutions at low costs.

Indicators on digital adoption are retrieved from the OECD ICT Access and Usage by Businesses database (OECD, 2021<sup>[15]</sup>). They are presented on a stylised adoption curve that features increasing potential benefits in adoption for earlier adopters (16% of the total population) and an early majority of adopters

(34%), and decreasing gains for the late majority (34%) and laggards in adoption (16%). This adoption curve illustrates Rogers' innovation diffusion theory that suggests a threshold beyond which there are decreasing returns on innovation adoption (in terms of market shares) (Rogers, 1962<sup>[16]</sup>). Depending on the indicators, the years of reference are 2019 or 2020 (or latest year available).

### **Cash reserves and government's liquidity support**

Liquidity shortages have been a major issue for SMEs during the COVID-19 crisis, most of them having only a couple of months of income in cash reserves to pay charges and salaries as revenues collapsed. SME cash reserves are proxied by profit margin, i.e. gross operating surplus of firms with 1-249 employees in industry (except construction) as a percentage of their production. Data refer to 2018 (or latest year available) and are drawn from the OECD Structural and Demographic Business Statistics database (OECD, 2021<sup>[4]</sup>).

SMEs that have been able to access government support during the year have been more likely to maintain operations and not close business (Chapter 1). SME access to liquidity support in the country is proxied by the share of SMEs that received i) government support (broad category); ii) government support in the form of grants or subsidies; iii) government support in the form of credit or deferral of payments; iv) non-financial government support (e.g. information, technical assistance or advisory services). Data are drawn from business responses to the "Future of Business Survey" December 2020, which collects feedback from 18 million SMEs with a Facebook page operating in OECD countries and beyond (Facebook, OECD and World Bank, 2020<sup>[17]</sup>).

### **Entrepreneurship regulatory framework**

Administrative and regulatory framework conditions are critical for entrepreneurship, especially in the phase of recovery when business dynamics will support an optimal reallocation of resources towards the most efficient firms (OECD, 2019<sup>[18]</sup>). Framework conditions for entrepreneurship are proxied by a number of indicators that measure i) the simplification and evaluation of regulations (composite index from 1 -the most complex- to 6 -the simplest-), ii) administrative burdens on start-ups (composite index from 1-the less burdensome- to 6 -the most burdensome), the cost of starting a business (% of income per capita), the strength of insolvency framework (composite index from 1 – the weakest- to 16 - the strongest-) and the cost of resolving insolvency (% of estate). The two first indicators are drawn from the OECD Product Market Regulation database (OECD, 2021<sup>[19]</sup>); the last four are drawn from the World Bank Doing Business 2020 report (World Bank, 2020<sup>[20]</sup>). The years of reference are respectively 2018 and 2019.

All indicators are presented in the form of benchmarking indices and reported on a common scale from 0 to 200 (0 being the lowest OECD value, 100 the median value, and 200 the highest) to make them comparable. The same methodology was used in the SME&E Outlook 2019 (OECD, 2019<sup>[18]</sup>).

Given  $X_{c,t}$  the value for country  $c$  at time  $t$  and  $X_{min,t}$  the OECD minimum,  $X_{med,t}$  the OECD median and  $X_{max,t}$  the OECD maximum at time  $t$ , the country index of benchmark  $I_{c,t}$  is calculated as followed:

If  $X_{c,t} > X_{med,t}$  then

$$I_{c,t} = 100 + (X_{c,t} - X_{med,t}) / (X_{max,t} - X_{med,t}) * 100$$

If  $X_{c,t} < X_{med,t}$  then

$$I_{c,t} = 100 - (X_{c,t} - X_{med,t}) / (X_{min,t} - X_{med,t}) * 100$$

Therefore, the benchmark charts highlight the position and dispersion of the top five (High) and bottom five (Low) OECD values. The country's relative position is marked with a dot. However, when data are not available, the dot, i.e. the country's position in the ranking, does not figure on the graph.

In some cases, the country benchmark was reversed for the indicators that are considered as measures of potential barriers to SME performance. This is the case for administrative burdens, the cost of starting a business, and the cost of resolving insolvency.

### ***Innovation skills***

The availability and use of innovation skills have been critical for the resilience of SMEs as they intend to adapt to new business conditions. They will be as critical for the recovery going forward. Innovation skills in a country are gauged through two set of indicators.

First, the perceived capabilities of the adult population to start a business, i.e. percentage of 18-64 population who believe they have the required skills and knowledge to start a business. Data refer to 2019 and are drawn from the Global Entrepreneurship Monitor (GEM) Adult Population Survey (Global Entrepreneurship Monitor, 2021<sup>[21]</sup>).

Second, the existence of shortage or surplus of some innovation skills in the country based on the composite indices of the OECD Skills for Jobs database (OECD, 2018<sup>[22]</sup>). Positive values indicate skill shortage while negative values point to skill surplus. The larger the absolute value, the larger the imbalance. Results are presented on a scale that ranges between -1 and +1. The maximum value reflects the strongest shortage observed across OECD (31) countries and skills dimensions. Skills imbalances reflect diverging growth in demand and supply of a skill. A shortage emerges if the labour supply for that skill does not increase or does not increase as fast as the demand for it, since typically it takes time for the education and training system to adjust to demand and produce the ditto skills. A country with sluggish demand for certain skills could therefore experience less imbalances for such skills because the pace of demand increase is more similar to that of supply increase. Data refer to 2015.

Innovation skills that are considered in the benchmarking include: i) computer and electronics skills, i.e. knowledge of circuit boards, processors, chips, electronic equipment, and computer hardware and software, including applications and programming; ii) adaptability/flexibility skills; iii) complex problem solving skills, i.e. developed capacities used to solve novel, ill-defined problems in complex, real-world settings, and iv) practical intelligence for innovation that is considered as personal characteristics that can affect how well someone performs a job (i.e. workstyle).

All indicators are presented as benchmarking indices as for the entrepreneurship framework conditions (see above), along the same methodology used in the SME&E Outlook 2019 (OECD, 2019<sup>[18]</sup>). Skills shortages and surplus are treated the same way (turned into absolute values), in order to highlight imbalances in the labour market. The country benchmark was reversed to reflect potential barriers to SME performance.

### **Caveats and caution in interpretation**

The SME&E Outlook 2021 country profiles build on the most recent work and data available at the time of drafting. However due to differences in data collection calendars and processes, benchmarking data may not refer to the same year across all indicators. The cutting-off date for the indicators on SME&E and business conditions is 16 April 2021.

Some areas of interest may be unevenly covered by statistics as data in primary sources are not always available for all countries. Some alternative indicators could be proposed. Please refer to sources and methods.

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# 6 Country Profiles

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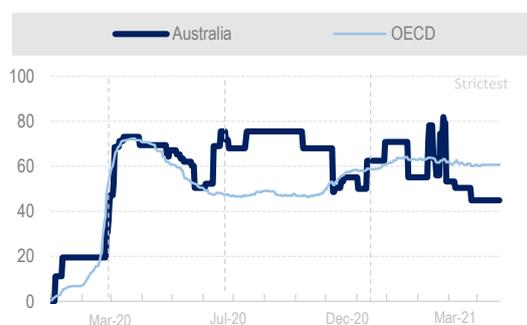
The OECD SME and Entrepreneurship Outlook 2021 places a special focus on the impact of the COVID-19 crisis on SMEs and entrepreneurship (SME&E), and how governments responded through crisis and recovery policies. It brings together a new series of standardised country profiles to provide a national perspective on the state of the SME and entrepreneurship sector, as well as to benchmark their vulnerabilities and potential of resilience in the context of a post-COVID-19 recovery.

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## Australia

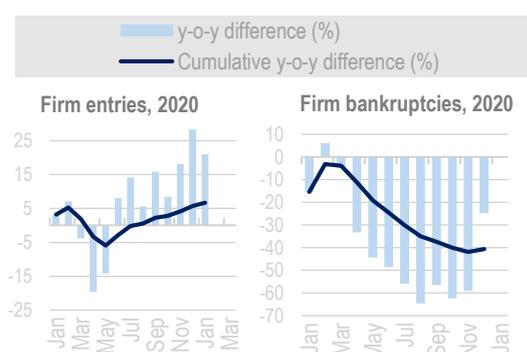
Figure 6.1. COVID-19 impact on business dynamics and policy responses in Australia

### Stringency of government measures



Australia imposed strict restrictions as compared to OECD peers, during the second half of 2020 and early 2021.

### Business dynamics



The number of firm entries rebounded rapidly in the second half of 2020 to reach a net increase of more than 17% in January 2021 as compared to a year earlier. Bankruptcies were significantly lower throughout 2020 than in 2019.

### Policy spotlight

Key measures to support SMEs and entrepreneurs' liquidities include: a **AUD 17.6 billion federal economic stimulus package** to keep Australians in jobs and SMEs in business; the **JobKeeper Wage Subsidy** targeted towards employers significantly impacted by COVID-19; and **AUD 6.7 billion cash flow assistance** for eligible SMEs.

Structural measures have also been implemented:

- **Support for business investment**, including AUD 700 million to increase the instant asset write off threshold and a AUD 3.2 billion back business investment;
- **AUD 1.3 billion support** for small businesses and jobs of around 120 000 **apprentices and trainees**;
- **AUD 1 billion assistance for severely-affected regions** to support sectors, regions and communities disproportionately affected by the pandemic (e.g. tourism, agriculture, education);
- **Stimulus payments to households to support demand-driven growth**, including AUD 4.8 billion to provide a one-off AUD 750 stimulus payment to pensioners, social security, veteran and other income support recipients;
- Tax cuts and measures for **SME digital adoption** as part of the 2021-22 federal budget.

### National SME and entrepreneurship policy framework

SME&E policies in Australia are defined as **part of a multi-annual Action Plan** and are a joint federal-regional responsibility.

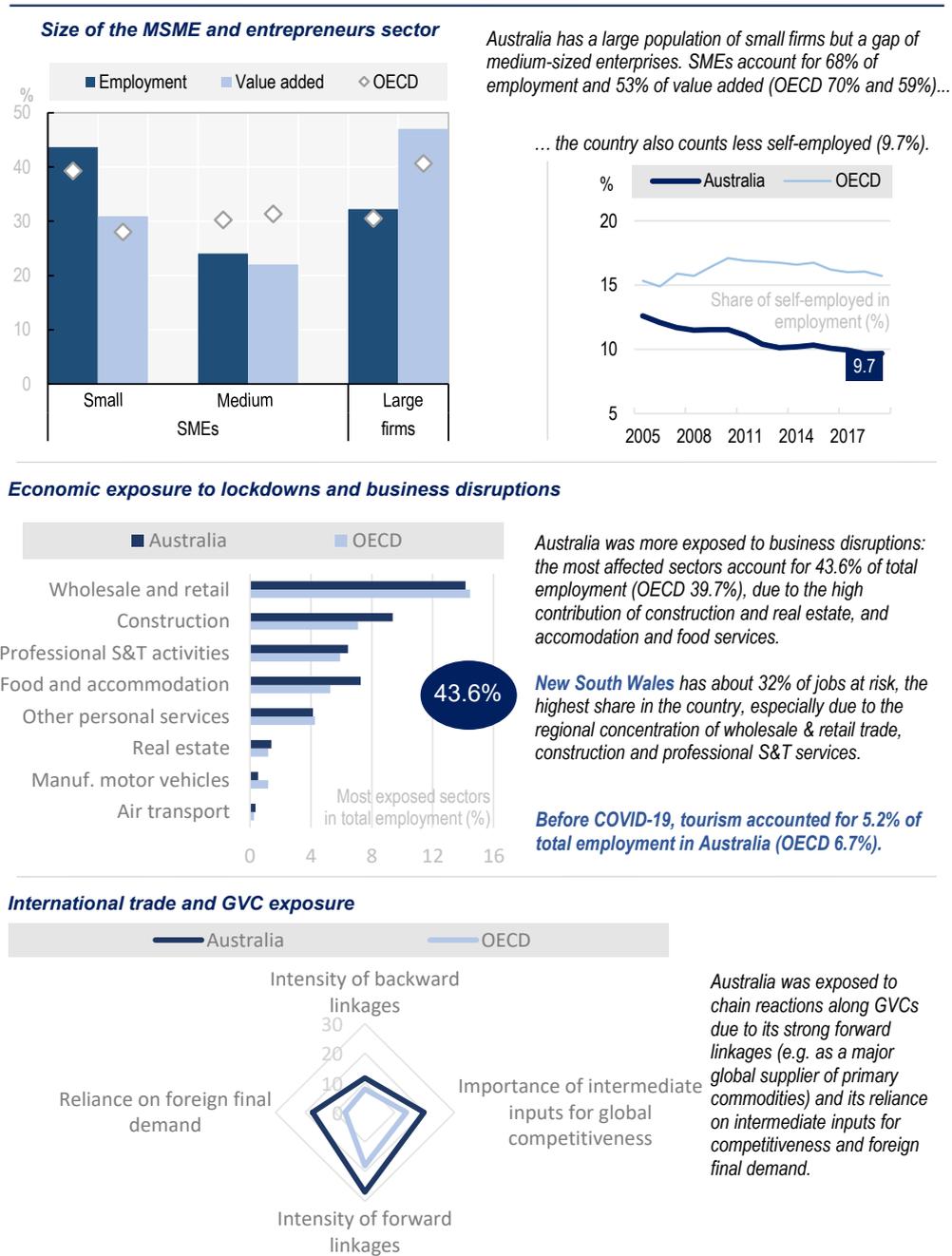
At the federal level, the Ministry responsible for SMEs moved to Treasury in 2021, to ensure that small business interests are considered holistically and reflected through dedicated support in the federal budget.

Regional SME Strategies often predate national SME Strategies and include hands-on support measures for small business as, for instance, the "**New South Wales Small Business Strategy**" (2017). Since 2016, the **Australian Small Business and Family Enterprise Ombudsman** serves as an advocate for SMEs and plays a central role in designing SME friendly federal laws.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934250326>

**Figure 6.2. Factors of SME&E structural vulnerability in Australia**



Source: Size of the MSME sector (2016): OECD SMEE Outlook 2019; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2019): OECD Tourism database 2021; GVC exposure (2016): OECD TiVA database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934250345>

Figure 6.3. Sources of SME&E resilience in Australia



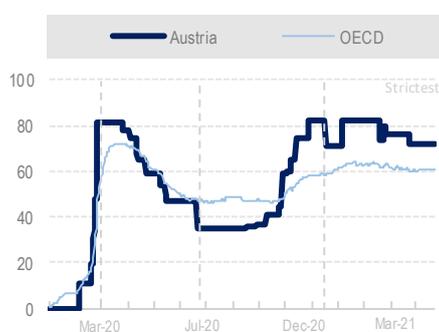
Source: Broadband (2020), social media (2019), e-commerce (2019), cloud computing (2018): OECD ICT Usage by Businesses database 2021; SME profit (2010): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934250364>

## Austria

Figure 6.4. COVID-19 impact on business dynamics and policy responses in Austria

### Stringency of government measures



Austria has been experiencing tight restrictions since the third quarter of 2020.

### Business dynamics



The decrease in bankruptcies has accelerated over 2020, as compared to the previous year.

### Policy spotlight

Key measures to support SMEs and entrepreneurs' liquidity include: EUR 10 billion in personal and corporate income **tax deferrals**; EUR 5.4 billion in **loan guarantees** for SMEs (from 80% up to 100%); EUR 2 billion **Federal Hardship Fund** for micro-entrepreneurs and freelancers to cover living costs through grants; EUR 12 billion **Corona Worktime Reduction** to reduce working hours and pay.

**Measures at state level** complement federal support.

Structural measures have also been implemented:

- **Austrian Recovery and Resilience Plan 2020-26** with a package of measures related to the green and digital transition, a focus on SME digitalisation, and smart, sustainable and inclusive growth.

- **EUR 5 billion Investment bonus** for corporate investments in ecologization, digitalisation, and health/life sciences.

- **AplusB programme** to support technology start-ups with high growth potential.

- To support **SME digitalisation: SME.DIGITAL** that provides consulting services and grants for up to 30% of the investment costs; the **SME.E-Commerce** initiative that supports SME online trade through grants (up to 20% costs), and a **qualification offensive** to develop competencies in companies and support knowledge transfer and cooperation between science and industry.

### National SME and entrepreneurship policy framework

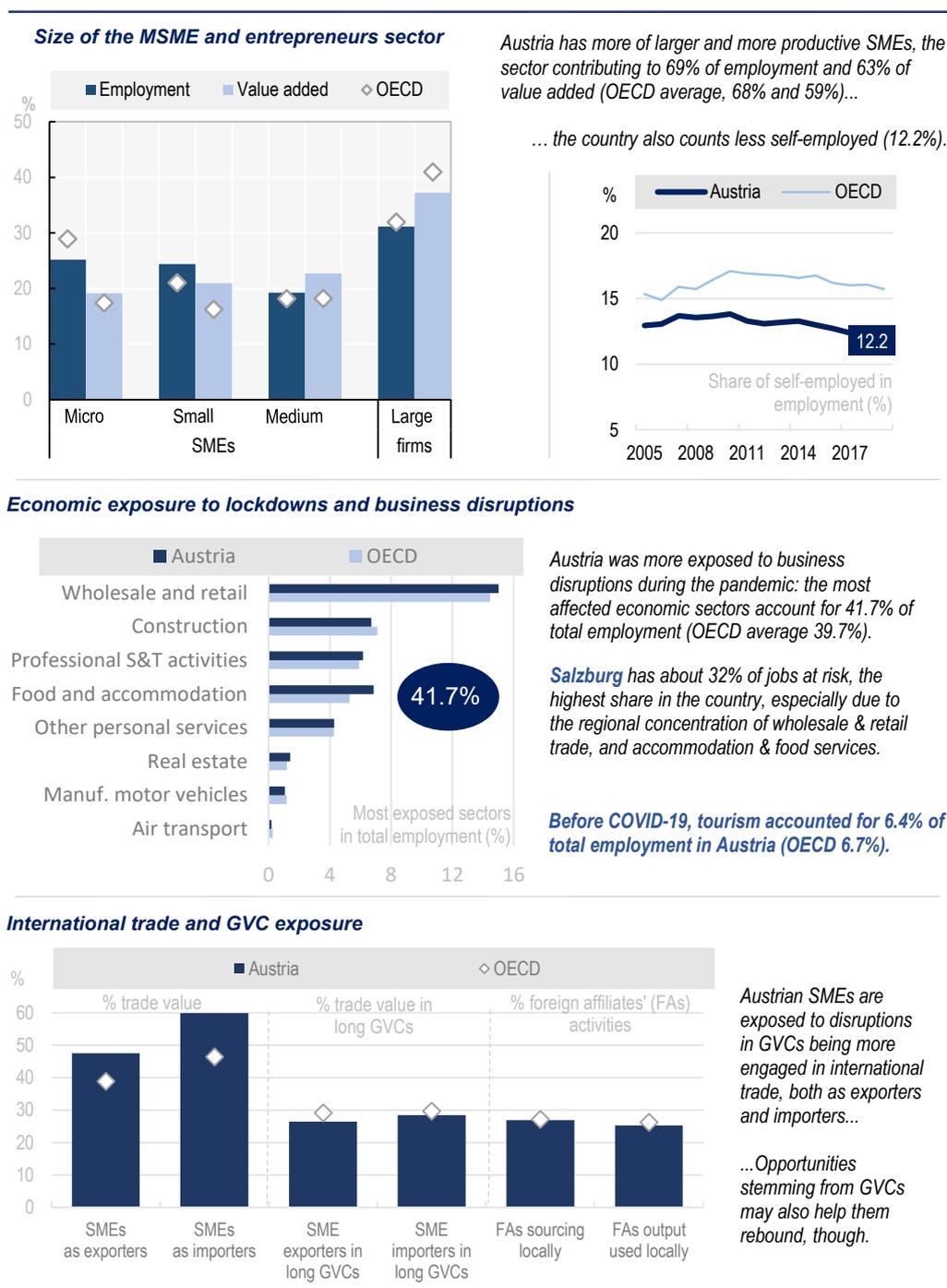
Since 2019, the Austrian national SME policy is outlined in the **annual report "KMU im Fokus" (Report on the situation and development of small and medium-sized enterprises in Austria)**, authored by the Federal Ministry for Digital and Economic Affairs. The report replaces the previous *Mittelstandsbericht* and is discussed annually in parliament, i.e. it also fulfils a monitoring function, notably with regard to the implementation of new EU SME Strategy structure and methodology.

Overall, the policy document contains almost 40 initiatives, mostly focused on measures to cushion the economic impact of COVID-19, as well as broad measures to stimulate the economy, but also targeted ones on entrepreneurship, SME access to finance, skills and innovation. Priority areas of SME policy in Austria are amongst others digitalisation of SMEs, "training and skills" and "smart regulation".

Source: Oxford stringency Index (April 2021); and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934250383>

**Figure 6.5. Factors of SME&E structural vulnerability in Austria**



Source: Size of the MSME sector (2016): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2019): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934250402>

Figure 6.6. Sources of SME&E resilience in Austria



Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2016): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2018 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

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## Belgium

Figure 6.7. COVID-19 impact on business dynamics and policy responses in Belgium

### Stringency of government measures



Belgium experienced three periods of stringent restrictions over the year as compared to OECD peers.

### Business dynamics



From March to May, firm entries fell considerably in Belgium as compared to 2019, before rising again in the second half of 2020. Firm exits were also lower in 2020 than in 2019.

### Policy spotlight

Key measures to support SME and entrepreneurs' liquidity include:

- **At Federal level:** credit payment deferrals, Guaranteed Credit program, bridging right for self-employed, the Temporary Unemployment Scheme, and income replacement measures ;
- **In Brussels Capital:** tax credit to lenders who grant loans to SMEs in Brussels ;
- **In Wallonia:** a EUR 233 million extraordinary solidarity fund to SMEs and self-employed.

Structural measures have also been taken:

- **In Flanders, EUR 250 million package for start-ups, scale-ups and viable SMEs** through subordinated loans ;
- **The Federal Plan for Social and Economic Protection** with public procurement measures to avoid penalties for contracting SMEs facing a delay in the execution of public tenders;
- **Flanders expanded the SME Growth Subsidy** for recruiting strategic employees or acquiring knowledge and consolidating a growth trajectory.
- **National Recovery and Resilience Plan:** to increase the cyber resilience of independents and SMEs, and create training hubs to enable SMEs respond to technological change, such as digitalisation and the energy transition.

### National SME and entrepreneurship policy framework

SME&E policies in Belgium are defined **as part of wider strategies and policy frameworks** and are a joint federal-regional responsibility.

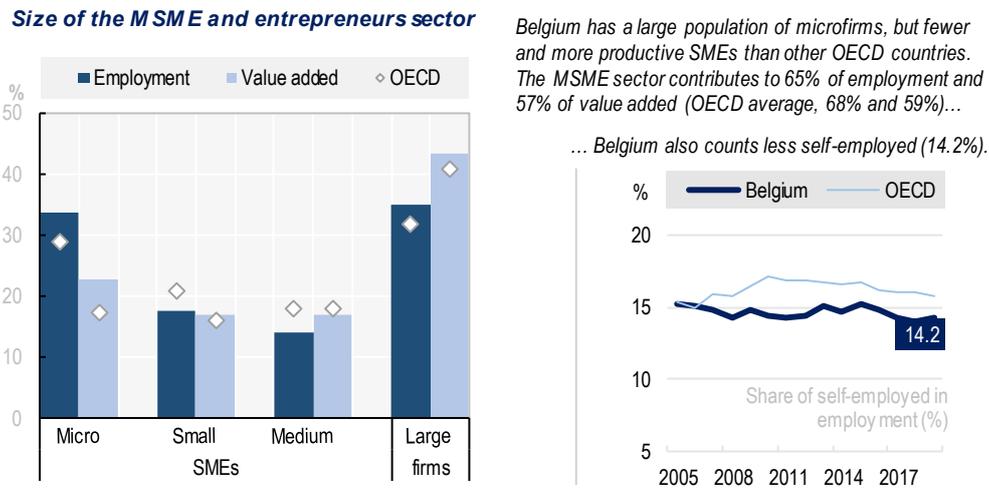
While there is no SME policy document at Federal level, the **Minister of SMEs, Self-employed and Middle Classes** undertakes various actions of relevance to SMEs, for instance regarding public procurement, the promotion of entrepreneurship and internationalisation, including through the data and analysis, SME consultation and international coordination by its SME Observatory.

Regions have developed specific SME strategies which include hands-on support measures for small business as, for instance, the **Brussels Region "SME Strategy"** (2016) or the **Wallonia "SME Strategy"** (2016).

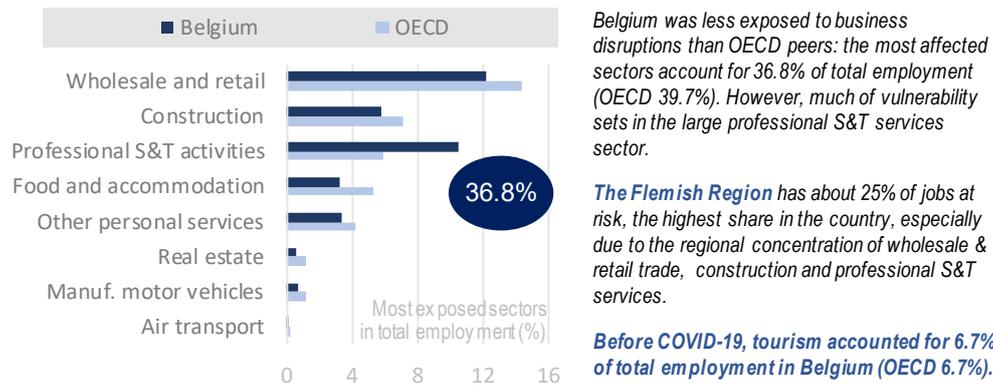
Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

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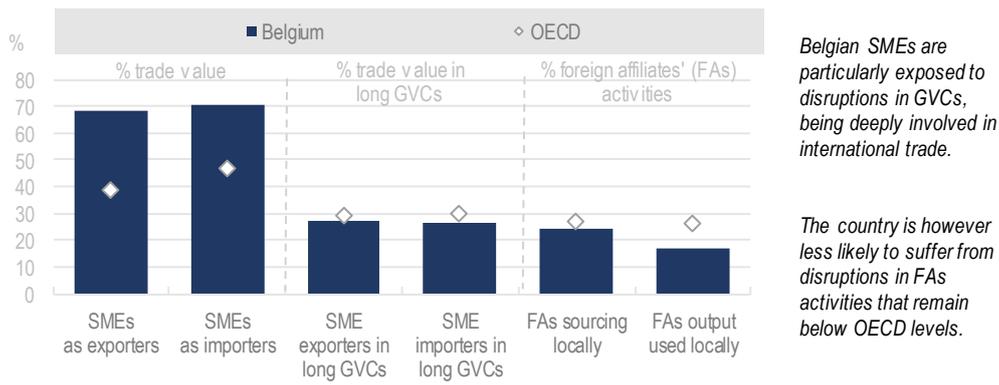
**Figure 6.8. Factors of SME&E structural vulnerability in Belgium**



### Economic exposure to lockdowns and business disruptions



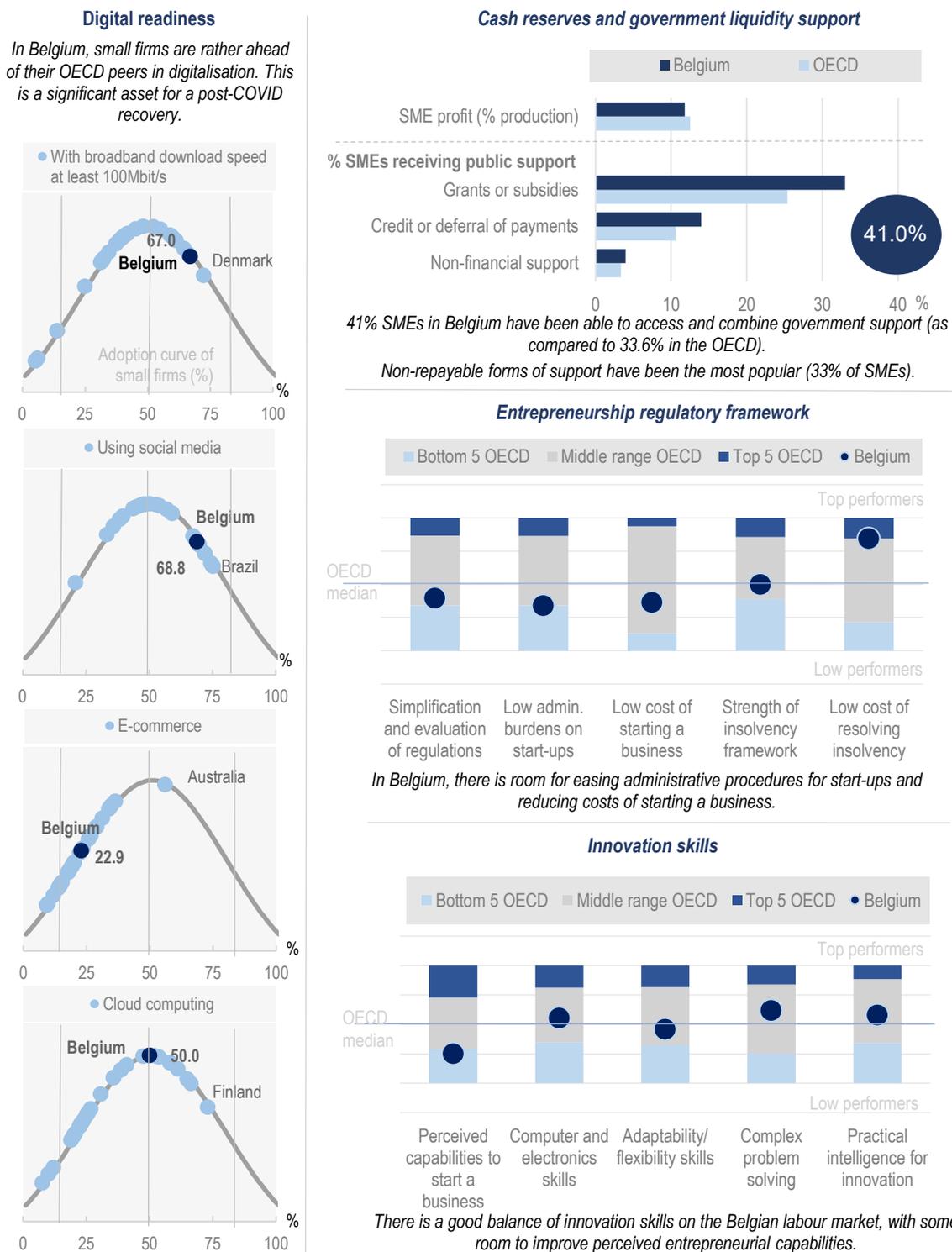
### International trade and GVC exposure



Source: Size of the MSME sector (2018): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2019): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934250478>

Figure 6.9. Sources of SME&E resilience in Belgium



Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2016): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2015 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

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## Canada

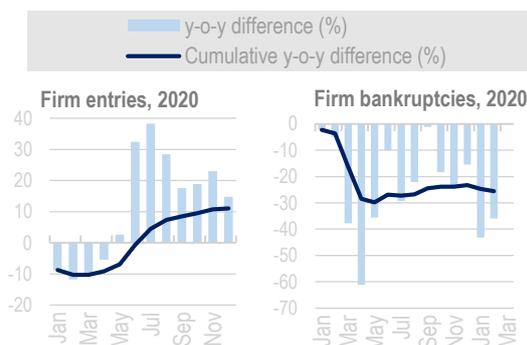
Figure 6.10. COVID-19 impact on business dynamics and policy responses in Canada

## Stringency of government measures



From the start of the pandemic, Canada has adopted and maintained very strict sanitary restrictions.

## Business dynamics



After an initial decline, firm creation rebounded from June 2020 onwards, with overall more firms created in 2020 than in 2019. The number of bankruptcies also dropped drastically as compared to the previous year.

## Policy spotlight

Key measures to support SMEs and entrepreneurs through the COVID-19 crisis include:

**Recovery Plan for Jobs, Growth, and Resilience** where Budget 2021 supports firms, particularly SMEs, in innovating and investing in technology so that they grow and take advantage of the new opportunities.

**Work-Sharing Program** to support employers and workers affected by COVID-19 (extended to September 26, 2021).

**CAD 27 billion Emergency Aid** for workers and businesses, CAD 55 billion tax deferrals.

**CAD 100 billion Post-Pandemic Economy Kick-Starting** to help provinces and territories improve COVID-19 infection control in long-term care facilities, and to provide vulnerable industries (i.e., tourism, travel and arts) with business loans.

**Go Digital Canada Initiative** to help small business sales grow online, including free training courses and use of digital marketing channels.

**Support Services for SMEs** through digital platforms. Logistic service providers also launched SME support (e.g. Fintech companies).

## National SME and entrepreneurship policy framework

SME&E policies in Canada are defined as part of wider strategies and policy frameworks.

The Federal Ministry of **Innovation, Science and Economic Development (ISED)** has three objectives with regards to SMEs: setting an efficient and competitive market place; strengthening the economy through science and technology, knowledge and innovation; and building competitive business.

ISED's Small Business Policy Branch chairs the **Interdepartmental SME Working Group**, which shares information across government that relates to small business policy and provides functional guidance.

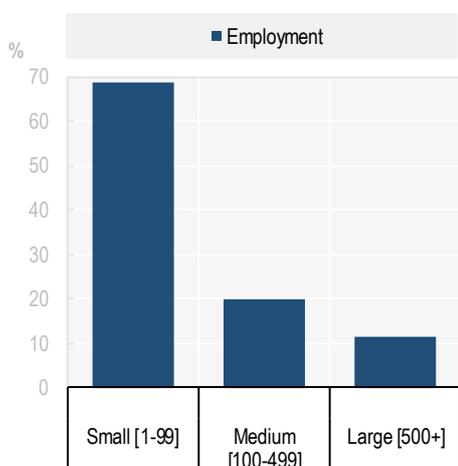
SME policy intervention takes place at state level through regional development agencies, as for instance the **Ontario "Business Growth Initiative"** (2016).

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934250497>

Figure 6.11. Factors of SME&E structural vulnerability in Canada

**Size of the MSME and entrepreneurs sector**

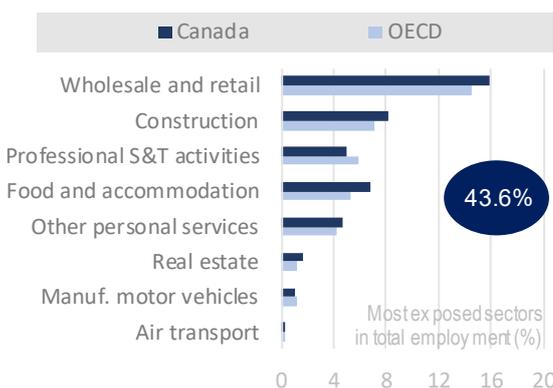


The business population in Canada is made of a large number of small firms, SMEs [1-499 employees] accounting for 88.5% of total employment...

... the country has on average less self-employed (8.2%).



**Economic exposure to lockdowns and business disruptions**

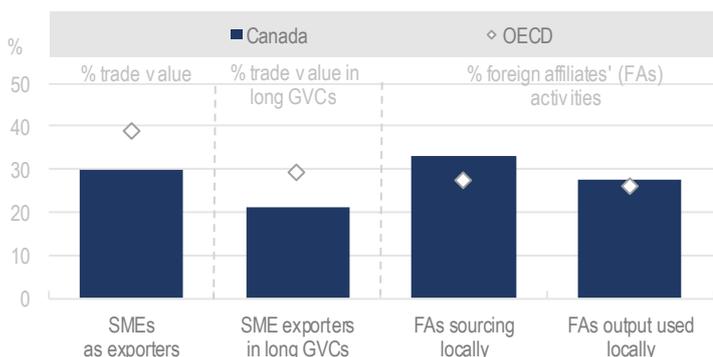


Canada's exposure to business disruptions is greater than in the OECD area: the most affected sectors account for 43.6% of total employment (OECD 39.7%).

**British Columbia** has over 27% of jobs at risk, the highest share in the country, especially due to the regional concentration of wholesale & retail trade, and accommodation & food services.

**Before COVID-19, tourism** accounted for 3.9% of total employment in Canada (OECD 6.7%).

**International trade and GVC exposure**

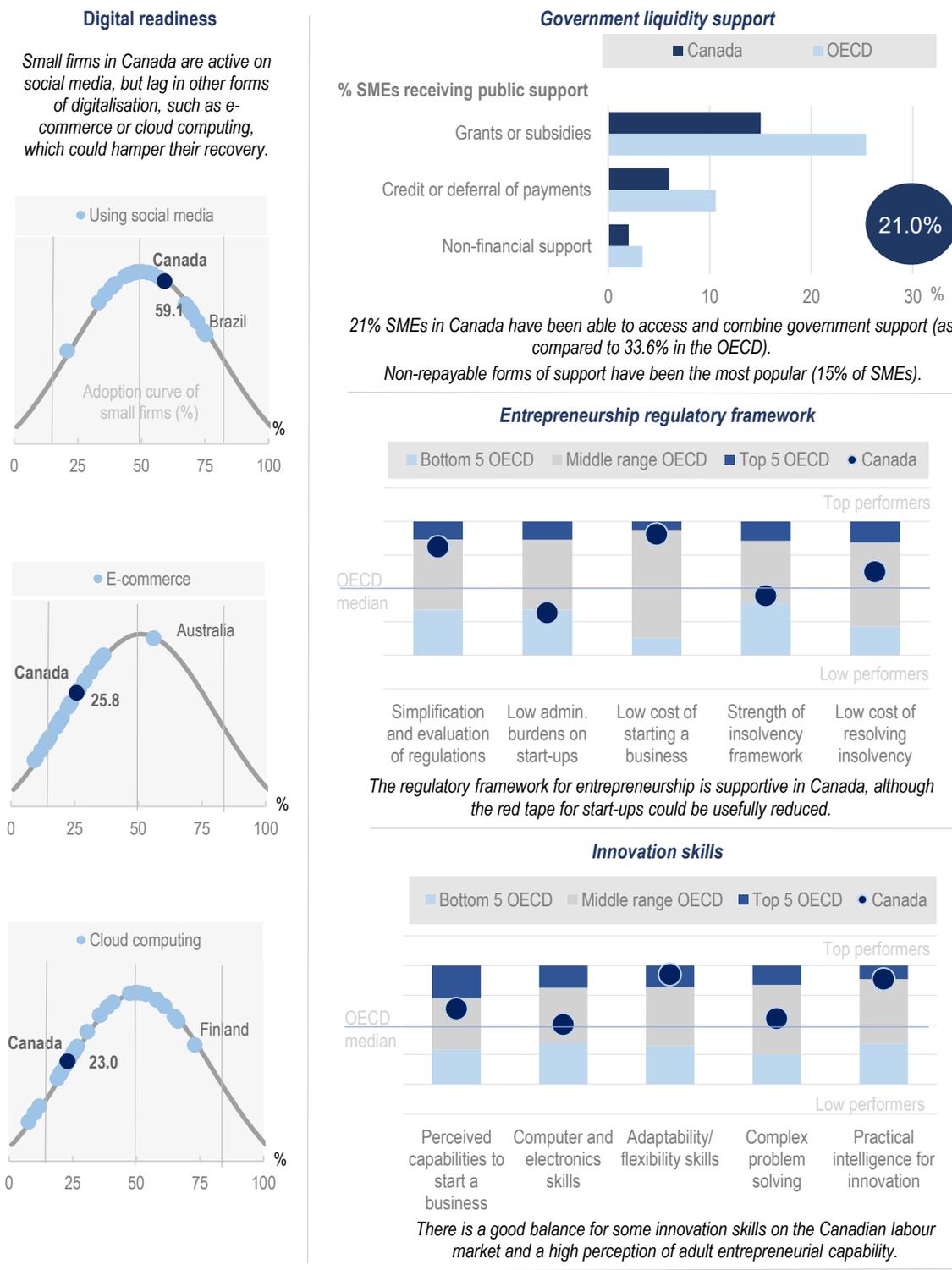


Canadian SMEs were less exposed to disruptions in GVCs, being less engaged in exports and long value chains.

But they may be at risk if foreign direct investment are durably impacted (especially sourcing activities), and they may miss rebound opportunities stemming from GVCs.

Source: Size of the MSME sector (2019): national sources; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2018): OECD Regional Outlook 2021; Tourism employment (2018): OECD Tourism database 2021; GVC exposure (2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

**Figure 6.12. Sources of SME&E resilience in Canada**



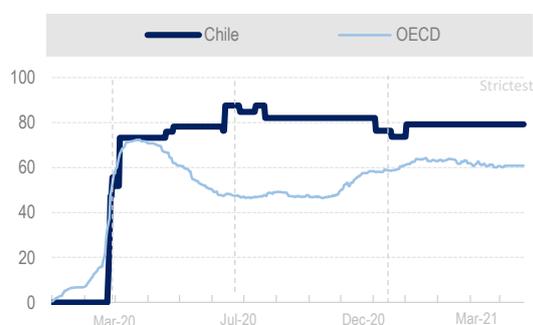
Source: Broadband (2020), social media (2019), e-commerce (2019), cloud computing (2019): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

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## Chile

Figure 6.13. COVID-19 impact on business dynamics and policy responses in Chile

### Stringency of government measures



Chile has introduced very strict containment measures since the start of the pandemic.

### Business dynamics

1 827 companies filed for liquidation (bankruptcy) under the national insolvency law in 2020. This figure is 11% higher than in 2019, when the social crisis also led to an increase in the closure of firms.

### Policy spotlight

Key measures recently implemented include a **USD 12 billion Fiscal Stimulus Package**, which aims to encourage investment, an infrastructure development, and a **special plan to simplify bureaucratic procedures, and promote and accelerate innovation and investment**. Both give a marked focus to the reactivation of micro- SMEs through tax measures, subsidies and other financing solutions, and capacity building.

Structural measures also include:

- **“Reactivate Plan”**, with USD 4 200 grants to SMEs that have been affected by the pandemic. The government also incentivises SMEs to digitalise;
- **Digitize Your SME Programme** to create awareness, deliver training, and foster the adoption of digital tools by SME&E ; including the **SMEs Online Scheme** that allows access to e-commerce, social networks, payment methods, and digital marketing;
- **Amendment of the Labour Code** to encourage teleworking facilities for SMEs and reduce regulatory barriers in this area;
- **Compra Agil Programme** to facilitate the participation of SMEs in public procurement, while the State pays all pending invoices to date.

### National SME and entrepreneurship policy framework

SME&E policies in Chile are defined as part of a multi-annual Action Plan.

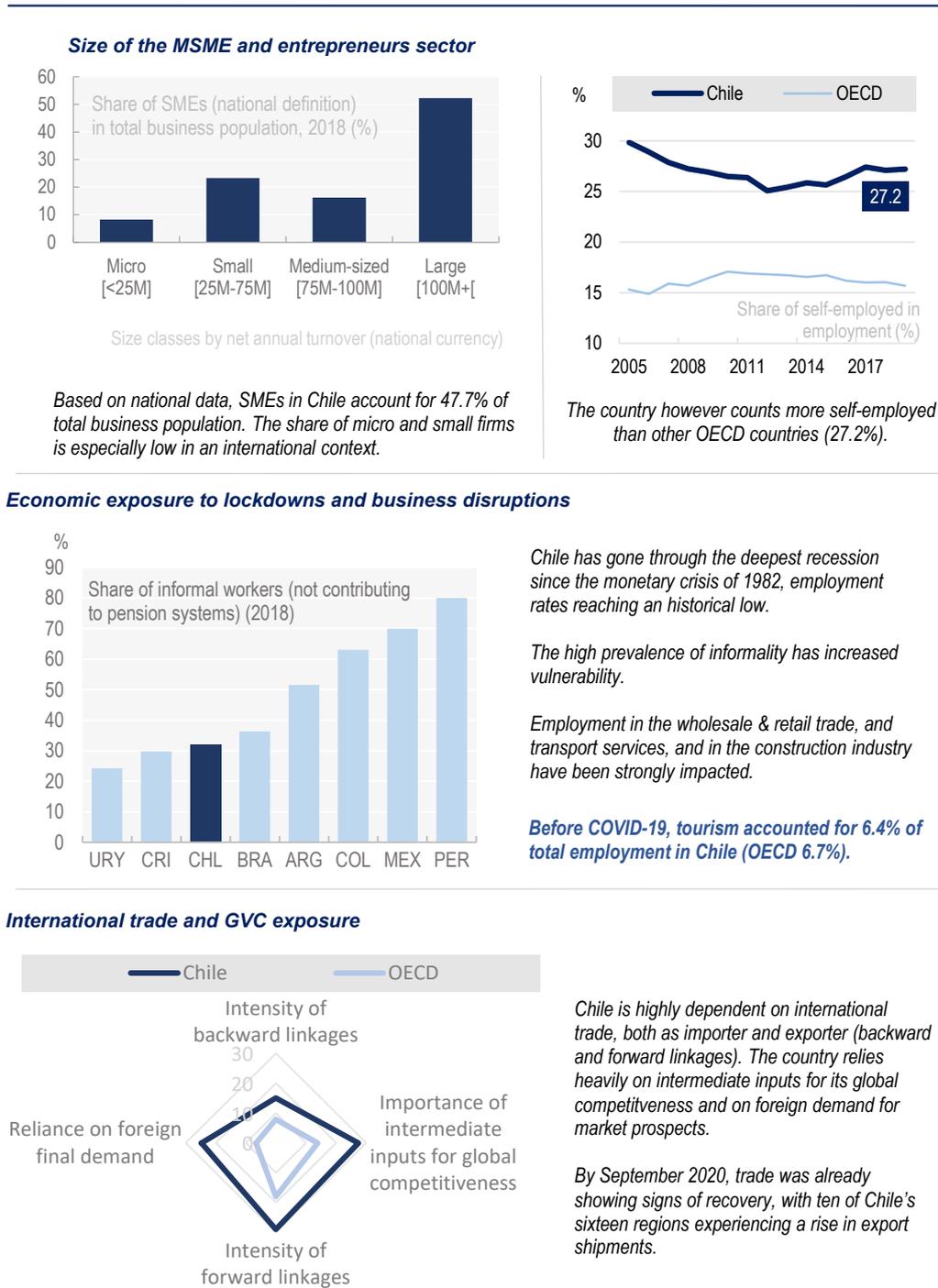
Chile is staffed with a dedicated Undersecretary of Economy and Smaller Companies within the Ministry of Economy, Development and Tourism. The Ministry's **Division of Smaller Companies (DEMT)** is responsible for formulating, articulating and implementing policies in support of small businesses as well as to promote the creation of new businesses. It also coordinates with different public and private entities.

The COVID-19 pandemic has led to a more integrated approach of SME support. The **MSME Guidelines** - "Guía Mypyme" (2020) include measures across eight Ministries, covering a wide array of laws and regulations of importance to SMEs, such as finance, digitalisation, labour, skills, procurement, and health.

Source: Oxford stringency Index (April 2021); and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934250554>

**Figure 6.14. Factors of SME&E structural vulnerability in Chile**



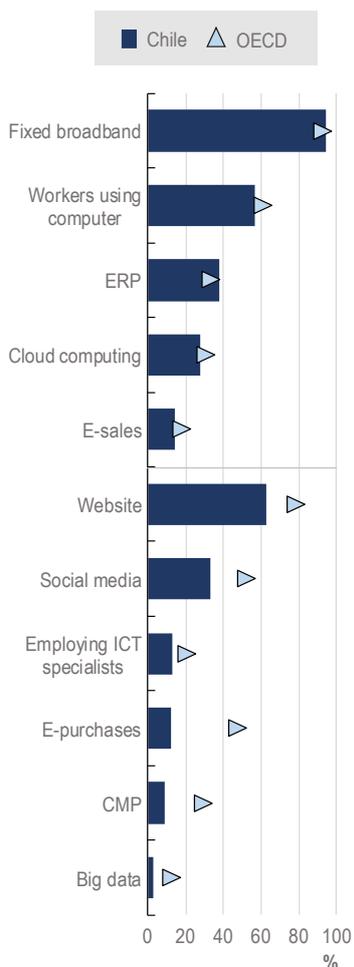
Source: Size of the MSME sector (2019): national sources; Share of self-employed (2005-19): OECD LFS database 2020 and ILOSTAT database 2020; Informal workers: OECD Economic Survey of Colombia 2020 (OECD, 2020); Tourism employment (2018): OECD Tourism database 2021; GVC exposure (2016): OECD TiVA database 2018 (see country-specific references and definitions).

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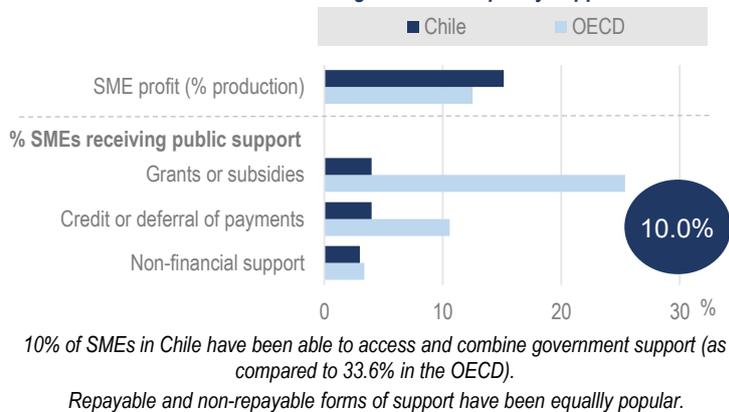
**Figure 6.15. Sources of SME&E resilience in Chile**

**Digital readiness**

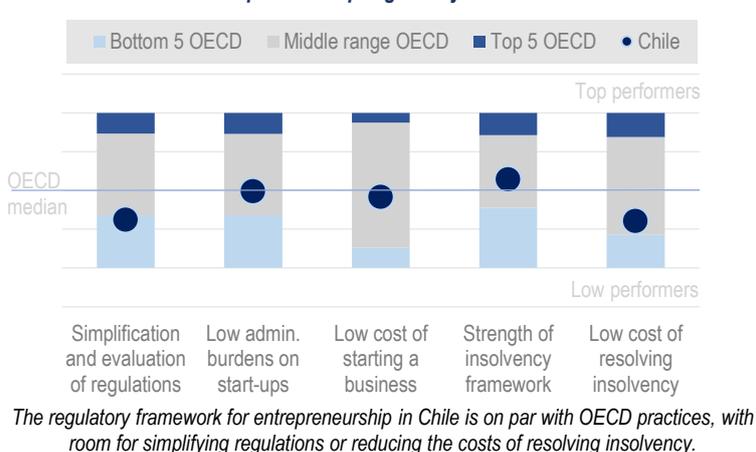
National data show that small firms in Chile are engaging in the digital transition, but may lag in some aspects of the transformation, as compared to OECD peers.



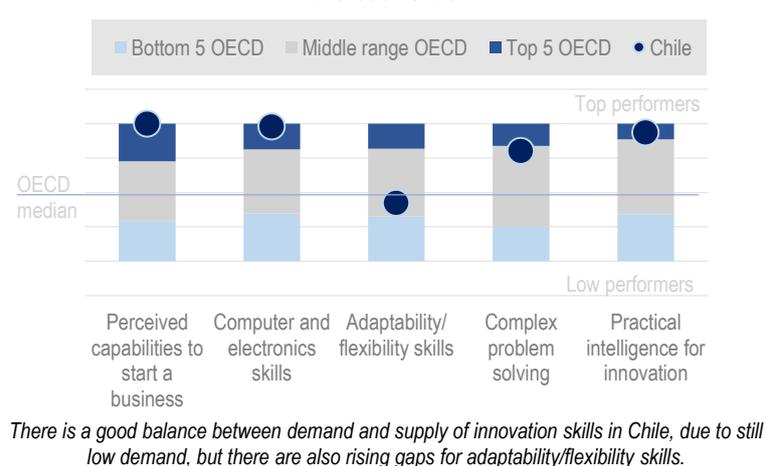
**Cash reserves and government liquidity support**



**Entrepreneurship regulatory framework**



**Innovation skills**



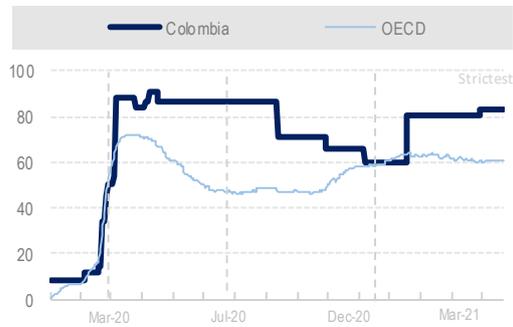
Source: ICT use: OECD Economic Survey of Chile (OECD, 2020); SME profit (2016): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

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## Colombia

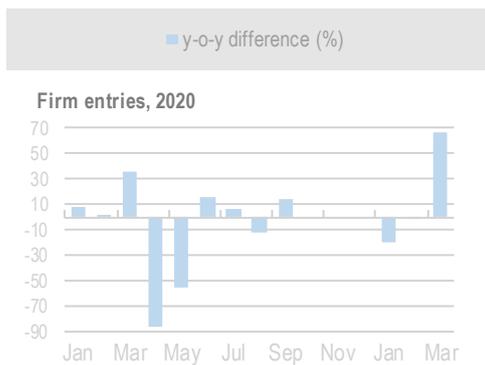
Figure 6.16. COVID-19 impact on business dynamics and policy responses in Colombia

### Stringency of government measures



Colombia has introduced strict containment measures since the start of the pandemic.

### Business dynamics



According to the *Confederación Colombiana de Cámaras de Comercio*, firm entries rose from 53 197 in 2019 Q4 to 65 363 in the same period of 2020, representing a total increase of 23%.

### Policy spotlight

Key measures to support SMEs and entrepreneurs' liquidity include: **USD 806 million Formal Employment Support Program (PAEF)** to subsidise wage and receipts; **USD 379 million in special credit lines** with low interest rates and grace periods; and the **National Guarantees Fund** to cover MSME working capital and payroll costs.

Structural measures have also been implemented:

- **USD 29 million Stimulus and Recovery Plan** to develop cleantech and sustainable sectors, and strengthen the entrepreneurial ecosystem by improving the regulatory framework for SMEs and promoting new channels of finance ;
- **National Policy on Entrepreneurship** (2020), a five-year plan to foster productivity and competitiveness, through reskilling, diversified finance, tech development, marketing etc. ;
- **Entrepreneurship Law 2020** to establish a regulatory framework for start-ups and growth via a regionally-tailored approach ;
- **National intellectual property policy** (underway) to consolidate the generation and use of knowledge.
- **Recovery policy** (2021) to reduce the regulatory burden, scale up the **Fábricas de Productividad**, expand the **Compra Lo Nuestro** Programme for the digitalisation of microenterprises and the connection of suppliers and buyers in Colombia, and develop quality standards to operate on global markets.

### National SME and entrepreneurship policy framework

SME&E policies in Colombia are defined **as part of wider strategies and policy frameworks**.

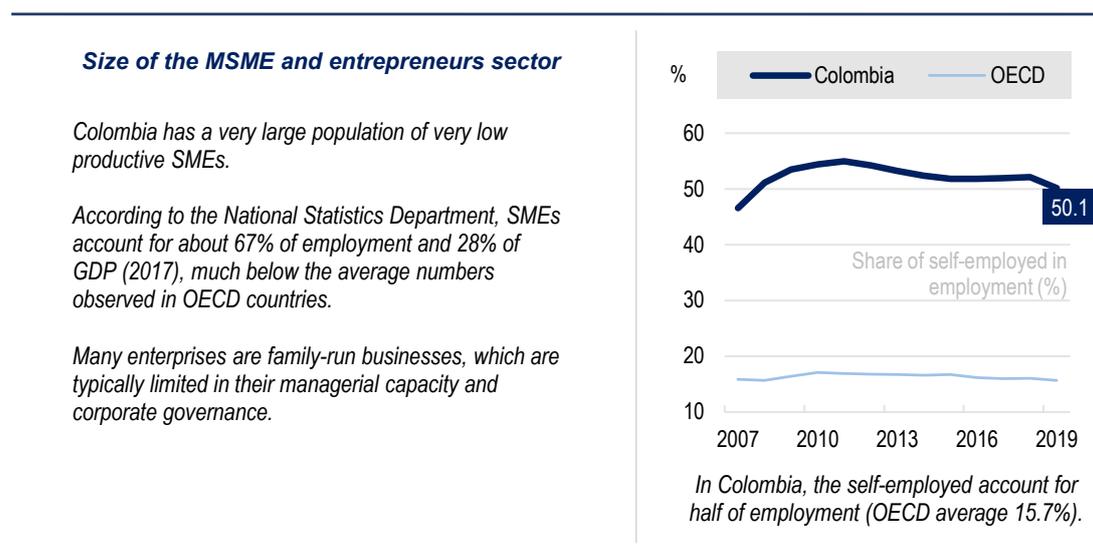
Colombia supports SMEs through the "**Política Nacional de Emprendimiento**" (2020-24) which acknowledges the specific characteristics and needs of entrepreneurs, depending on the nature of their business: subsistence, consolidation, or wealth creation. It focuses on skills development, access and sophistication of financing mechanisms, strengthening and marketing strategies, technological development and innovation and strengthening of institutional architecture to guarantee a public supply of consistent support instruments.

Colombia has also set up **Regional SME Councils** (Consejos Superiores de Micro Empresa/Consejos Pequeñas y Medianas Empresas) in each region, bringing together national and regional governments, SMEs, SME associations and Chambers of Commerce. The Councils play an important role in policy delivery.

Source: Oxford stringency Index (April 2021); and national sources (see country-specific references and definitions).

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**Figure 6.17. Factors of SME&E structural vulnerability in Colombia**



### Economic exposure to lockdowns and business disruptions

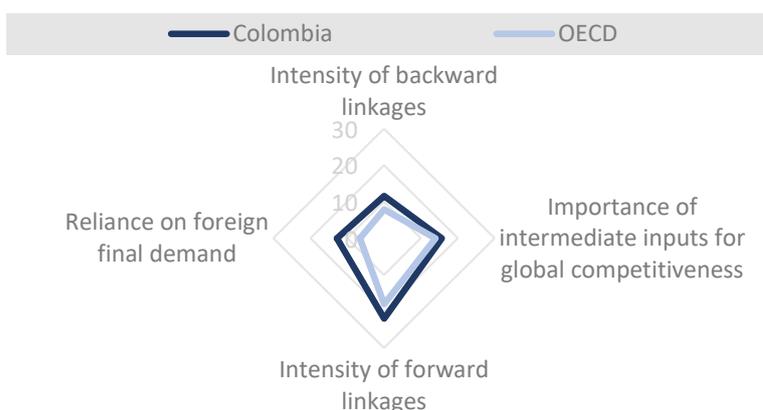


The high prevalence of informality has increased vulnerability.

Sectors that continue to be subdued include entertainment, recreation, retail, transport and accommodation.

Before COVID-19, tourism accounted for 3.7% of total employment in Colombia (OECD 6.7%).

### International trade and GVC exposure

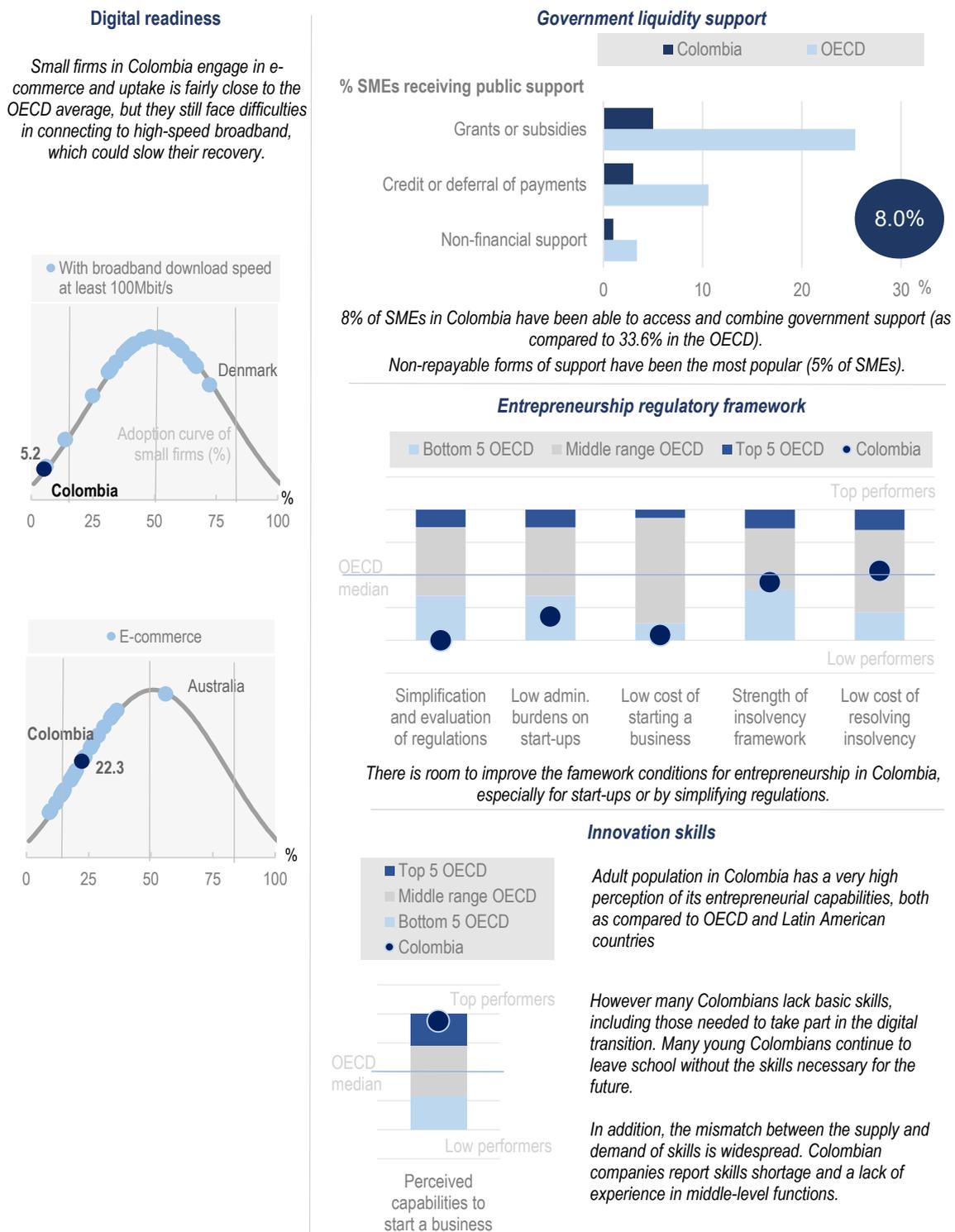


Colombia was exposed to chain reactions along GVCs as exporter and importer (backward and forward linkages).

The country relies also heavily on foreign final demand for market prospects.

Source: Size of the MSME sector (2017): OECD Financing SME & Entrepreneurship Scoreboard 2020 based on national sources; Share of self-employed (2005-19): OECD LFS database 2020; Informal workers (2018): OECD Economic Survey of Colombia 2020 (OECD, 2020); Tourism employment (2019): OECD Tourism database 2021; GVC exposure (2016): OECD TiVA database 2018 (see country-specific references and definitions).

**Figure 6.18. Sources of SME&E resilience in Colombia**



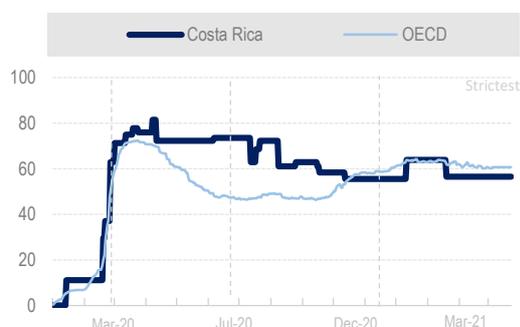
Source: Broadband (2018), e-commerce (2018): OECD ICT Usage by Businesses database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019): GEM 2019 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934250649>

## Costa Rica

Figure 6.19. COVID-19 impact on business dynamics and policy responses in Costa Rica

### Stringency of government measures



Costa Rica has maintained relatively high levels of restrictions since the start of the pandemic.

### Business dynamics

In January 2021, an estimated 30 000 micro-enterprises had closed in Costa Rica, while almost 15 000 self-employed had lost their source of income. Most of these micro-enterprises were in the informal sector, which has been heavily affected by the pandemic.

However the recovery in employment in the country has been largely driven by the informal sector. Between 2020 Q1 and Q2, 346 000 informal jobs disappeared. In 2020 Q4, 188 000 jobs were recovered.

### Policy spotlight

Key measures to support SMEs and entrepreneurs' liquidity include: **USD 34 million in SME Support** from the Ministry for Economy, Industry and Commerce (MEIC), channelled through the Development Fund for Micro, Small and Medium Enterprises of Banco Popular, and **Working Capital Credits for MSMEs** aimed at guaranteeing business continuity and job protection.

Structural measures have also been implemented:

- **USD 5.6 million in Business Development Services** to provide consultancy services to selected SMEs that export or intend to export, to help them recover from the crisis. It includes grants, support to export promotion, contact with international buyers and links to Global Value Chains, and consultancy to adapt or re-orient the business model ;
- **Digital SME program** to boost SME digital transformation by developing appropriate skills and conditions for the adoption of new technologies ;
- **Digital Check-Up Platform** which allows companies to conduct a diagnosis of their digital maturity in 8 areas, and offers recommendations according to the level of maturity in each area.

### National SME and entrepreneurship policy framework

SME&E policies in Costa Rica are defined as **part of specific SMEs strategies**.

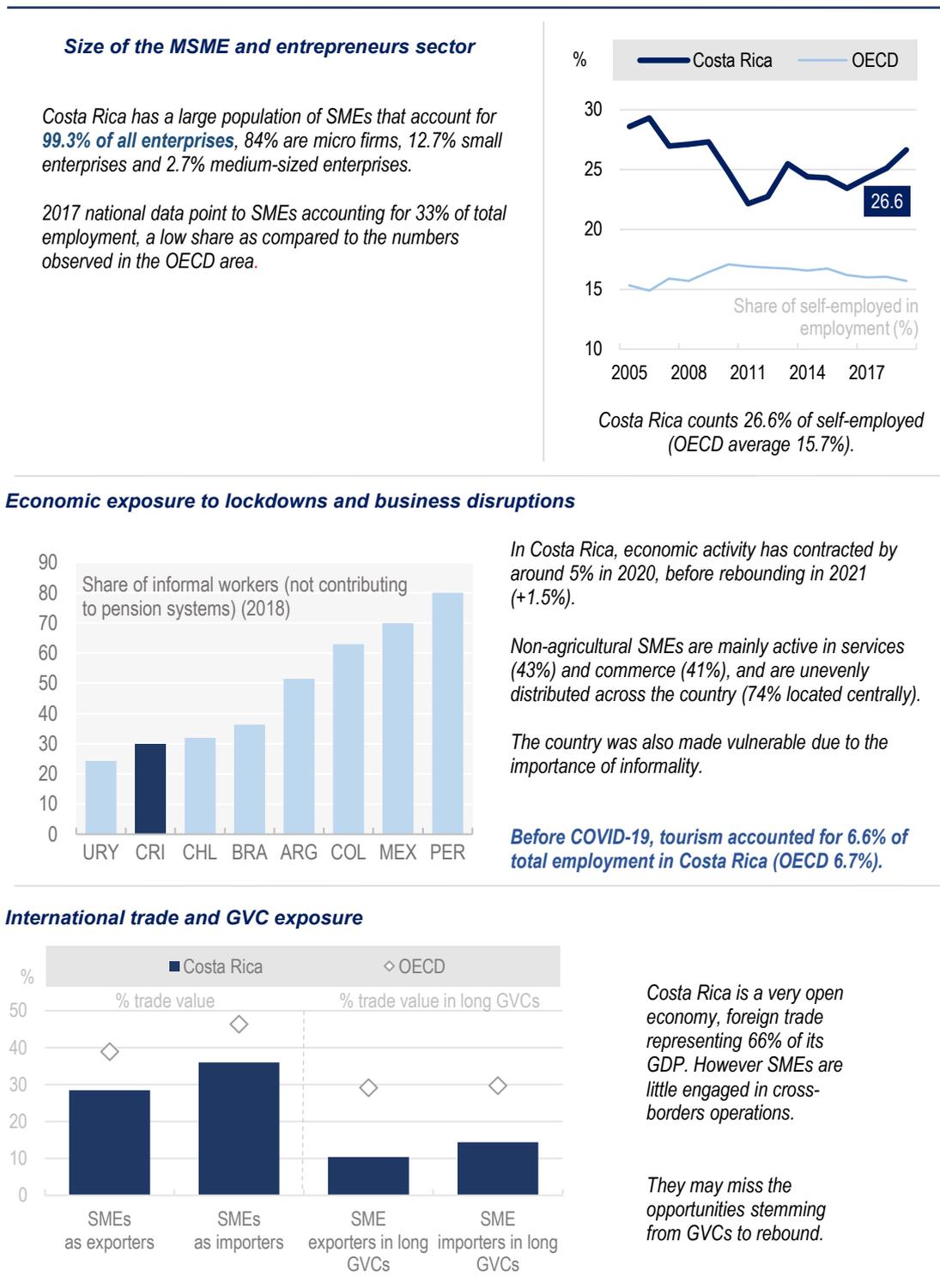
In 2020, the Ministry of Economy, Industry and Commerce (MEIC) launched the "**Política Nacional de Empresariado 2030 (PNE-2030)**" which includes strategic policy objectives, actions and governance mechanisms with regard to SME and entrepreneurship, supporting the wider National Development Plan.

The **Mixed Advisory Council on SMEs** (Consejo Asesor Mixto de la PYME) ensures horizontal coordination between Ministries and agencies, as well as representatives from the private sector. The Council also plays a role in evaluation and monitoring the impact of SME support programmes.

Source: Oxford stringency Index (April 2021); and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934250668>

**Figure 6.20. Factors of SME&E structural vulnerability in Costa Rica**



Source: Size of the MSME sector (2017): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020 and ILO ILOSTAT database 2020; Informal workers (2018): OECD Economic Outlook Costa Rica (OECD, 2020); Tourism employment (2018): OECD Tourism database 2021; GVC exposure (2013): OECD TEC database 2021 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934250687>

**Figure 6.21. Sources of SME&E resilience in Costa Rica**

**Digital readiness**

*In the last decade, Costa Rica has made **advances in digital connectivity**.*

*Internet users represented more than 74% of the population in 2018, with further increases in the previous year.*

*The same year, mobile and fixed broadband subscriptions stood at 100.9 and 16.6 per 100 inhabitants respectively, figures above the Latin America and the Caribbean averages (73.5 and 13.9).*

*However **Costa Rica lags behind in different aspects of the digital transformation**, both in comparison with OECD countries and other emerging economies. There is for instance room to improve e-government.*

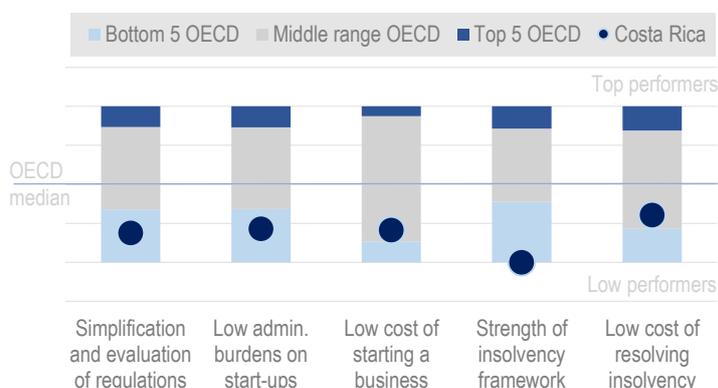
**Cash reserves and government liquidity support**

*Between 1 March 2020 and 30 April 2021, a total of USD 477 million was granted in credit to SMEs across the country (134 203 credits allocated).*

*The two most used sources of credits are the "Centros de Referencia y Defensoría Social Migratoria (CREDES)" and the "Fondo Nacional para el Desarrollo (FONADE)".*

*Micro and small enterprises benefited most from these credits, both in terms of amounts and volumes. In addition, the agri-commodity, service and trade sectors were the main beneficiaries.*

**Entrepreneurship regulatory framework**



*Regulations are burdensome in Costa Rica and the administrative framework is not favourable to business creation and entrepreneurship.*

**Innovation skills**



*Adult population has a good perception of its entrepreneurial capabilities in Costa Rica (2014 data).*

*There are however persistent skills shortages and mismatches between demand and supply in the country. Employers face difficulties in filling vacancies, particularly in technical and scientific fields.*

Source: Business ICT use: OECD Latin American Economic Outlook 2020 (OECD, 2020); Liquidity support: OECD dedicated report on Costa Rica's public finances (OECD, 2020), country-specific references and definitions; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019): GEM 2014 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934250706>

## Czech Republic

Figure 6.22. COVID-19 impact on business dynamics and policy responses in Czech Republic

### Stringency of government measures



*If the Czech Republic was one of the more successful countries in containing the pandemic during the first wave, it was hit hard in the second wave.*

### Business dynamics

*Despite the high number of bankruptcies filed in September and October 2020, in October the number of declared corporate bankruptcies was the third-lowest since 2008. Compared to September 2020, it decreased by a third.*

### Policy spotlight

Key measures to support SMEs and entrepreneurs' liquidity include: **CZK 5 billion COVID-19 Loan Programme** for SMEs in the form of soft loans with zero interest rate, and **EUR 1.2 billion Compensation Bonus** for the periods when SMEs have been prevented, completely or partially, from doing business.

Structural measures have also been implemented:

- **CZK 200 million Czech Rise Up Programme** to support innovative companies, including start-ups.

- **CZK 300 million COVID-19 Technology Programme** to support SMEs' acquisition of new technological equipment and facilities, which is directly linked to fight the spread of the virus.

- **National Recovery Plan** focusing on 6 pillars: i) digital transformation, ii) physical infrastructure and green transition, iii) education and labour market, iv) institutions, regulation and business support in response to COVID-19, v) research, development and innovation, and vi) population health and resilience. A specific focus is placed on **SME digitalisation, support of innovative start-ups and alternative finance**.

### National SME and entrepreneurship policy framework

SME&E policies in Czech Republic are defined as part of specific SMEs strategies.

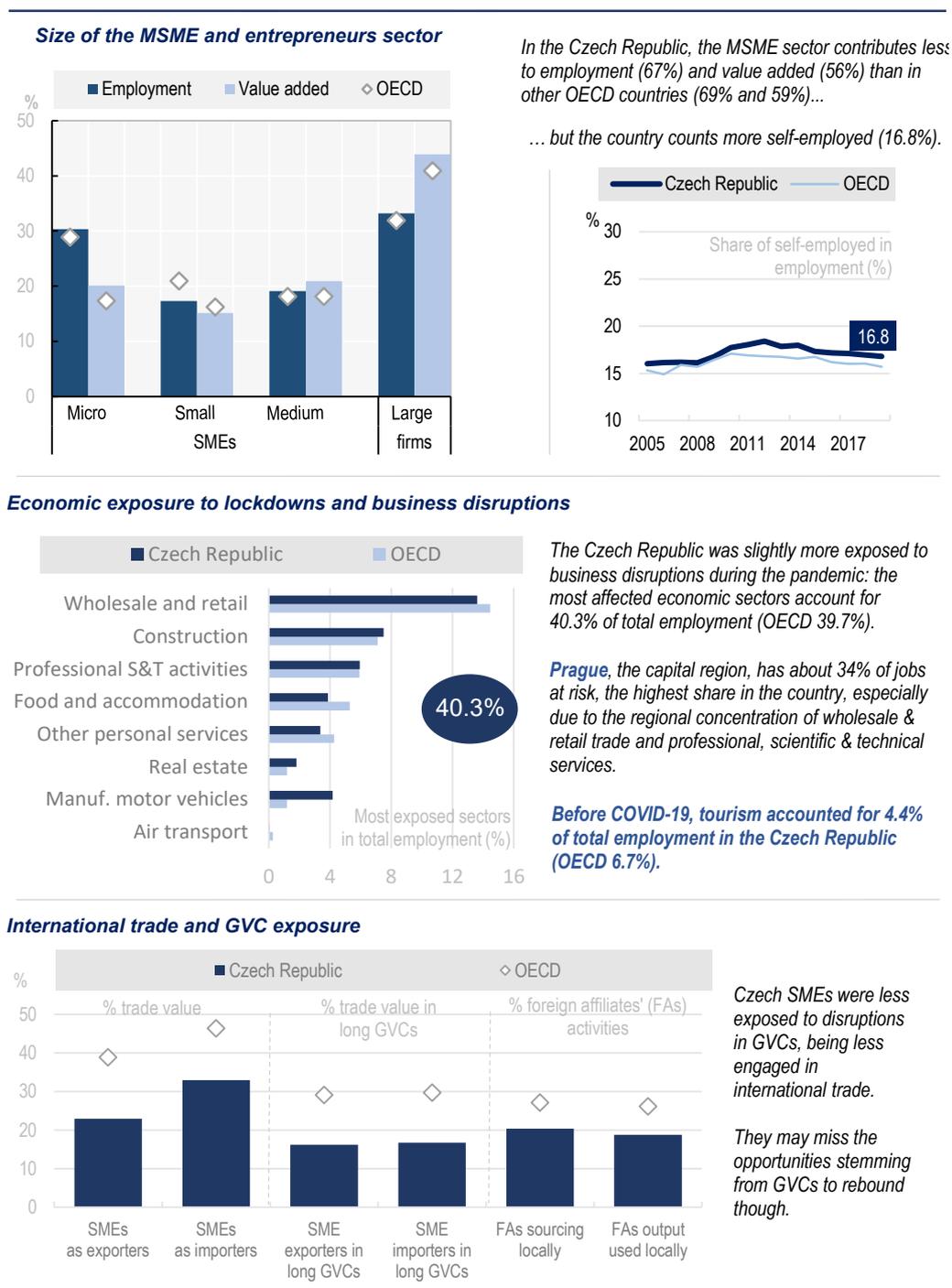
The Czech national SME policy framework is outlined in the "**SME Support Strategy 2021-27**" which seeks to support the productivity and competitiveness of Czech SMEs, as well as their innovation and internationalisation. The Strategy was developed by the **Ministry of Industry and Trade** in cooperation with other Ministries, regional and local authorities. It also benefited from a consultation with Czech SMEs as well as from cooperation with The World Bank and the European Commission.

The Czech SME Support Strategy is also the **delivery plan for the EU Small Business Act and Cohesion funding**.

Source: Google Community Mobility Report (mobility index, 2021); and national sources (see country-specific references and definitions).

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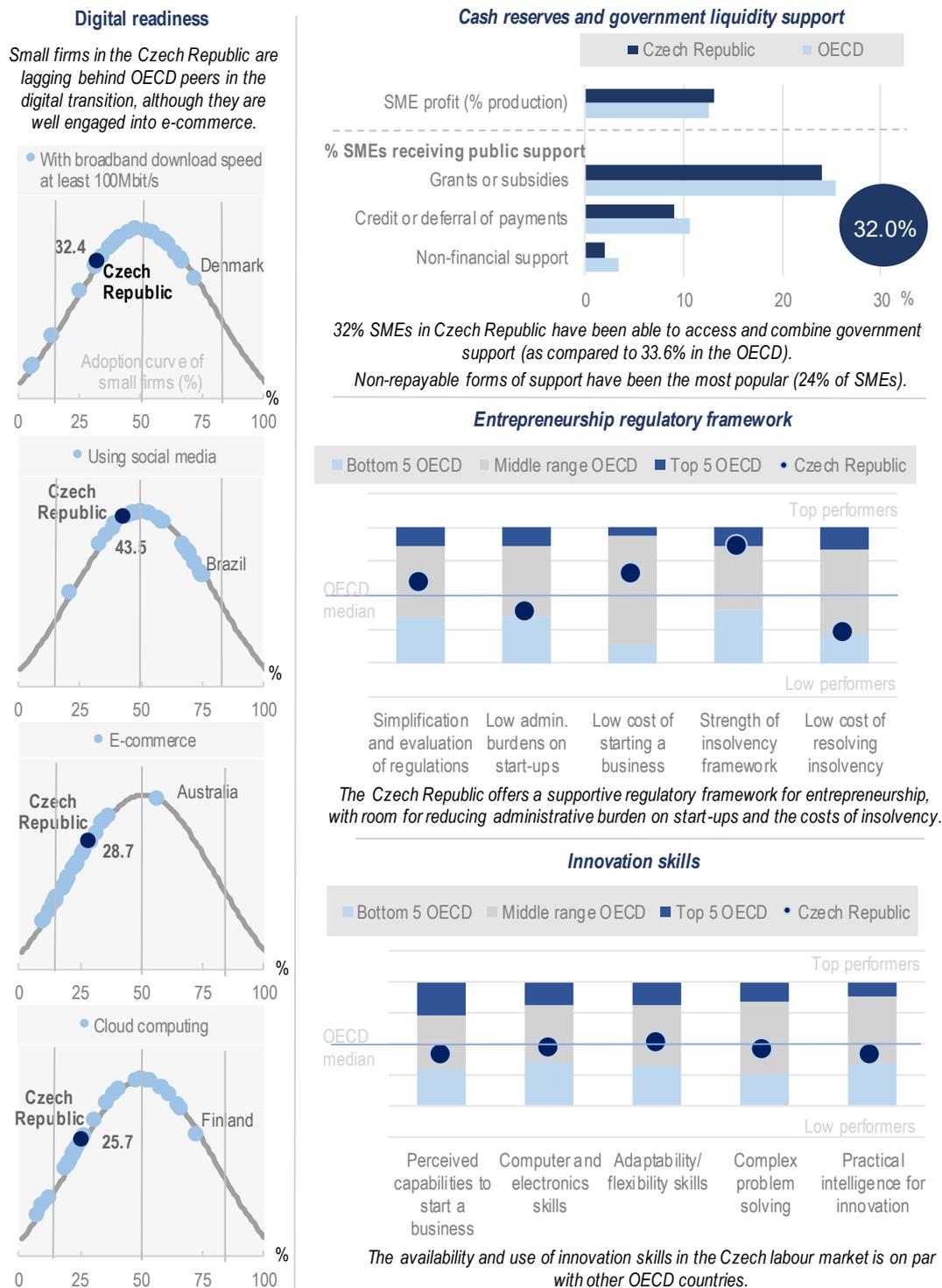
**Figure 6.23. Factors of SME&E structural vulnerability in Czech Republic**



Source: Size of the MSME sector (2018): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2018): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934250744>

**Figure 6.24. Sources of SME&E resilience in Czech Republic**



Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2013 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934250763>

## Denmark

Figure 6.25. COVID-19 impact on business dynamics and policy responses in Denmark

### Stringency of government measures



There were episodes of stringent restrictions in Denmark,

### Business dynamics



A wave of bankruptcies hit Denmark in early 2021, whereas the number of business closures had remained below 2019 levels over the previous year.

### Policy spotlight

Key measures to support SME and entrepreneurs' liquidity include:

- **DKK 38 billion in national support schemes** to provide salary and fixed costs compensation for businesses, as well as targeted support for self-employed and freelancers;

- **Credit facility** through VAT and income tax payment deferral (EUR 5.4 billion are targeted to SMEs);

- **Loan guarantees** (70% of the loans) to SMEs who have seen a drop in profits by more than 30%.

Structural measures have also been implemented:

- **DKK 1.25 billion Liquidity Guarantee** in new loans to SMEs with export activities, and additional funds to the Danish Export Credit Fund (EKF) to increase access to export credit for SMEs.

- **Denmark's Recovery and Resilience Plan** with measures to support SMEs in overcoming barriers to invest in, and use, new and advanced technology and e-commerce solutions, as well as to promote connectivity by means of high speed internet access in rural areas.

### National SME and entrepreneurship policy framework

SME&E policies in Denmark are defined as **part of wider strategies and policy frameworks**.

The **“Statement on Business Promotion” (2021)** presents an overview of state initiatives regarding business promotion, including the green transition, innovation and entrepreneurship, non-profit and cultural businesses, global marketing and international framework and partnership instruments.

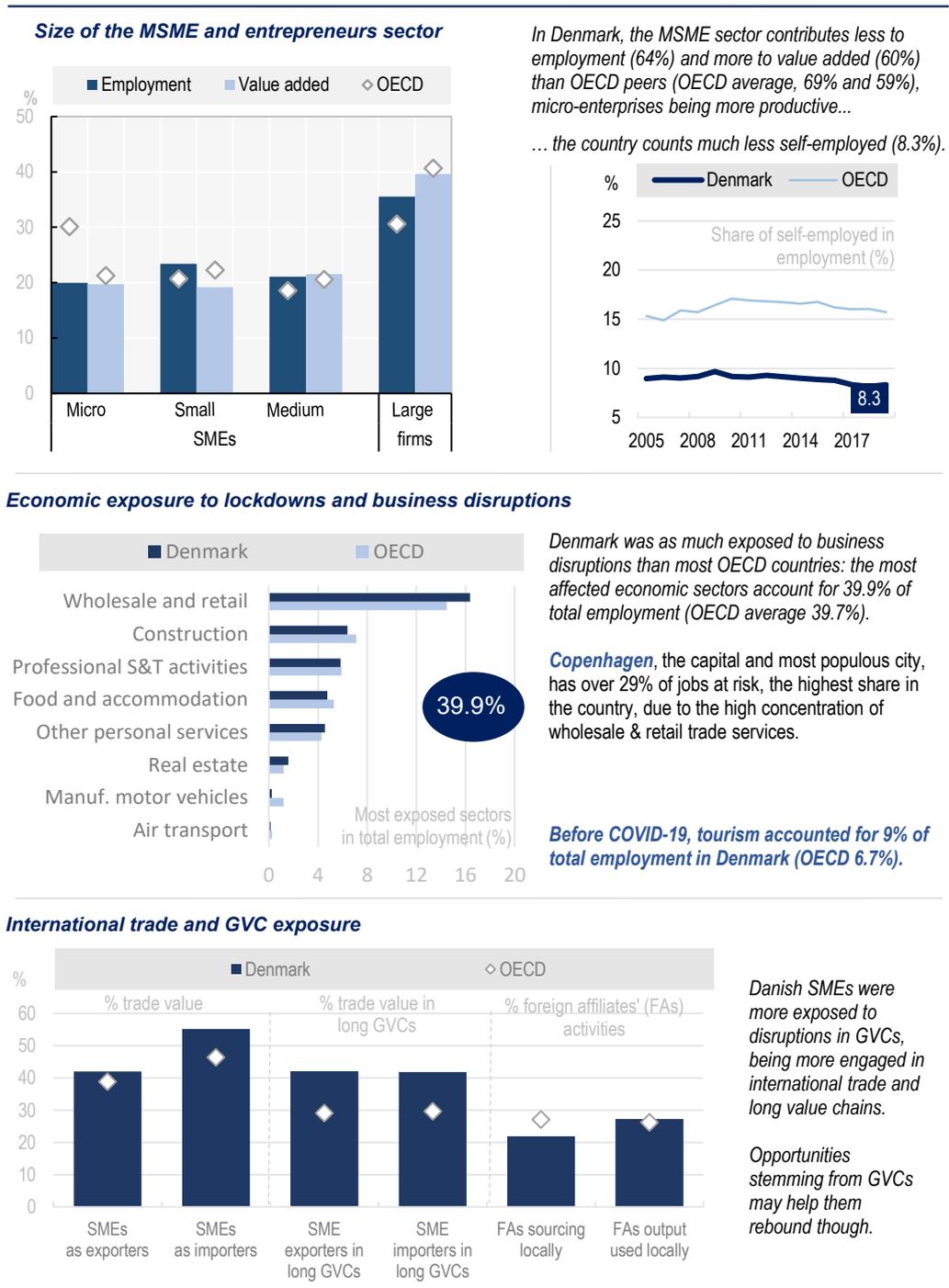
A **Danish Board on Business Development** has been appointed for regional and local initiatives. Its **Business Promotion Strategy 2020-23** targets SMEs and focuses on green transition, circular economy, innovation, entrepreneurship, digitalisation-automation, internationalisation, work and social inclusion.

A new **Partnership on Digitalisation** will provide input on policy measures related to new digital technologies, such as the future of digital businesses, workplaces, innovation and the public sector.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

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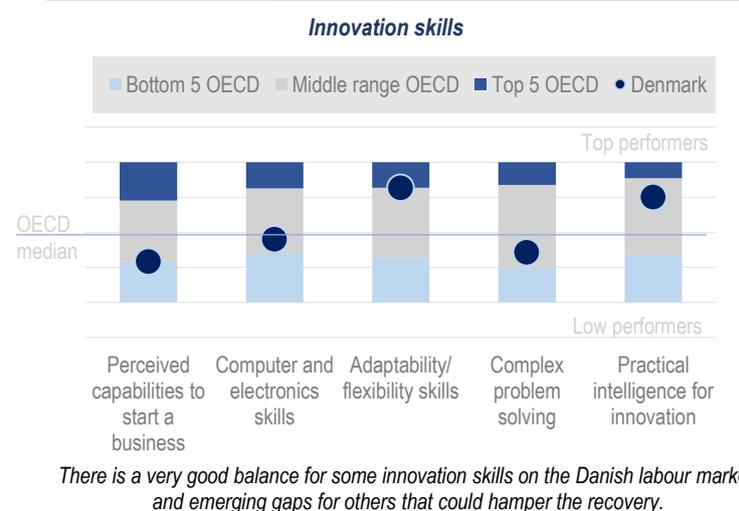
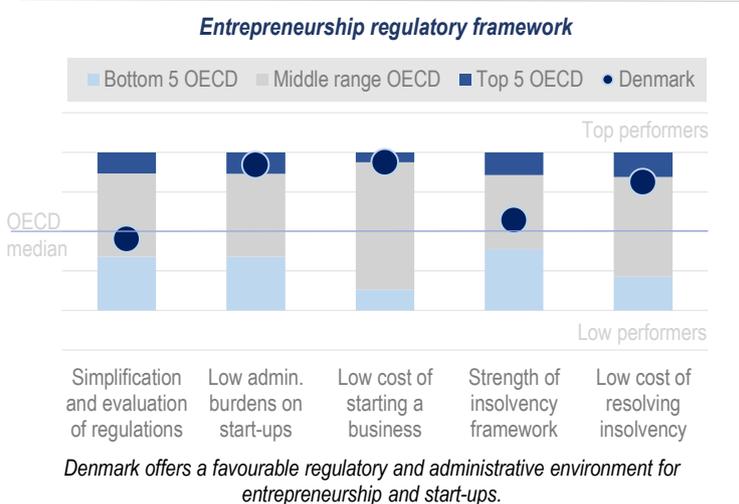
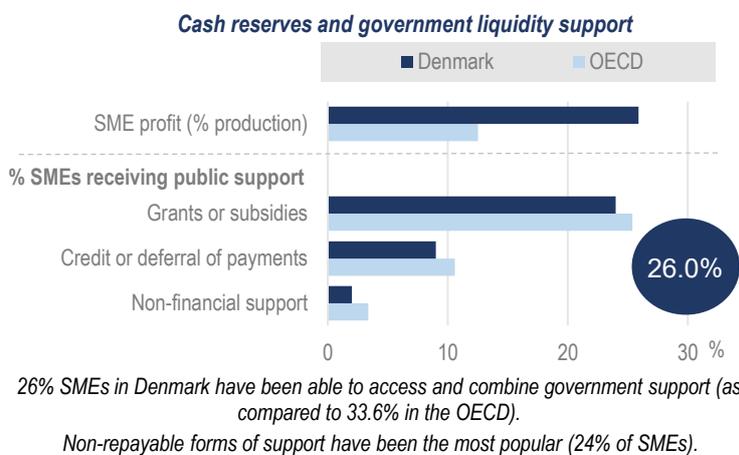
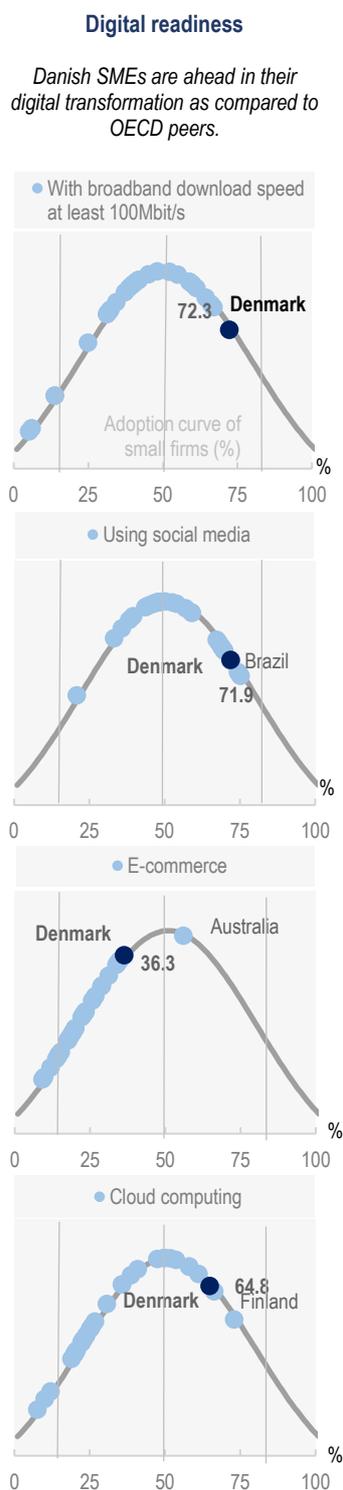
**Figure 6.26. Factors of SME&E structural vulnerability in Denmark**



Source: Size of the MSME sector (2016): OECD SME&E Outlook 2019; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2018): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

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Figure 6.27. Sources of SME&E resilience in Denmark



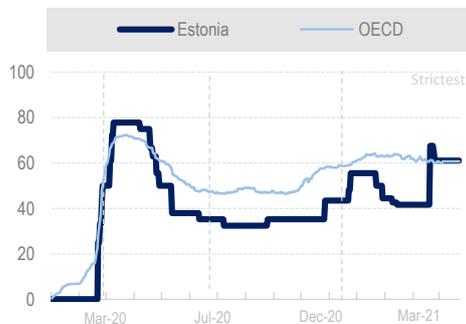
Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2014 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934250820>

## Estonia

Figure 6.28. COVID-19 impact on business dynamics and policy responses in Estonia

### Stringency of government measures



After the first peak of COVID-19 in Spring 2020, Estonia was able to relax its containment measures.

### Policy spotlight

Significant national economic support has been provided in the following areas:

- **EUR 386 million provided by the Kredex Foundation** for loans and guarantees ;
- **EUR 44 million scheme by Enterprise Estonia** to support the tourism sector ;
- **Estonian Unemployment Insurance Fund**, with EUR 277 million allocated to the Salary Subsidy Program ;
- **EUR 134 million from the Rural Development Foundation** in form of loans and guarantees for regional companies implemented across the country.

### National SME and entrepreneurship policy framework

SME&E policies in Estonia are defined **as part of wider strategies and policy frameworks**.

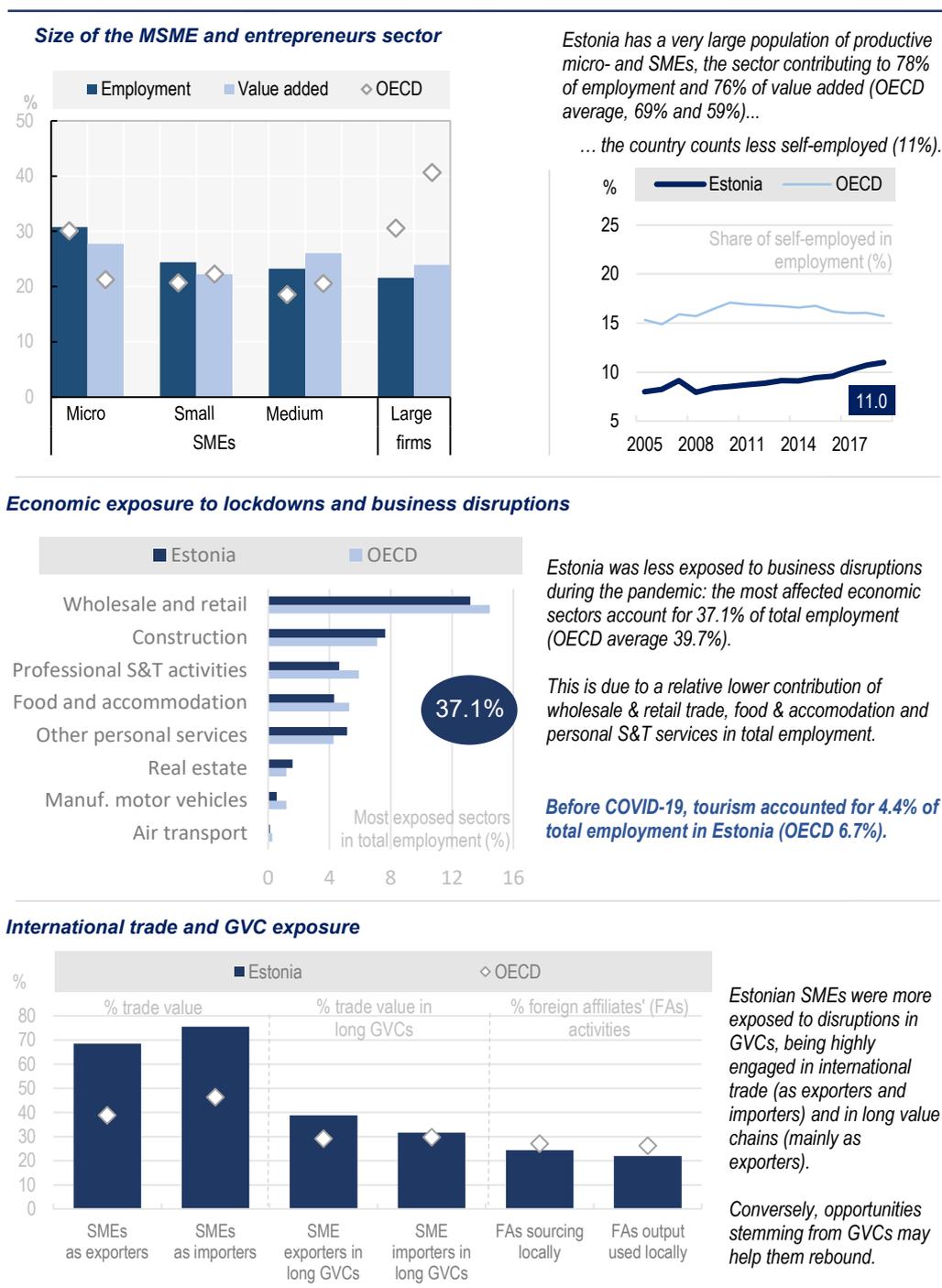
Estonia's **“Entrepreneurship Growth Strategy 2014-20”** is linked to the wider Estonia 2020 Strategy and other national strategies on innovation, regional development and digitalisation. It aims to enhance competitiveness and employment of all Estonian enterprises, i.e. both emerging and established entrepreneurs. It focuses on a number of areas, including access to finance, skills, innovation, the reduction of red tape, the creation of friendly business environment, as well as the attraction of foreign investment.

Estonian agencies such as **Enterprise Estonia or KredEx**, focus on the broader business community, not exclusively on SMEs.

Source: Oxford stringency Index (April 2021); and national sources (see country-specific references and definitions).

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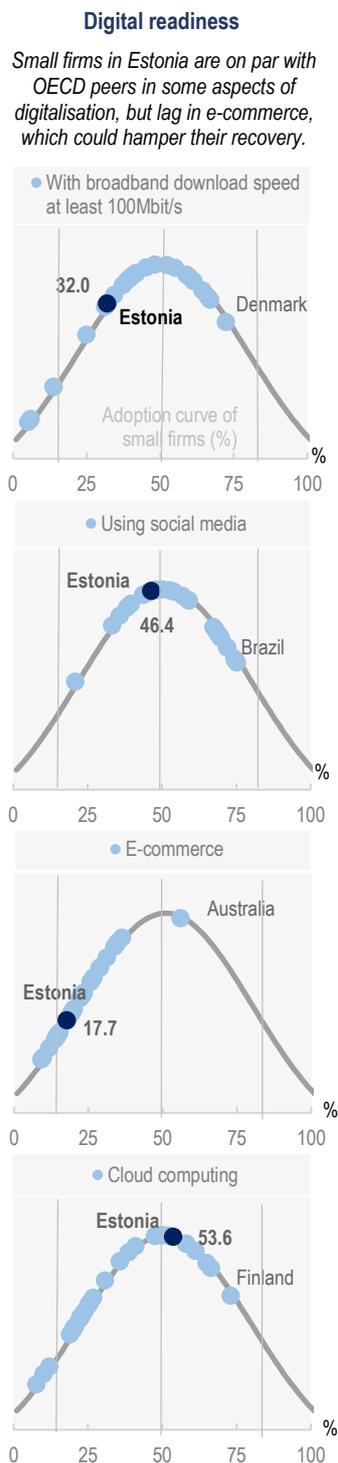
Figure 6.29. Factors of SME&E structural vulnerability in Estonia



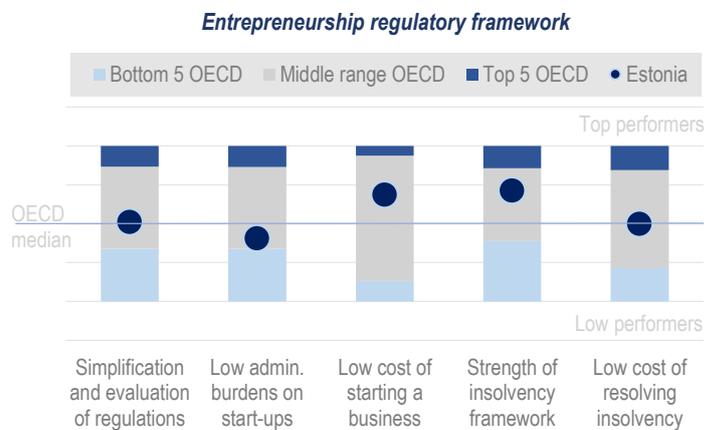
Source: Size of the MSME sector (2016): OECD SME&E Outlook 2019; Share of self-employed (2005-19): OECD LFS database 2020 and ILO ILOSTAT database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2019): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

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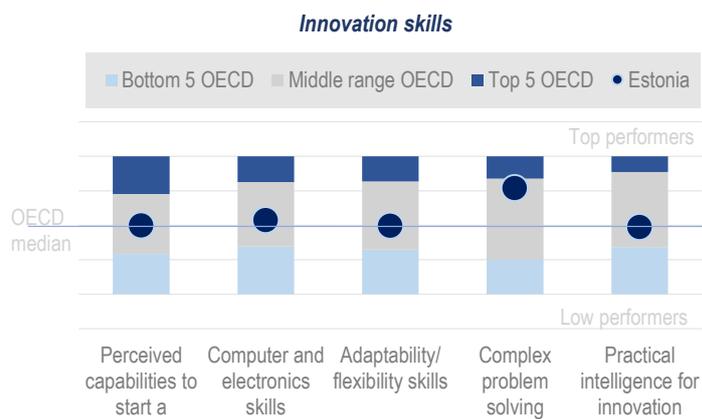
**Figure 6.30. Sources of SME&E resilience in Estonia**



*Prior to COVID-19, SMEs in Estonia generated less profits, as measured by gross operating surplus as a percentage of production, as compared to OECD peers.*



*Estonia offers a relatively good regulatory framework for entrepreneurship, with some room to cut the red tape on start-ups.*



*There is a fair balance between demand and supply of innovation skills in Estonia, with a very good match of complex problem solving skills.*

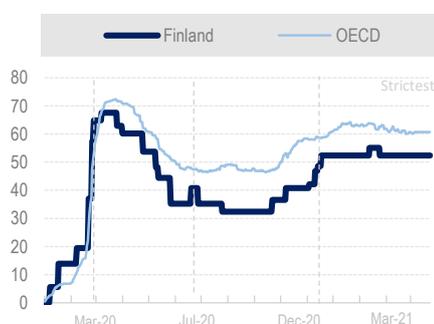
Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2017 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

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## Finland

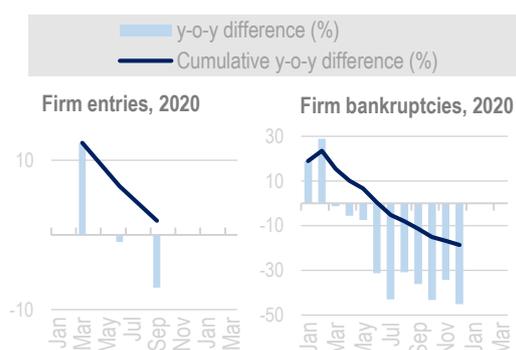
Figure 6.31. COVID-19 impact on business dynamics and policy responses in Finland

### Stringency of government measures



Since the beginning of the pandemic, Finland has experienced less stringent restrictions than other OECD countries.

### Business dynamics



Firm creation has slowed down in the second half of 2020, yet remaining above 2019 levels. At the same time, the number of bankruptcies has drastically receded.

### Policy spotlight

Key measures to support SME and entrepreneurs' liquidity include:

- **EUR 10 billion Stimulus Package**, with EUR 50 million earmarked for SMEs in the service sector; and EUR 150 million for businesses in the creative sector, tourism and supply chains.

- **EUR 350 million SME Initiative Finland** for financing small businesses at preferential terms.

Further structural support has been implemented:

- **Finland's Sustainable Growth Programme**, including the **Growth Accelerator Programme for Small Businesses** and the **Programme for the Promotion of Low-Carbon, Circular Economy and Digital Transformation** (targeted at export business companies, especially SMEs).

- **EUR 100 million Regional Recovery Plans** to help reform economic structure, promote digitalisation and create a sustainable and carbon neutral society. **EUR 53 million** are devoted to the development of SMEs.

- **National digital innovation hub roadmap**, a long-term strategy to provide SMEs with tech support and enable them to drive business renewal and scale-up growth prospects.

### National SME and entrepreneurship policy framework

SME&E policies in Finland are defined as part of a multi-annual Action Plan.

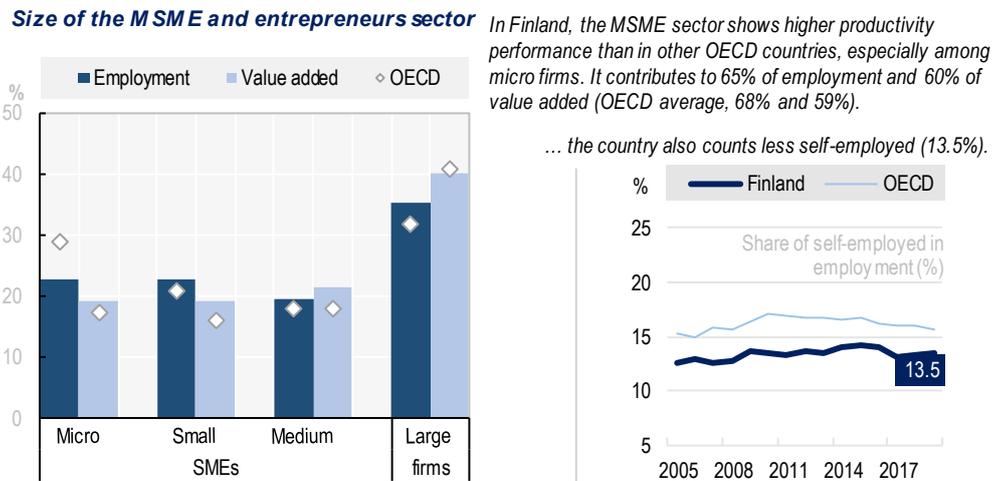
Finland launched its first strategic “**Strategic Action Plan to promote entrepreneurship**” (2018-28) to improve the efficiency of entrepreneurship policy in a context of changing nature of work. The goal is to achieve an employment rate of 78% at the end of the strategy period in 2028.

The Action plan includes measures for labour market reform, taxation and social security, second chance entrepreneurship, restricting the role of public sector business in competitive markets and reducing the red tape.

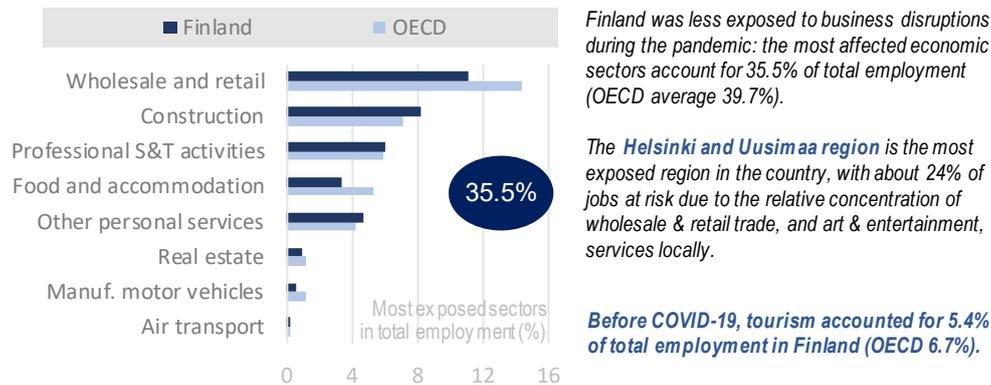
Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934250896>

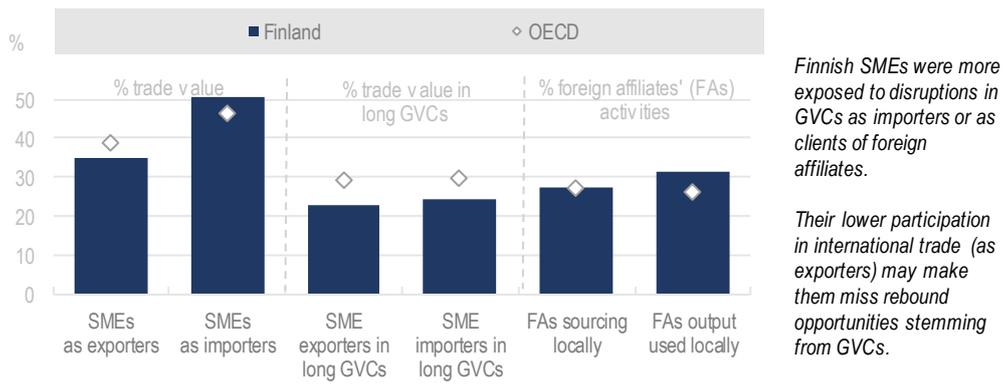
**Figure 6.32. Factors of SME&E structural vulnerability in Finland**



**Economic exposure to lockdowns and business disruptions**



**International trade and GVC exposure**



Source: Size of the MSME sector (2018): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2018): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

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**Figure 6.33. Sources of SME&E resilience in Finland**



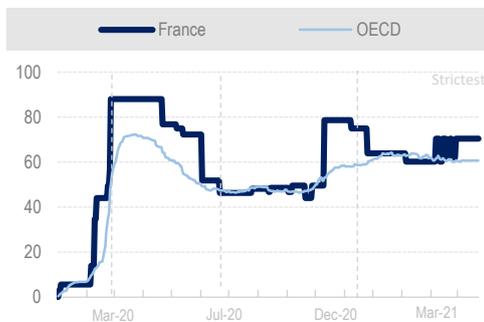
Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2016 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

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## France

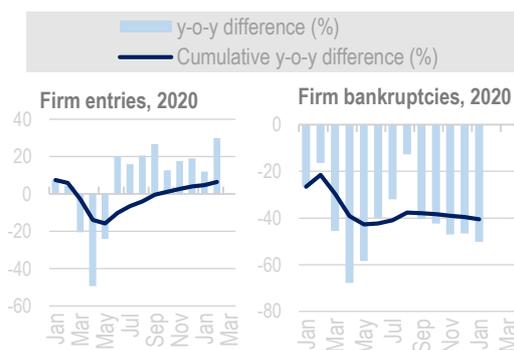
Figure 6.34. COVID-19 impact on business dynamics and policy responses in France

## Stringency of government measures



France experienced more stringent restrictions during the first two COVID-19 waves as compared to OECD peers.

## Business dynamics



After an initial collapse, firm creation rebounded in the second half of 2020, with overall more firms created in 2020 than 2019. The number of bankruptcies remained much below what it was the year before as well.

## Policy spotlight

Key measures to support SME and entrepreneurs' liquidity include a **EUR 470 billion Liquidity Support**, including deferrals of payment, loan guarantees, partial unemployment, and targeted support for very small enterprises and self-employed.

Further structural support have been implemented:

- **EUR 100 billion "France Relance" Recovery Package**, with:

- EUR 35 billion to **competitiveness and innovation**, of which EUR 385 million for the digitalisation of SMEs and micro-firms ;
- EUR 30 billion for the **transition to a zero-carbon economy** ;
- EUR 35 billion for **social cohesion**.

- **EUR 4 billion emergency plan for start-ups**, including state-guaranteed loans and anticipated refund of R&D tax credits (CIR).

**National Recovery and Resilience Plan** with a special focus on the ecological transition and energy renovation of micro- and SMEs, and the digitalisation of MSMEs.

**New Guide to Public Procurement for Craftsmen, and MSMEs**: a minimum of 10% of contract value should be spared for SMEs or craftsmen.

## National SME and entrepreneurship policy framework

SME&E policies in France are defined **as part of wider strategies and policy frameworks**.

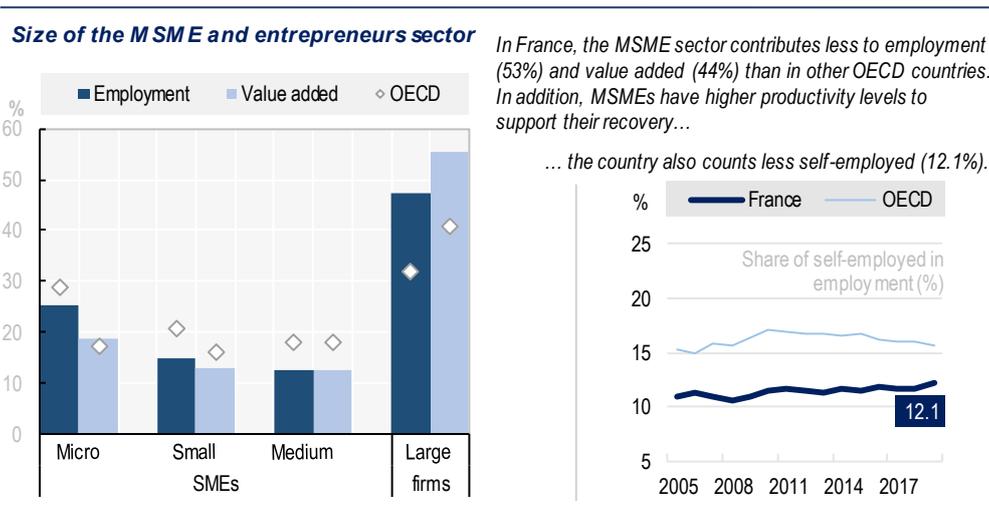
France positions its support for SMEs and entrepreneurs as part of wider industrial, innovation and regional policies, such as the **Action Plan for Business Growth and Transformation** - "*Plan d'Action pour la Croissance et la Transformation des Entreprises*" (PACTE) (2019). The SME perspective therein focuses particularly on measures to simplify and reduce burdens for SMEs, and on new entrepreneurship.

France has a "Ministre délégué" for small business within the Ministry for the Economy, Finance and Recovery. In January 2019, with a view to improving business access to public support measures, **BpiFrance**, the public investment bank, has become the main agency to deliver support to SME&Es.

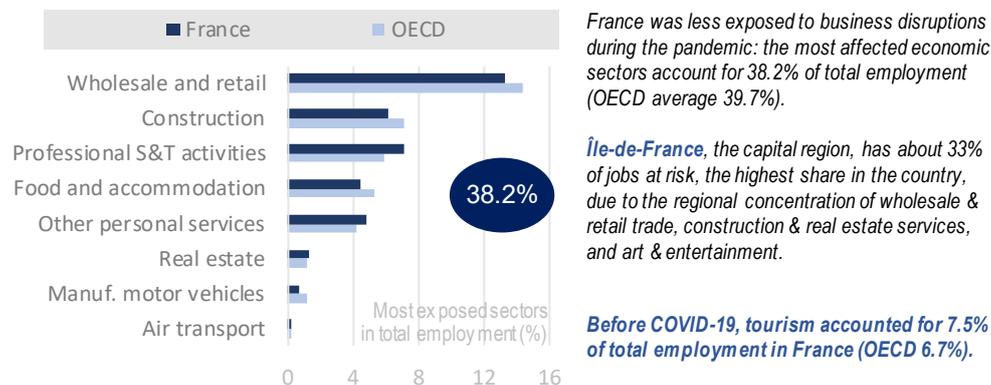
Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934250953>

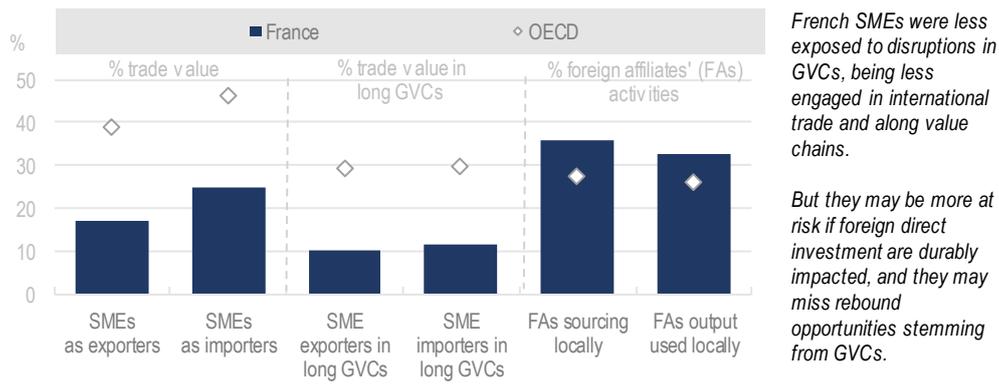
**Figure 6.35. Factors of SME&E structural vulnerability in France**



### Economic exposure to lockdowns and business disruptions



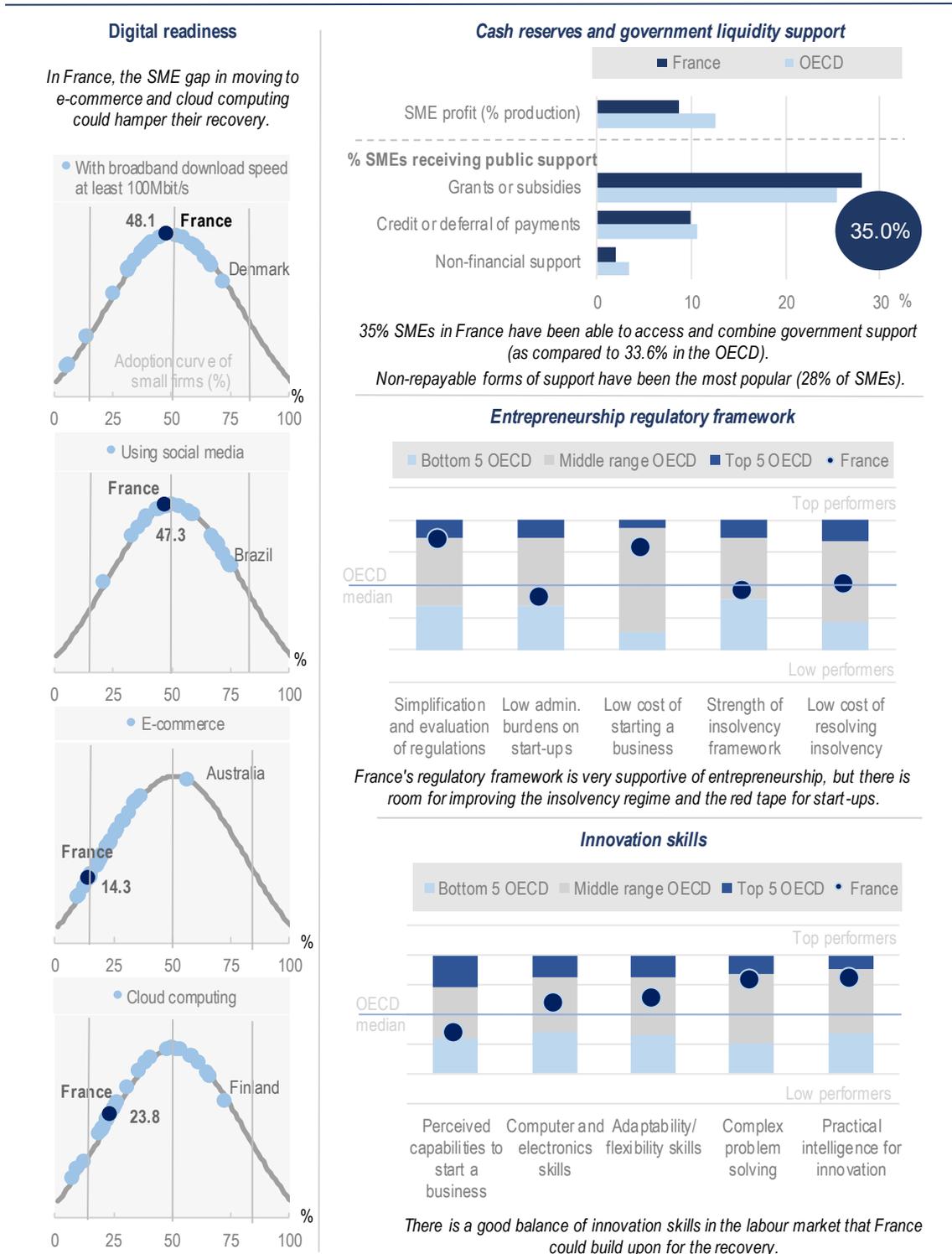
### International trade and GVC exposure



Source: Size of the MSME sector (2017): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2018): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934250972>

Figure 6.36. Sources of SME&E resilience in France



Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2018 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

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## Germany

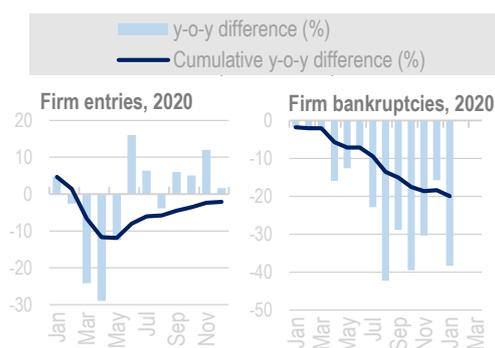
Figure 6.37. COVID-19 impact on business dynamics and policy responses in Germany

### Stringency of government measures



Since the beginning of the pandemic, Germany has applied more stringent restrictions than OECD peers.

### Business dynamics



Firm creation rebounded in the second half of 2020, but with overall fewer firms created than in 2019. The number of bankruptcies remained much below what it was the year before.

### Policy spotlight

Key measures to support SMEs and entrepreneurs through the COVID-19 crisis include: a **EUR 750 billion Emergency Budget** with loan guarantees and grants, including for small businesses, self-employed and liberal professions, as well as short-time work allowances; and a **EUR 600 billion Economy Stabilisation Fund** to ring-fence businesses of critical importance for the economy.

Structural measures have also been implemented:

- **German Recovery and Resilience Plan (DARP)** including **Project-Related Research and Climate Protection Research** to enable SMEs to implement sustainable solutions, or to secure and expand their position and competitiveness on global markets. On digital, the **“Development of Skills Alliances”** Programme aims to increase SME participation in training, enhancing futureproof skills and supporting regional business and innovation networks.

- **EUR 130 billion support package** for:

- **Boosting demand**, by a temporary VAT cut and simplified access to income support for job seekers ;
- **Promoting investment** by business and local authorities, with a focus on housing and transport ;
- **Investing in a future-ready Germany**, to address climate change, sustainable mobility, innovation and digital technology (EUR 50 billion).

### National SME and entrepreneurship policy framework

SME&E policies in Germany are defined as part of specific SMEs strategies.

The **“Valuing SMEs – Strengthening Opportunities – Reducing the Burden: The German SME Strategy”** (2019) supports SMEs in overcoming the economic challenges in a changing world, and in maintaining and consolidating their position in the face of national and international competition. It emphasises strengthening resilience as well as long-term competitiveness.

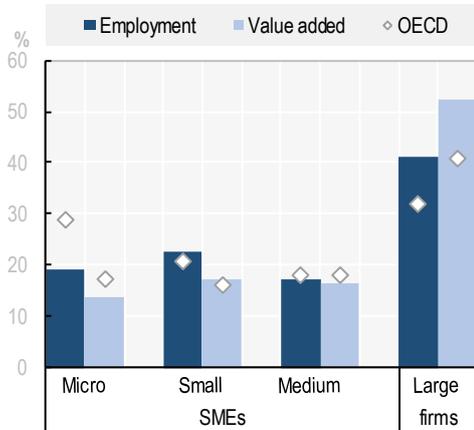
Germany has an **SME Advisory Board** at the Federal Ministry for Economic Affairs and Energy made of independent experts. It focuses on the current situation and future economic prospects facing SMEs as well as professional services. The board advises the Federal Minister on the impacts that structural changes are likely to have on SMEs. In addition, it analyses the effects that domestic economic policies are having on SMEs.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

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**Figure 6.38. Factors of SME&E structural vulnerability in Germany**

**Size of the MSME and entrepreneurs sector**

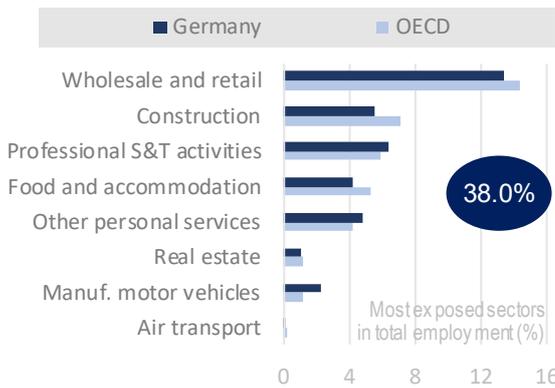


In Germany, the MSME sector contributes less to employment (59%) and value added (48%) than in other OECD countries (OECD average, 68% and 59%), due to a relatively small share of micro firms...

... the country also counts less self-employed (9.6%).



**Economic exposure to lockdowns and business disruptions**

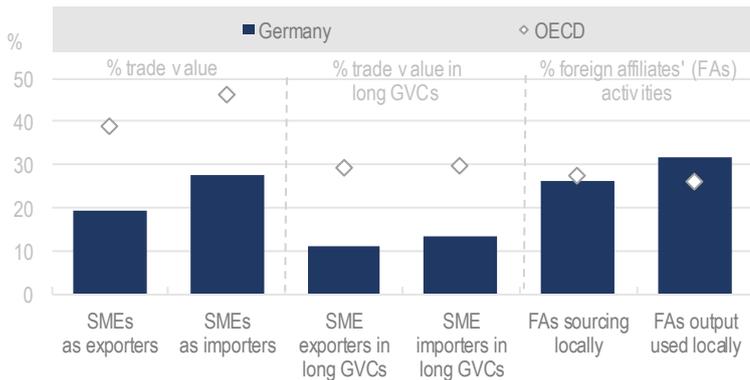


Germany was slightly less exposed to business disruptions during the pandemic: the most affected economic sectors account for 38% of total employment (OECD average 39.7%).

The urban area of **Hamburg** was the most exposed region with the highest share of jobs at risk (about 31%), due to the regional concentration of wholesale & retail trade, and art & entertainment.

**Before COVID-19, tourism accounted for 4.8% of total employment in Germany (OECD 6.7%).**

**International trade and GVC exposure**

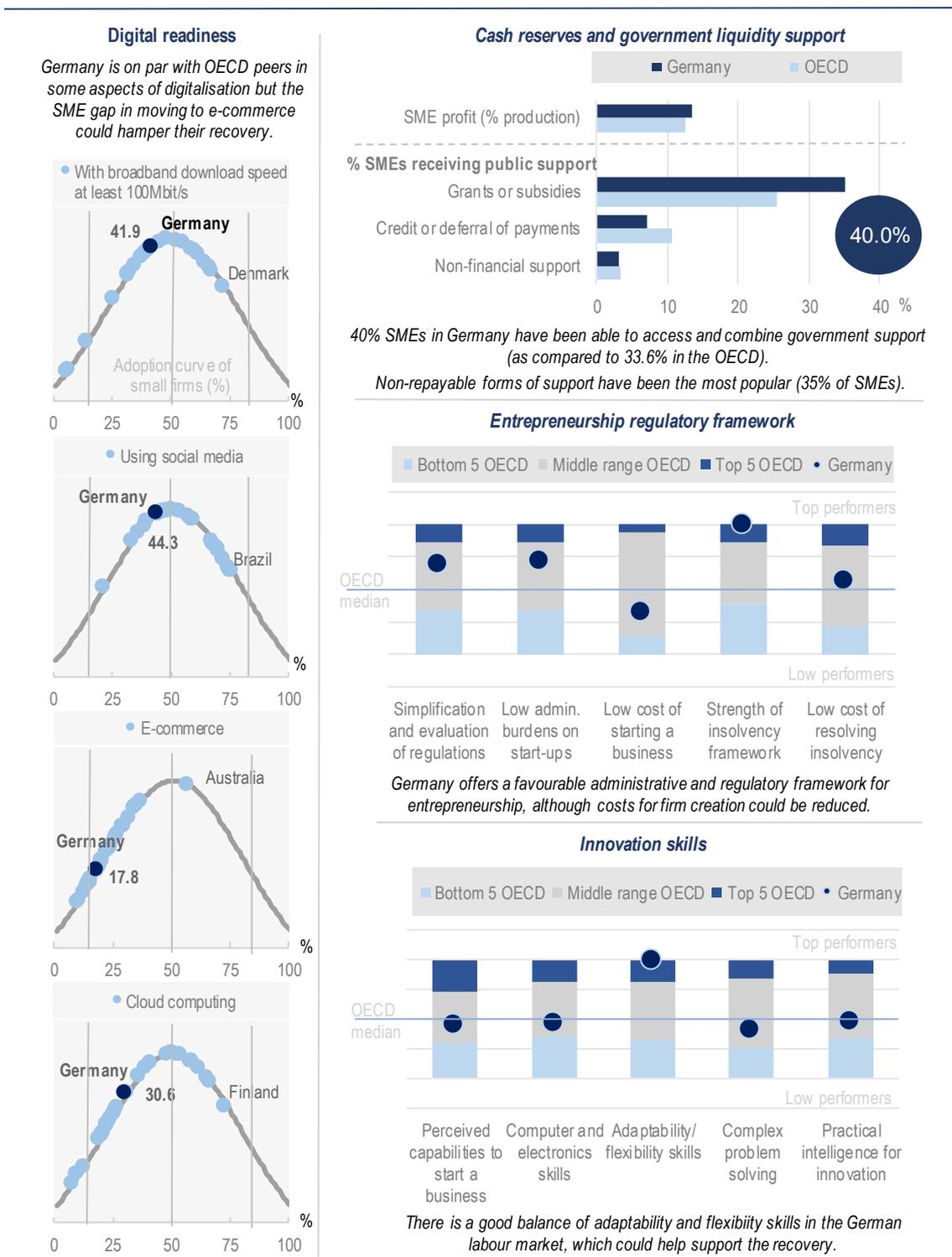


German SMEs were less exposed to disruptions in GVCs, being less engaged in international trade and long value chains.

They may face difficulties in sourcing intermediaries if foreign direct investment are durably impacted, and they may miss rebound opportunities stemming from GVCs.

Source: Size of the MSME sector (2018): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2017): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

Figure 6.39. Sources of SME&E resilience in Germany



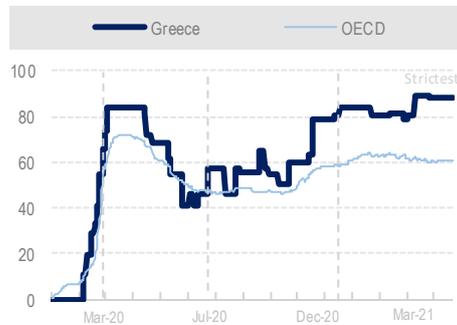
Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

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## Greece

Figure 6.40. COVID-19 impact on business dynamics and policy responses in Greece

## Stringency of government measures



Greece has experienced more stringent restrictions than OECD peers over most of 2020 and early 2021.

## Business dynamics



In 2020 Q2, the number of firm created declined sharply as compared to 2019, and rebounded in 2020 Q3. The number of closures was significantly lower throughout 2020 as compared to previous year.

## Policy spotlight

Key measures to support SMEs and entrepreneurs through the COVID-19 crisis include:

**National Recovery and Resilience Plan** to foster "customer-centric" digital, transition to 5G technology and development of innovative digital services, transition to fast broadband connections, and digital transformation of SMEs.

**EUR 1.75 billion Business Funding Program** to provide low cost loans for the implementation of sustainable business plans and SME liquidity.

**EUR 600 Training Voucher** for six scientific jobs (economists/accountants, engineers, lawyers, doctors, teachers and researchers, i.e. 180 390 beneficiaries) as part of the EUR 6.8 billion package to support companies amidst the outbreak.

**EUR 400 Subsidy** for some 100,000 professionals (lawyers, engineers, dentists, veterinarians, accountants, economists, notaries etc.) to be paid.

**Digital Solidarity Initiative**, a platform where large tech corporations provide free online marketing and account management training to SMEs.

**Support for digital and greening fixed capital investments** as part of the EUR 10 billion support plan for business and workers.

## National SME and entrepreneurship policy framework

SME&E policies in Greece are defined as part of wider strategies and policy frameworks.

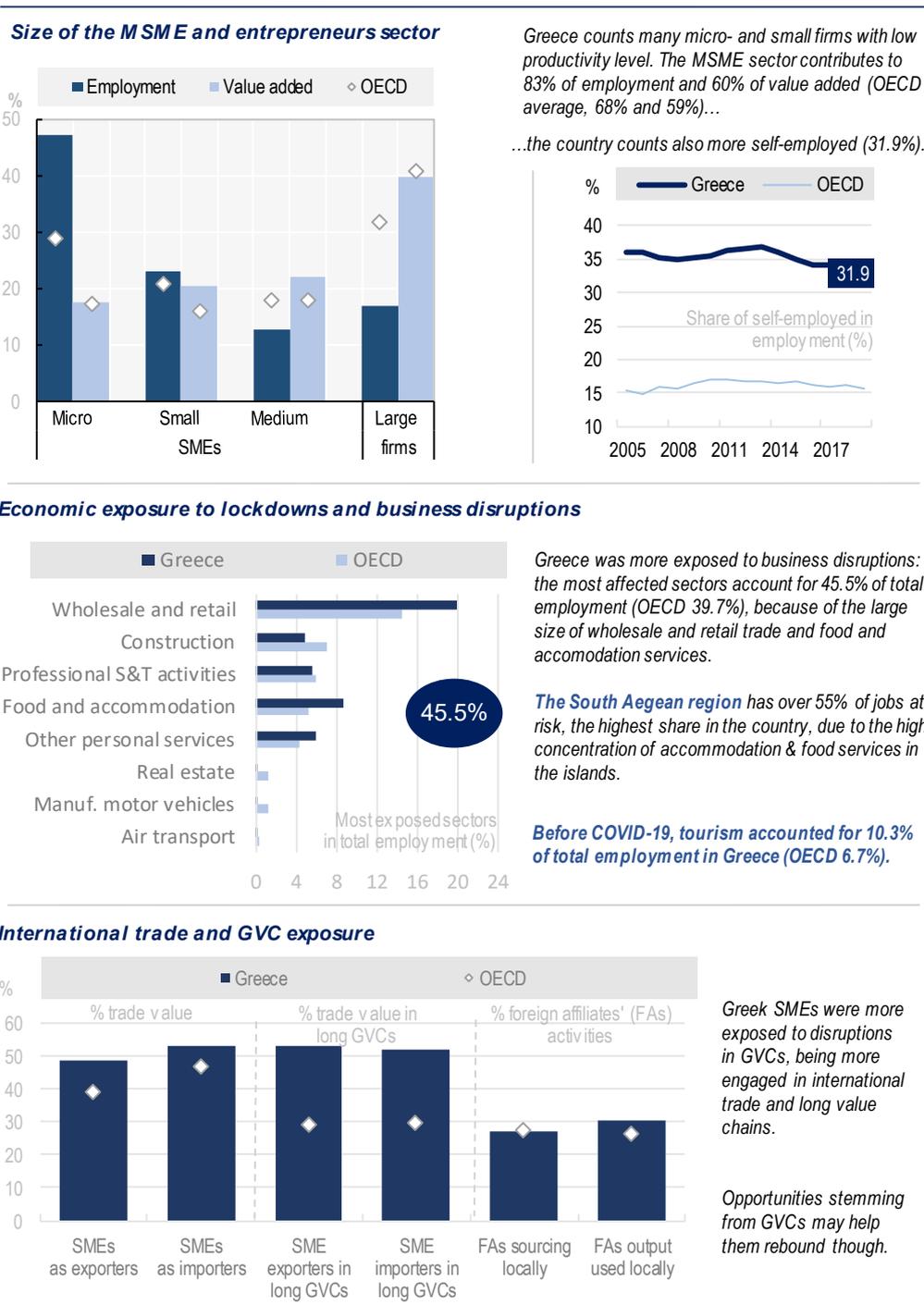
The "National Strategy for Sustainable and Fair Growth" (2018) provides SME and entrepreneurship policies as part of the wider National Strategy for Growth which reinforces Greece actions in the context of the EU Small Business Act, as well as regional development. It focuses on creating jobs, enhancing productivity and improving the business environment, in addition to measures from framework conditions to more targeted policies.

Greece also has a **National Observatory for SMEs** that provides analysis, monitoring and advice on SME aspects of policy making, and play a role in policy coordination.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934251067>

Figure 6.41. Factors of SME&E structural vulnerability in Greece



Source: Size of the MSME sector (2017): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2019): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251086>

**Figure 6.42. Sources of SME&E resilience in Greece**



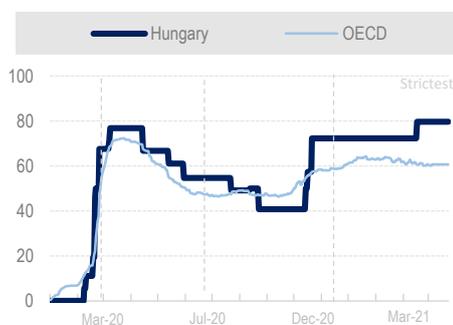
Source: Broadband (2019), social media (2019), e-commerce (2019), cloud computing (2018): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251105>

## Hungary

Figure 6.43. COVID-19 impact on business dynamics and policy responses in Hungary

### Stringency of government measures



Hungary experienced overall stringent restrictions over the course of the pandemic.

### Business dynamics



Firm entries in Hungary took a hit from March to June 2020 compared to the previous year, but recovered broadly thereafter.

### Policy spotlight

Key measures to support SMEs and entrepreneurs' liquidity include: the **HUF 9 500 billion Economic Protection Action Plan** to preserve jobs and support businesses, the **HUF 3 000 billion "Funding for Growth Scheme Go"**, providing refinancing loans to banks at zero interest, and the **HUF 214 billion Relief and Liquidity Support to SMEs**, including reduce local business tax and related advance payments.

Structural measures have also been implemented:

- **Hungary Recovery and Adaptation Plan** to support digitalisation through: (1) broadband infrastructure and digital prosperity backbone network, (2) comprehensive digital skills system, including for Artificial Intelligence (AI), (3) the digitalisation of enterprises, and (4) the digital capacities of the state.

- The **Economic Relaunch Action Plan** with a HUF 100 billion Interest Free Restart Fast Loan in a first phase. Second and third phases focus on higher education, and green energy, circular economy, construction and digitalisation.

- **HUF 41 billion Start-up rescue programme** by Hiventures, a state-owned venture capital fund.

- **HUF 1 000 billion investment support**, which could lead to nearly HUF 2 000 billion development in the near future.

### National SME and entrepreneurship policy framework

SME&E policies in Hungary are defined as part of specific SME strategies.

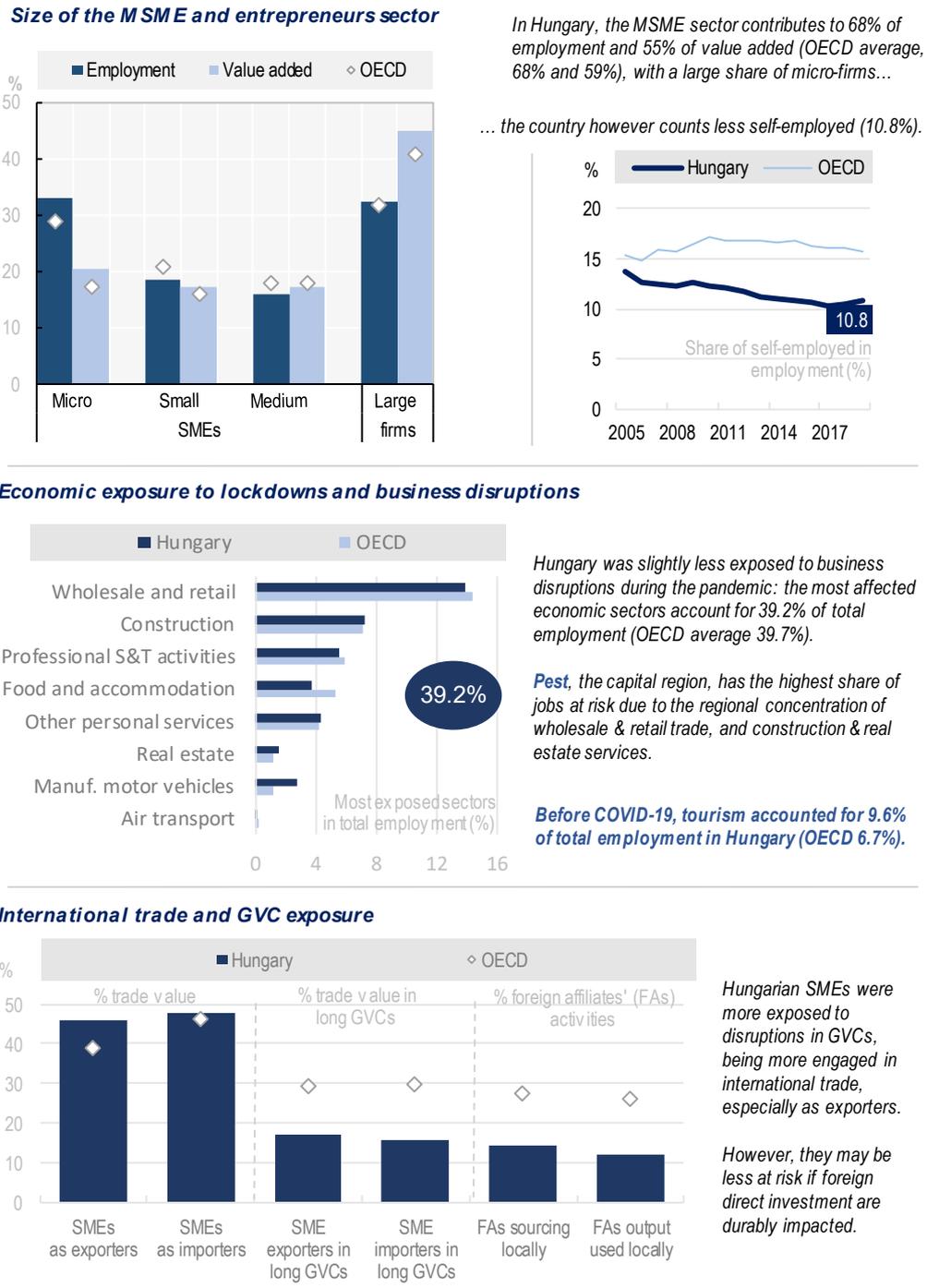
"The Strategy for a Competitive SME Sector in Hungary 2019-30", that was developed in cooperation with the OECD, puts emphasis on improving SME productivity and competitiveness. It includes quantitative targets towards 2030, and covers areas such as support for technology change and digitalisation, reduction of administrative burdens and red tape, and support for inter-generational transfer.

The government has also established a new **SME inter-ministerial Council**, in charge of assigning clear implementation and monitoring responsibilities for the specific policy components of the strategy, as well as for monitoring the Strategy's outcomes and updating its policy priorities.

Source: Oxford stringency Index (April 2021); and national sources (see country-specific references and definitions).

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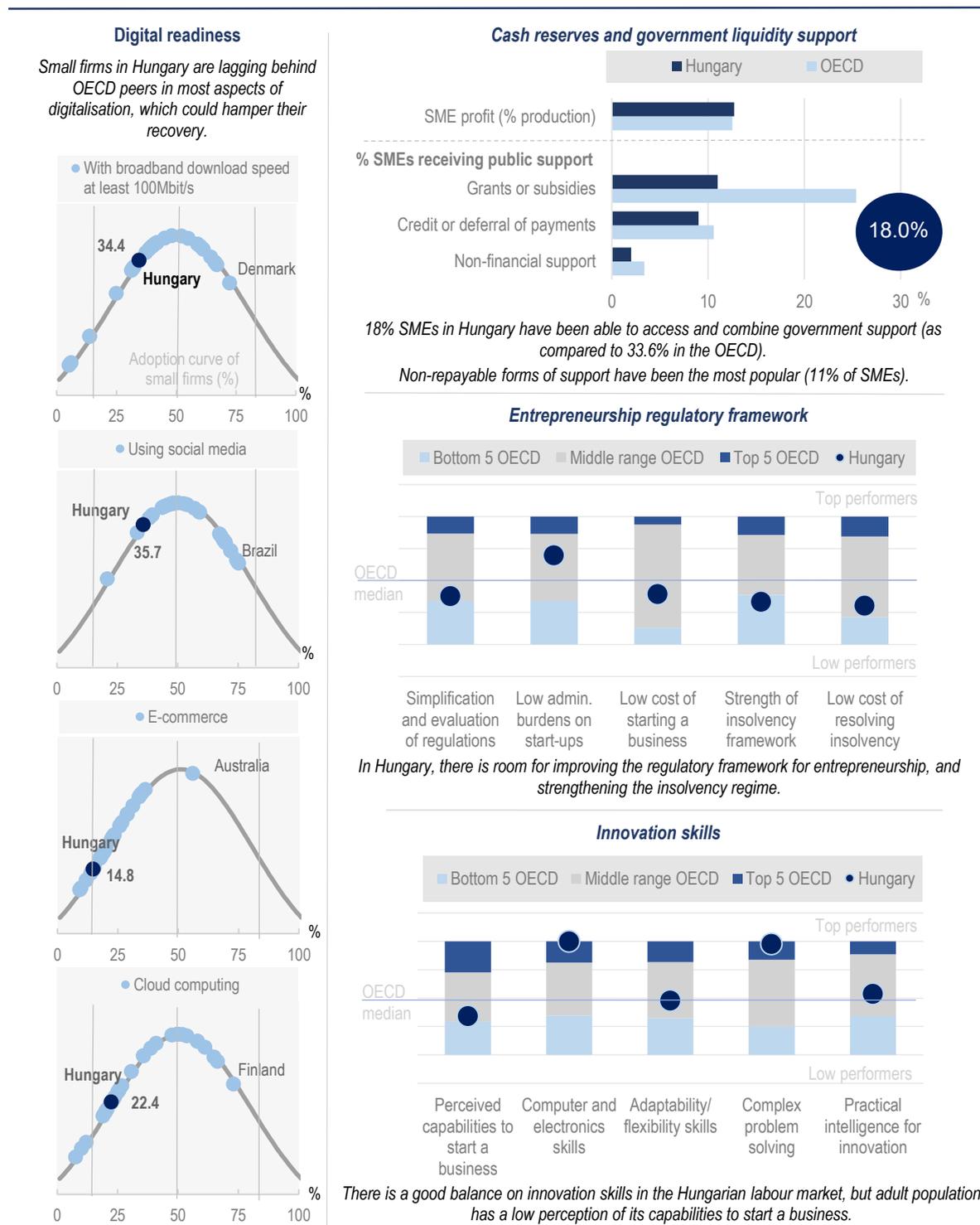
**Figure 6.44. Factors of SME&E structural vulnerability in Hungary**



Source: Size of the MSME sector (2018): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2017): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251143>

Figure 6.45. Sources of SME&E resilience in Hungary



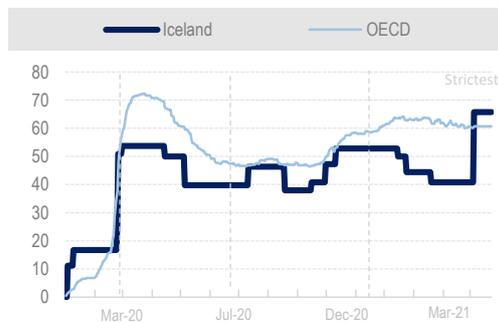
Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2016): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2016 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251162>

## Iceland

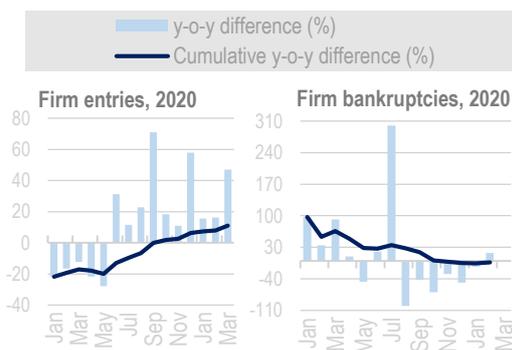
Figure 6.46. COVID-19 impact on business dynamics and policy responses in Iceland

## Stringency of government measures



Iceland implemented looser restrictions over 2020, with signs of a tightening as of March 2021.

## Business dynamics



After a decrease in early 2020, firm entries have increased steadily throughout the year, largely exceeding the 2019 level in cumulative terms. Bankruptcies have receded, with overall less firms exiting the market than the year before.

## Policy spotlight

Key measures to support SME and entrepreneurs' liquidity include a **USD 1.6 billion Support Package** with state-backed bridging loans; deferral of tax payments; financial support for tourism sector; access to third-pillar pension savings; VAT refund for construction projects; or accelerated public investment in technical infrastructure.

In addition, **Icelandic Tax Authority** allows self-employed to apply for temporary suspension of operations and unemployment benefits.

Structural measures have also been implemented:

- **Smá Hjálp Community Platform** supports local businesses and SMEs hit by the pandemic to help them link up with each other at national level.

- **EUR 20 million loan guarantees** for the Icelandic Regional Development Institute (Byggðastofnun) to increase lending possibilities with a focus on green loans, innovation, female entrepreneurs, young farmers, and fisheries in fragile communities (backed by the EU's "COSME" programme).

- **Increasing R&D Tax Relief** with a new headline rate of 35% for SMEs in 2020 (as compared to 20% previously).

## National SME and entrepreneurship policy framework

SME&E policies in Iceland are defined **as part of wider strategies and policy frameworks**.

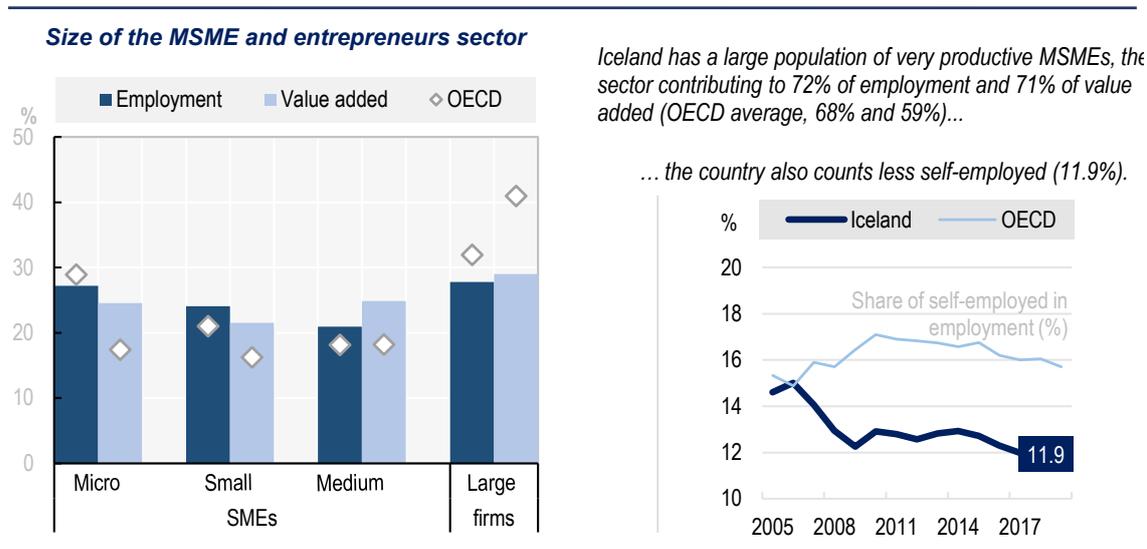
"**Iceland 2020**", for example, is the country's policy statement for an efficient economy and society. It includes policies directed at the business community at large across a number of dimensions such as digitalisation, innovation, trade and investment.

The new **Economic Activity Plan (EAP) for Iceland** aims at facilitating the foundation and operation of companies through simplified regulation and a strong and easy-to-navigate innovation environment, including a focus on the needs of SMEs.

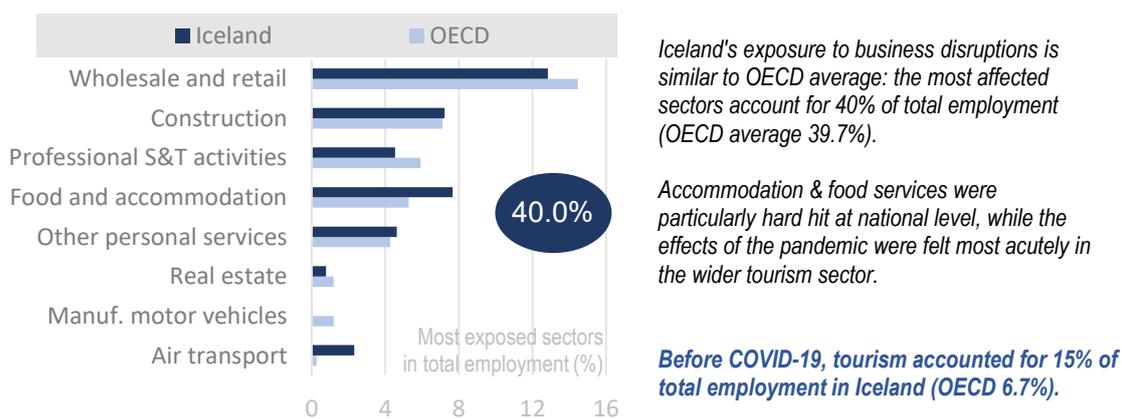
Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934251181>

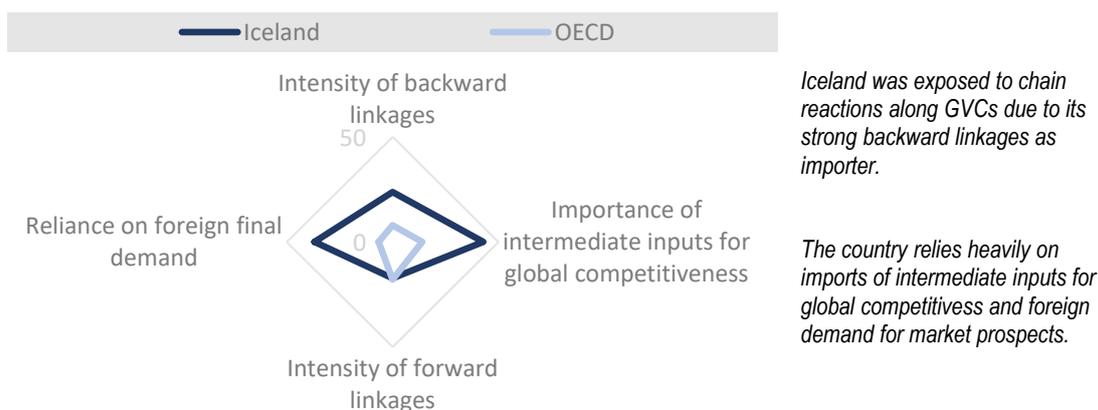
**Figure 6.47. Factors of SME&E structural vulnerability in Iceland**



### Economic exposure to lockdowns and business disruptions



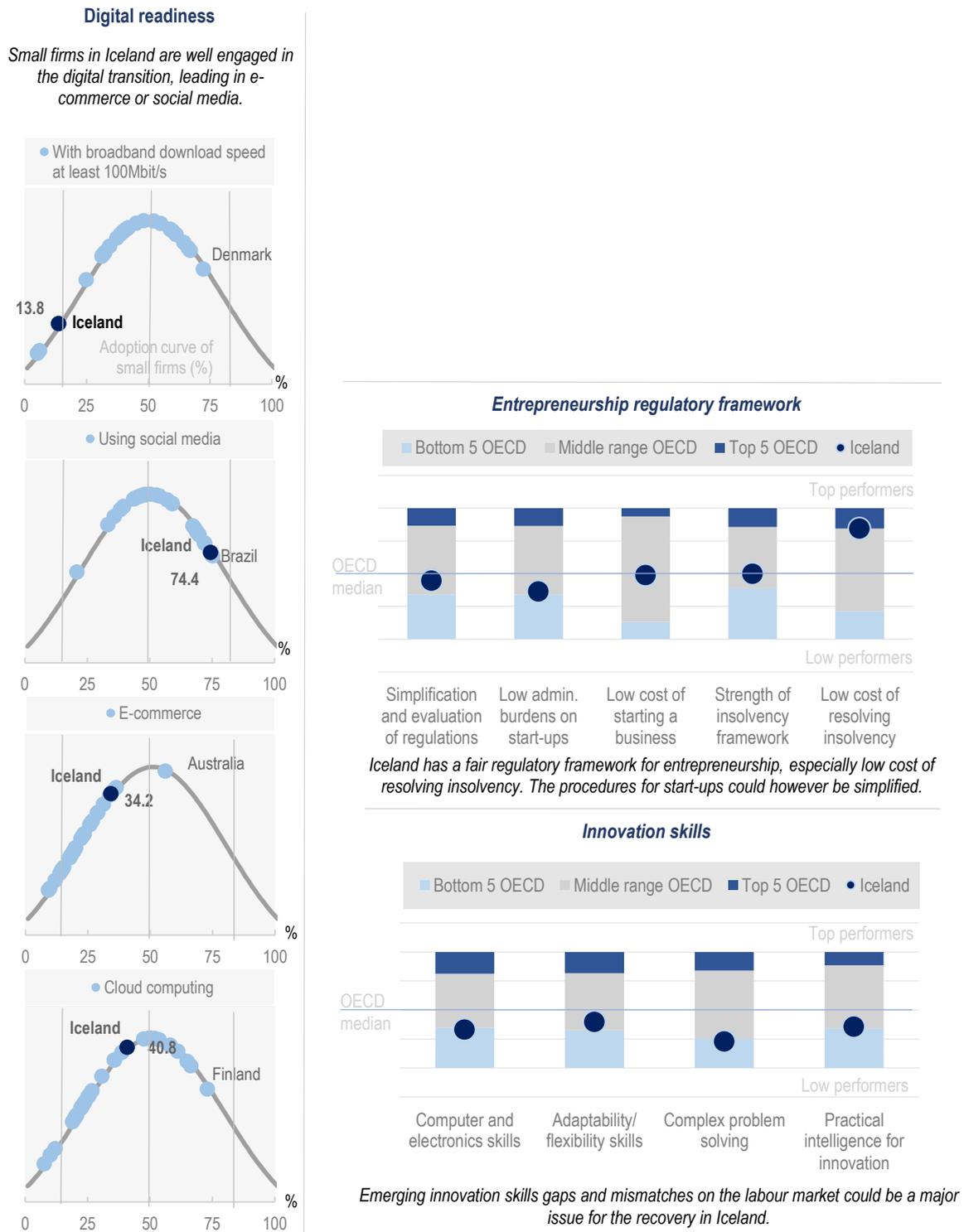
### International trade and GVC exposure



Source: Size of the MSME sector (2018): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020 and ILO ILOSTAT database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; Tourism employment (2019): OECD Tourism database 2021; GVC exposure (2016): OECD TiVA database 2018 (see country-specific references and definitions).

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**Figure 6.48. Sources of SME&E resilience in Iceland**



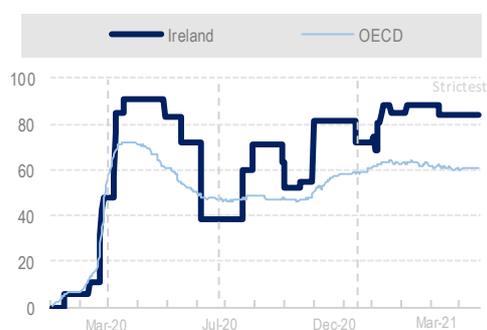
Source: Broadband (2013), social media (2019), e-commerce (2020), cloud computing (2014): OECD ICT Usage by Businesses database 2021; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2015): OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251219>

## Ireland

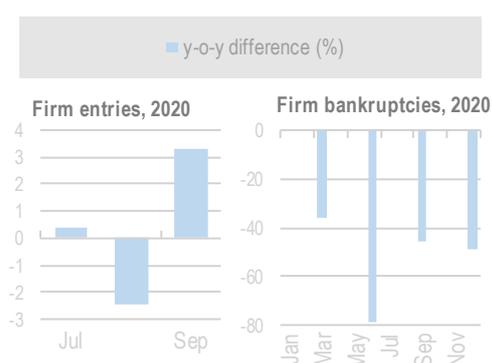
Figure 6.49. COVID-19 impact on business dynamics and policy responses in Ireland

## Stringency of government measures



In 2020, Ireland experienced several waves of more stringent restrictions, as compared to its OECD peers.

## Business dynamics



The decline in firm entries in August 2020 was followed by a rebound in the following month, compared to the previous year. The level of bankruptcies was lower throughout 2020 compared to 2019.

## Policy spotlight

Key measures to support SMEs and entrepreneurs' liquidity include: the **EUR 2 billion Credit Guarantee Scheme** and the **EUR 450 million Irish Liquidity Scheme** to provide lending to SMEs at below market interest rates and fund future working capital requirements.

Structural measures have also been implemented:

- **Provisions for mentoring and consultancy** as part of liquidity measures to boost SME skills
- **Digital Trading Online Vouchers scheme** (worth EUR 2 500) for micro-enterprises to trade more online, boost sales and reach new markets, with a 13-fold increase in approvals.
- **"Pointy" Digital Platform** to help Irish SMEs promote their merchandise online without having to invest in technological equipment.
- **Women in Business 2020 Action Plan** to identify priority policy areas, such as gender disaggregated data, women in online support, and awareness about the risks faced by female entrepreneurs.
- **National Economic Recovery Plan (NERP)** to be launched with the National Recovery and Resilience Plan, that aims to improve SME productivity, exporting activity, internationalisation and business diversification, digitalisation, business dynamism, as well as greening of enterprises.

## National SME and entrepreneurship policy framework

SME&E policies in Ireland are defined as part of specific SMEs strategies.

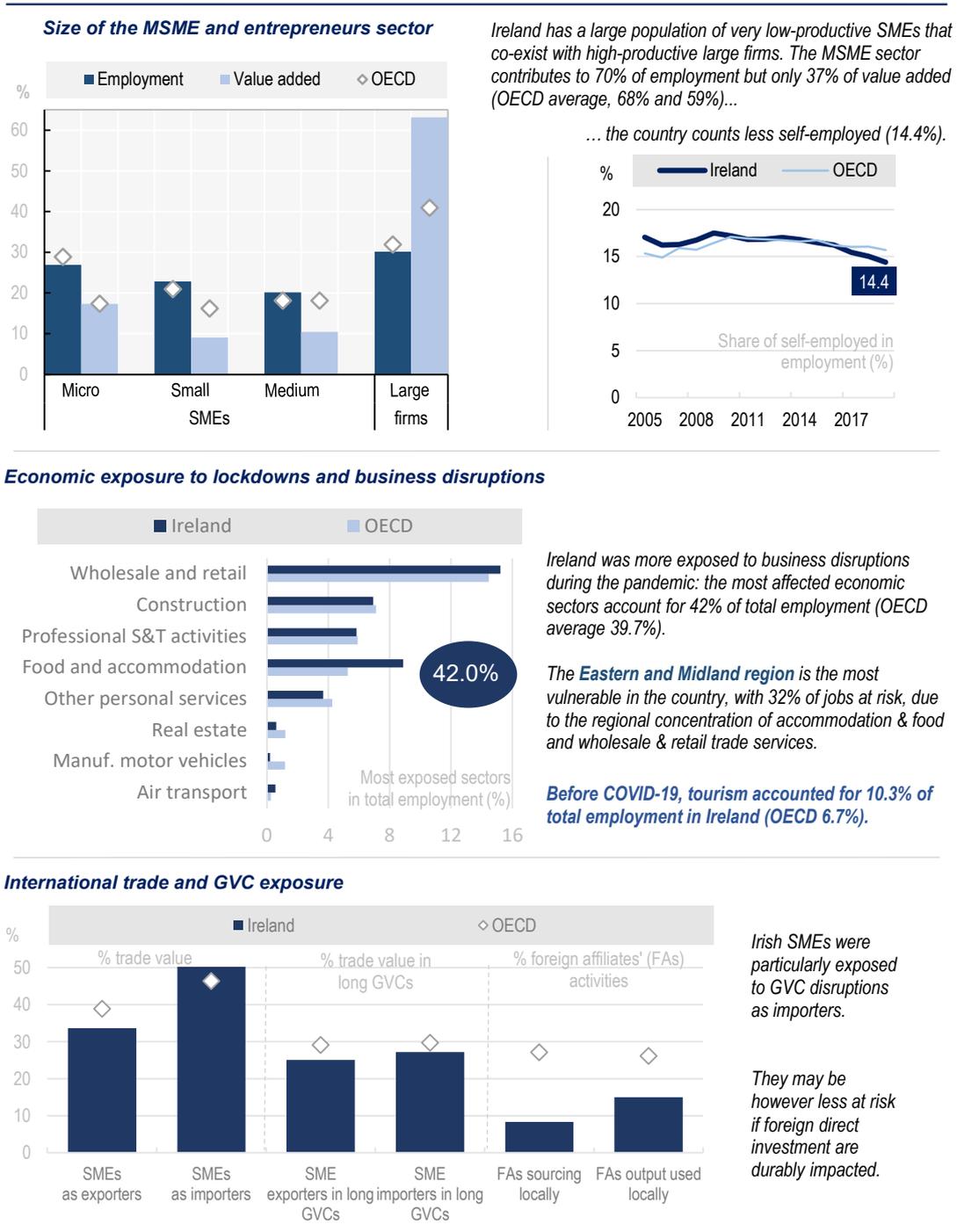
After cooperation with the OECD in the context of the SME and Entrepreneurship Policy Review, Ireland created an **SME Growth Task Force**. The Department of Enterprise, Trade and Employment (DETE) is the Ministry with the lead responsibility for coordinating SME&E policies across government.

In January 2021, the Task Force launched the **"National SME and Entrepreneurship Growth Plan"**, a long term strategic blueprint for Irish SMEs, including recommendations for entrepreneurship, productivity, digitalisation and competitiveness, internationalisation, as well as networks and clusters. The plan makes up one element of the National Economic Recovery Plan (NERP).

Source: Oxford stringency Index (April 2021); and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934251238>

**Figure 6.50. Factors of SME&E structural vulnerability in Ireland**



Source: Size of the MSME sector (2018): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2018): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251257>

Figure 6.51. Sources of SME&E resilience in Ireland



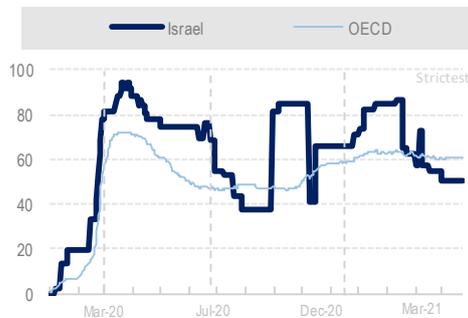
Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2016): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251276>

## Israel

Figure 6.52. COVID-19 impact on business dynamics and policy responses in Israel

## Stringency of government measures



Israel applied strict containment measures since the beginning of the pandemic, with a brief easing over summer 2020.

## Policy spotlight

Key measures to support SMEs and entrepreneurs' liquidity include the *State Guarantee Fund for Small Businesses*, with a NIS 10 billion support package to finance working capital needs, and the *NIS 5 billion Supply of Credit Plan* through which the Bank of Israel provides the banking system with fixed-rate 3-year loans for SMEs.

Structural measures have also been implemented:

- "*Growth Engines*" *Boost Package* with a specific NIS 1.5 billion support to **SMEs in the high-tech sector**;
- Effort to *integrate SMEs in public procurement markets* and encourage local authorities to buy from local SMEs ;
- A *national project to support SME digitalisation*, developed jointly with Facebook Israel, the Israel Social Economic Forum and 2B Friendly, along with other efforts in this area, such as a *NIS 1000 grant scheme* for small business to acquire a fibre optic internet connection.

## National SME and entrepreneurship policy framework

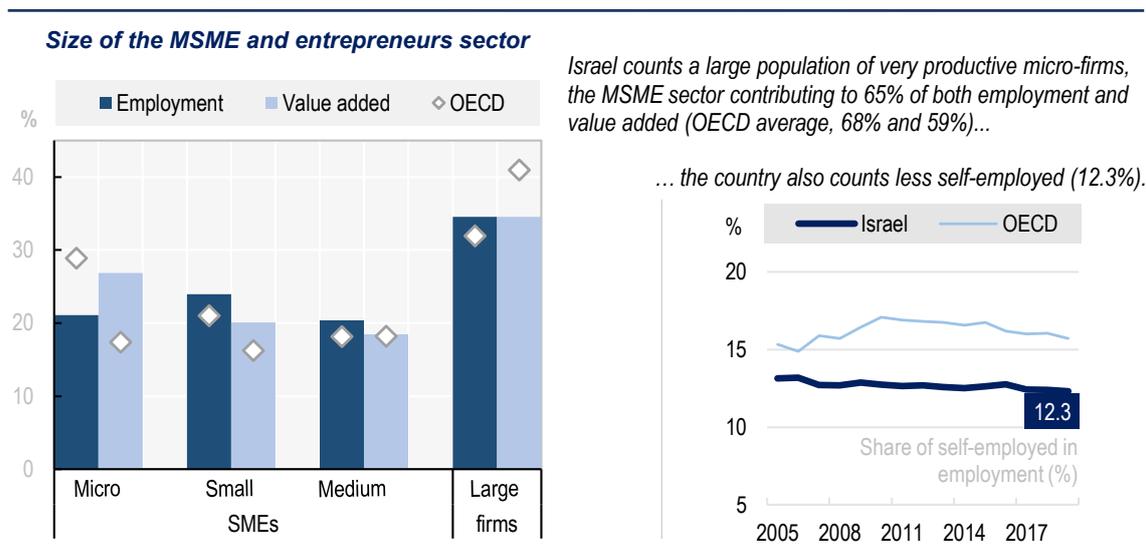
SME&E policies in Israel are defined **as part of a multi-annual Action Plan** and developed by several Ministries and agencies, with an overall emphasis on innovation and new entrepreneurship.

**The Agency for Small and Medium Sized Businesses (SBA)** publishes an annual overview of the various initiatives, entitled the "**Periodic Report on the State of Small and Medium Sized Businesses in Israel**". The SBA also plays a wider role in policy coordination and delivery, e.g. by consulting businesses, co-operating with other government players, and providing an entry point to a range of government support. The Agency also runs a network of business development service centres throughout the country.

Source: Oxford stringency Index (April 2021); and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934251295>

**Figure 6.53. Factors of SME&E structural vulnerability in Israel**



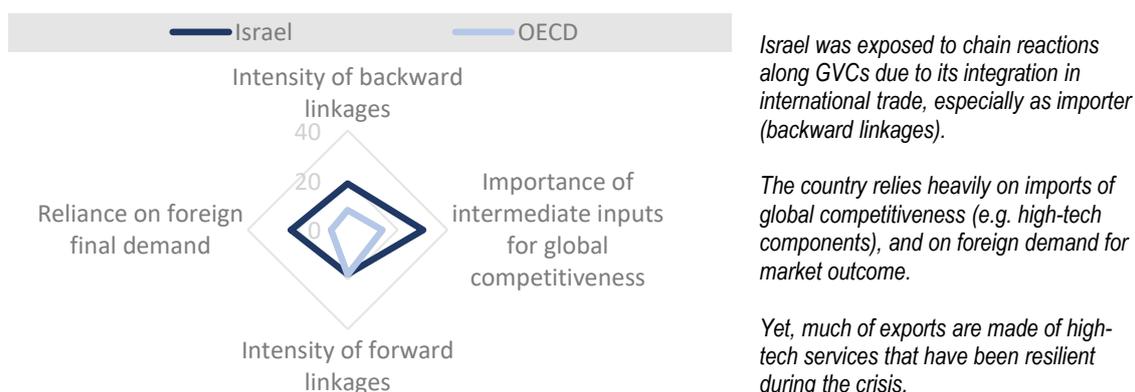
**Economic exposure to lockdowns and business disruptions**

The pandemic may widen productivity disparities in Israel, between the vibrant high-tech sector and more traditional sectors, that employ most of the workforce and account for most of the productivity shortfall vis-à-vis the best performing OECD countries.

High-tech sectors have been less affected, partly due to the resilience of global demand and greater ability to adapt to

Before COVID-19, tourism accounted for 3.8% of total employment in Israel (OECD 6.7%).

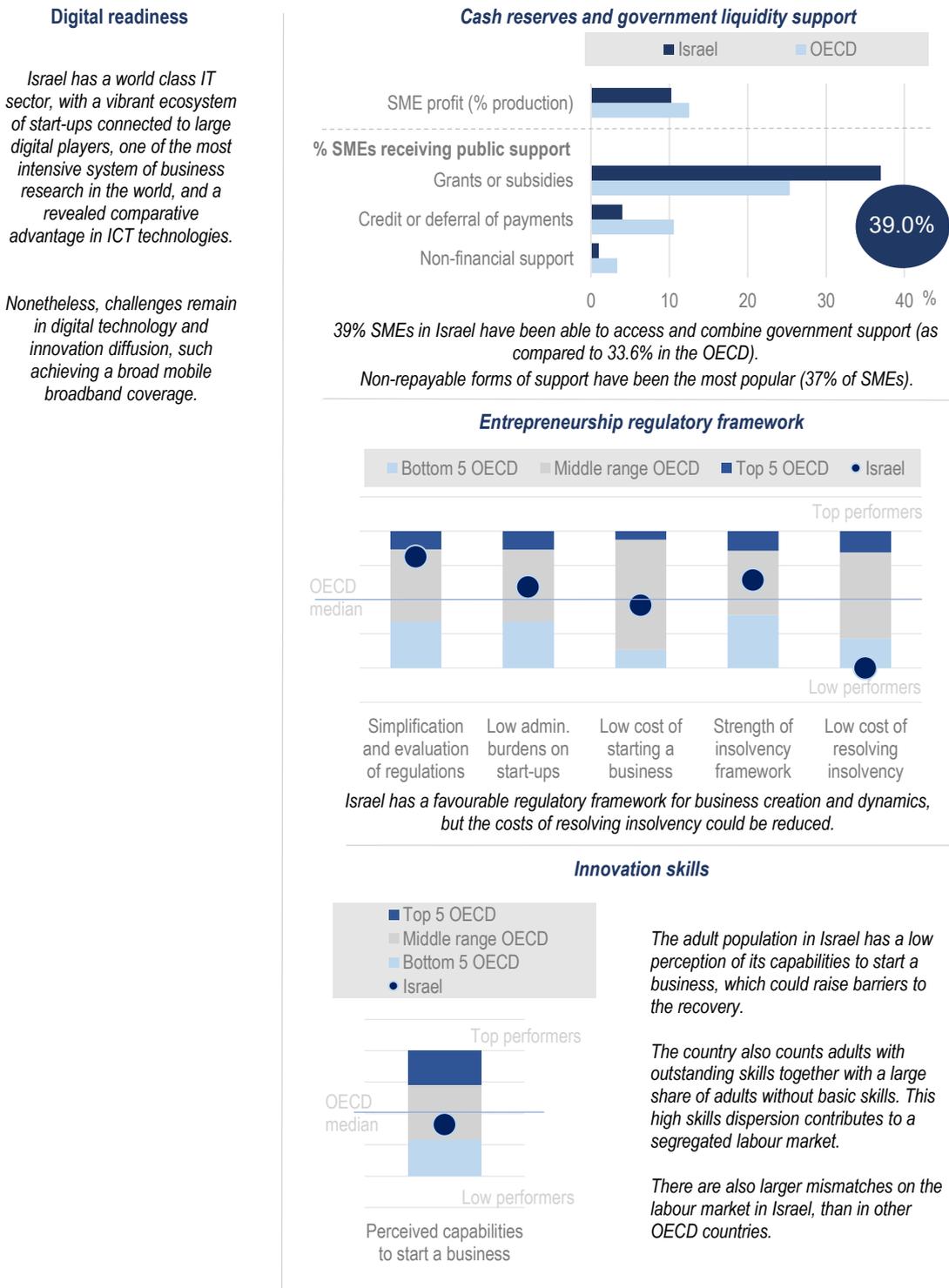
**International trade and GVC exposure**



Source: Size of the MSME sector (2015): OECD SME&E Outlook 2019; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): Economic Policy Reforms 2021, Going for Growth - Israel (OECD, 2021); Tourism employment (2019): OECD Tourism database 2021; GVC exposure (2016): OECD TiVA database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251314>

**Figure 6.54. Sources of SME&E resilience in Israel**



Source: ICT Use by Businesses: (OECD, 2020; 2021); SME profit (2011): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019): GEM 2019, OECD Economic Surveys of Israel 2018 (OECD, 2018) (see country-specific references and definitions).

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## Italy

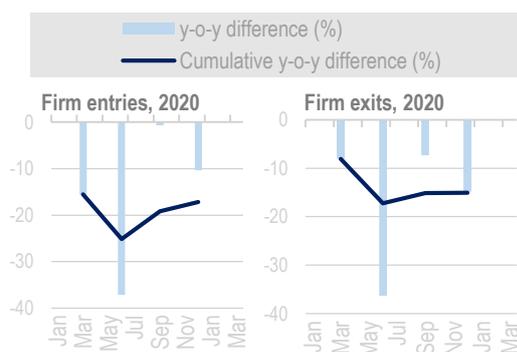
Figure 6.55. COVID-19 impact on business dynamics and policy responses in Italy

### Stringency of government measures



Italy has experienced stringent restrictions since the start of the pandemic.

### Business dynamics



Business dynamics have been altered in Italy. Firm creation collapsed and remains end 2020 much below 2019 levels. The number of firm exits has slowed and remains low by past records.

### Policy spotlight

Key measures to support SME and entrepreneurs' liquidity include **Cura Italia Decree** and **Liquidity Decree (2020)** to assist businesses by providing them loan guarantees, tax relief and liquidity support, including EUR 1.5 billion to the Central Guarantee Fund for SMEs.

Structural measures have also been taken.

The **Relaunch Decree** (Law. No 77/2020) earmarks EUR 155 billion to support the economy, employment and social policies, with particular attention to **exports, internationalisation and investments**, including :

- **EUR 4 billion package** from the Italian export credit agency (SACE) to help SMEs address cash flow needs and diversify export markets ;
- A **new co-insurance system** to strengthen public export support through 90% of state insurance and 10% of company insurance.

**National Recovery and Resilience Plan** with measures, such as fiscal incentives and training support, aimed at strengthening SME digitalisation and investment in intangibles, internationalisation (especially in "Made in Italy" sectors), and participation to innovative supply chains.

### National SME and entrepreneurship policy framework

SME&E policies in Italy are defined as part of wider strategies and policy frameworks

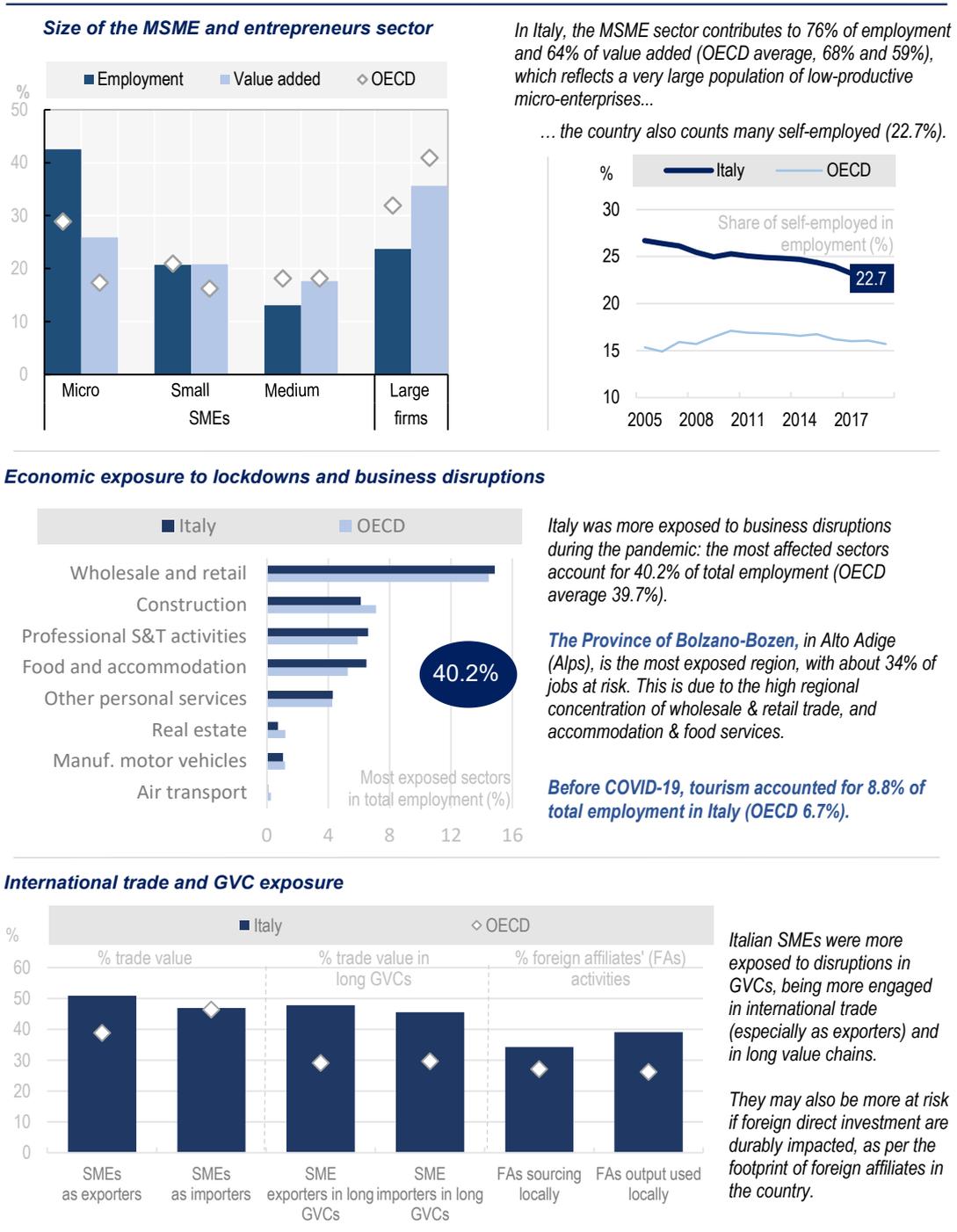
The **Ministry of Economic Development (MiSE)** is in charge of developing SMEs policies, whereas coordination with other ministries involved in SME actions takes place on a case-by-case basis. The **INVITALIA Agency** is in charge of implementing support measures related to SMEs policies developed by the MiSE.

Italy has a range of policy initiatives that target specific SME groups or issues. Examples include **legislation for innovative start-ups and SMEs**, which provides a system of periodic monitoring, and the **"Transition 4.0" Plan** for the digitalisation of enterprises.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934251352>

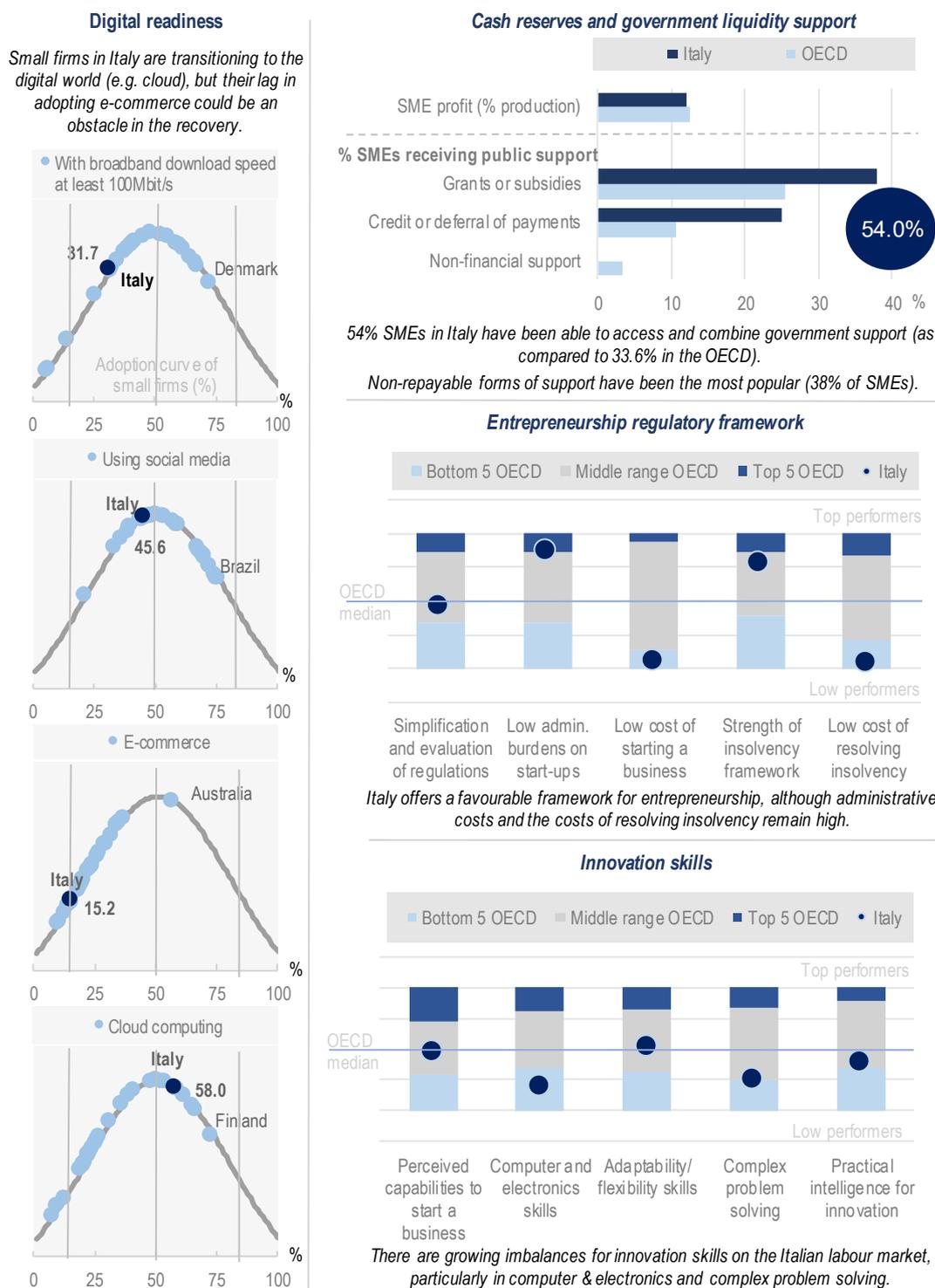
**Figure 6.56. Factors of SME&E structural vulnerability in Italy**



Source: Size of the MSME sector (2017): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2017): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251371>

**Figure 6.57. Sources of SME&E resilience in Italy**



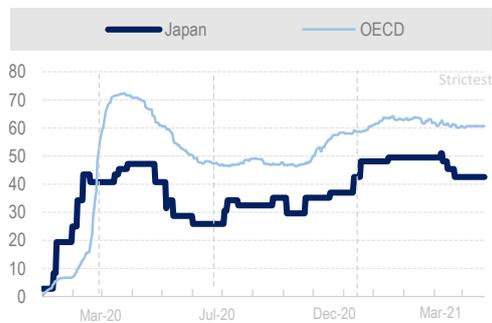
Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251390>

## Japan

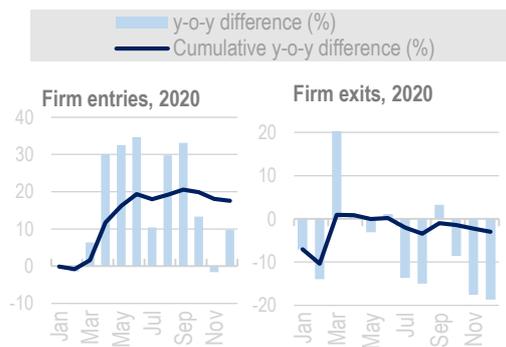
Figure 6.58. COVID-19 impact on business dynamics and policy responses in Japan

### Stringency of government measures



Building on past experience in managing viral outbreaks, Japan has adopted less restrictive measures than other OECD countries.

### Business dynamics



Firm creation has increased steadily in Japan in 2020, resulting in a +17.5% increase in firm entries as compared to 2019. Firm exits have been below 2019 records as well.

### Policy spotlight

Key measures to support SME and entrepreneurs' liquidity include:

- **JPY 720 million Safety Net Loan Scheme and JPY 300 million Loan for Crisis Response** to support SMEs through low interest rate loans by governmental financial institutions.

- **Cash Grants for SMEs** (of up to JPY 2 million) for those seeing declines of 50% or more in year-on-year monthly revenue.

Structural measures have also been taken:

- **JPY 117 trillion Economic Stimulus Package** for the establishment of rent fee support benefits for SMEs.

- **JPY 430 billion (USD 4.1 billion) Package partly directed at SMEs**, including in particular subsidies to support teleworking, and encouraging SMEs to adopt IT solutions and develop e-commerce sales channels.

### National SME and entrepreneurship policy framework

SME&E policies in Japan are defined as part of a multi-annual Action Plan.

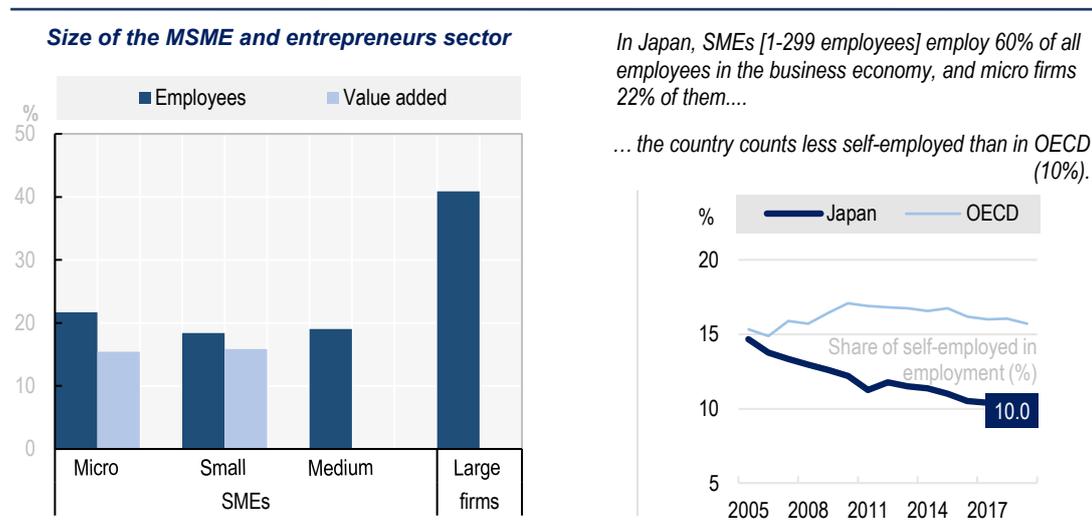
At national level, the **SME Agency**, under the Ministry for Economy, Trade and Industry (METI), executes and coordinates SME policy towards other actors. **SME Support Japan** and the **Regional SME Support Centres** deliver further support measures to small businesses, and wider SME support. METI and the local prefectures cooperate to ensure **vertical coherence of policy delivery**.

The SME Agency also prepares annual reports. Recently, the "**White Paper on SMEs in Japan**" (2020) stresses the importance of SMEs and small firms for value creation, also at regional level, and underlines differences in performance and objectives of SMEs, and the need for policy to take that into account. It also calls for further cooperation between SME support organisations.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934251409>

Figure 6.59. Factors of SME&amp;E structural vulnerability in Japan



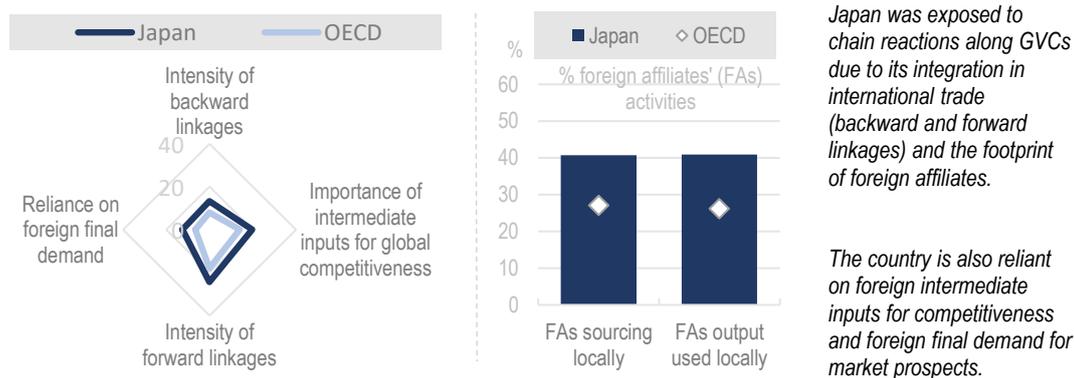
#### Economic exposure to lockdowns and business disruptions

Japan's GDP increased by 5.0% in Q3 2020, following a contraction of 8.2% in the previous quarter. Despite this being the highest quarterly growth on record since 1980, the level of GDP remains 4.3% lower than Q4 2019. The main contributors to growth came from increases of household consumption, government consumption and net exports. In particular, private consumption grew by 4.7%, driven by the rebound after confinement measures were relaxed and as a consequence of government support mainly raising consumption of services (especially restaurants, recreation and sports) and durable goods (notably cars). Government consumption increased by 2.2% due to policy support measures, including subsidies for traveling. Net exports accounted for a sizeable contribution to growth in the third quarter.

**Okinawa**, the most exposed region in the country, has about 38% of jobs at risk, especially due to the regional concentration of activities related to wholesale & retail trade, and accommodation & food services.

Before COVID-19, tourism accounted for 9.8% of total employment in Japan (OECD 6.7%).

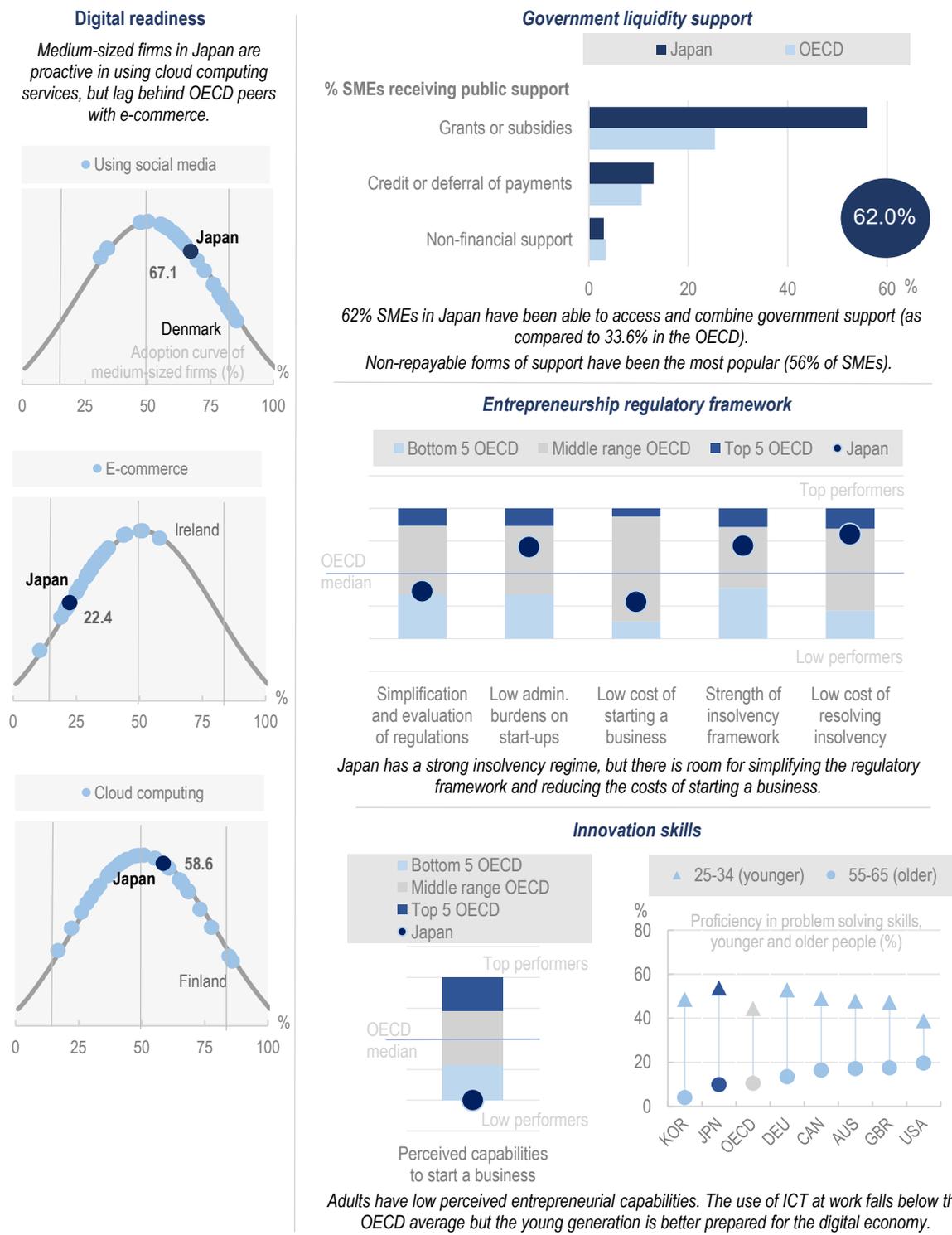
#### International trade and GVC exposure



Source: Size of the MSME sector (2016): OECD SME&E Outlook 2019; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2018): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934251428>

**Figure 6.60. Sources of SME&E resilience in Japan**



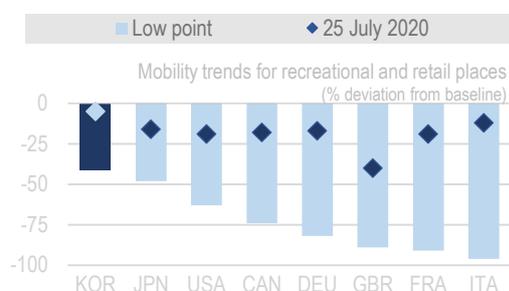
Source: Social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019): GEM 2019 and OECD Skills Strategy for Japan (OECD, 2019) (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251447>

## Korea

Figure 6.61. COVID-19 impact on business dynamics and policy responses in Korea

### Stringency of government measures



Korea was among the first countries hit by the pandemic, but effective policy responses allowed to avoid extensive lockdowns (data until 27 July 2020).

### Business dynamics



The level of firm bankruptcies has remained significantly lower in Korea in 2020, as compared to 2019, dropping by almost 30% on a year-on-year basis.

### Policy spotlight

Key measures to support SMEs and entrepreneurs' liquidity include: the **KRW 1.6 trillion Plan from the Ministry of SMEs and Startups** with an **emergency fund** for SMEs and self-employed, **government loans guarantees**, and **simplified procurement processes** by limiting on-site inspections.

Structural measures have also been implemented:

- **KRW 5.1 trillion "New Deal" projects** which is based on three pillars: the Digital New Deal, the Green New Deal, and the Strengthening Social Safety Net ;

- **KRW 1.5 trillion initiative to reshore specific economic activities** and encourage well-performing SMEs to bring their production facilities back to Korea ;

- **"Comprehensive Plan for Fostering SMEs 2020-22"**, consisting of three key pillars:
  - digitalisation of SMEs and micro-enterprises,
  - personalised support for traditional SMEs, micro-enterprises, and traditional markets, and
  - business safety nets for second chance entrepreneurship and support infrastructure to help SMEs weather COVID-19.

### National SME and entrepreneurship policy framework

Korea combines a **dedicated SME Ministry with specific SMEs strategies**.

In 2017, Korea created the **Ministry of SMEs and Startups (MSS)** to replace the previous Small Medium Business Administration (originally within the Ministry of Trade, Industry and Energy). The Ministry is responsible for the coordination of national SME and micro-enterprise policies and operates 13 regional offices.

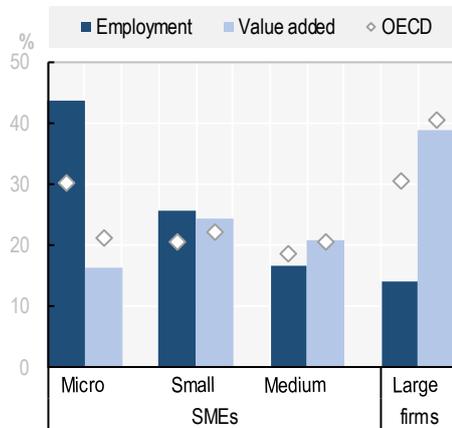
SME policies increasingly focuses on innovative ventures and a 'win-win growth strategy', involving both SMEs and large corporates, as laid out in the **Comprehensive Plan for Fostering Small and Medium Enterprises**.

Source: Google COVID-19 Community Mobility Report (27 July 2020); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934251466>

**Figure 6.62. Factors of SME&E structural vulnerability in Korea**

**Size of the MSME and entrepreneurs sector**



Korea has a large population of low-productive micro-firms that co-exist with high-productive large conglomerates (chaebols). The MSME sector contributes to 86% of employment and 61% of value added (OECD 69% and 59%)...

... the country also counts many self-employed (24.6%).



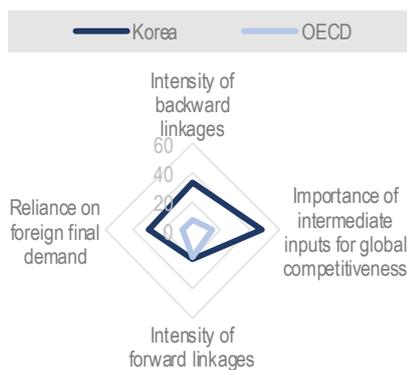
**Economic exposure to lockdowns and business disruptions**

Travel and leisure-related sectors have been hit hard in Korea and are recovering only gradually.

Manufacturing is affected by the global collapse in demand, notably for petrochemicals and cars. The market of semi-conductors has also been under strains. Services remain below pre-pandemic levels.

**Jeju-do**, the country's largest island, is the most exposed region, with about 37% of jobs at risk. This is due to the high regional concentration of accommodation & food, and wholesale & retail trade services.

**International trade and GVC exposure**

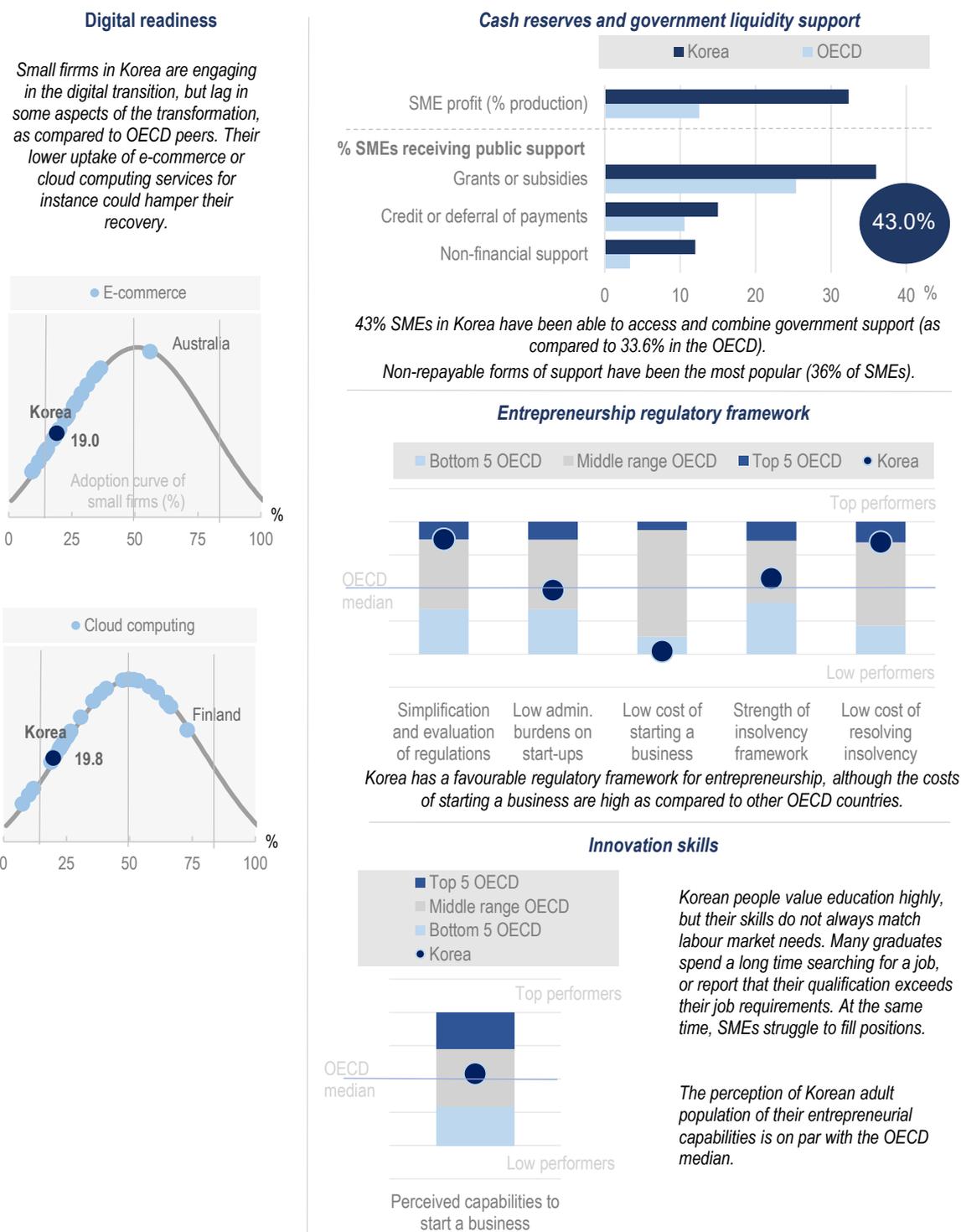


Korea was exposed to chain reactions along GVCs mainly due to its strong integration into international trade as importer (backward linkages).

The country is heavily reliant on imported intermediate inputs for its global competitiveness, but also on foreign demand for market prospects.

Source: Size of the MSME sector (2018): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2019): OECD Tourism database 2021; GVC exposure (2015 and 2016): OECD TEC database 2021 and TIVA database 2018 (see country-specific references and definitions).

**Figure 6.63. Sources of SME&E resilience in Korea**



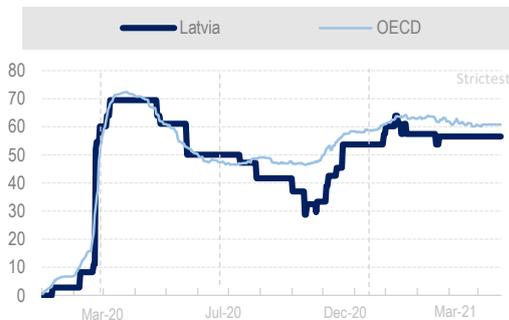
Source: E-commerce (2019), cloud computing (2018): OECD ICT Usage by Businesses database 2021; SME profit (2016): OECD SDDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019): GEM 2019, OECD Investing in Youth: Korea (OECD, 2019) (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251504>

## Latvia

Figure 6.64. COVID-19 impact on business dynamics and policy responses in Latvia

### Stringency of government measures



Latvia set itself apart from OECD countries from the second half of 2020 with less stringent government measures.

### Policy spotlight

Key measures to support SMEs and entrepreneurs through the COVID-19 crisis focus on liquidity issues:

**EUR 60 million Liquidity Scheme** for firms from all sectors: refund of approved amount of VAT to all taxpayers within 30 days after VAT return has been submitted, as well as a VAT refund that has been carried forward in previous periods.

**EUR 35 million Personal Income Tax (PIT)** where taxpayers are exempt from advance payments for the taxation year 2020.

**ALTUM**, the national development finance institution, has provided guarantees for SMEs :

- **Individual guarantees** of up to EUR 5 million per beneficiary, offering 50% guarantee for a maximum of two years ;
- **Working capital loans** of up to EUR 1.5 million per beneficiary, for 24 months ;
- **Interest rates cut** on loans for tourism sector businesses, by 50% for SMEs and by 15% for larger enterprises.

**Fintech Initiatives** to support SME finance in the context of the pandemic.

### National SME and entrepreneurship policy framework

SME&E policies in Latvia are defined as **part of wider strategies and policy frameworks**.

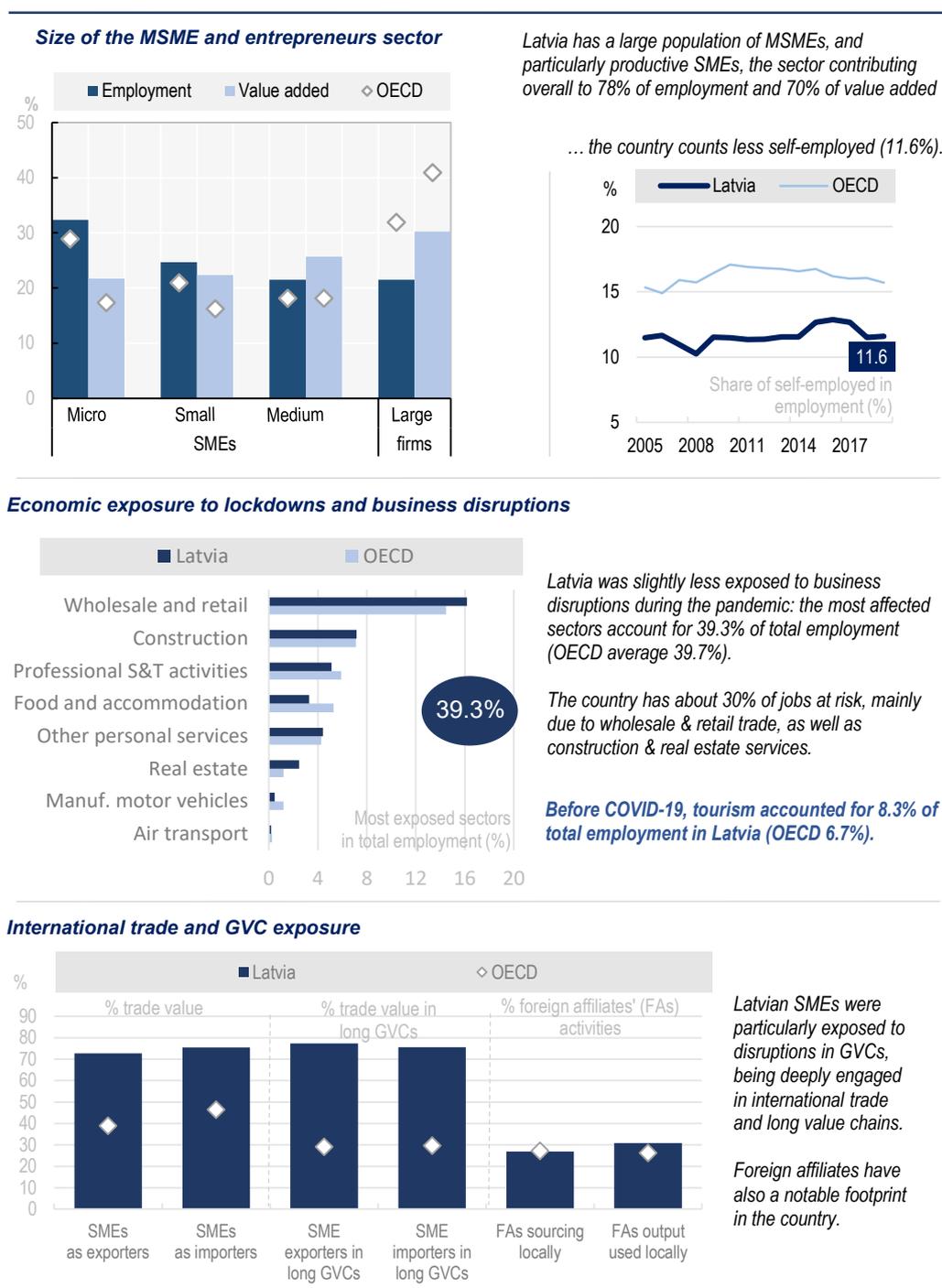
The “**National Industrial Policy Guidelines**” (2014) were developed in response to the Global Financial Crisis, and aim to strengthen the long term sustainability of the economy. They include a focus on competitiveness and exports, digitalisation, innovation and the reduction of energy costs, as well as an entrepreneurship focus directed to the reduction of red tape and support to start-ups and micro-enterprises.

Latvia provides **one-stop-shops for business**, usually physically as virtually, which are open to SMEs. Since smaller businesses are often less well informed on government support measures, an important challenge for such generic enterprise agencies is to be sufficiently accessible for SMEs.

Source: Oxford stringency Index (April 2021); and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934251523>

Figure 6.65. Factors of SME&amp;E structural vulnerability in Latvia



Source: Size of the MSME sector (2017): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2017): (OECD, 2020), based on OECD ANA data; Tourism employment (2019): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

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**Figure 6.66. Sources of SME&E resilience in Latvia**



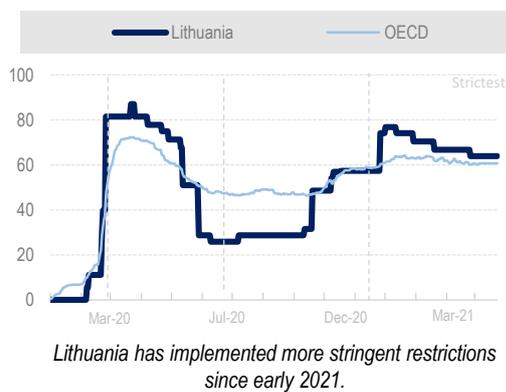
Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2016): OECD SDBS database 2021; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

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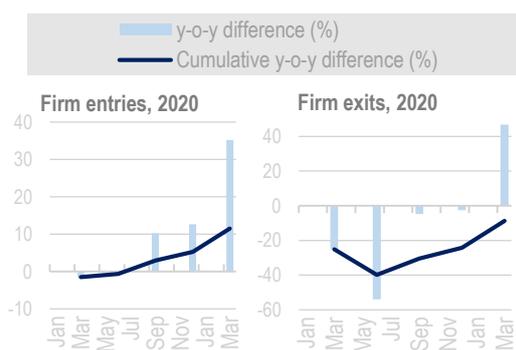
## Lithuania

Figure 6.67. COVID-19 impact on business dynamics and policy responses in Lithuania

### Stringency of government measures



### Business dynamics



There has been more firm entries in Lithuania in 2020 than in 2019. After a drop in Q1 and Q2 on y-o-y basis, firm exits have accelerated in the second half of 2020.

### Policy spotlight

Key measures to support SMEs and entrepreneurs' liquidity include: **EUR 1.3 billion Liquidity Allocation** to SMEs facing financial problems; **wage subsidies** to pay employees at least the minimum wage during downtime; **exemption from fines and default interest** for failure to comply with tax obligations on time; new **borrowing instruments** to enable SMEs to apply for soft loans when they have run out of working capital.

Structural measures have also been implemented:

- **EUR 5 billion National Support Plan**, with EUR 500 million for maintaining business liquidity and EUR 1 billion for speeding up investment.

- **"Next Generation Lithuania" - Recovery and Resilience Facility 2021-26** to develop workers skills required from SMEs in specialisation areas, and to develop other skills of staff involved in the process of exploring entrepreneurial opportunities.

### National SME and entrepreneurship policy framework

SME&E policies in Lithuania are defined as part of the multi-annual "Entrepreneurship Action Plan" (2014) which sets out three tasks aiming to raising the level of entrepreneurship:

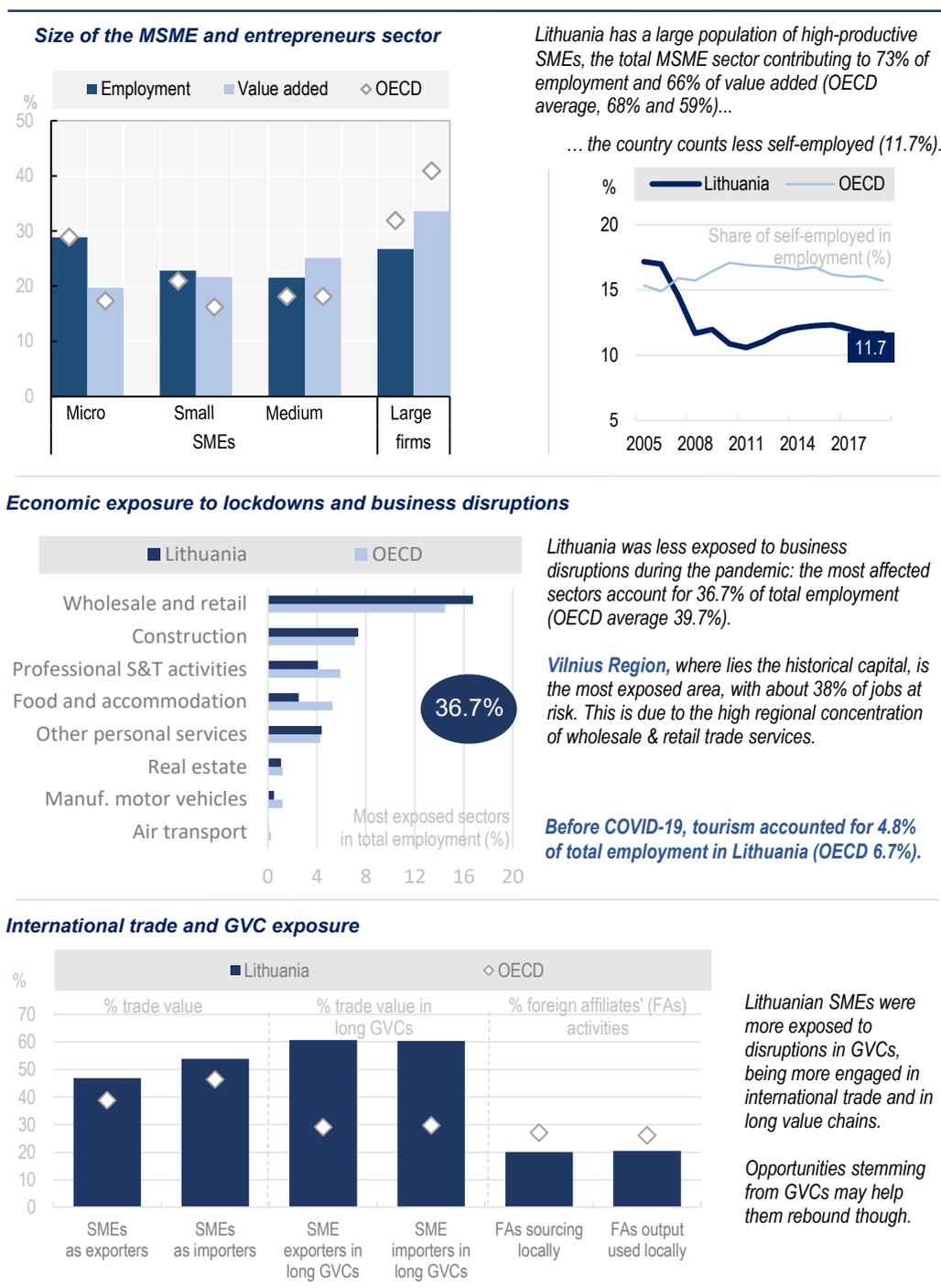
- Establishing a consistent and continuous system of entrepreneurship education ;
- Creating a favourable environment for starting and developing a business, and ;
- Ensuring accessibility of public services to businesses, distinguishing entrepreneurship of target groups (youth, women) and start-ups as well as social and regional entrepreneurship.

**Training vouchers** are provided to help SMEs purchase training hours from accredited individuals or institutions.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934251580>

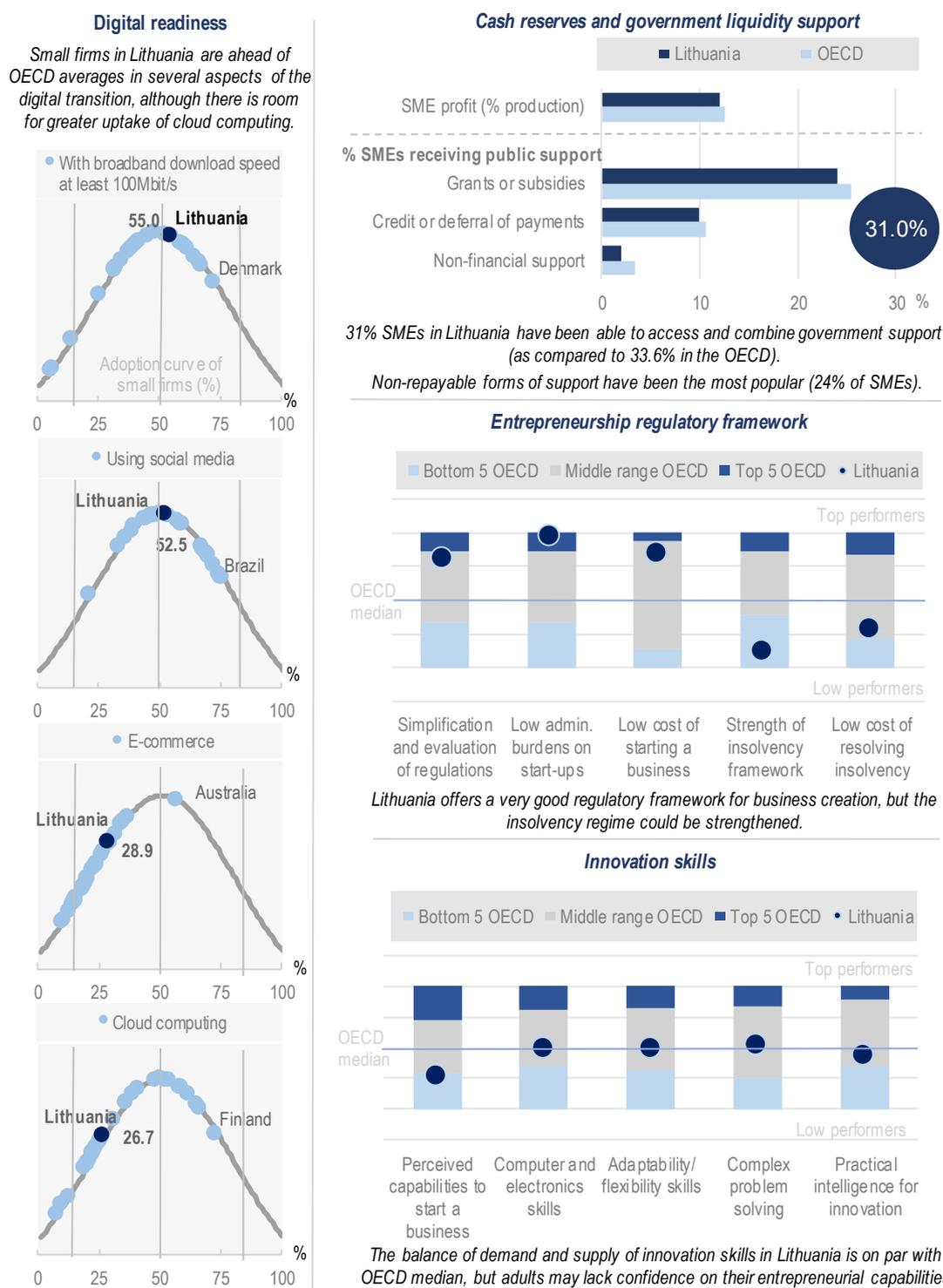
Figure 6.68. Factors of SME&amp;E structural vulnerability in Lithuania



Source: Size of the MSME sector (2017): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2017): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2018): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

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Figure 6.69. Sources of SME&E resilience in Lithuania



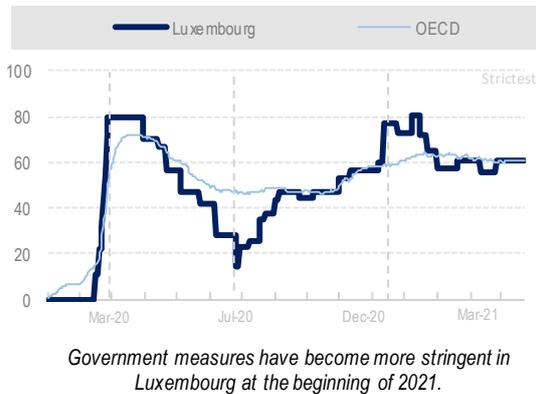
Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2014 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

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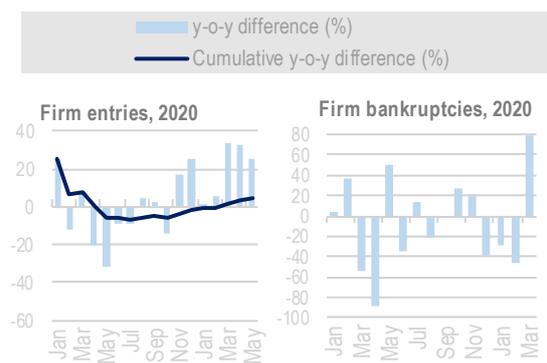
## Luxembourg

Figure 6.70. COVID-19 impact on business dynamics and policy responses in Luxembourg

### Stringency of government measures



### Business dynamics



After an initial decrease at the beginning of the pandemic, firm entries increased again in late 2020 and early 2021, compared to the previous year. In 2020, firm bankruptcies oscillated around their 2019 levels, with a record increase of +80% on a year-on-year basis in March 2021.

### National SME and entrepreneurship policy framework

SME&E policies in Luxembourg are defined as part of the multi-annual “Fourth National Action Plan to Support SMEs” (2017) that promotes an entrepreneurial spirit, adapts regulations for changing labour markets, fosters better access to finance and seeks to set up an environment conducive to research and innovation. The Luxembourg Chambers of Commerce also hosts various support schemes for business and SMEs.

SME&E policies are co-ordinated by the **Ministry of the Economy** and implemented through various public and private actors and associations, including the national innovation agency Luxinnovation, the Chamber of Commerce, the Chamber of Crafts, the Public Employment Service (ADEM), the House of Entrepreneurship, the House of Startup and the *Mutualité de Cautionnement*.

### Policy spotlight

Key measures to support SMEs and entrepreneurs' liquidity include:

**EUR 8.8 billion Support Package** with:

- **Tax measures** to alleviate the liquidity situation of businesses and self-employed ;
- **Outstanding VAT credits** below EUR 10 000 automatically reimbursed ;
- **Modalities regarding cross-border workers** resorting to teleworking, based on bilateral agreement with France, Belgium and Germany ;
- **Administrative flexibility** granted to firms for the payment of social contributions ;
- **EUR 5 000 Lump-Sum Grant** for less than 10 employees companies ;
- **Expansion of the short-time working scheme** (“chômage partiel”) to all firms impacted by the pandemic.

Structural measures have also been implemented:

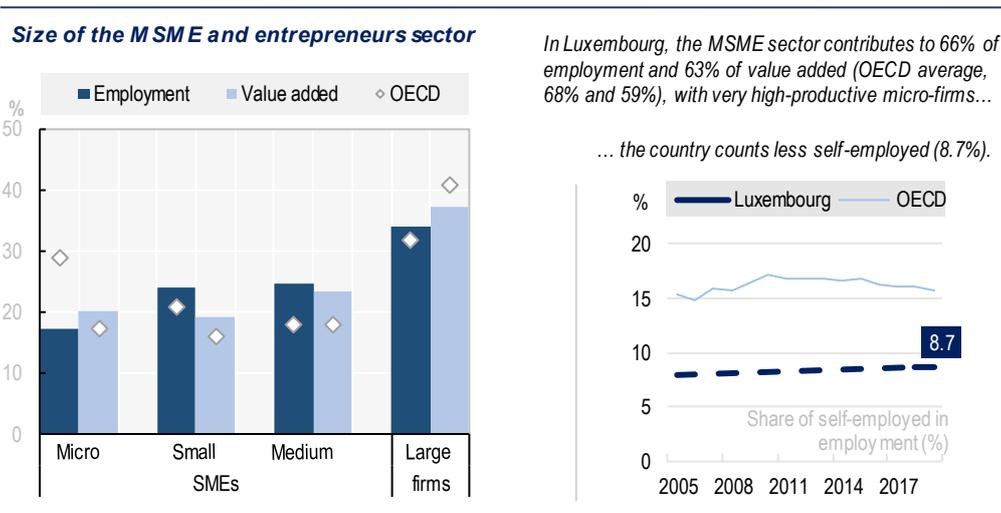
- **“Le Plan pour la Reprise et la Résilience”**, based on three pillars: Social Cohesion and Resilience; Green Transition; and Digitalisation, Innovation and Governance.

In particular, the **“Skilling, Reskilling and Upskilling”** component ensures that the single market functions well with strong SMEs in the country.

Source: Oxford stringency Index (April 2021); and national sources (see country-specific references and definitions).

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**Figure 6.71. Factors of SME&E structural vulnerability in Luxembourg**



**Economic exposure to lockdowns and business disruptions**

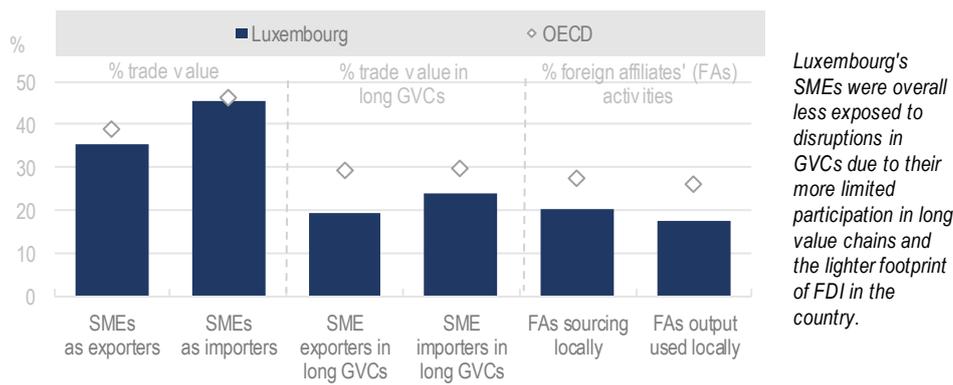
The accommodation and food services sector accounts for 5.5% of total employment in Luxembourg. The sector's earnings were about 47% lower than average earnings across all sectors before the pandemic started.

In turn, wholesale & retail trade activities account for 9% of total employment. Some of these activities have been impacted, especially non-food retail trade where earnings were about 30% lower than average earnings across all sectors.

**Luxembourg City**, the country's most populous municipality, has about 26% of jobs at risk, the highest share in the country, especially due to the regional concentration of wholesale & retail trade, and construction & real estate services.

Before COVID-19, tourism accounted for 8.2% of total employment in Luxembourg (OECD 6.7%).

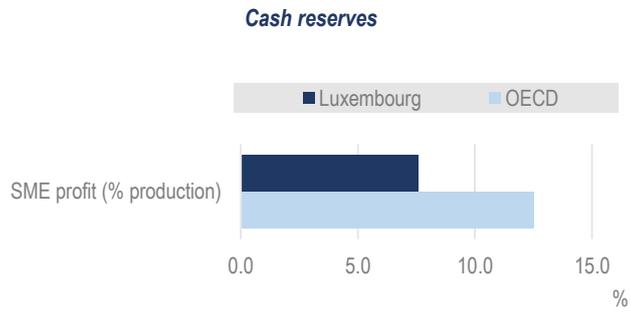
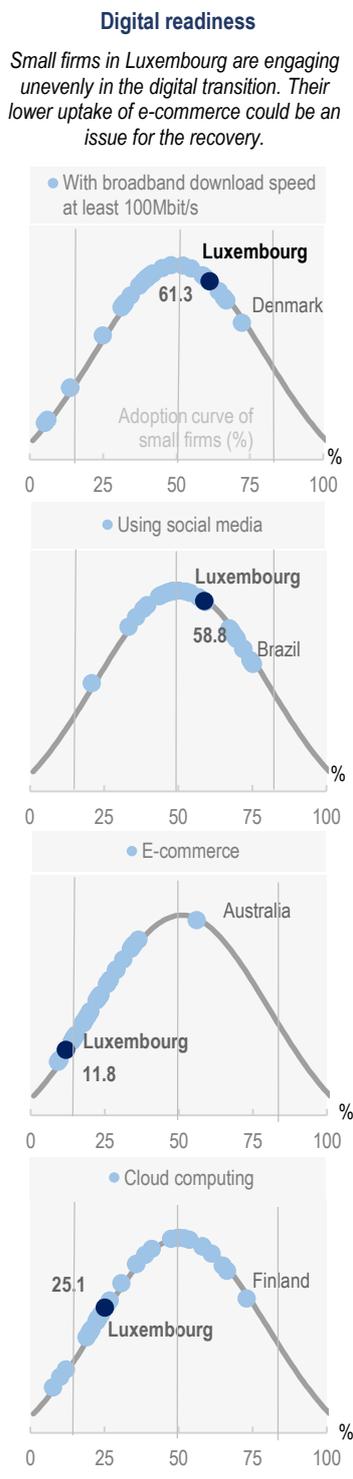
**International trade and GVC exposure**



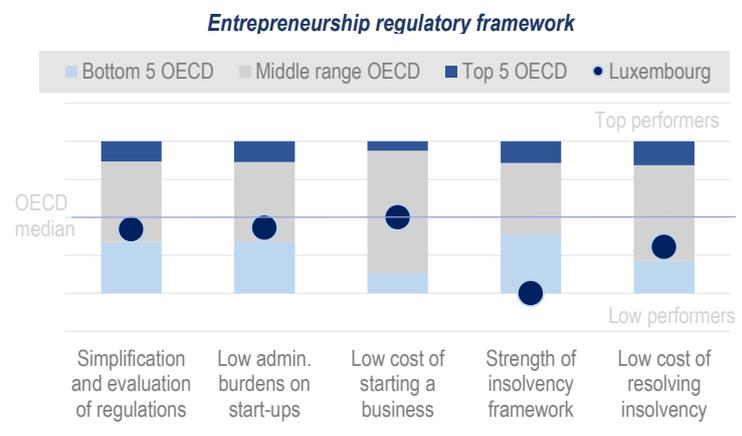
Source: Size of the MSME sector (2018): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed regions: Beine, M., et al. (2020), Economic effects of Covid-19 in Luxembourg; Tourism employment (2018): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

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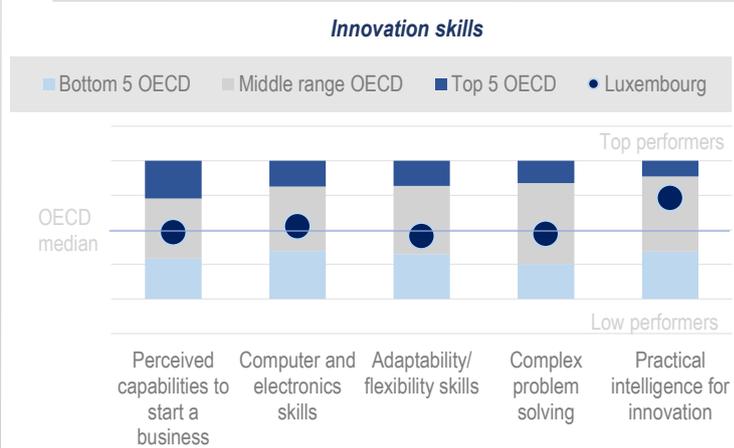
**Figure 6.72. Sources of SME&E resilience in Luxembourg**



*Prior to COVID-19, SMEs in Luxembourg generated lower profits, as measured by gross operating surplus as a share of production, than in other OECD countries.*



*There is room for improving the insolvency regime in Luxembourg.*



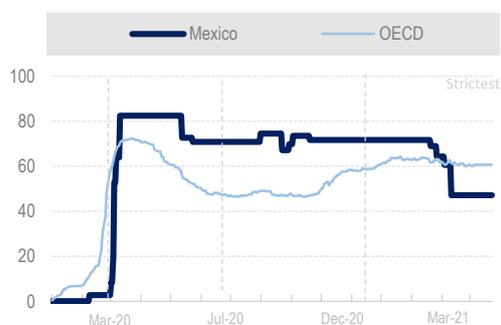
*The balance of innovation skills on the labour market is on par with the OECD median, with a very good match of practical intelligence.*

Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2016): OECD SDBS database 2021; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

## Mexico

Figure 6.73. COVID-19 impact on business dynamics and policy responses in Mexico

### Stringency of government measures



The year 2020 was marked by strict restriction measures in Mexico, before some relax in 2021 Q2.

### Business dynamics

The National Study on Business Demography (EDN) estimates that, from May 2019 to September 2020, more than 1 million MSMEs close operations definitively, i.e. 20.8% of the population at the beginning of the period.

The number of business units decreased by 8.06%, and SMEs experienced a slightly higher rate of permanent closures (21.2%) as compared to micro firms (20.8%).

During the same time period, 619 443 new firms were also created, representing 12.75% of the country's business population.

### Policy spotlight

Key measures to support SME and entrepreneurs' liquidity include: the **Emergency Program for Economic Reactivation** providing loans at preferential rates to small firms (<50 employees) in priority industries, and the **National Economic Support Package**, including in particular **Credit Payments for Workers** from the National Institute for Workers' Housing (INFONAVIT); **MXN 25 billion (USD 1 billion) SMEs Support** from the National Development Bank, providing credit products and loans to businesses in the formal and informal economy; and **Financial Support Provisions** from the National Banking and Securities Commission (CNBV), consisting in partial or total deferral of capital and/or interest payments.

Structural measures have also been implemented:

- **MXN 3.4 billion "Tandas para el Bienestar" Programme** to reinforce existing social programmes to support SMEs through the Mexican Social Security Institute (IMSS).
- **Leveraging fintech solutions to support financial inclusion**, including participation from the private sector to channel funding to SMEs and support their digitalisation.
- **SME Telecommunications Financing Program** to support MSMEs linked to the digital industries and telecommunications infrastructure sectors.

### National SME and entrepreneurship policy framework

SME&E policies in Mexico are defined as part of wider strategies and policy frameworks.

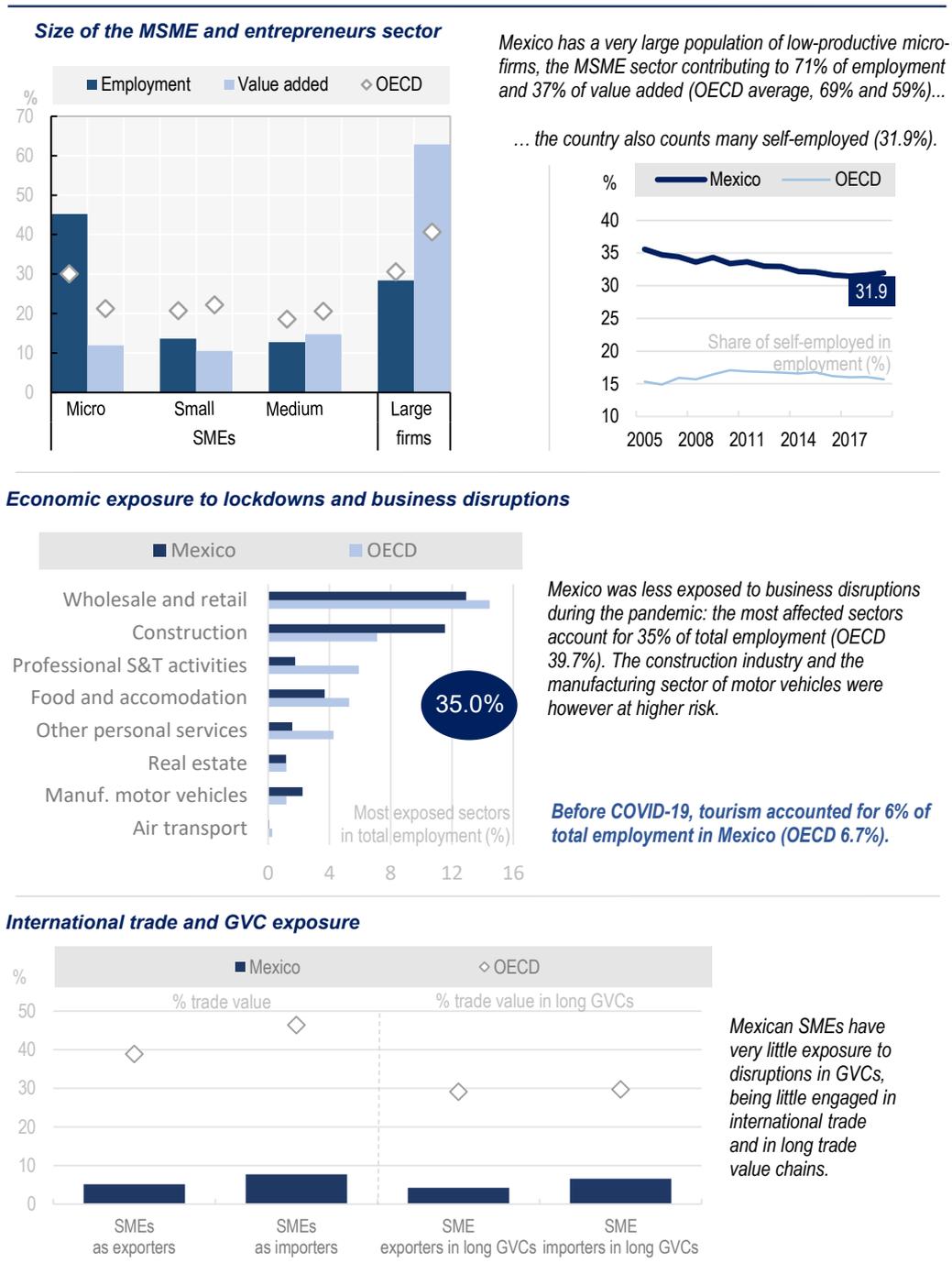
The "Economy's Sectoral Program 2020-24" is managed by the Ministry of Economy and is part of the National Development Plan 2019-24. The third objective of the Program is "to promote the creation and consolidation of productive MSMEs for greater productive inclusion". It focuses in particular on improving MSME access to finance, strengthening entrepreneurship competences, and fostering technological innovation.

The Unit of Productive Development (UDP) is in charge of promoting, designing, coordinating, executing and reviewing the public policy to support MSMEs, with a view of reducing inequality between people and regions. The UDP also operates various coordination bodies with different government agencies.

Source: Oxford stringency Index (April 2021); and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934251694>

**Figure 6.74. Factors of SME&E structural vulnerability in Mexico**



Source: Size of the MSME sector (2013): OECD SME&E Outlook 2019; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; Tourism employment (2018): OECD Tourism database 2021; GVC exposure (2015): OECD TEC database 2021 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251713>

Figure 6.75. Sources of SME&E resilience in Mexico



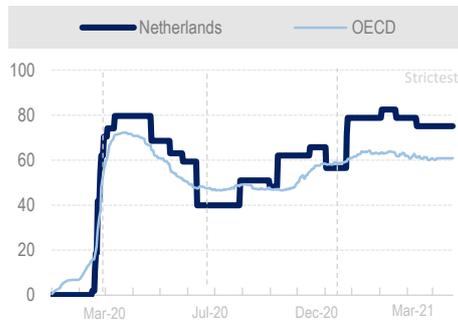
Source: Social media (2012), cloud computing (2012): OECD ICT Usage by Businesses database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

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## The Netherlands

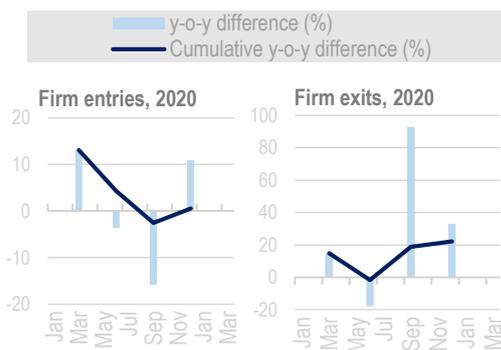
Figure 6.76. COVID-19 impact on business dynamics and policy responses in the Netherlands

### Stringency of government measures



The Netherlands have gone through a series of restrictive periods with stringent measures, especially since early 2021.

### Business dynamics



Firm creation has collapsed in 2020 and rebounded in the last quarter, being back to 2019 levels at the end of year. Firm exits have increased markedly over the period.

### Policy spotlight

Key measures to support SMEs and entrepreneurs' liquidity include:

- **EUR 750 million Small Credit Corona guarantee scheme (KKC)** with 95% of public guarantee for small credits (EUR 10 000 to EUR 50 000) against a maximum of 4% interest rate.

- **EUR 1.18 billion scheme to support Dutch SMEs** with three direct grant measures. The largest one (estimated budget of EUR 970 million) consists of aid for SMEs that lost at least 30% of their turnover between January to March 2021 compared to the same period in 2019.

- **EUR 300 million extra credit for SMEs** in the form of a temporary bridging loan facility.

Structural measures have also been implemented:

- A **scale-up facility** encompassing multiple funds of which the Dutch Future Fund (DFF) ;

- **Time out arrangement (TOA)** credits to help entrepreneurs restart their business after debt restructuring under certain conditions ;

- **Adjustment in the growth facility** that allows for private investments to strengthen the equity position of companies.

### National SME and entrepreneurship policy framework

SME&E policies in the Netherlands are defined as part of a multi-annual Action Plan.

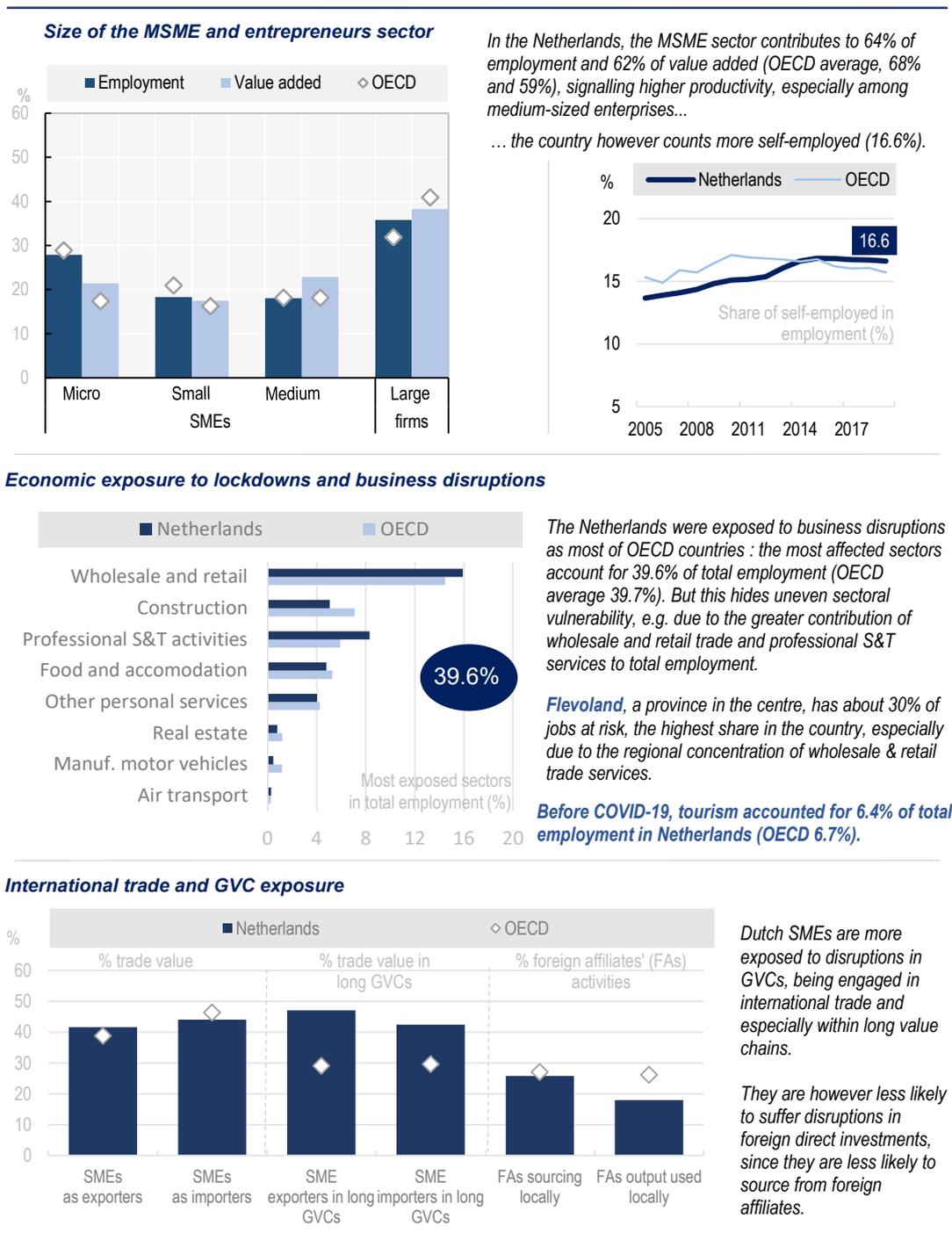
The **2018 SME Action Plan** articulates the approach of the government towards SMEs with a number of targeted measures. A central ambition is for the country to be a frontrunner in the transition to a sustainable and digital economy.

The Action Plan puts strong emphasis on the existence of different types of SMEs, and distinguishes between **frontrunners** (innovative/fast growing SMEs and start-ups) and the wider group of '**broad SMEs**'. Within these broad SMEs, the Action Plan distinguishes between those SMEs who want to grow but lack the resources or knowledge, and those SMEs for whom growth is not their (main) objective (e.g. social entrepreneurs).

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

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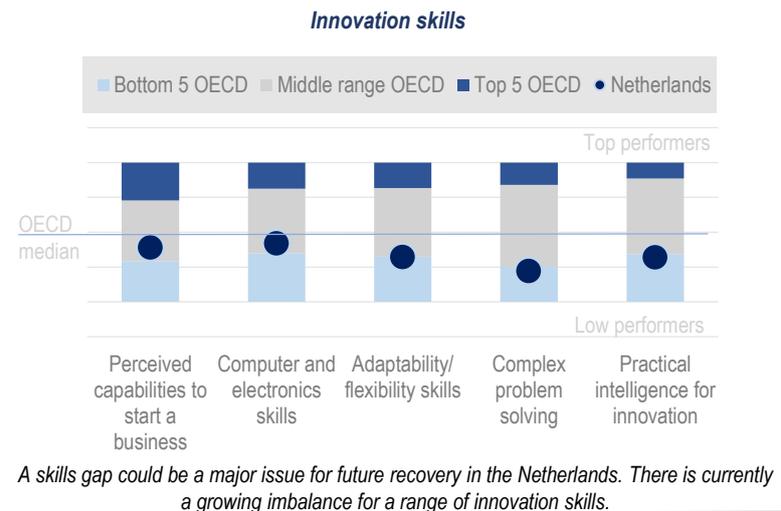
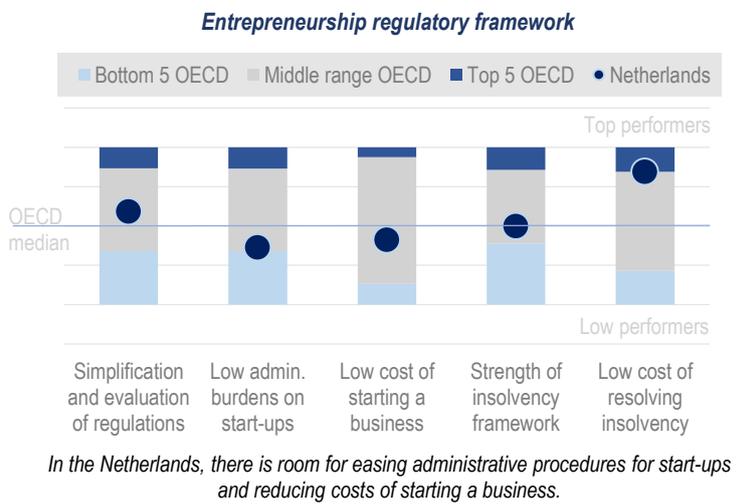
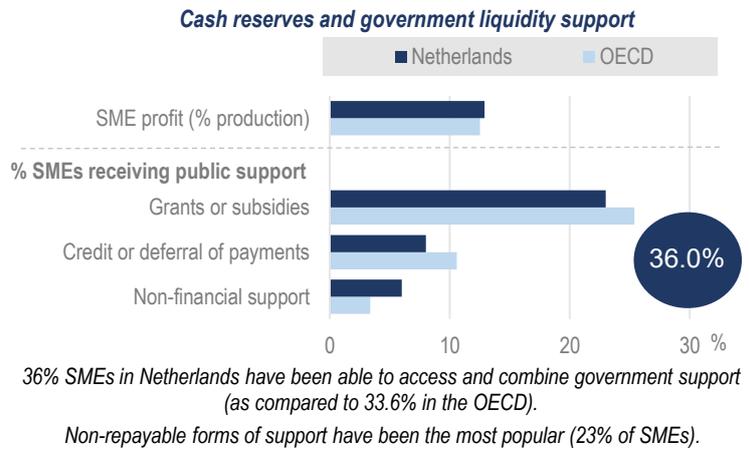
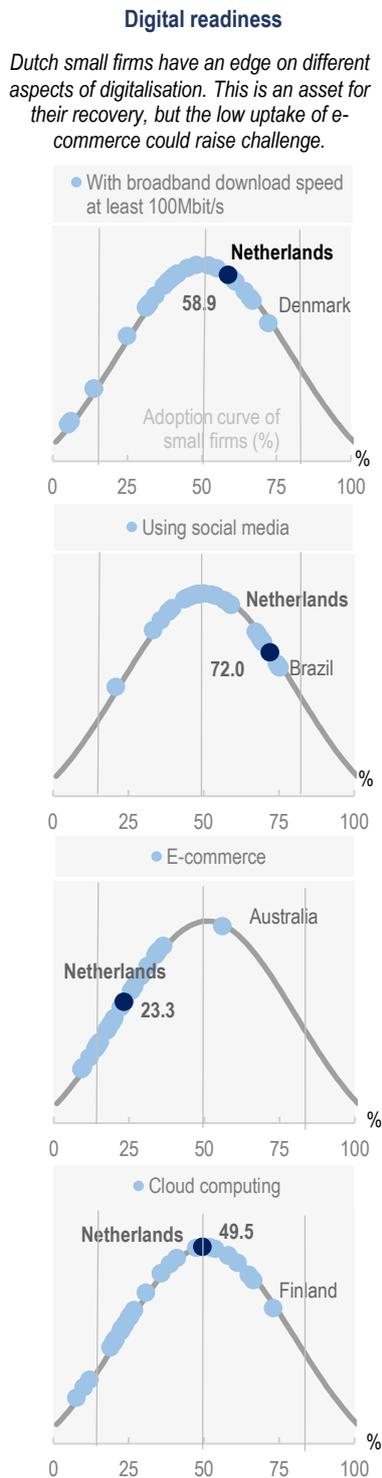
**Figure 6.77. Factors of SME&E structural vulnerability in the Netherlands**



Source: Size of the MSME sector (2018): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2019): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251770>

**Figure 6.78. Sources of SME&E resilience in the Netherlands**



Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2016): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

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## New Zealand

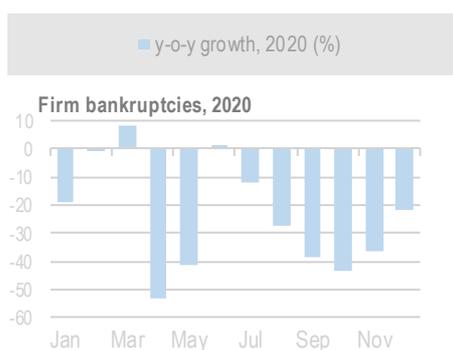
Figure 6.79. COVID-19 impact on business dynamics and policy responses in New Zealand

### Stringency of government measures



New Zealand has taken strict measures episodically since the start of the pandemic, keeping overall restrictions low.

### Business dynamics



Despite a slight increase in March and June, the number of bankruptcies in 2020 remained consistently and significantly below 2019 levels.

### Policy spotlight

The government introduced a range of liquidity support measures, e.g. **business continuity package**, with wage support and tax measures (NZD 12.1 billion), **Business Finance Guarantee Scheme for SMEs** for short-term credit (NZD 6.25 billion), or the **Small Business Cashflow Loan Scheme**.

Assistance amidst the crisis is also provided through NZD 25 million **business consultancy support**.

Structural policies have been reinforced with:

- **Digital Boost Skills Training** (Digital Boost programme) to support small businesses in realising the benefits of digital tools and technologies.
- **NZD 20 million Digital Capability Funding Scheme** to provide training and advice for SMEs, in particular in the tourism sector. Free digital bill boarding space for SMEs was also set.
- **Trade Recovery Strategy** that extend the NZTE Regional Business Partner network to SMEs, providing them with advice on how to navigate the policy landscape and use public support, as well as international market intelligence to diversify export and import markets.

### National SME and entrepreneurship policy framework

SME&E policies in New Zealand are defined as part of **specific SMEs strategies**.

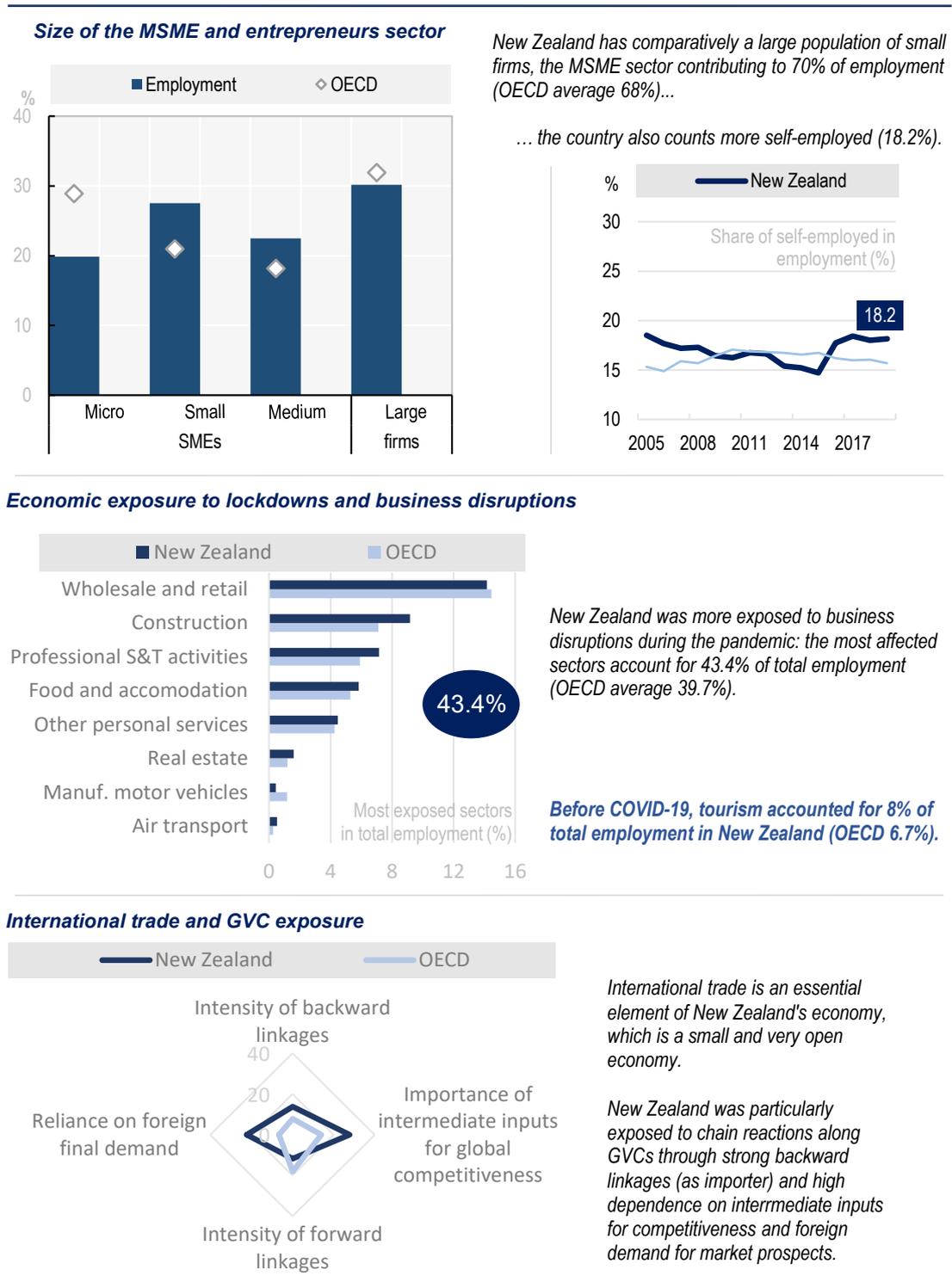
The “**Empowering Small Businesses to Aspire, Succeed and Thrive**” Strategy (2019) shifts the government’s role from ensuring compliance with rules and regulations, to creating an enabling environment for SMEs. It covers a broad set of issues, including regional development, the digital economy, export growth, tax policy, access to finance, sustainability, social enterprises, and streamlining government support.

Within the Ministry of Business, Innovation and Employment (MBIE), New Zealand has a **dedicated Minister for Small Business**, whose portfolio has broadened since November 2020 to include Economic Development, Regional Development, Tourism and Forestry. The **Small Business Collective (SBC)** is a dedicated entity to small businesses within the MBIE, which focuses on representing the voice of New Zealand’s small and micro businesses in the design and delivery of policies and services.

Source: Oxford stringency Index (April 2021); and national sources (see country-specific references and definitions).

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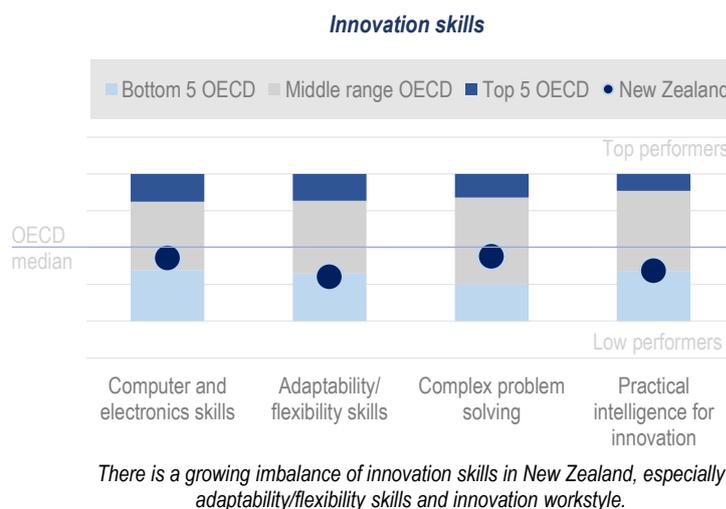
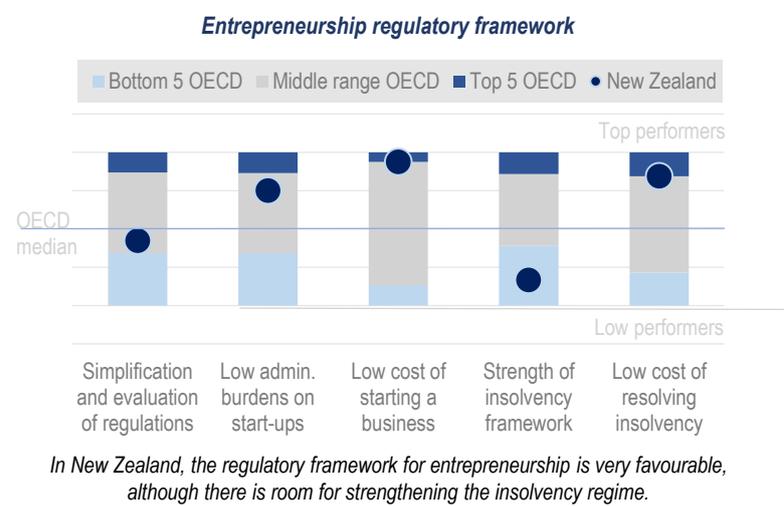
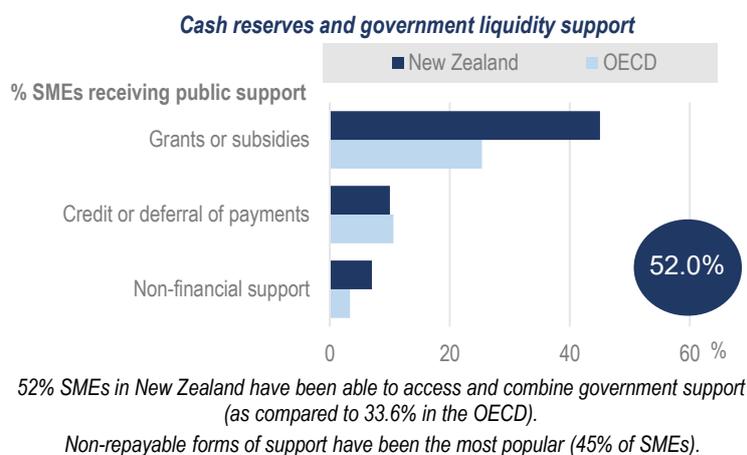
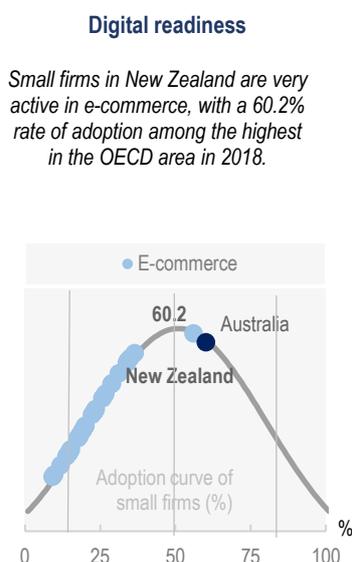
**Figure 6.80. Factors of SME&E structural vulnerability in New Zealand**



Source: Size of the MSME sector (2018): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2018): OECD Tourism database 2021; GVC exposure (2016): OECD TiVA database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251827>

**Figure 6.81. Sources of SME&E resilience in New Zealand**



Source: E-commerce (2018): OECD ICT Usage by Businesses database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2015): OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251846>

## Norway

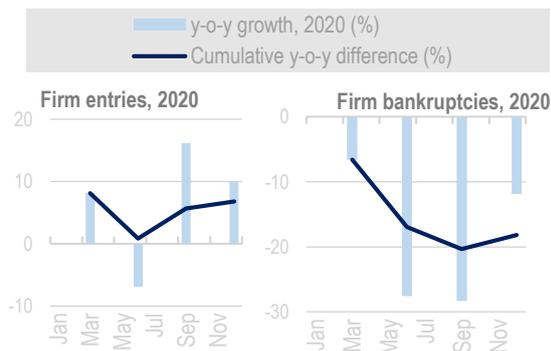
Figure 6.82. COVID-19 impact on business dynamics and policy responses in Norway

### Stringency of government measures



While Norway experienced less stringent restrictions over 2020, government measures have tightened in 2021.

### Business dynamics



Firm creation has kept momentum in 2020 (apart Q2) with more firm entries than in 2019. The number of bankruptcies fell sharply over the same period.

### Policy spotlight

The government has deployed a number of liquidity support measures, e.g. **loan guarantees for SMEs** (NOK 50 billion), **compensation scheme** for revenue losses (NOK 4 billion), or **subsidy scheme** for re-hiring temporarily laid-off workers (NOK 4 billion).

Particular attention is given to support **innovative and research businesses** through:

- **Additional funding to Innovation Norway and the Research Council** (NOK 3 billion), e.g. grants for young growth companies, business-oriented research support, an Innovation Norway's innovation loan scheme (NOK 1.6 billion) ;

- Increasing **investment capital** in Investinor AS (NOK 1 billion) ;

- Measures to underpin activity in the **construction** (NOK 4 billion) and **tourism** (NOK 1.5 billion) sectors ;

- Increased **education and skills funding** (NOK 1 billion) ;

- A **green transition package** (NOK 3.6 billion).

### National SME and entrepreneurship policy framework

SME&E policies in Norway are defined as part of a multi-annual Action Plan.

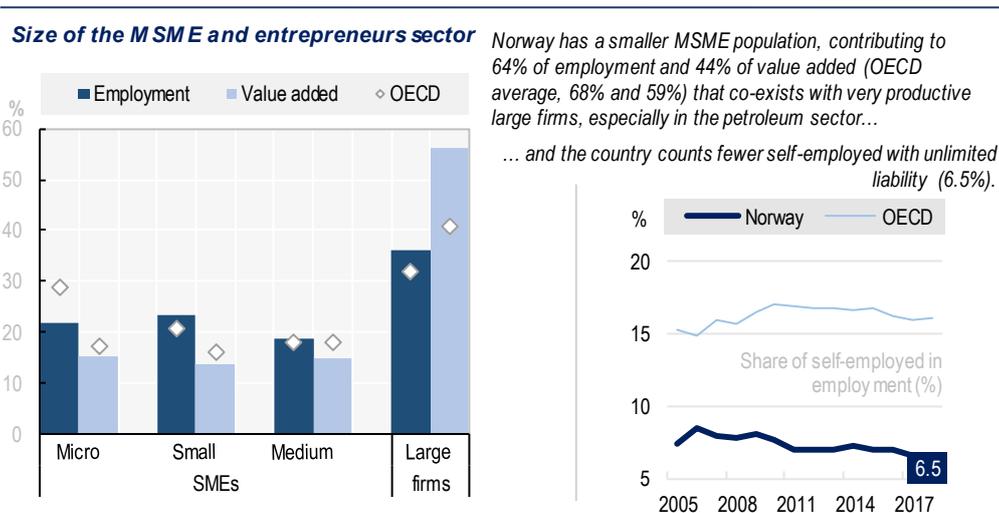
The “**Good ideas – Future jobs: The Government Entrepreneurship Plan**” (2016) aims to enhance innovation, and puts strong emphasis on new firm creation and sustainability. It includes three main pillars: better access to capital at an early stage, increased access to competence, and making Norway a more attractive entrepreneurial country for a variety of people.

Regarding internationalisation, **helping Norwegian SMEs** overcome their difficulties in **accessing global markets** is a key dimension of the national export strategy. Norway also lists **skills and education** among its priority support efforts for SMEs.

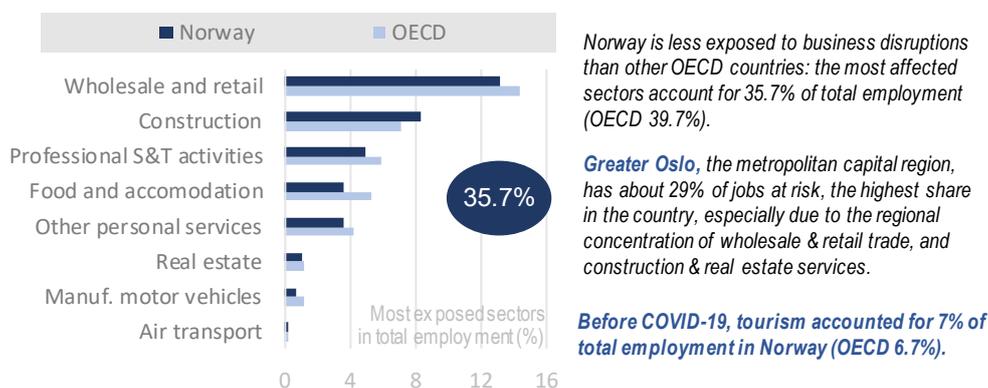
Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934251865>

**Figure 6.83. Factors of SME&E structural vulnerability in Norway**



### Economic exposure to lockdowns and business disruptions



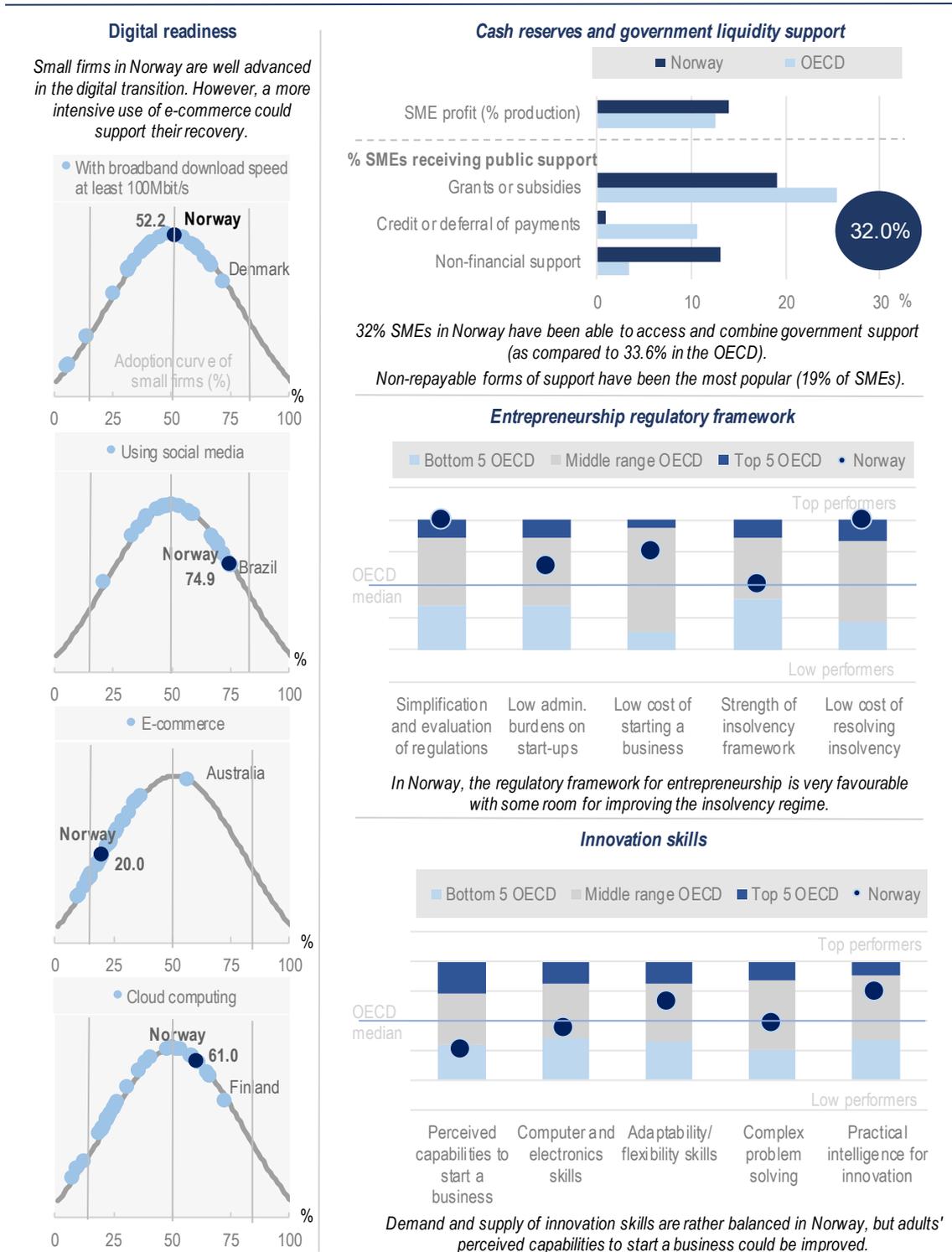
### International trade and GVC exposure



Source: Size of the MSME sector (2017): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2017): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2018): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251884>

**Figure 6.84. Sources of SME&E resilience in Norway**



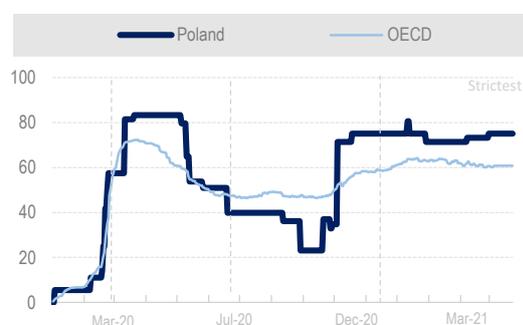
Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

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## Poland

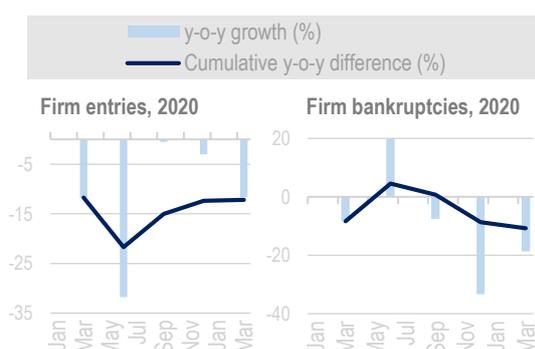
Figure 6.85. COVID-19 impact on business dynamics and policy responses in Poland

### Stringency of government measures



Poland has experienced several phases of stringent restrictions since the beginning of the pandemic.

### Business dynamics



Firm entries were strongly impacted, with overall less start-ups created in 2020 than the previous year. After an increase of almost 20% compared to 2019 in 2020Q2, firm bankruptcies decreased and remain below 2019 level.

### Policy spotlight

Key measures to support MSMEs' liquidity include: the **PLN 68 billion Financial Shields 1.0 and 2.0** (total for 2020-21) for MSMEs in sectors particularly hit by the pandemic (e.g. retail, trade, tourism, food services, culture), managed by the Polish Development Fund; and the **PLN 153 billion Anti-Crisis Shield** to support MSMEs and entrepreneurs via social insurance exemptions, wage subsidies or guarantee schemes.

Structural measures have also been implemented:

- **National Recovery and Resilience Plan**, focusing on green energy and sustainable mobility, increasing access and strengthening the quality of the healthcare system, a resilient and competitive economy and digital transformation, with a strong emphasis on additional access to finance for SMEs.

- **New Chance Policy for SMEs** to support businesses in difficulty and second chance entrepreneurship via **Rescue Aid** in the form of loans, as well as loans for **temporary/ long-term restructuring**

- **Policy for Artificial Intelligence Development (2019-27)**, including a focus on strengthening collaboration between businesses, public sector, academia and non-governmental organisations.

### National SME and entrepreneurship policy framework

SME&E policies in Poland are defined as part of wider strategies and policy frameworks.

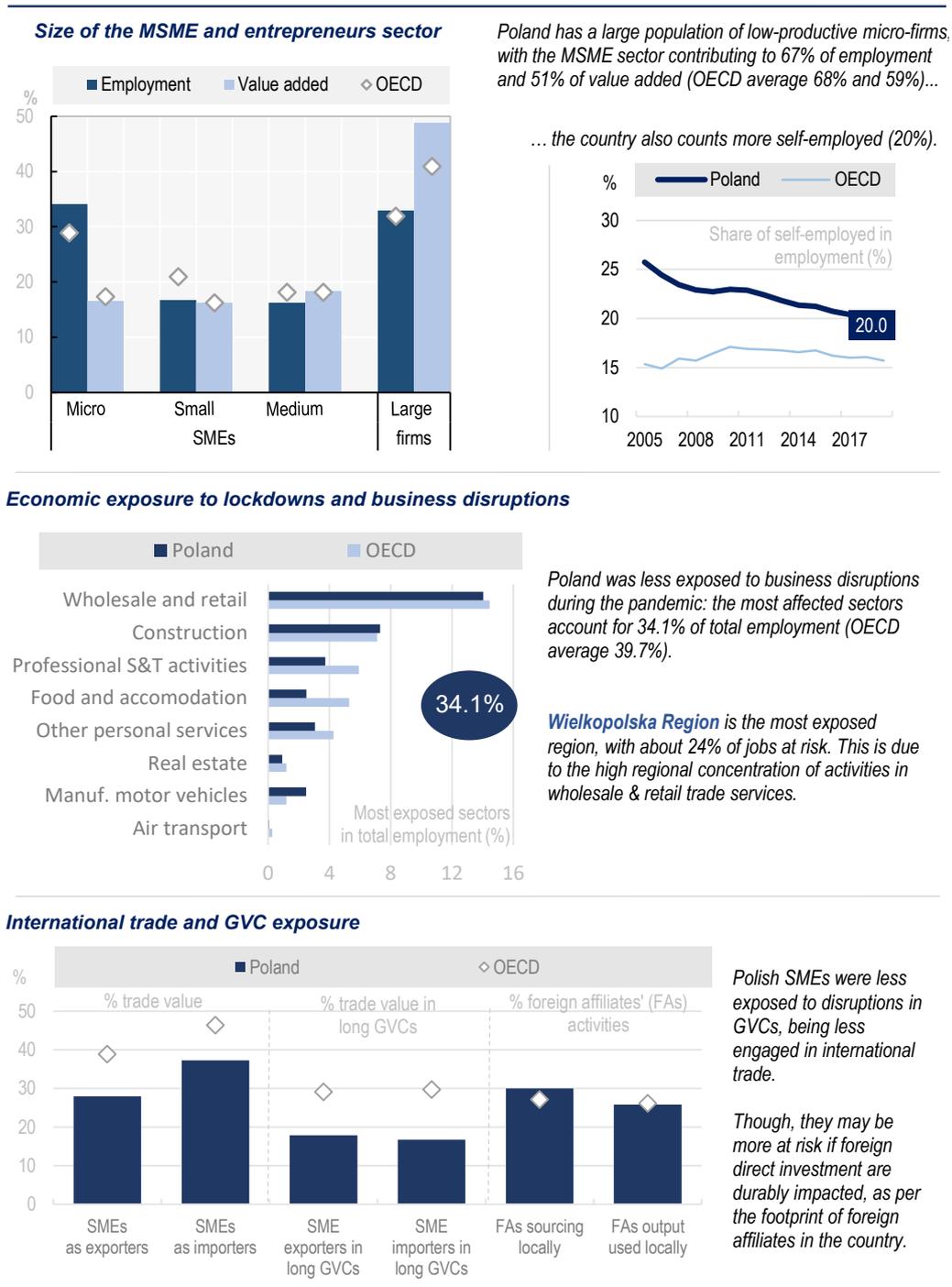
Principles of SME policy are laid out in the **Strategy for Responsible Development, the Strategy for Innovation and Efficiency of the Economy (Dynamic Poland 2020)**, and the **Enterprise Development Programme 2020**. The Polish Government is also to adopt the **Productivity Strategy 2030** and the complementary **Polish Industrial Policy**.

The **2018 Business Constitution reform** (Konstytucja Biznesu) establishes new and easier principles for doing business, including through simplified relations with the public administration. SME policies aim to, among other things, facilitate the succession in family-run firms, support start-ups and firm innovation (via the Start In Poland programme), reduce licensing costs, and speed up legal proceedings.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

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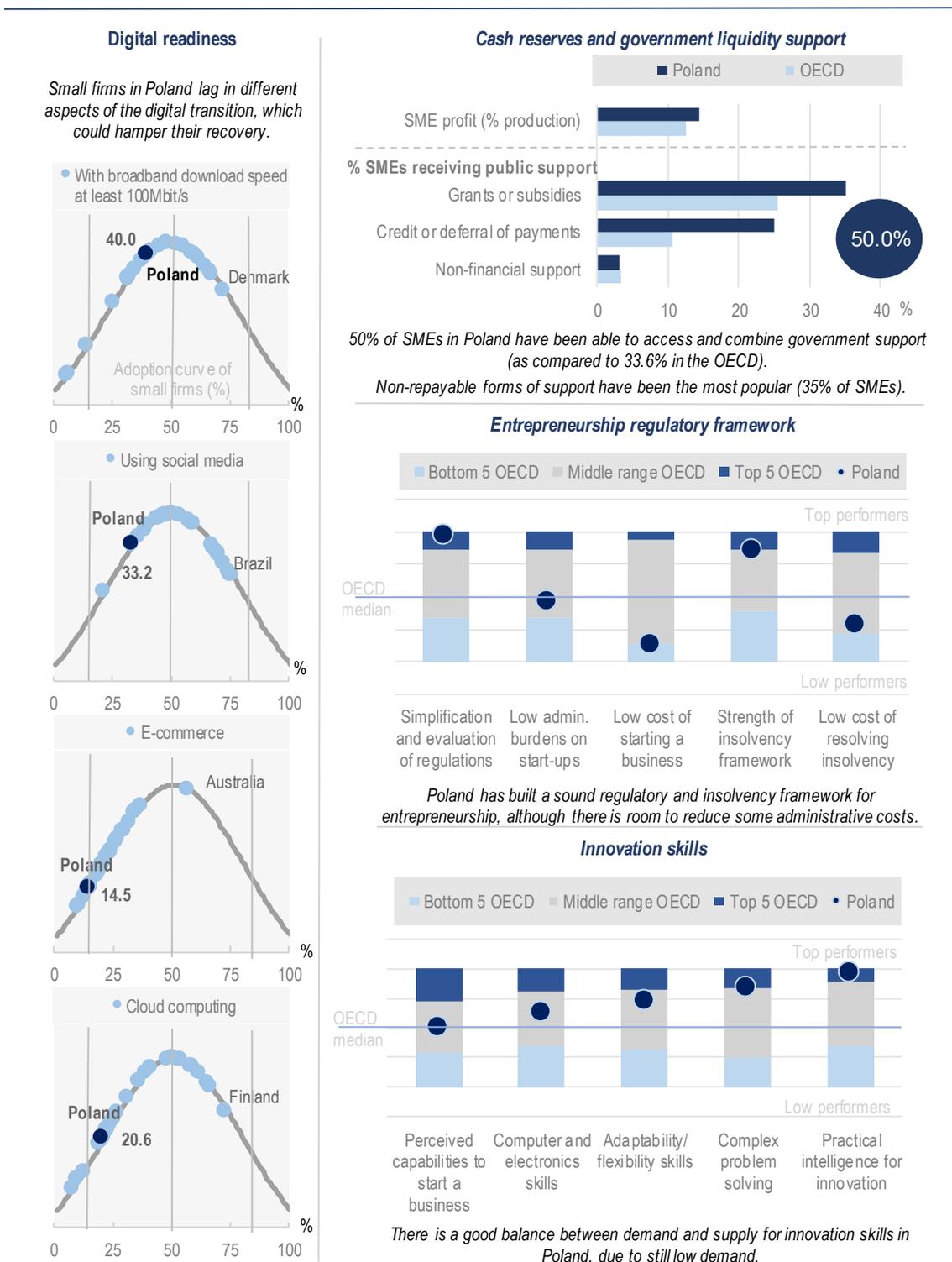
**Figure 6.86. Factors of SME&E structural vulnerability in Poland**



Source: Size of the MSME sector (2018): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251941>

**Figure 6.87. Sources of SME&E resilience in Poland**



Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251960>

## Portugal

Figure 6.88. COVID-19 impact on business dynamics and policy responses in Portugal

### Stringency of government measures



Portugal has remained under particularly restrictive conditions since the start of the pandemic.

### Business dynamics



Firm creation has declined in 2020 as compared to 2019 in Portugal, with a cumulative difference of firm entries on a year-on-year basis of more than -40%.

### Policy spotlight

Portugal has several **COVID-19 Credit Lines with State Guarantee** to support SME and entrepreneurs' liquidity, including:

- **EUR 6.2 billion Economy Support** for sectors under stress (restaurants, entertainment, tourism);
- **EUR 1 billion** for micro and small enterprises;
- **EUR 1.05 billion** for SMEs, small mid-caps and mid-caps from the industry and tourism sectors with an export share of at least 20% in 2019;
- **EUR 1.1 billion APOIAR measures** to foster the maintenance of business activity.

Structural measures have also been implemented:

- **EUR 25 million fiscal package** to support the entrepreneurship and start-up ecosystem;
- **EUR 1.7 million to Digital Education**, businesses 4.0, and digital public administration
- **Portugal Digital Plan** that aims at the digital transformation of businesses with dedicated support for SMEs in the countryside;
- **Recovering Portugal, Building the Future** with policy priorities and investments towards **Resilience, Climate Transition, and Digital Transformation**;
- **Portugal 2030 Strategy** to recover the economy and protect employment while ensuring greater territorial and social cohesion;
- **2030 Economic Internationalisation Programme** for greater integration of SMEs in GVCs.

### National SME and entrepreneurship policy framework

SME&E policies in Portugal are defined as part of **wider strategies and policy frameworks**.

The "**Action Plan for the Digital Transition**" (2020) sets a comprehensive strategic vision for the digital transition and is structured under three main pillars: (i) Capacity building and digital inclusion ; (ii) Businesses digital transformation and ; (iii) Public services digitization. "**Startup Portugal**" also encompasses Portugal's approach towards entrepreneurship, focusing on ecosystems, funding, and internationalisation.

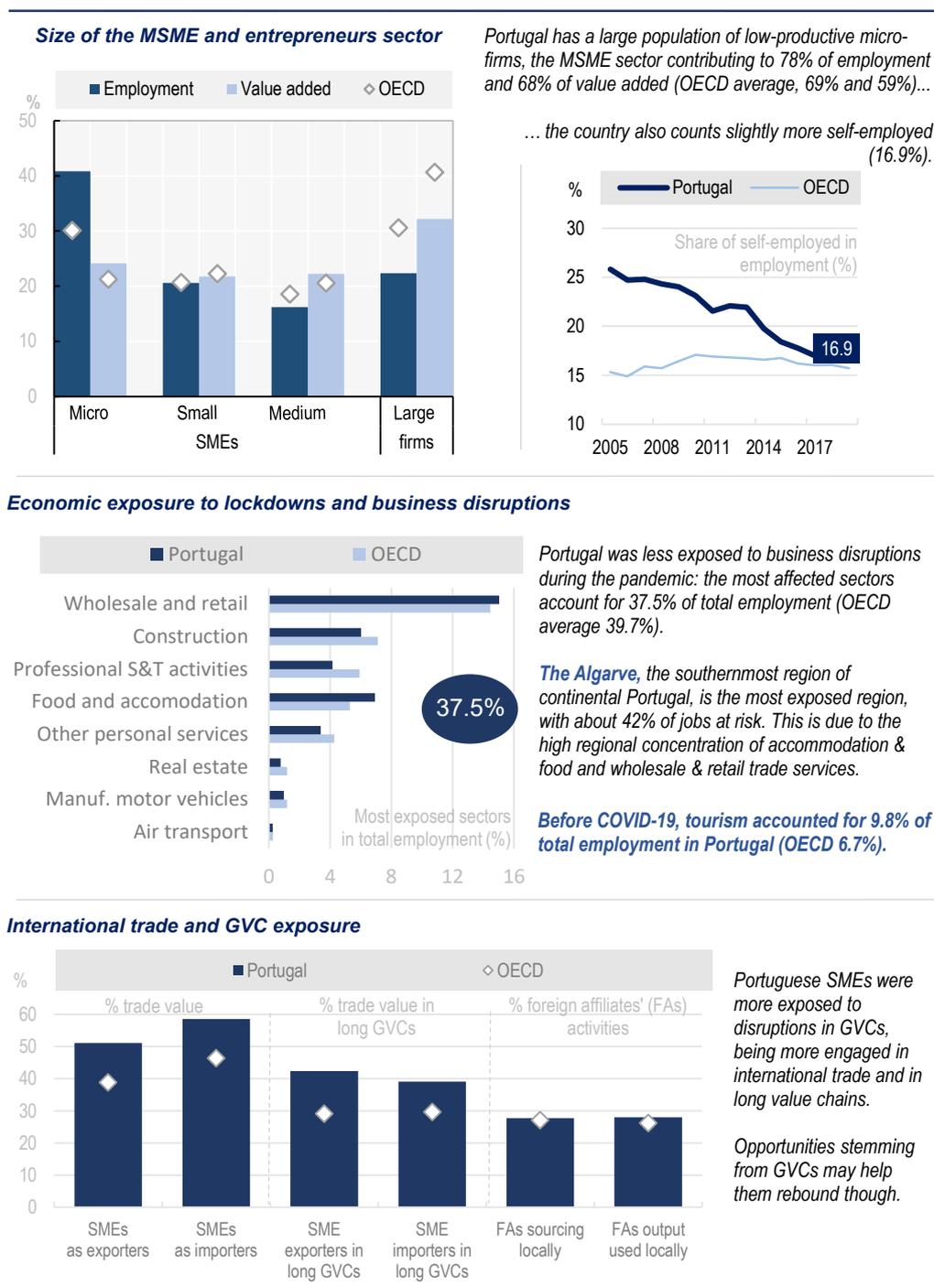
The **Think Small First principle** guides the mainstreaming of an SME dimension across policies, as required by the EU Small Business Act (SBA) to establish a governance mechanism at national level.

"**Entrepreneur's Desk**" aims to simplify the regulatory process for entrepreneurs.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934251979>

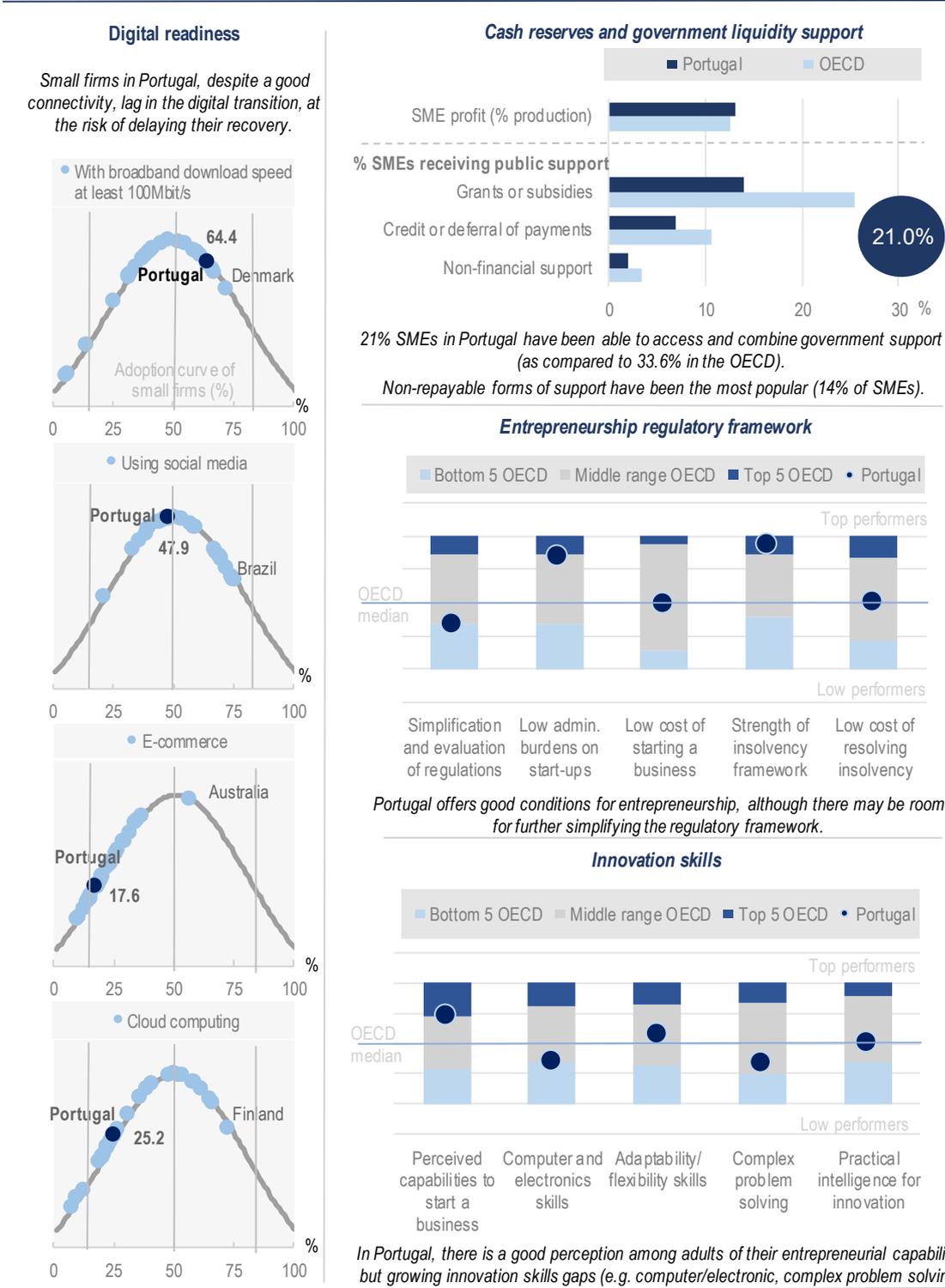
**Figure 6.89. Factors of SME&E structural vulnerability in Portugal**



Source: Size of the MSME sector (2016): OECD SME&E Outlook 2019; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2017): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2016): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934251998>

Figure 6.90. Sources of SME&E resilience in Portugal



Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934252017>

## Slovak Republic

Figure 6.91. COVID-19 impact on business dynamics and policy responses in the Slovak Republic

### Business dynamics



After a sharp decrease at the beginning of the pandemic, firm entries recovered steadily, remaining still below 2019 levels at the end of the period.

In turn, firm exits were much lower throughout 2020 as compared to 2019.

### Policy spotlight

Key measures to support SMEs and entrepreneurs' liquidity include:

- **Short-Time Work Scheme** to compensate for workers' salaries in companies that have suspended operations or whose revenue has dropped.
- **Financial Aid Guarantee** to loans and/or payment of interest costs from loans, mainly to preserve employment and performance in SMEs.
- **Mortgage Installments Postponement** for individuals, self-employed, and SMEs.

More structural measures are also implemented:

- **Interest-Free Loans for start-ups** (mainly SMEs) via the Export-Import Bank (EXIMBANKA) and the Slovak Guarantee and Development Bank (SZRB).
- **National Recovery Plan** with five key priorities: i) green Slovakia, ii) better education, iii) science, research, innovation, iv) healthy life, and v) efficient state and digitalisation promoting an ecosystem for innovation in digital technologies.

### National SME and entrepreneurship policy framework

SME&E policies in the Slovak Republic are defined as part of an annual Action Plan.

The national SME policy is outlined in the "Report on the State of SMEs" (2018) where it is intended to strengthen policy coordination and consultation, and integrate the report in a new strategic document on **National Council for Productivity and Competitiveness**.

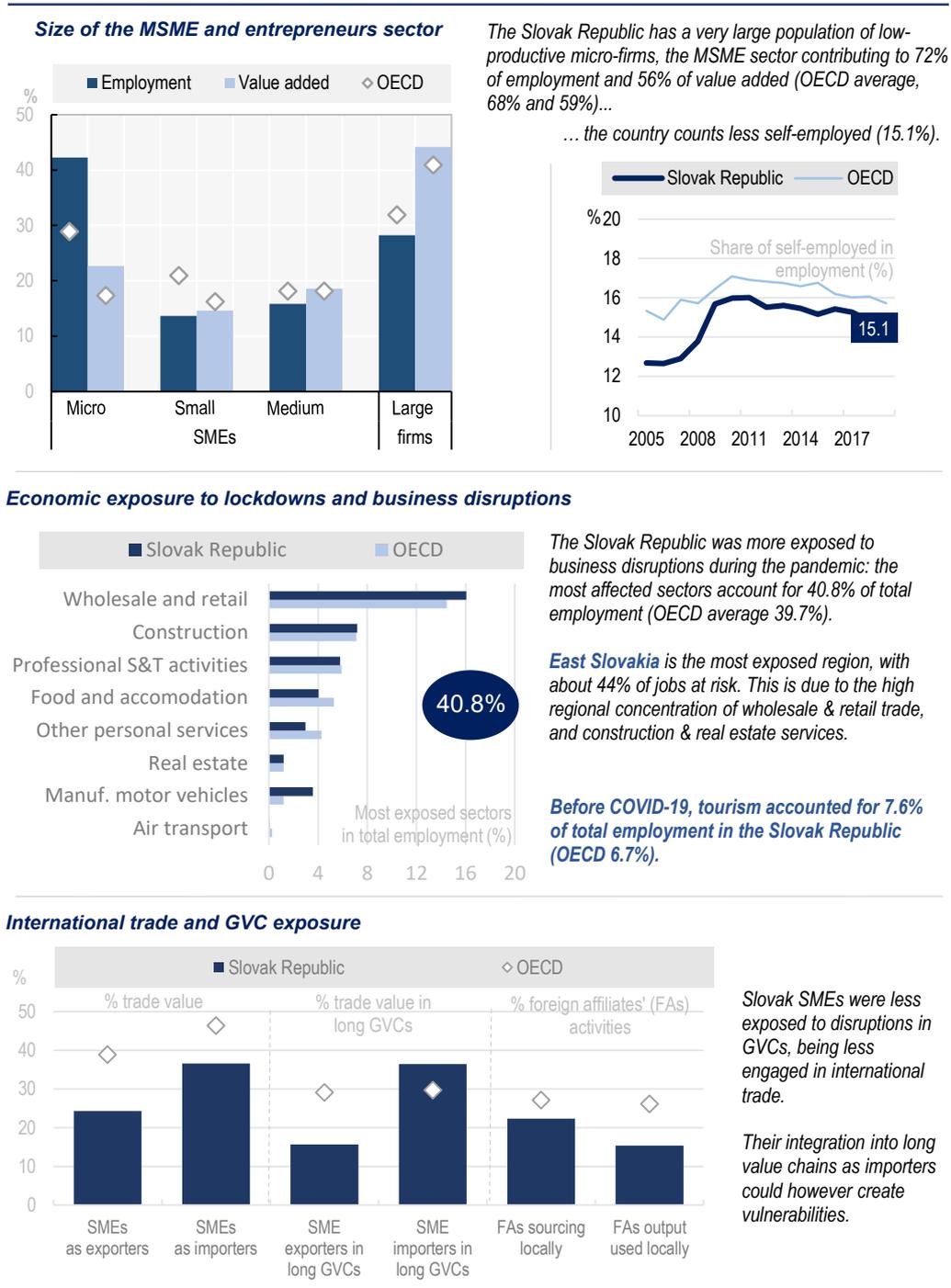
The **Ministry of Economy** is the central body responsible for SME support, including for the implementation of the SME Support Law. It places emphasis on the integration of SMEs into national sectoral strategies.

The "Manifesto of the Slovak Republic 2020-24" commits to create a business environment with simple laws and low administrative, financial and regulatory burdens.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934252036>

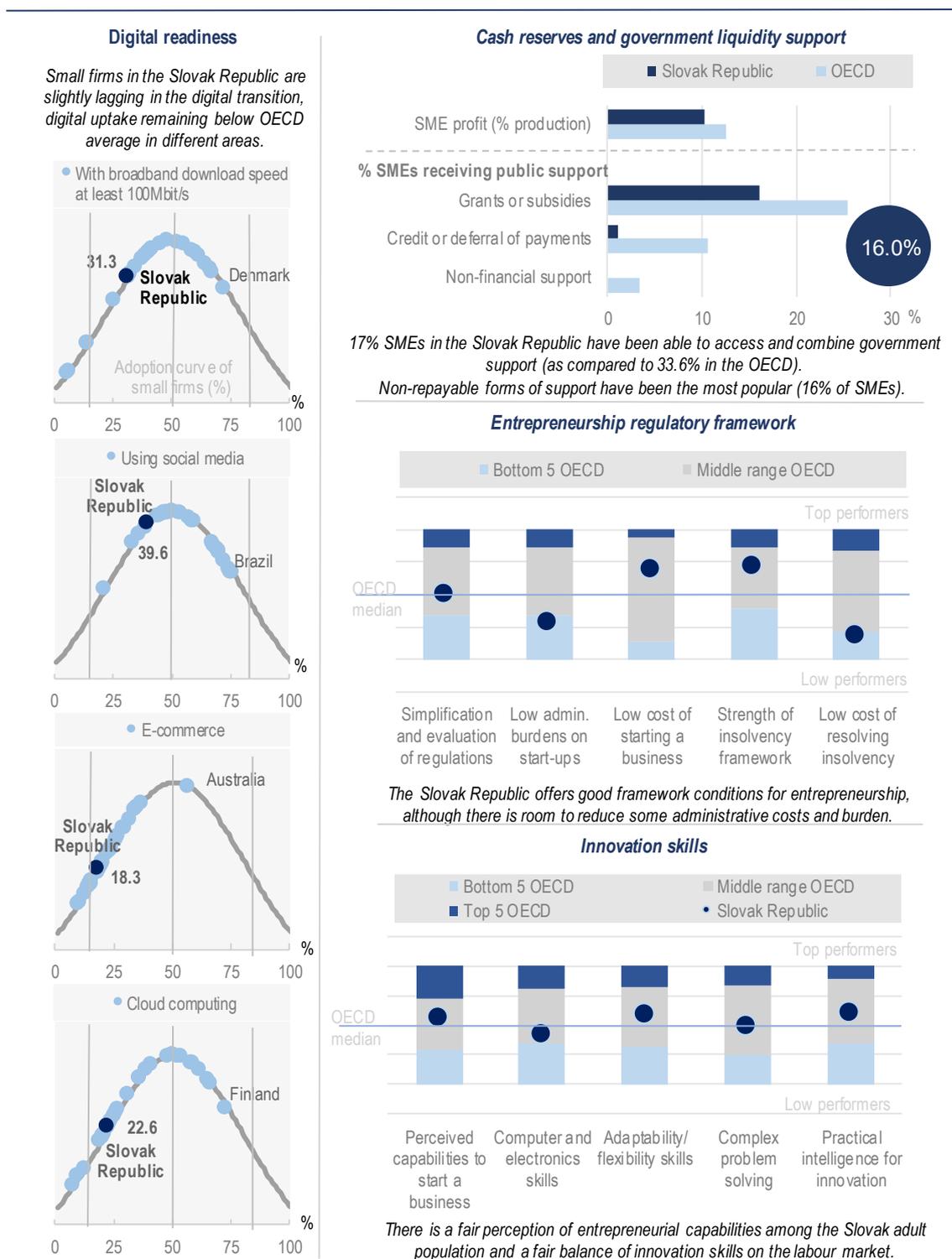
**Figure 6.92. Factors of SME&E structural vulnerability in the Slovak Republic**



Source: Size of the MSME sector (2018): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020 and ILO ILOSTAT database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2017): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

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**Figure 6.93. Sources of SME&E resilience in the Slovak Republic**



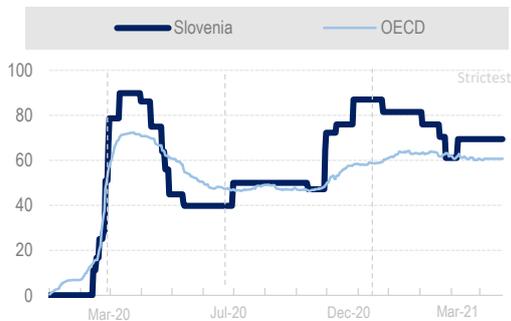
Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2016): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934252074>

## Slovenia

Figure 6.94. COVID-19 impact on business dynamics and policy responses in Slovenia

## Stringency of government measures



Slovenia has experienced a series of stringent restriction periods since the beginning of the pandemic.

## Business dynamics



After a sharp drop in firm entries and sharp increase in firm exits in the first quarter of 2020, business dynamics slowly restored towards 2019 levels, the shock having not been fully absorbed still.

## Policy spotlight

Key measures to support SMEs and entrepreneurs' liquidity include: **EUR 2 billion Liquidity Aid** of loan guarantees for micro firms and SMEs (up to 80% guarantee); a **EUR 378 million Support Scheme for self-employed** in the form of grants; or **EUR 115 million Slovenian Enterprise Fund** for SMEs where the Slovenian Regional Development Fund offers companies to roll over debt.

Structural measures have also been implemented:

- **EUR 660 million Recovery Scheme**, including EUR 248 million in grants. The scheme focuses on SMEs, liquidity, the green transition and digitalisation.

- **National Recovery and Resilience Plan** with developments in green transition (fostering cooperation between energy-intensive industries and innovative SMEs to strengthen energy efficiency), and in digital technologies (fostering SMEs/start-ups and blockchain, e-commerce and the cloud computing, as well as cooperation between SMEs and start-ups).

- **EUR 100 million Support Scheme for SMEs and R&D** with grants and zero interest loans.

## National SME and entrepreneurship policy framework

SME&E policies in Slovenia are defined as part of the “**Industrial Strategy 2021-30**”. The Strategy includes a focus on SMEs and entrepreneurship with guidelines for digitalisation, start-ups, innovation, internationalisation, investment, skills, sustainability and the business climate.

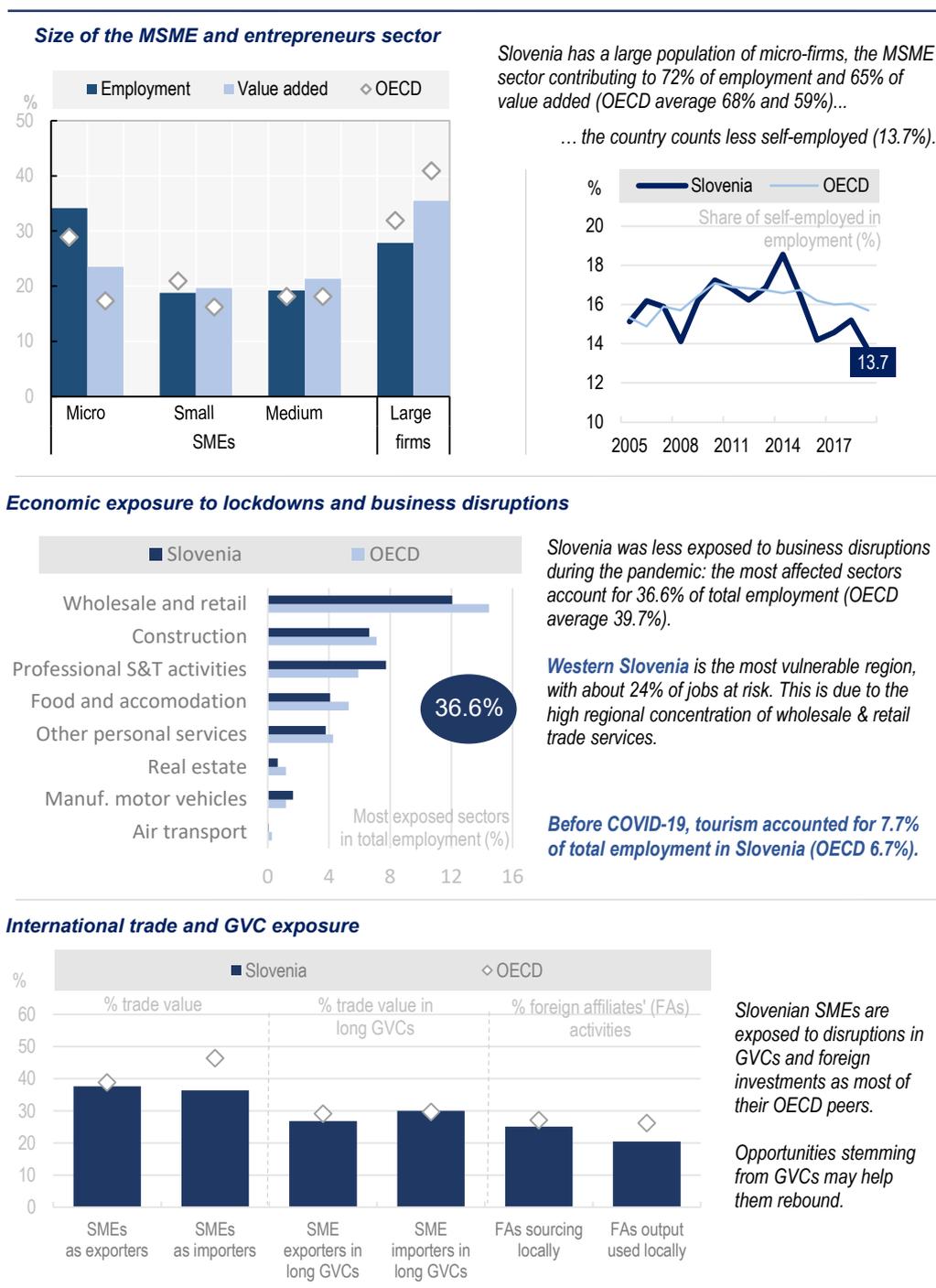
The “**Action Plan - Slovenia - Land of Innovative Start-ups**” (2018) sets the strategic directions for start-ups.

The **Government Office for Development and European Cohesion Policy (GODE)** supports and coordinates SME policy development. Several cities support SME&E and have set-up steering boards to coordinate action.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934252093>

Figure 6.95. Factors of SME&E structural vulnerability in Slovenia



Source: Size of the MSME sector (2018): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2019): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

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**Figure 6.96. Sources of SME&E resilience in Slovenia**



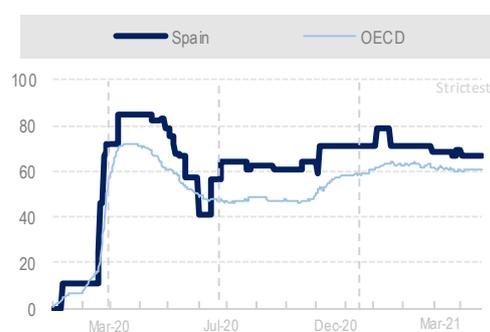
Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2016): OECD SDBS database 2021; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

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## Spain

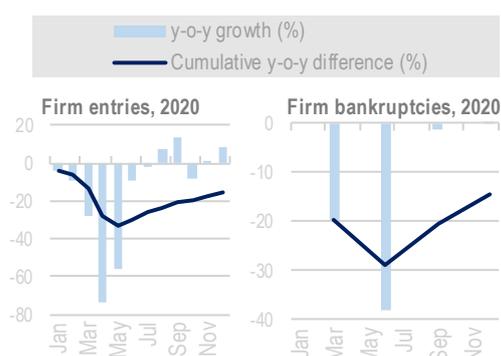
Figure 6.97. COVID-19 impact on business dynamics and policy responses in Spain

### Stringency of government measures



Spain has applied stronger restrictive measures than other OECD countries in 2020 and 2021.

### Business dynamics



In 2020, firm entries in Spain contracted sharply (-16% cumulative y-o-y difference to 2019). The number of bankruptcies also decreased significantly (-14%).

### Policy spotlight

Key measures to support SME and entrepreneurs' liquidity include: **EUR 140 billion public credit guarantees** and **EUR 7 billion of direct support** for SMEs and self-employed; a **EUR 10 billion Solvency Support Fund** for strategic enterprises in difficulties; or a **EUR 1 billion Recapitalization Fund** for midcaps with solvency issues.

Structural measures have also been taken:

- **EUR 216 million loans** for the digitalisation and R&D&innovation projects of enterprises in the tourism sector.

- **"España Puede" - Plan de Recuperación, Transformación y Resiliencia**, for the modernisation and digitisation of the industrial fabric and SMEs, with a commitment to SME internationalisation as well as their digital transition.

- **EUR 70 billion Recovery and Resilience Plan of Spain (2021-23)** for promoting the green transition and the digital transformation. 23.1% (EUR 16.07 billion) aims to improve the business environment, investment and promote start-ups and SME growth. It also supports strategic sectors (e.g. industry, tourism and commerce) through four components: Industrial Policy 2030; fostering SME growth; the modernisation and competitiveness of the tourism sector; and digital connectivity, cybersecurity, 5G deployment.

### National SME and entrepreneurship policy framework

SME&E policies in Spain are defined within the comprehensive multi-level **"National Strategic Policy Framework for SMEs"** (2019) that has been developed by the **National SME Council**, a multi-stakeholder advisory body chaired by the Minister of Industry, Trade and Tourism (Mincotur).

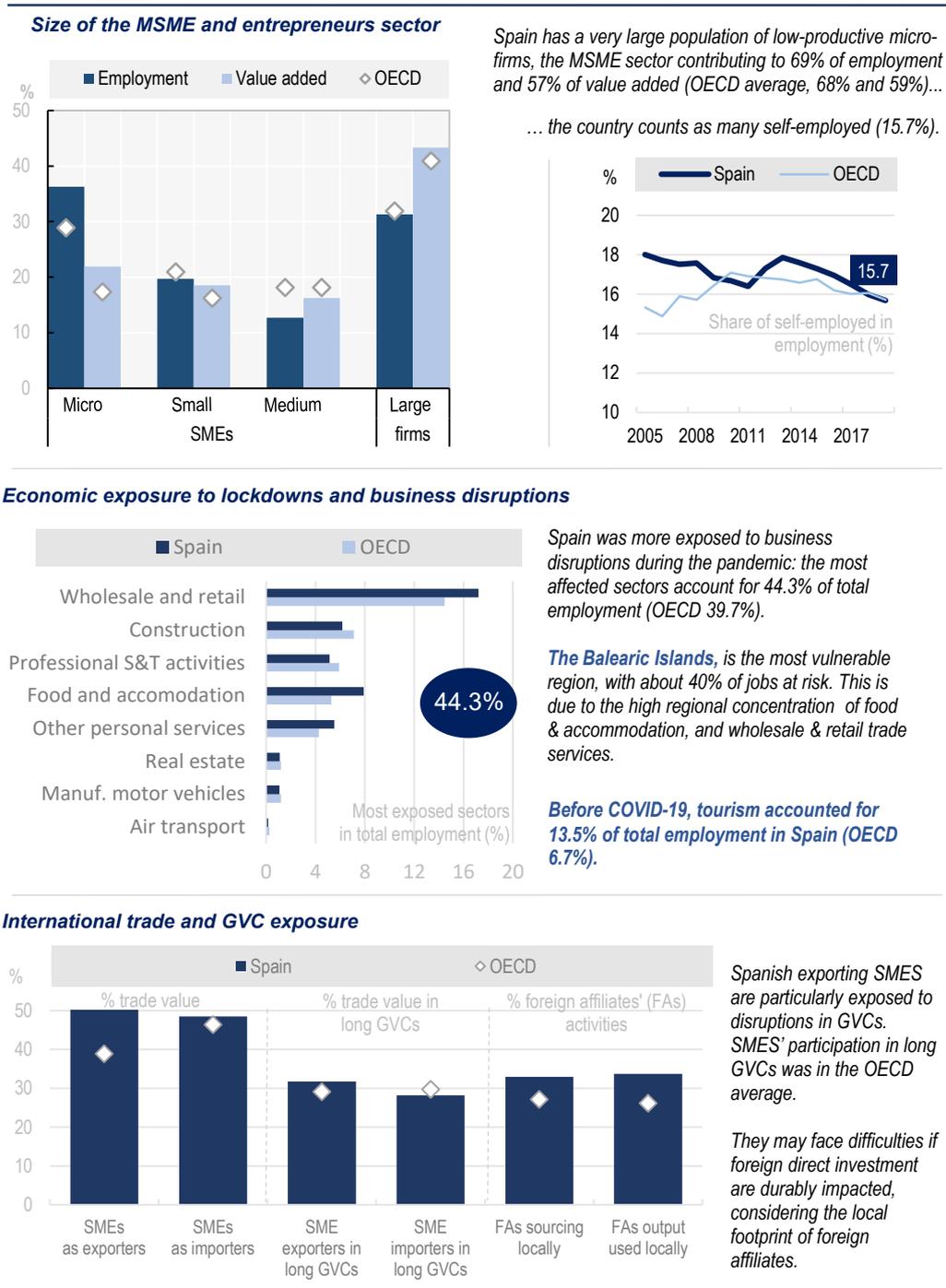
Several strategies/plans have been approved, with direct impact on SMEs competitiveness: the **Digitalization Plan for SMEs (2021-25)**; the **National Plan of Digital Skills**; the **Action Plan for the Internationalization of the Spanish Economy (2021-22)**; and the **Strategy "Spain Entrepreneurship Nation"**.

The **General Secretary of Industry and Small and Medium Enterprises** (Mincotur) is responsible, at national level, of the general coordination of SME Policy, and represents Spain in international organisations and networks for SME issues such as the OECD and the European Union.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

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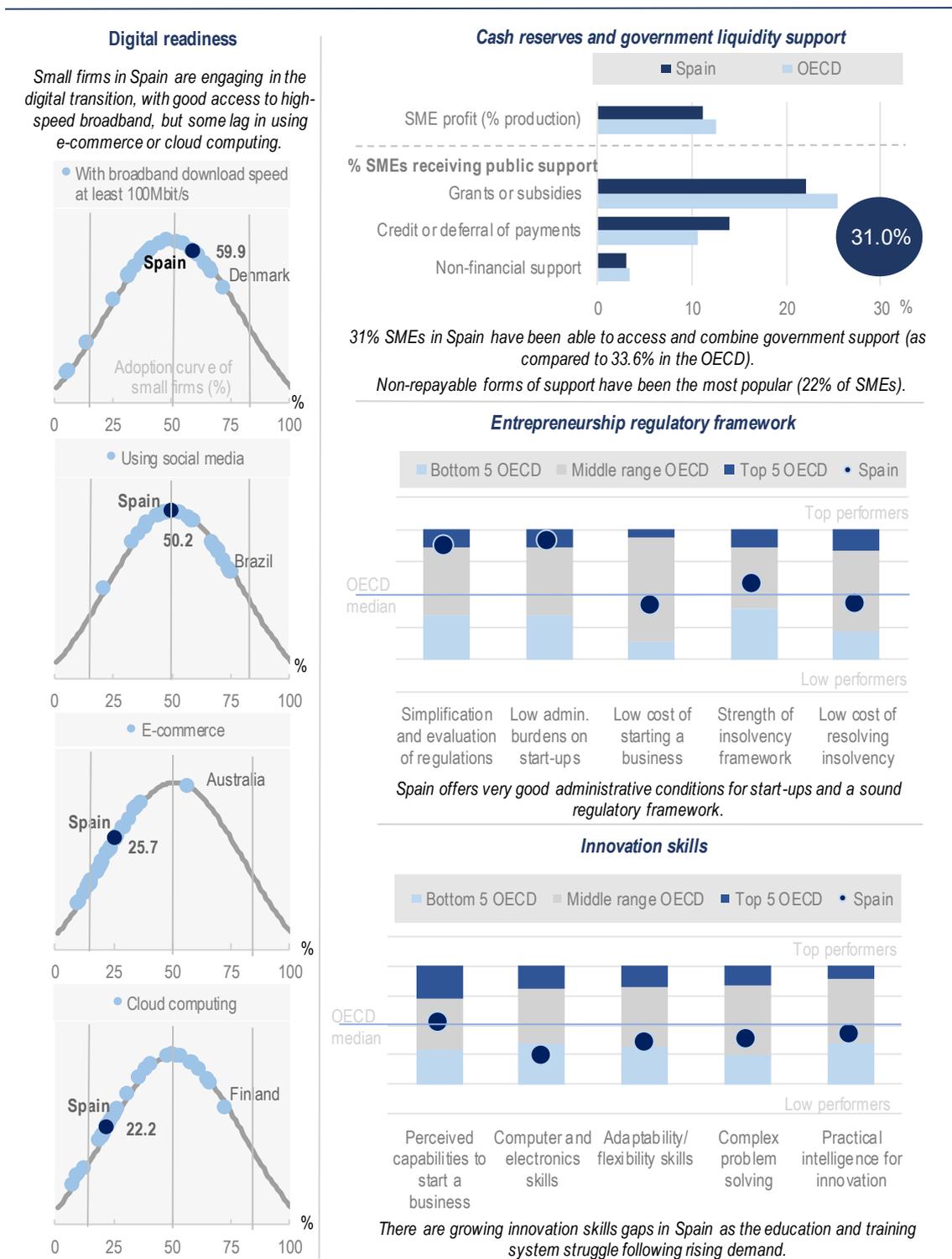
**Figure 6.98. Factors of SME&E structural vulnerability in Spain**



Source: Size of the MSME sector (2018): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2019): OECD Tourism database 2021; GVC exposure (data on trade value refer to 2019, other indicators on GVC exposure refer to 2018): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934252169>

Figure 6.99. Sources of SME&E resilience in Spain



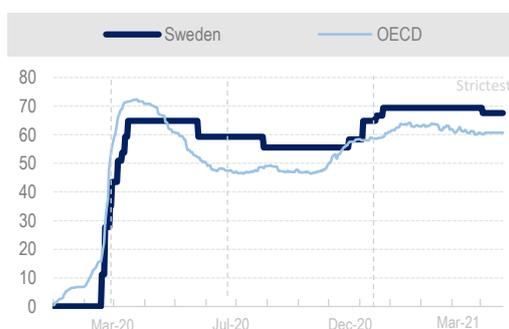
Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

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## Sweden

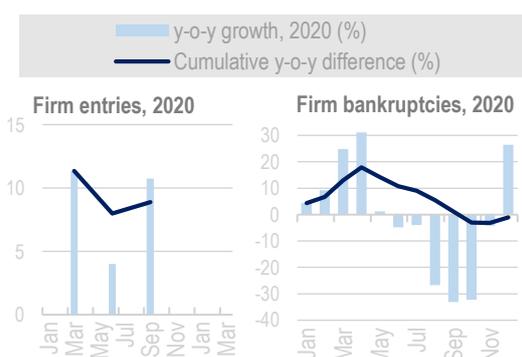
Figure 6.100. COVID-19 impact on business dynamics and policy responses in Sweden

## Stringency of government measures



Sweden has adopted stringent measures of restriction since the start of the pandemic, while emphasising individual responsibility.

## Business dynamics



Firm creation in Sweden was higher in 2020 than the year before. After an initial increase (2020Q1), bankruptcies declined steadily and rebounded sharply in December.

## Policy spotlight

Key measures to support SME and entrepreneurs' liquidity include **SEK 5 billion Government Loan Guarantee** to small business (SEK 120 000 per business) to replace income lost during the pandemic.

Structural measures have also been taken:

- **SEK 3 billion Capital Grant** to lend more to SMEs through Almi, a state agency which offers loans to companies with **growth potential** and assists in their business development ;

- **SEK 200 billion Extended Loan Limit** from the Swedish Export Credit Agency to insure **export SMEs** against the risk of non-payment in export transactions ;

- **National Recovery and Resilience Plan**, including powerful **green restart package** for the Swedish economy and long-term reforms so that Sweden can emerge from the crisis stronger. In total, investments in the Budget Bill are set at SEK 105 billion in 2021 and SEK 85 billion in 2022.

## National SME and entrepreneurship policy framework

SME&E policies in Sweden are defined as **part of wider strategies and policy frameworks**.

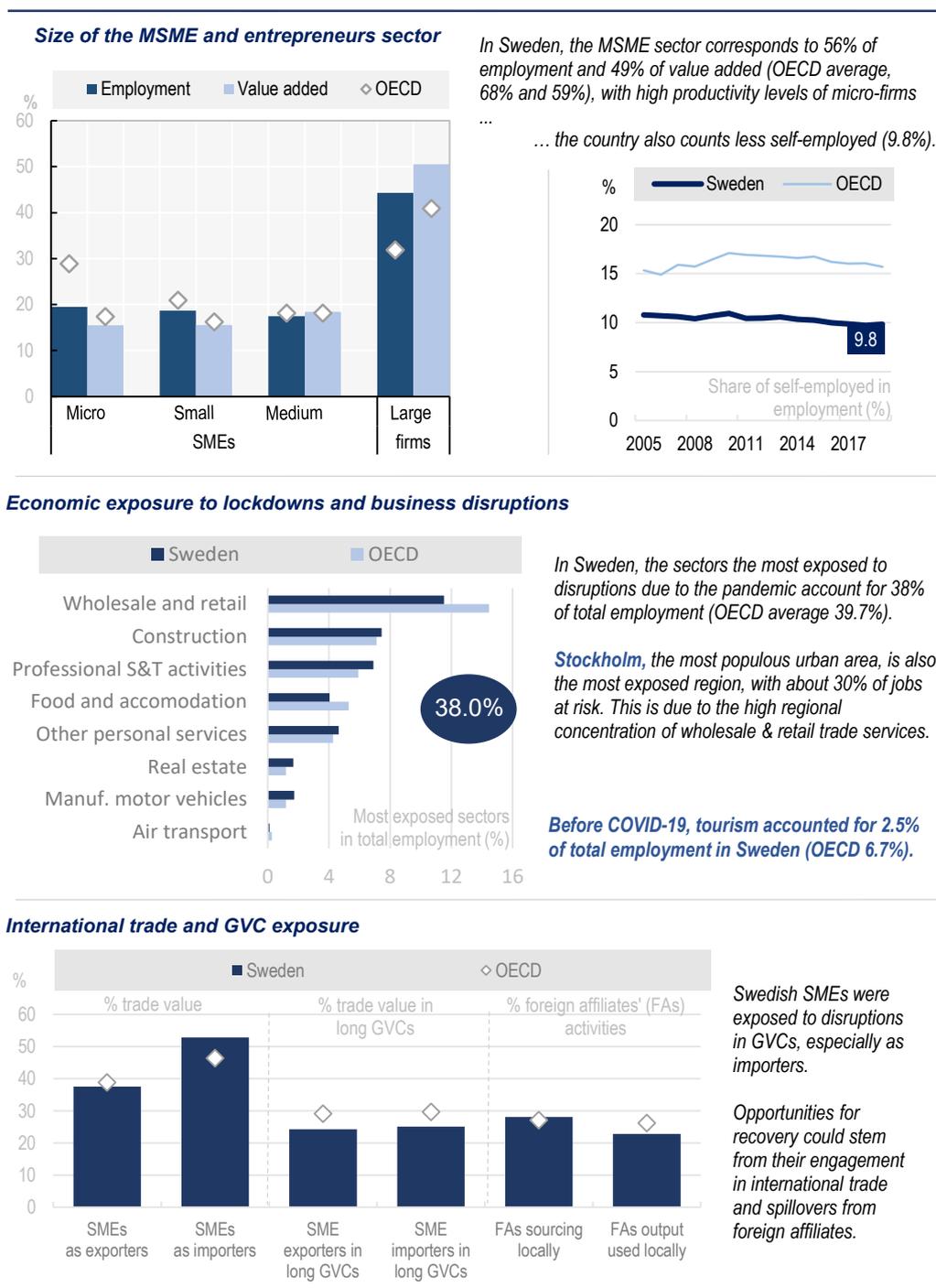
Sweden has adopted a mainstreaming approach to SME&E policy, within **Innovation Policy and Regional Development Strategies**. The website "verksam.se" opens up government services for business by different authorities.

The national SME&E policy framework is characterised by a **decentralised decision structure**, where the government sets the general policy goals and distributes the grants to the organisations (national, but operating regionally and locally) that are responsible for implementation. Non-grant measures (e.g. tax, regulation, incentives, credit instruments) are also affected by this decentralised structure.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934252207>

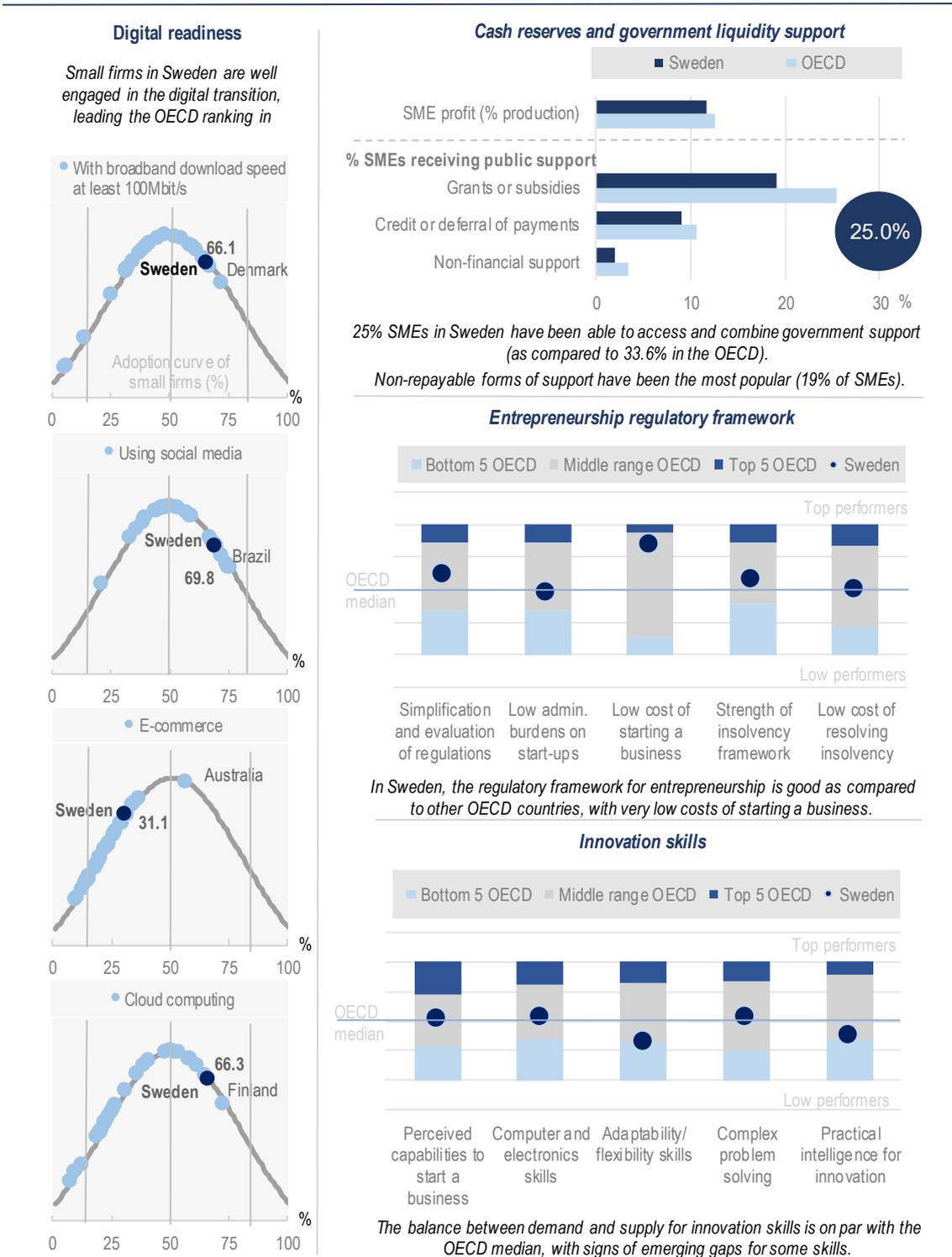
**Figure 6.101. Factors of SME&E structural vulnerability in Sweden**



Source: Size of the MSME sector (2017): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2017): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2019): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934252226>

Figure 6.102. Sources of SME&E resilience in Sweden



Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934252245>

## Switzerland

Figure 6.103. COVID-19 impact on business dynamics and policy responses in Switzerland

### Stringency of government measures



Overall, Switzerland had experienced less stringent measures throughout 2020, as compared to other OECD countries.

### Business dynamics

In 2020, 46 842 new firms were added to the Swiss Commercial Register, an increase of 5.3% compared to the previous record year of 2019.

The total number of bankruptcy proceedings opened against businesses and individuals declined by 6.6% compared with 2019. The number of bankruptcy proceedings closed were part of the same overall dynamic.

### Policy spotlight

Key measures to support SME and entrepreneurs' liquidity include:

- **CHF 40 billion Guarantee Program** ensuring that affected SMEs (sole proprietorships, partnerships and legal persons) obtain credits transitional banking. To date, CHF 17 billion have been disbursed under this program ;

- **Temporary Relief** from the requirement to report indebtedness that could lead to immediate bankruptcy, as well as an option for a **deferral of debt** linked to the epidemic, in particular for SMEs ;

- Special guarantee procedure decided to support promising startups with corona-related liquidity bottlenecks via the **Guarantee System for SMEs**. A total of 359 loans with a volume of CHF 98.7 million were guaranteed.

Structural measures have also been taken, such as:

- **CHF 28.1 billion in education, research and innovation** including measures to support the export industry and SMEs that want to invest in research and development projects.

### National SME and entrepreneurship policy framework

SME&E policies in Switzerland are defined as **part of wider strategies and policy frameworks**.

The **SME Policy Section** of the State Secretariat for Economic Affairs is responsible for the parameters regarding SME financial support, reduction of administrative burden and e-government for SMEs.

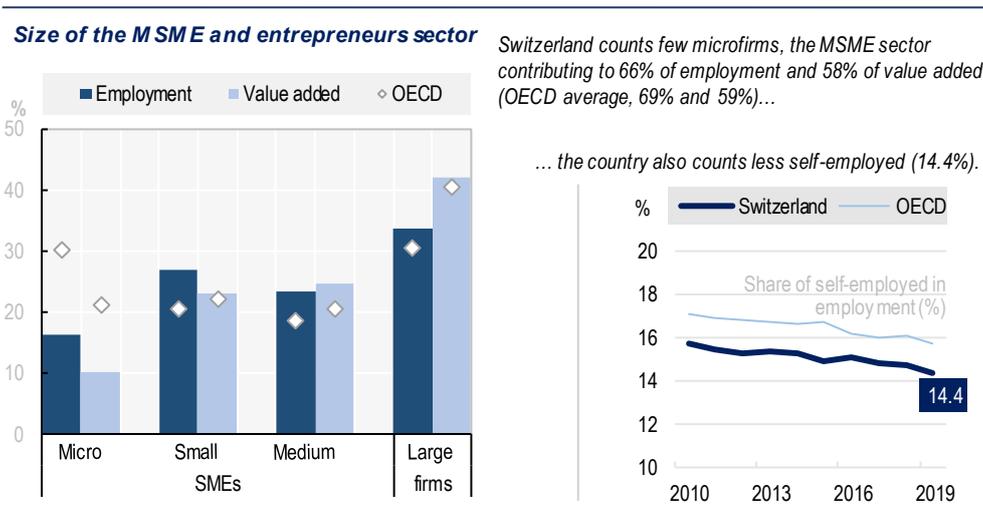
**Policy support measures tailored to the specific needs of SMEs** are provided by the Federal government to improve framework conditions and support in access to finance, internationalisation, skills and innovation.

The **SME Forum** is an extra-parliamentary commission of experts and SME owners that plays an important role in the decision-making process when primary laws or ordinances are being developed.

Source: Oxford stringency Index (April 2021); and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934252264>

Figure 6.104. Factors of SME&amp;E structural vulnerability in Switzerland



### Economic exposure to lockdowns and business disruptions

Switzerland was relatively less exposed to economic disruptions during the pandemic. In 2020, the GDP only contracted by 2.9%. This reflects strong fiscal, financial, and household buffers, a specialisation in highly-competitive export industries that weathered the turmoil better (e.g. pharmaceuticals), low dependency on contact-intensive sectors (e.g. tourism), a large and well-capitalised financial sector, and a well-resourced health system and carefully-targeted containment measures (e.g. no widespread closure of manufacturing).

*Ticino*, the southernmost canton of Switzerland, was the region the most exposed with about 28% of jobs at risk, the highest share in the country, especially due to the regional concentration of wholesale & retail trade services and construction.

Before COVID-19, tourism accounted for 4.4% of total employment in Switzerland (OECD 6.7%).

### International trade and GVC exposure

In Switzerland, there was actually three and a half times as many enterprises engaged in import activities as in exporting in 2018.

Export business is dominated by large enterprises (250 or more employees) that accounted in the same year for 54% of exports, although in terms of numbers they represented only 2% of the enterprises active in foreign trade.

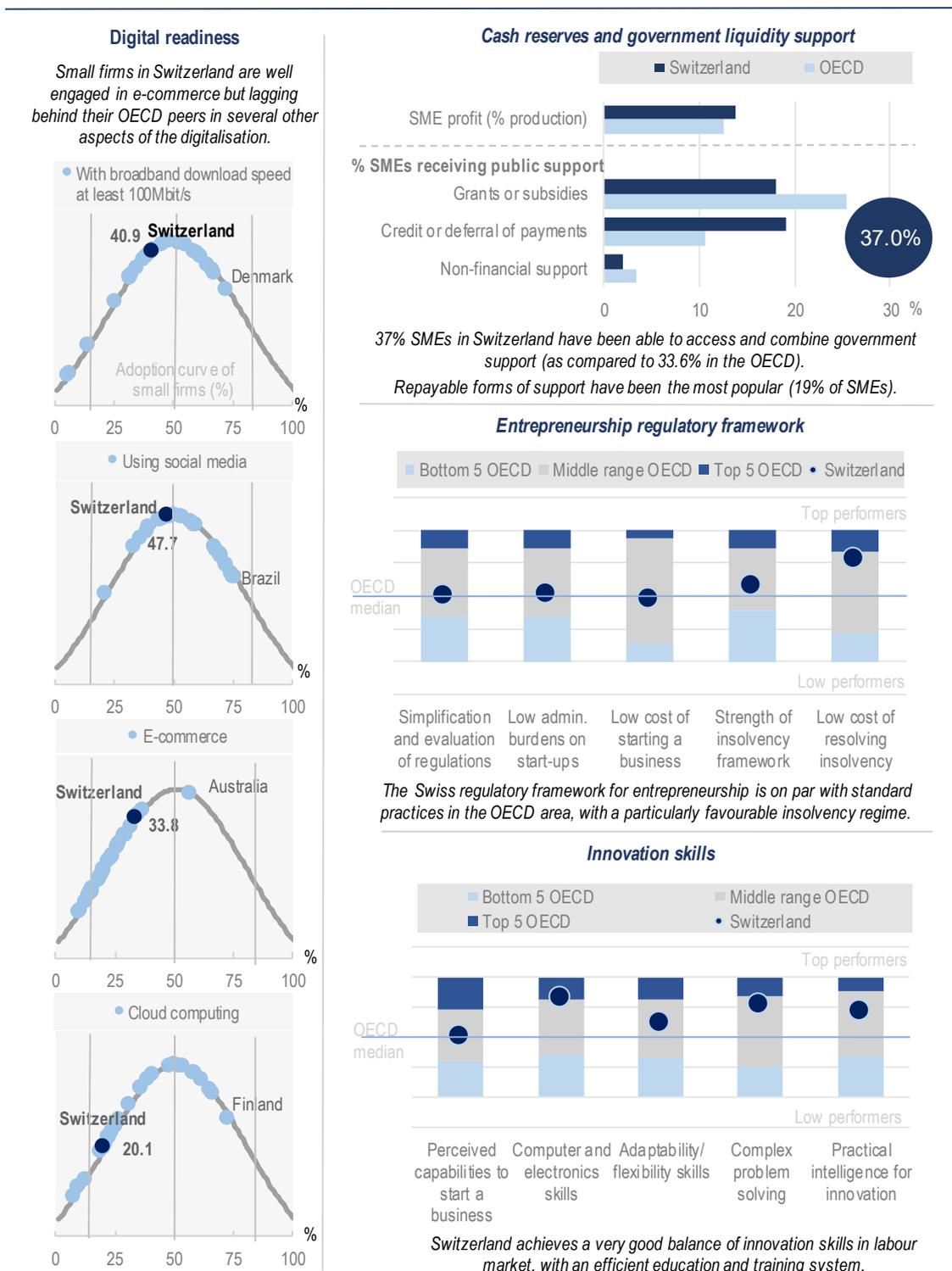
On the import side, SMEs set the tone: they accounted for 57% of total imports (and 99% of the import enterprises). In particular 26% of import value is made by small firms import for 13% of export value.

SMEs are very active in sectors where they act as intermediaries or suppliers of accessories; they have a strong presence in imports and exports of the wholesale trade services and the manufacture of basic metals.

Source: Size of the MSME sector (2016): OECD SME&E Outlook 2019; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2020): (IMF, 2021); most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2017): OECD Tourism database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934252283>

Figure 6.105. Sources of SME&E resilience in Switzerland



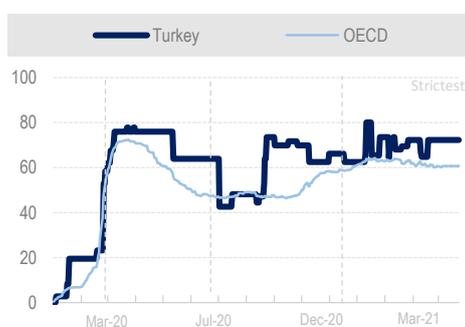
Source: Broadband (2017), social media (2017), e-commerce (2011), cloud computing (2017): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934252302>

## Turkey

Figure 6.106. COVID-19 impact on business dynamics and policy responses in Turkey

### Stringency of government measures



Turkey set restrictive measures over the year, as compared to other OECD countries.

### Business dynamics



Overall, firm creation has remained strong in Turkey during the year, the number of firm entries increasing by +22% on a cumulative year-by-year basis. January 2021 shows a slowdown.

### Policy spotlight

Key measures to support SME and entrepreneurs' liquidity include a **USD 7.7 billion Credit Guarantee Fund** dedicated to SMEs and companies with liquidity needs and collateral deficit; a **USD 859 million Loan Package** for SMEs with no principal and interest payments, and **Postponed Loans and Reimbursable Supports** where SMEs do not pay deferral expenses.

Structural measures have also been implemented:

- **USD 15.4 billion Recovery Plan "Turkey Relance"** whose main orientations are dedicated to ecology, competitiveness and cohesion.
- **International Market Support Programme** aims to support Turkish SMEs to enter the international market and develop their export capacities.
- **KOBİGEL/SME Development Support Programme** to increase SME productivity and competitiveness with the help of digital technologies, with a focus on the manufacturing sector.
- **E-Academy** providing online entrepreneurship trainings across the country covering all urban and rural areas.
- **SME Technology Support Programme**, providing professional services (coaching, consultancy, mentoring) to enterprises through Technology Development Centers (TEKMER).

### National SME and entrepreneurship policy framework

SME&E policies in Turkey are defined as part of a multi-annual Action Plan.

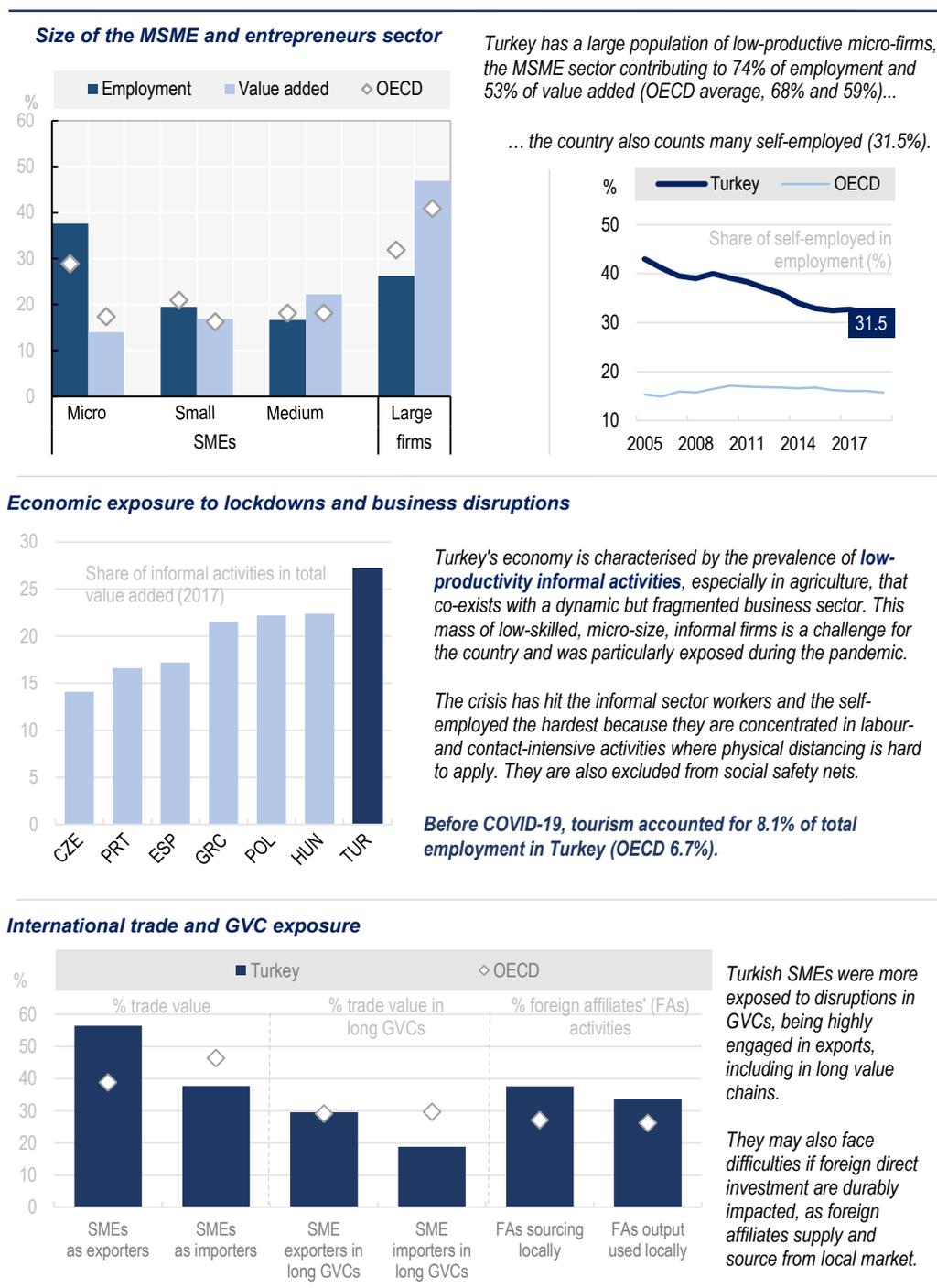
The Turkish SME Agency (KOSGEB) has developed the "**KOSGEB Strategic Plan 2019-23**" (2019) to contribute to a coordinated SME policy delivery. The main objectives regard innovation, technology and R&D, fostering entrepreneurship, and strengthening skills, internationalisation and productivity of SMEs. It also provides for specific provisions for monitoring and evaluation.

The Strategic Plan also fits within the wider objectives of **Turkey's Development Plan towards 2023**.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934252321>

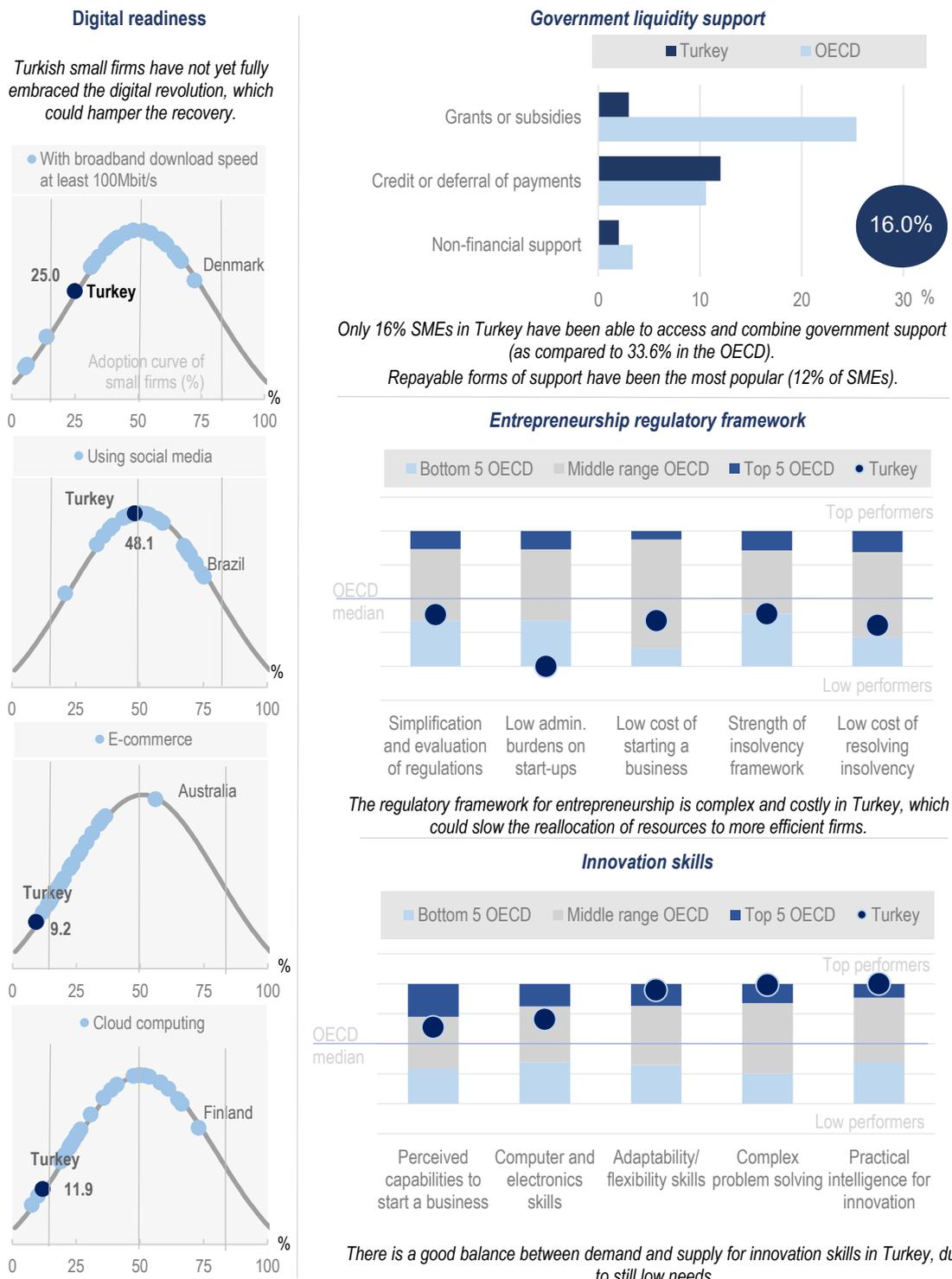
Figure 6.107. Factors of SME&E structural vulnerability in Turkey



Source: Size of the MSME sector (2019): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; informal activities (2017): OECD Economic Survey of Turkey (OECD, 2021); Tourism employment (2019): OECD Tourism database 2021; GVC exposure (2014): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934252340>

**Figure 6.108. Sources of SME&E resilience in Turkey**



Source: Broadband (2020), social media (2019), e-commerce (2020), cloud computing (2020): OECD ICT Usage by Businesses database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2018 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934252359>

## United Kingdom

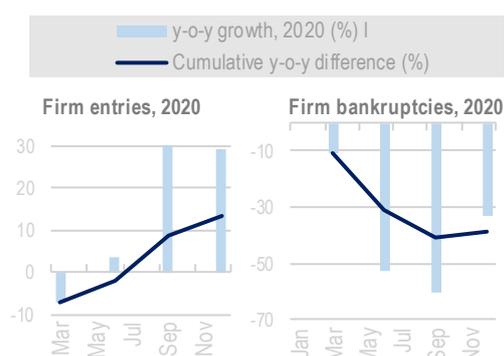
Figure 6.109. COVID-19 impact on business dynamics and policy responses in the United Kingdom

### Stringency of government measures



The United Kingdom has experienced very stringent conditions since the beginning of the pandemic.

### Business dynamics



Firm entries quickly regained momentum after the initial shock, with a cumulative balance in 2020 of +13% compared to 2019. Bankruptcies also receded markedly in 2020, remaining well below 2019 levels.

### Policy spotlight

Key measures to support SME and entrepreneurs' liquidity include the **Bounce Back Loan Scheme** with a fast-track finance scheme for small businesses, and the **Coronavirus Business Interruption Loan Scheme**, providing SMEs with access to loans, overdrafts, invoice finance and asset finance of up to GBP 5 million and for up to 6 years.

Structural measures have also been implemented:

- **GBP 1.25 billion Start-ups Support Plan** including the **Future Fund** for high-growth companies affected by the crisis (public and private financing), and **GBP 750 million Support for SMEs** focused on research and development
- **Sustainable Innovation Fund**, accessible to businesses and start-ups who wish to develop smart, sustainability-focused projects
- **GBP 3 billion "Green Stimulus"** with GBP 1 billion commitment to decarbonising public sector buildings, and GBP 2 billion to foster homes retrofitting. At sub-national level, it includes the **Low Carbon Workspaces Programme** open to SMEs in Hertfordshire, Buckinghamshire, Bedfordshire, Berkshire, Milton Keynes and Northamptonshire to take on green initiatives.
- **Digital Access Programme CyberSafe Foundation** to equip SMEs with knowledge and skills to identify and defend from COVID-19 instigated cyber threats

### National SME and entrepreneurship policy framework

SME&E policies in the United Kingdom are defined as part of wider strategies and policy frameworks.

The United Kingdom has developed various SME support actions through its "**Industrial Strategy**" (2017), with a focus on raising productivity and innovation, and on improving framework conditions.

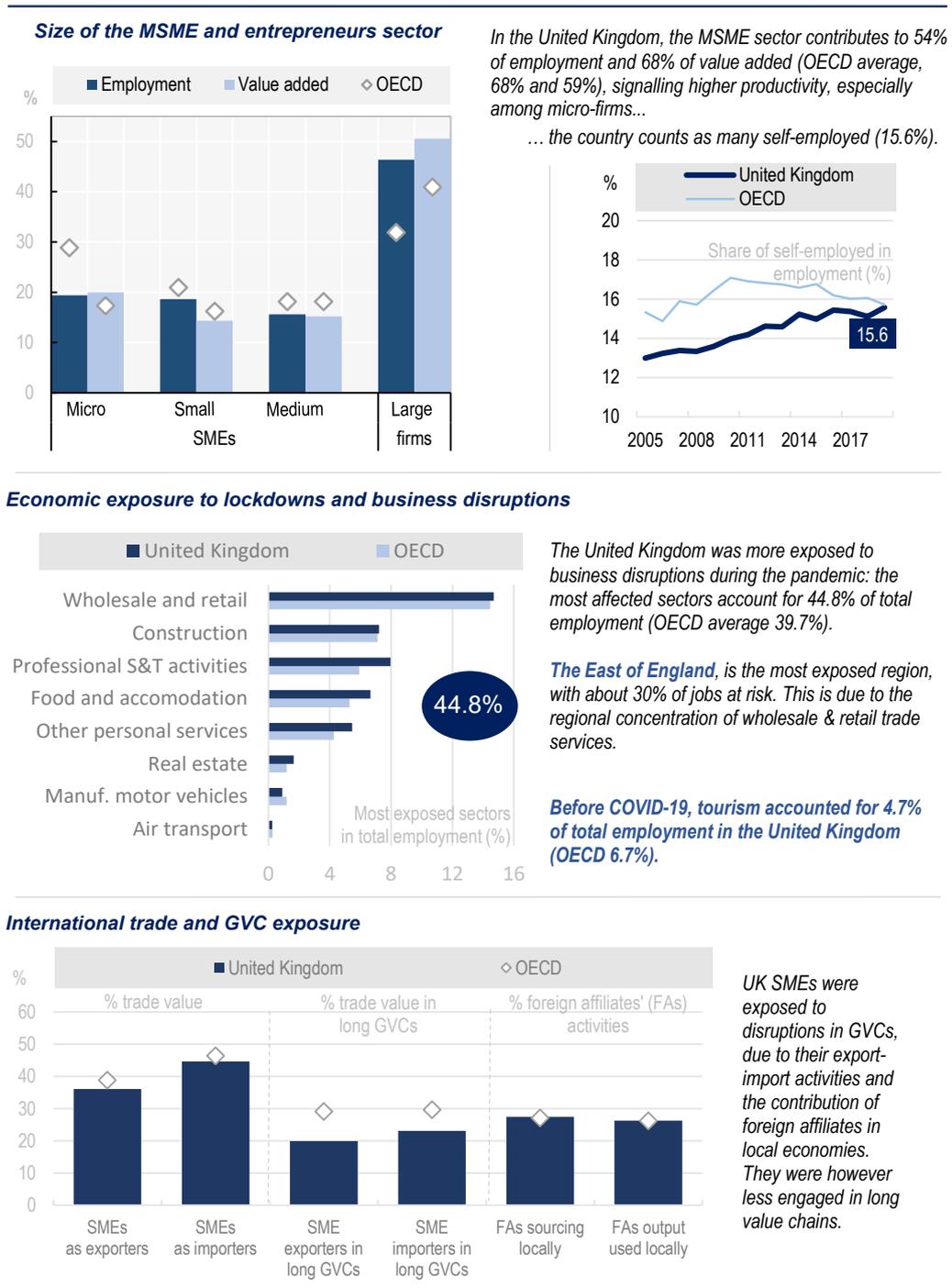
The **Department for Business, Energy & Industrial Strategy** (BEIS) focuses on small businesses and plays a coordinating role within the government, although SME perspectives may be discussed in the wider Cabinet Committee on Domestic and Economic Strategy.

SME policy is a **devolved competency**, with different policy frameworks for each part of the UK and few formal coordination structures across government.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934252378>

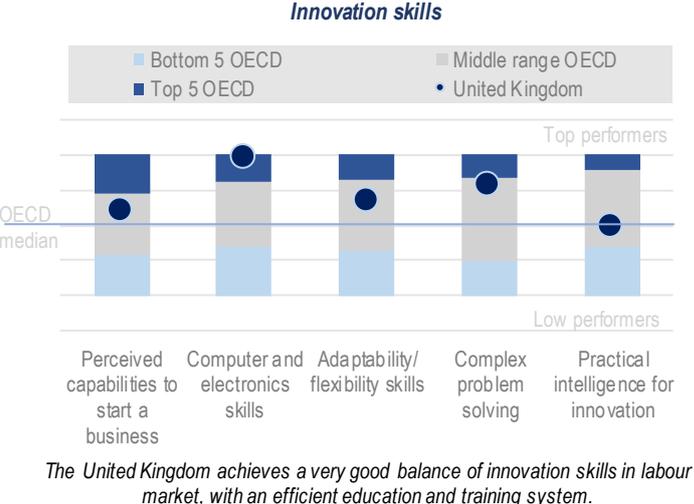
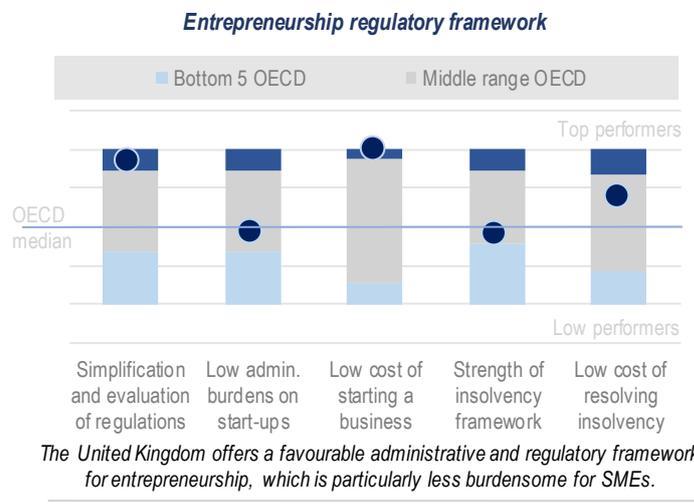
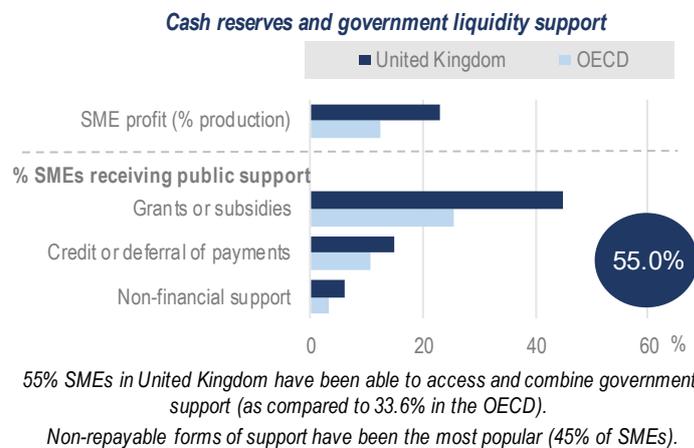
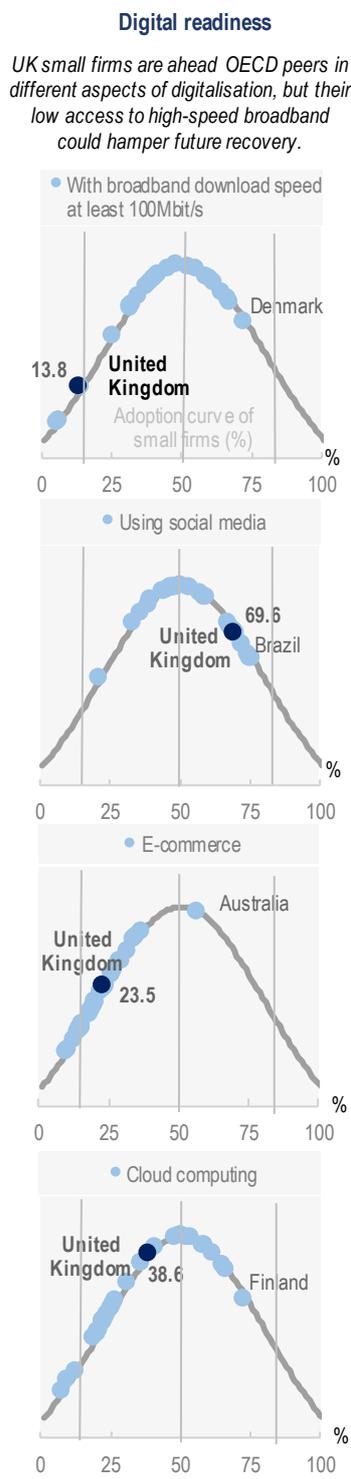
**Figure 6.110. Factors of SME&E structural vulnerability in the United Kingdom**



Source: Size of the MSME sector (2018): OECD SDBS database 2021; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2016): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934252397>

Figure 6.111. Sources of SME&E resilience in the United Kingdom



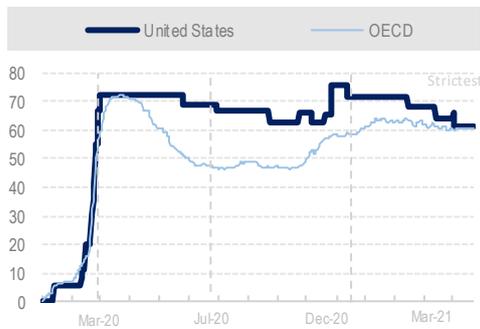
Source: Broadband (2019), social media (2019), e-commerce (2019), cloud computing (2018): OECD ICT Usage by Businesses database 2021; SME profit (2018): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

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## United States

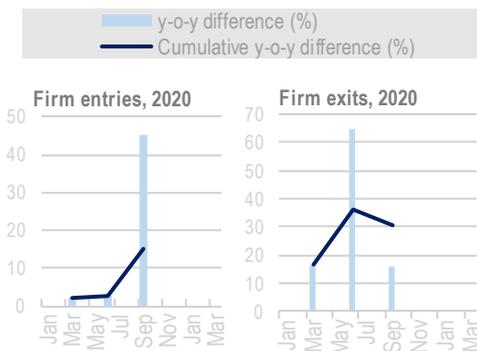
Figure 6.112. COVID-19 impact on business dynamics and policy responses in the United States

### Stringency of government measures



The United States has gone through very strict restrictions since the start of the pandemic, governments measures steadily easing in the early 2021.

### Business dynamics



More firms have been created in the first semester of 2020 than in the same period the year before. Firm exits have also significantly increased over the period.

### Policy spotlight

Key measures to support SMEs and entrepreneurs through the COVID-19 crisis include:

**USD 349 billion Keeping American Workers Paid and Employed Act** managed by the SBA to provide loan guarantees and relief to small business borrowers and lenders. The Act includes:

- **Paycheck Protection Program** under the SBA's Section 7(a) Loan program ;
- **Economic Injury Disaster Loans (EIDL)** whose eligibility has been extended ;
- **Indebtedness eligibility threshold** increased for businesses (max. USD 7.5 million indebtedness).

**USD 51 billion American Rescue Plan Act**, with:

- USD 5 billion **for Supplemented Targeted Economic Injury Disaster Loan** payments ;
- USD 2.86 billion for a new **Restaurant Revitalization Fund** ;
- USD 7.25 billion for the **Paycheck Protection Program**, with new eligibility for non-profits ;
- USD 100 million for **community navigator programs** to help SMEs access COVID-19 assistance programs.

**USD 600 billion Main Street Lending Program** to provide loans to small and medium-sized businesses that were in sound financial condition before the onset of the pandemic.

### National SME and entrepreneurship policy framework

SME&E policies in the United States are defined as part of a multi-year Action Plan (every five years).

The 1953 Small Business Act, which established the **Small Business Administration (SBA)**, is the cornerstone of SME policy at Federal level. The SBA aims at improving access to finance, entrepreneurial development, government contracting and small business advocacy. The SBA is represented in every state, and is also responsible for the Small Business Support Centres at local level.

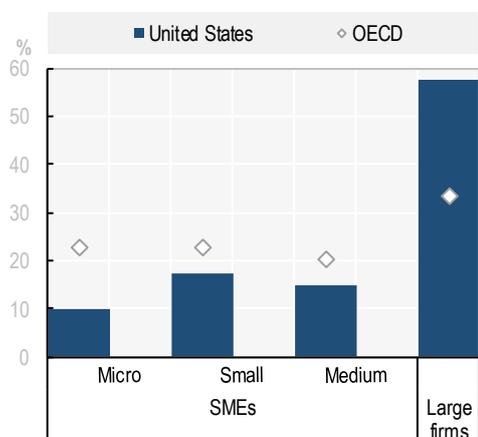
The "**SBA Strategic Plan 2018-22**" (2018) has four strategic goals: 1) Support small business revenue and job growth; 2) Build healthy entrepreneurial ecosystems and create business friendly environments; 3) Restore small businesses and communities after disasters; and 4) Strengthen SBA's ability to serve small businesses.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

StatLink  <https://doi.org/10.1787/888934252435>

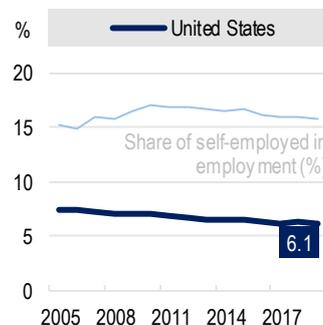
**Figure 6.113. Factors of SME&E structural vulnerability in the United States**

**Size of the MSME and entrepreneurs sector**

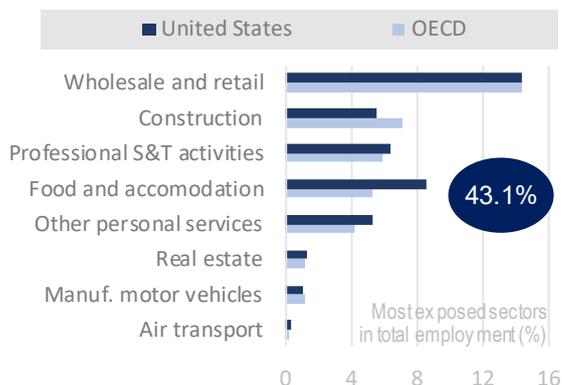


In the United States, the business population is rather made of large firms. The MSME sector contributes to 42% of total employment (OECD average 66%)....

... the country also counts few self-employed (6.1%).



**Economic exposure to lockdowns and business disruptions**



The US exposure to business disruptions is greater than in other OECD countries: the most affected sectors account for 43.1% of total employment (OECD average 39.7%).

Nevada has approximately 35% of jobs at risk - the highest share in the United States - due to the concentration of hospitality and tourism-related employers in the Las Vegas metropolitan area.

Before COVID-19, tourism accounted for 3.9% of total employment in the United States (OECD 6.7%).

**International trade and GVC exposure**



US SMEs were less exposed to disruptions in GVCs, being less engaged in international trade and long value chains.

Though, they may face difficulties if foreign direct investment are durably impacted, and foreign affiliates relocate their activities.

Source: Size of the MSME sector (2015): OECD SME&E Outlook 2019; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2019): OECD Tourism database 2021; GVC exposure (2015 or 2016): OECD TEC database 2021 and Analytical AMNE database 2017 (see country-specific references and definitions).

**Figure 6.114. Sources of SME&E resilience in the United States**



Source: Digital readiness (2020): OECD E-commerce in the time of COVID-19 (OECD, 2020); Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2019): WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934252473>

## Country notes

### **Australia**

- Structural business statistics refer to 2016 instead of 2018. Annual national accounts data refer to 2017 instead of 2018. Regional statistics refer to 2019 instead of 2017. Tourism statistics refer to 2018 instead of 2019.
- For structural business statistics: small enterprises are firms with 1-19 persons employed. Medium enterprises are: for Australia: 20-199; for OECD average: 20-249. Large enterprises: for Australia 200+; for OECD average: 250+.
- Data on cloud computing services refer to 2018 instead of 2020. Data on e-commerce refer to 2019 instead of 2020. Structural business statistics (profit) refer to 2010 instead of 2018.

### **Austria**

- Structural business statistics refer to 2016 instead of 2018. Tourism statistics refer to 2017 instead of 2019.
- Structural business statistics (profit) refer to 2016 instead of 2018. Global entrepreneurship monitor's data refer to 2018 instead of 2019.

### **Belgium**

- Structural business statistics (profit) refer to 2016 instead of 2018. Global entrepreneurship monitor's data refer to 2015 instead of 2019.

### **Canada**

- Regional statistics refer to 2018 instead of 2017. Tourism statistics refer to 2018 instead of 2019. Data on trade by enterprise characteristics refer to 2016 instead of 2015.
- Structural business statistics come from national sources (Government of Canada, 2020) and refer to 2019. They present the distribution of private sector employees by business size.
- Data on cloud computing services refer to 2019 instead of 2020. Data on e-commerce refer to 2019 instead of 2020.

### **Chile**

- Data on business dynamics come from national sources (Superintendencia de Insolvencia y Reemprendimiento, 2021).
- Tourism statistics refer to 2018 instead of 2019.
- Structural business statistics come from Chile's Internal Revenue Service (2019) Estadísticas de Empresa and refer to 2018. The definition is the dependant workers informed by employers to the IRS. Size classes are defined by net annual turnover.
- Data on self-employed come from the International Labour Organisation ILOSTAT database 2020. OECD LFS statistics on self-employed follows the ILO guidelines.
- Data on informal workers come from the OECD Economic Survey of Colombia 2020 (OECD, 2020), based on the Inter-American Development Bank SIMs database.
- Structural business statistics (profit) refer to 2016 instead of 2018.

- Data on ICT use come from the OECD Economic Survey of Chile (OECD, 2020). They are drawn from the national ICT survey 2019 (Ministry of Economy) for Chile and refer to 2018. The total OECD is calculated based the OECD ICT Access and Usage by Businesses database and refer to 2019.

### **Colombia**

- Data on business dynamics come from national sources (Confederación Colombiana de Cámaras de Comercio, 2020).
- Structural business statistics come from the OECD Financing SMEs and Entrepreneurs 2020. An OECD Scoreboard (OECD, 2020).
- Data on informal workers come from the OECD Economic Survey of Colombia 2020 (OECD, 2020), based on the Inter-American Development Bank SIMs database.

Data on broadband connection refer to 2018 instead of 2020. Data on e-commerce refer to 2018 instead of 2020. Structural business statistics (profit) refer to 2017 instead of 2018

### **Costa Rica**

- Data on business dynamics come from national sources (Instituto Nacional de Estadística y Censos, 2021).
- Tourism statistics refer to 2018 instead of 2019. Data on trade by enterprise characteristics refer to 2013 instead of 2015.
- National business statistics on employment come from national sources (MEIC, 2019).
- Data on self-employed for Costa Rica come from the International Labour Organisation ILOSTAT database 2020. OECD LFS statistics on self-employed follows the ILO guidelines.
- Data on informal workers come from the OECD Economic Survey of Colombia 2020 (OECD, 2020), based on the Inter-American Development Bank SIMs database.
- Data on economic exposure come from Costa Rica's profile of the OECD Economic Outlook, Volume 2020 Issue 1 (OECD, 2020).
- Data on digital uptake in Costa Rica come from the OECD Latin American Economic Outlook 2020 (OECD et al., 2020).
- Data on liquidity support are based on an own elaboration of national data from the National Development Bank (Banca de Desarrollo, 2021)
- Data on government support come from a dedicated OECD report on Costa Rica's public finances (OECD, 2020).
- Global entrepreneurship monitor's data refer to 2014 instead of 2019.

### **Czech Republic**

- The Google mobility index is drawn from the OECD Economic Surveys of the Czech Republic 2020 (OECD, 2020), based on Google Community Mobility Report. The level during the baseline period was established based on the median value of the volume of visits for each day of the week during the period January 3–February 6, 2020.
- Data on bankruptcies come from national sources (Czech Credit Bureau, 2020).
- Tourism statistics refer to 2018 instead of 2019.
- Global entrepreneurship monitor's data refer to 2013 instead of 2019.

**Denmark**

- Tourism statistics refer to 2018 instead of 2019.
- Structural business statistics come from the OECD SME&E Outlook 2019 and refer to 2016.
- Global entrepreneurship monitor's data refer to 2013 instead of 2019.

**Estonia**

- Data on self-employed for Estonia come from the International Labour Organisation ILOSTAT database 2020. OECD LFS statistics on self-employed follows the ILO guidelines.
- Structural business statistics come from the OECD SME&E Outlook 2019 and refer to 2016.
- Global entrepreneurship monitor's data refer to 2017 instead of 2019.

**Finland**

- Tourism statistics refer to 2018 instead of 2019.
- Global entrepreneurship monitor's data refer to 2016 instead of 2019.

**France**

- Annual national accounts data refer to 2017 instead of 2018. Tourism statistics refer to 2018 instead of 2019.
- Global entrepreneurship monitor's data refer to 2018 instead of 2019.

**Germany**

- Annual national accounts data refer to 2017 instead of 2018. Tourism statistics refer to 2017 instead of 2019.

**Greece**

- Annual national accounts data refer to 2017 instead of 2018.
- Data on broadband connection refer to 2019 instead of 2020. Data on cloud computing services refer to 2018 instead of 2020. Data on e-commerce refer to 2019 instead of 2020.

**Hungary**

- Tourism statistics refer to 2017 instead of 2019.
- Structural business statistics (profit) refer to 2016 instead of 2018. Global entrepreneurship monitor's data refer to 2016 instead of 2019.

**Iceland**

- Data on self-employed for Iceland come from the International Labour Organisation ILOSTAT database 2020. OECD LFS statistics on self-employed follows the ILO guidelines.
- Data on broadband connection refer to 2013 instead of 2020. Data on cloud computing services refer to 2014 instead of 2020.

***Ireland***

- Tourism statistics refer to 2018 instead of 2019.
- Structural business statistics (profit) refer to 2016 instead of 2018.

***Israel***

- Structural business statistics come from the OECD SME&E Outlook 2019 and refer to 2015.
- Structural business statistics (profit) refer to 2011 instead of 2018.
- Information on digital uptake come from a dedicated OECD report on blockchain in Israel (Bianchini and Kwon, 2020).
- Information on skills mismatches come from the OECD Economic Surveys of Israel 2018 (OECD, 2018).

***Italy***

- Annual national accounts data refer to 2017 instead of 2018. Tourism statistics refer to 2017 instead of 2019.

***Japan***

- Tourism statistics refer to 2018 instead of 2019.
- Structural business statistics come from the OECD SMEs and Entrepreneurship Outlook 2019 and refer to 2016.
- Data on digital uptake refer to medium-sized firms, unlike other country profiles where they refer to small firms. Data for Japan are for 2019 for cloud computing and 2018 for e-commerce and social media (instead of 2019).
- PIAAC data on problem solving skills come from the OECD Skills Strategy for Japan (OECD, 2019).

***Korea***

- Mobility trends come from the OECD Economic Surveys of Korea 2020 (OECD, 2020), based on Google COVID-19 Community Mobility Report (27 July 2020), and refer to trends for places like restaurants, cafes, shopping centers, theme parks, museums, libraries, and movie theaters.
- Data on cloud computing services refer to 2018 instead of 2020. Data on e-commerce refer to 2019 instead of 2020. Structural business statistics (profit) refer to 2016 instead of 2018.
- Information on skills mismatches come from a dedicated OECD report on "Investing in Youth in Korea" (OECD, 2019).

***Latvia***

- Annual national accounts data refer to 2017 instead of 2018.
- Structural business statistics (profit) refer to 2016 instead of 2018.

***Lithuania***

- Annual national accounts data refer to 2017 instead of 2018. Tourism statistics refer to 2018 instead of 2019.
- Global entrepreneurship monitor's data refer to 2014 instead of 2019.

### ***Luxembourg***

- Bankruptcies and firm entries data come national sources (Portail des statistiques du Grand-Duché de Luxembourg, 2021).
- Tourism statistics refer to 2018 instead of 2019.
- Data on sectoral exposure come from academic literature (Beine, M et al., 2020).
- Structural business statistics (profit) refer to 2016 instead of 2018.

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- Data on business dynamics come from national sources (INEGI, 2020).
- Tourism statistics refer to 2018 instead of 2019.
- Data on social media refer to 2012 instead of 2019. Data on cloud computing services refer to 2012 instead of 2020. Structural business statistics (profit) refer to 2013 instead of 2018. Data on digital uptake during the COVID-19 crisis are drawn from (ECLAC, 2021).

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- Structural business statistics (profit) refer to 2016 instead of 2018.

### ***New Zealand***

- Tourism statistics refer to 2018 instead of 2019.

### ***Norway***

- Annual national accounts data refer to 2017 instead of 2018. Tourism statistics refer to 2018 instead of 2019.

### ***Portugal***

- Annual national accounts data refer to 2017 instead of 2018. Tourism statistics refer to 2016 instead of 2019.
- Structural business statistics come from the OECD SME&E Outlook 2019 and refer to 2016.

### ***Slovak Republic***

- Tourism statistics refer to 2017 instead of 2019.
- Data on self-employed for the Slovak Republic come from the International Labour Organisation ILOSTAT database 2020. OECD LFS statistics on self-employed follow the ILO guidelines.
- Structural business statistics (profit) refer to 2016 instead of 2018.

### ***Slovenia***

- Structural business statistics (profit) refer to 2016 instead of 2018.

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**Sweden**

- Annual national accounts data refer to 2017 instead of 2018.

**Switzerland**

- Tourism statistics refer to 2018 instead of 2019. Structural business statistics come from the OECD SME&E Outlook 2019 and refer to 2016. Data on economic exposure come from the International Monetary Fund (IMF, 2021). Data on trade come from national sources (FDF, 2020).
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**Turkey**

- Structural business statistics refer to 2019 instead of 2018. Data on trade by enterprise characteristics refer to 2014 instead of 2015.
- Structural business statistics (profit) refer to 2019 instead of 2018. Global entrepreneurship monitor's (GEM) data refer to 2018 instead of 2019.

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- Structural business statistics come from the OECD SME&E Outlook 2019 and refer to 2015.
- Data on broadband connection refer to 2019 instead of 2020. Data on cloud computing services refer to 2018 instead of 2020. Data on e-commerce refer to 2019 instead of 2020.

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## Annex 6.A. Sources and definitions of benchmarking indicators

COVID-19 impact			
Stringency of government measures	Oxford Government Stringency Index	Government response stringency index, as a composite measure based on nine response indicators including school closures, workplace closures, and travel bans, rescaled to a value from 0 to 100 (100 = strictest). If policies vary at the subnational level, the index is shown as the response level of the strictest sub-region. Country values from January 2020 to April 2021.	<a href="https://ourworldindata.org/grapher/covid-stringency-index">https://ourworldindata.org/grapher/covid-stringency-index</a>
Business dynamics	Firm entries (%)	New enterprise creation January 2020-March 2021, year-on-year difference and cumulative year-on-year difference as a %. For the definition of enterprise creation, see methodology in primary source.	<a href="#">OECD Timely Indicators of Entrepreneurship (TIE) database</a>
	Firm exits (%)	Bankruptcies, January 2020-March 2021, year-on-year difference and cumulative year-on-year difference as a %. For the definition of bankruptcies, see methodology in primary source.	<a href="#">OECD Timely Indicators of Entrepreneurship (TIE) database</a>
Factors of vulnerability			
Size of the SME&E sector	Share of SMEs in total employment (%)	Employment by enterprise size as a percentage of all persons employed in business economy. Micro firms include firms with 1-9 persons employed; small firms: 10-49 persons employed; medium-sized firms: 50-249 persons employed; and large firms: more than 250 persons employed. Data refer to 2018 or latest year available.	<a href="#">OECD Structural and Demographic Business Statistics database (SDBS)</a>
	Share of SMEs in total value added (%)	Value added by enterprise size as a percentage of total business economy value added. Micro firms include firms with 1-9 persons employed; small firms: 10-49 persons employed; medium-sized firms: 50-249 persons employed; and large firms: more than 250 persons employed. Data refer to 2018 or latest year available.	<a href="#">OECD Structural and Demographic Business Statistics database (SDBS)</a>
	Share of self-employed in total employment (%)	Self-employment is defined as the employment of employers, workers who work for themselves, members of producers' co-operatives, and unpaid family workers. It is expressed as a percentage of total employment. Trends between 2005 and 2019.	<a href="#">OECD Annual Labour Force Statistics database</a>
Economic exposure to lockdowns and business disruptions	Most affected sectors, share in total employment (%)	The most affected sectors by COVID-19 containment measures, share of total employment (%), 2018 or latest year available.	<a href="#">OECD Statistical Insights: Small, Medium and Vulnerable (2020)</a> , calculations based OECD Annual National Accounts database.
	The region most at risk	Regions with the highest share of jobs at risk by country, TL2 regions, 2017.	OECD (2021), Regional Outlook 2021 based on <a href="#">OECD Job Creation and Local Economic Development 2020: Rebuilding Better</a>
	Direct contribution of tourism in total employment (%)	Tourism as a % of total employment, 2019 or latest year available.	<a href="#">OECD Tourism database</a>

International trade and GVC exposure	SMEs as exporters (%)	Share of SMEs in trade value, exports, 2015 or latest year available	<a href="#">OECD Trade by Enterprise Characteristics database</a>
	SMEs as importers (%)	Share of SMEs in trade value, imports, 2015 or latest year available	<a href="#">OECD Trade by Enterprise Characteristics database</a>
	SME exporters in long GVCs (%)	Share of SMEs in trade value, exports, long GVCs, 2015 or latest year available	Calculations based on <a href="#">OECD Trade by Enterprise Characteristics database</a>
	SME importers in long GVCs (%)	Share of SMEs in trade value, imports, long GVCs, 2015 or latest year available	Calculations based on <a href="#">OECD Trade by Enterprise Characteristics database</a>
	Foreign affiliates (FAs) sourcing locally (%)	Sourcing structure of foreign affiliates, percentage of foreign affiliates' sourcing that comes from domestic multinationals (MNEs) and non-MNEs, total economy, 2016.	<a href="#">OECD Analytical AMNE database</a>
	FAs output used locally (%)	Output use of foreign affiliates, as a percentage of the output of foreign affiliates that is used by domestic MNEs and non-MNEs for intermediary consumption, total economy, 2016	<a href="#">OECD Analytical AMNE database</a>
<b>Sources of resilience</b>			
Digital readiness	Broadband connection (%)	Percentage of small businesses [10-49] with a broadband download speed at least 100 Mbit/s (%). All activities in manufacturing and non-financial market services. Data refer to 2020 or latest year available. Distribution along a stylised curve of adoption (OECD, 2021).	<a href="#">OECD ICT Access and Usage by Businesses</a> and <a href="#">OECD (2021), The Digital Transformation of SMEs</a> .
	Use of social media (%)	Percentage of small businesses [10-49] using social media (%). All activities in manufacturing and non-financial market services. Data refer to 2019 or latest year available. Distribution along a stylised curve of adoption (OECD, 2021).	<a href="#">OECD ICT Access and Usage by Businesses</a> and <a href="#">OECD (2021), The Digital Transformation of SMEs</a>
	E-commerce (%)	Percentage of small businesses [10-49] receiving orders over computer networks (%). All activities in manufacturing and non-financial market services. Data refer to 2020 or latest year available. Distribution along a stylised curve of adoption (OECD, 2021).	<a href="#">OECD ICT Access and Usage by Businesses</a> and <a href="#">OECD (2021), The Digital Transformation of SMEs</a>
	Cloud computing (%)	Percentage of small businesses [10-49] purchasing cloud computing services (%). All activities in manufacturing and non-financial market services. Data refer to 2020 or latest year available. Distribution along a stylised curve of adoption (OECD, 2021).	<a href="#">OECD ICT Access and Usage by Businesses</a> and <a href="#">OECD (2021), The Digital Transformation of SMEs</a>
Cash reserves	SME profit, as a share of production (%)	Gross operating surplus of firms with less than 250 employees as a percentage of their production. Industry (excluding construction) only. Data refer to 2018 or latest year available.	<a href="#">OECD Structural and Demographic Business Statistics database (SDBS)</a>
Liquidity support	SMEs receiving government support, total (%)	Percentage of SMEs with a Facebook page that received government support, December 2020.	Facebook/OECD/World Bank (2020), Future of Business Survey
	SMEs receiving grants and subsidies (%)	Percentage of SMEs with a Facebook page that received government support in the form of grants or subsidies, December 2020.	Facebook/OECD/World Bank (2020), Future of Business Survey
	SMEs receiving credits and deferrals (%)	Percentage of SMEs with a Facebook page that received government support in the form of credit or deferral of payments, December 2020.	Facebook/OECD/World Bank (2020), Future of Business Survey
	SMEs receiving non-financial support (%)	Percentage of SMEs with a Facebook page that received non-financial government support (e.g. information, technical assistance or advisory services), December 2020.	Facebook/OECD/World Bank (2020), Future of Business Survey

Entrepreneurship regulatory framework	Simplification and evaluation of regulations (index)	Composite index that captures the government's communication strategy and efforts to reduce and simplify the administrative burden of interacting with the government, including impact assessment on competition, interaction with interest groups and the complexity of regulatory procedures. Scores from 0 - least restrictive - to 6 - most restrictive. Data refer to 2018.	<a href="#">OECD Product Market Regulation Indicators</a>
	Low administrative burdens on start-ups (index)	Component of the composite index "Barriers to domestic and foreign entry". Covers the administrative burden on joint-stock companies and personally-owned enterprises, as well as administrative burden related to licenses and permits procedures. Scores from 0 - least restrictive - to 6 - most restrictive. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (the higher the index performance is, the lower the administrative burdens are). Data refer to 2018.	<a href="#">OECD Product Market Regulation Indicators</a>
	Low cost of starting a business (in % of income per capita)	Captures the cost (in % of income per capita) for starting a business, registering property and to prepare, file and pay taxes. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (the higher the index performance is, the lower the cost). Data refer to 2019.	World Bank Doing Business 2020 – <a href="#">Starting a business</a>
	Strength of insolvency framework (index)	Measures the insolvency law de jure. Calculated as the sum of the scores on 4 other indices: i) commencement of proceedings index (with a range of 0–3), ii) management of debtor's assets index (0–6), iii) reorganization proceedings index (0–3) and iv) creditor participation index (0–4). The strength of insolvency framework index ranges from 0 to 16, with higher values indicating insolvency legislation that is better designed for the rehabilitation of viable firms and the liquidation of nonviable ones. Data refer to 2019.	World Bank Doing Business 2020 – <a href="#">Resolving insolvency</a>
	Low cost of resolving insolvency	Resolving insolvency (cost, % of estate). Indicator on the actual cost (in % of estate) to close a business. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed ((the higher the index performance is, the lower the cost). Data refer to 2019.	World Bank Doing Business 2020 - <a href="#">Resolving insolvency</a>
Innovation skills	Perceived capabilities to start a business (%)	Perceived entrepreneurial capabilities among adult population (%), as a percentage of 18-64 population (individuals involved in any stage of entrepreneurial activity excluded) who believe they have the required skills and knowledge to start a business. Scoring from 0 (low) to 100 (high). Data refer to 2019 or latest year available.	<a href="#">Global Entrepreneurship Monitor (GEM) - Adult Population Survey</a>
	Computer and electronics skills	Skills shortage or surplus of computer and electronics skills, i.e. knowledge of circuit boards, processors, chips, electronic equipment, and computer hardware and software, including applications and programming. Positive values indicate skill shortage while negative values point to skill surplus. The larger the absolute value, the larger the imbalance. Results are available on a scale that ranges between -1 and +1. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed ((the higher the index performance is, the lower the imbalance in skills use and availability in the country). Data refer to 2015.	<a href="#">OECD Skills for Jobs Database</a>
	Adaptability/ flexibility skills	Skills shortage or surplus of adaptability/flexibility skills. Positive values indicate skill shortage while negative values point to skill surplus. The larger the absolute value, the larger the imbalance. Results are available on a scale that ranges between -1 and +1. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed ((the higher the index performance is, the lower the imbalance in skills use and availability in the country). Data refer	<a href="#">OECD Skills for Jobs Database</a>

		to 2015.	
	Complex problem solving skills	Skills shortage or surplus of complex problem solving, i.e. developed capacities used to solve novel, ill-defined problems in complex, real-world settings. Positive values indicate skill shortage while negative values point to skill surplus. The larger the absolute value, the larger the imbalance. Results are available on a scale that ranges between -1 and +1. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed ((the higher the index performance is, the lower the imbalance in skills use and availability in the country). Data refer to 2015.	<a href="#">OECD Skills for Jobs Database</a>
	Practical intelligence for innovation	Skills shortage or surplus of practical intelligence for innovation (workstyle). Positive values indicate skill shortage while negative values point to skill surplus. The larger the absolute value, the larger the imbalance. Results are available on a scale that ranges between -1 and +1. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed ((the higher the index performance is, the lower the imbalance in skills use and availability in the country). Data refer to 2015.	<a href="#">OECD Skills for Jobs Database</a>

