



EUROPEAN COMMISSION

## MEMO

Brussels, 17 December 2013

### **Eurobarometer survey: How green are European SMEs?**

The European Commission has published an extensive survey – the second of its kind – to understand the views and attitudes of small and medium sized enterprises (SMEs) towards three core environmental themes: green jobs, resource efficiency and green markets. The results show that in 2013, European SMEs added more green jobs, made improvements in resource efficiency and are contributing to the transition to a low-carbon economy.

#### **A transition to a greener economy – SMEs' contribution is needed**

In 2012, it is estimated that there were 20.3 million small and medium-sized enterprises (SMEs) in the European Union, representing 98% of all businesses and providing around 90 million jobs in the single market ([IP/13/1156](#)). SMEs are the backbone of the European economy and their contribution is essential for pursuing the goals of 'Europe 2020', the EU's strategy for **smart, sustainable and inclusive growth**.

However, SMEs find it more difficult to comply with environmental legislation than large companies. A lack of expertise, lengthy approval procedures for new products and a lack of consumer demand are the main obstacles that prevent SMEs from entering the green markets. The aim of this Eurobarometer survey was to evaluate how European SMEs are faring in green jobs, resource efficiency and green markets, compared to a similar survey which took place in early 2012 ([MEMO/12/218](#)). The survey included more than 11.000 SMEs in the 28 EU Member States, as well as Albania, Iceland, Liechtenstein, the former Yugoslav Republic of Macedonia, Montenegro, Norway, the Republic of Serbia, Turkey, Israel and the USA.

#### **Green products and services + resource efficiency = green jobs**

Green products and services are those with a predominant function of reducing environmental risk and minimising pollution and use of resources. For this survey, products with environmental features (eco-designed, eco-labelled, organically produced, and with an important recycled content) were also included.

According to the definition used in this Eurobarometer, green jobs are either:

- jobs related to the production of goods or to the provision of services that **benefit the environment** or optimise the use of natural resources; or
- jobs whose characteristics involve use of practices and processes which are either **more environmental friendly** or use fewer natural resources than today.

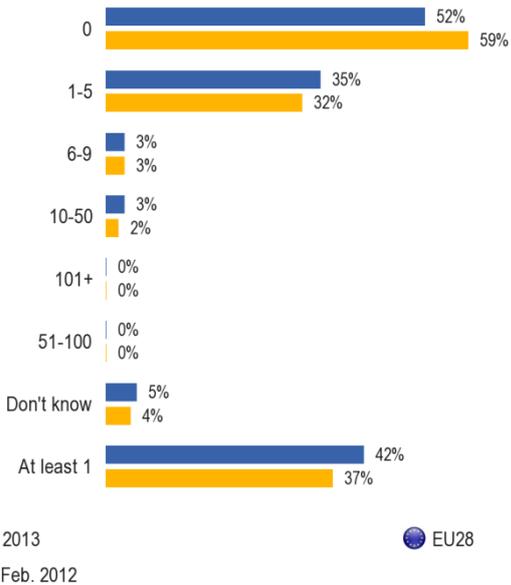
As a result, the total amount of green jobs measured by this Eurobarometer is linked both to resource-efficiency processes and to the production of green products and services as well as with compliance with environmental legislation. Examples include a chemical technician testing air samples for pollution emissions levels of the production process, a worker contributing to the production of machinery that reduces pollution emissions, or an operator of renewable energy equipment to produce electricity for use within the company.

**1. Four out of ten SMEs have at least one green job<sup>1</sup>**

According to the survey, 42% of EU SMEs now have at least one full or part-time green employee – a 5% increase which exceeded the expectations set by businesses in 2012 – amounting to **more than 20 million green jobs in the SME sector across Europe**. More than half of these jobs are in SMEs offering green products and services (one in five SMEs), with 3 million green jobs concentrated in SMEs active in eco-industries (air pollution control, renewable energies, energy efficiency, waste management, recycled materials, environment-friendly services). However, since the last survey in 2012, the **increase in green employment is mostly taking place in SMEs not offering green products** and services, due to the increased pressure from rising costs of energy and materials to become more resource efficient. SMEs with at least one green employee are most likely to be bigger than average and to be active in the industry sector.

While the proportion of SMEs employing at least one full-time person in a green job has increased by 5%, the proportion of companies employing 1-5 of green employees has increased by three points. These developments outstripped the expectations set by businesses (39% of all SMEs to have at least a green job by 2014).

Q28. In your company, how many of your full time employees, including yourself, work in green jobs some or all of the time?



Base: All SMEs = 11,207

<sup>1</sup> A green job is one that directly works with information, technologies, or materials that preserves or restores environmental quality. This requires specialized skills, knowledge, training, or experience.

Companies that offer green products or services are the most likely to have at least one green employee (74%) followed by those that are planning to offer such products or services (42%). In comparison, 29% of companies with no plans to offer green products or services have at least one employee in a green job. SMEs offering green products or services also have the highest average number of green employees (4.6 vs. 1.1-2.0).

The more resource efficiency actions a company is undertaking, the more likely it is to have at least one full-time employee in a green job: 54% of those taking many actions have at least one green employee compared to 16% of SMEs taking no action.

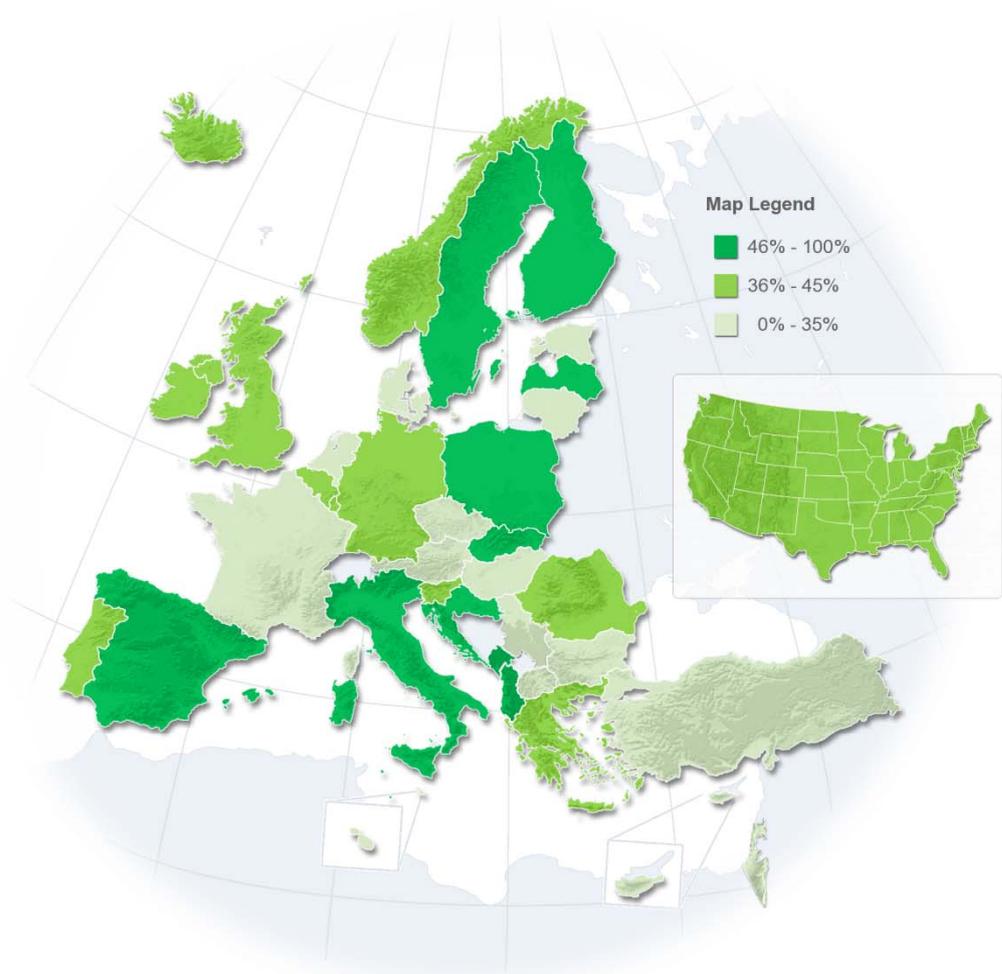
### **1.1. United States SMEs have more green employees**

Country level results for all SMEs once again highlight differences between the EU and the US. Although the proportion of SMEs in each region having at least one green employee is the same (42%), the average number of such employees is higher in the US than in the EU (3.7 vs. 2.1). When compared to last year, SMEs in the US added more green employees on average (+1.5) than EU SMEs (+0.4).

	HR	68%
	SK	58%
	IT	56%
	ES	54%
	SE	52%
	FI	50%
	LV	47%
	PL	46%
	EL	45%
	EU	42%
	SI	42%
	LU	42%
	PT	41%
	IE	41%
	RO	39%
	DE	37%
	BE	36%
	UK	36%
	AT	33%
	CZ	32%
	FR	30%
	NL	29%
	DK	29%
	BG	25%
	CY	23%
	HU	21%
	MT	19%
	LT	17%
	EE	11%
	ME	74%
	IS	45%
	RS	30%
	MK	18%
	TR	14%
	AL	73%
	LI	48%
	US	42%
	NO	40%
	IL	26%

Question: Q28. In your company, how many of your full time employees, including yourself, work in green jobs some or all of the time?

Answers: At least 1



Base: All SMEs = 11,207

## 2. For SMEs, being resource-efficient is important

**93% of SMEs are taking at least one action to be more resource efficient**, with the most common actions being to minimising waste (67%), saving energy (67%) and saving materials (59%). At least half are also recycling by reusing material or waste within the company, or by saving water (both 51%).

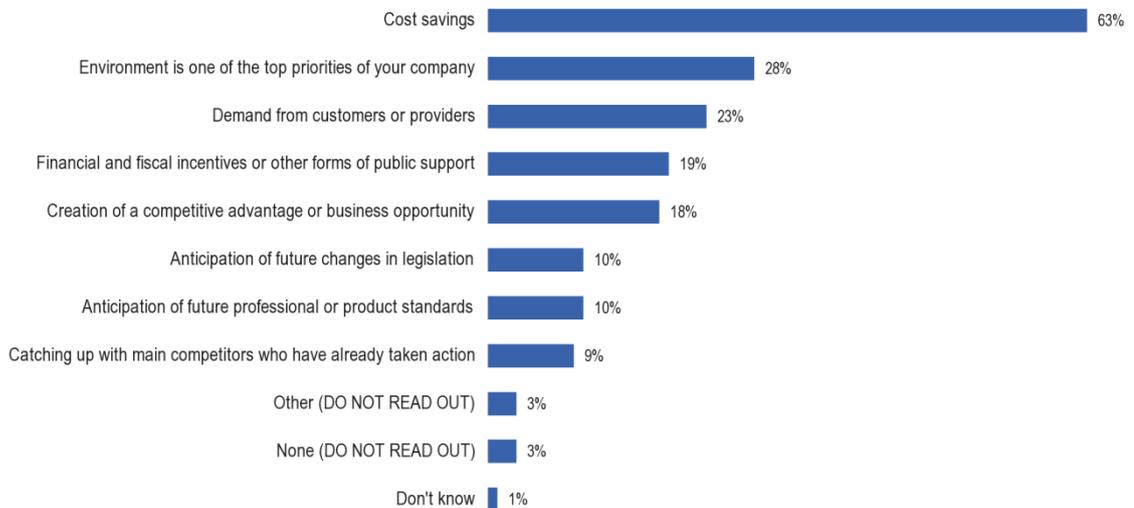


Moreover, **eight out of ten SMEs are planning additional resource efficiency actions** in the next two years, particularly saving energy (58%) and minimising waste (56%). Almost half (49%) plan to save materials, while 43% will save water and 41% will recycle within the company.

## 2.1. For a majority of SMEs, resource efficiency is a necessity

The majority of SMEs in the EU act to become more resource efficient in order to reduce costs (63%), although 28% say the environment is one of the top priorities for their company.

Q4B. What are the main reasons why your company is taking actions to be more resource efficient?



EU28

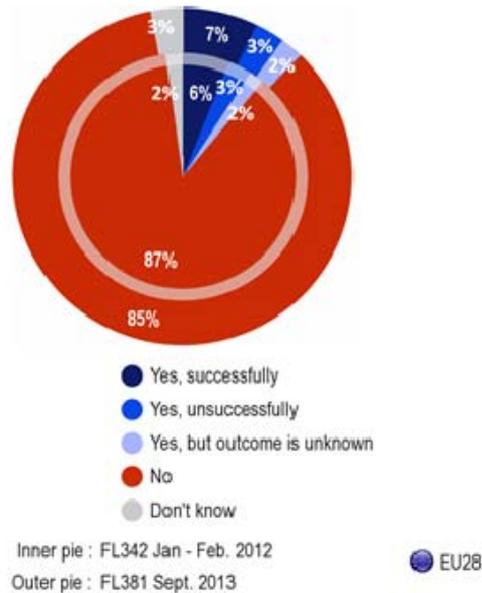
*Base: SMEs answered 'at least one action to be more resource efficient'*

Around a fifth mention financial and fiscal incentives or other forms of public support (19%), creation of a competitive advantage/business opportunity (18%) and demand from customers or providers (23%) as the reasons why they take actions to improve their resource efficiency. Anticipating future requirements in terms of legislation (10%) or professional/product standards (10%) are less likely reasons for improving resource efficiency.

## 2.2. Green public procurement remains a challenge for SMEs

Just 12% of SMEs have bid for a public procurement tender that included environmental requirements, with 7% successful in their bids.

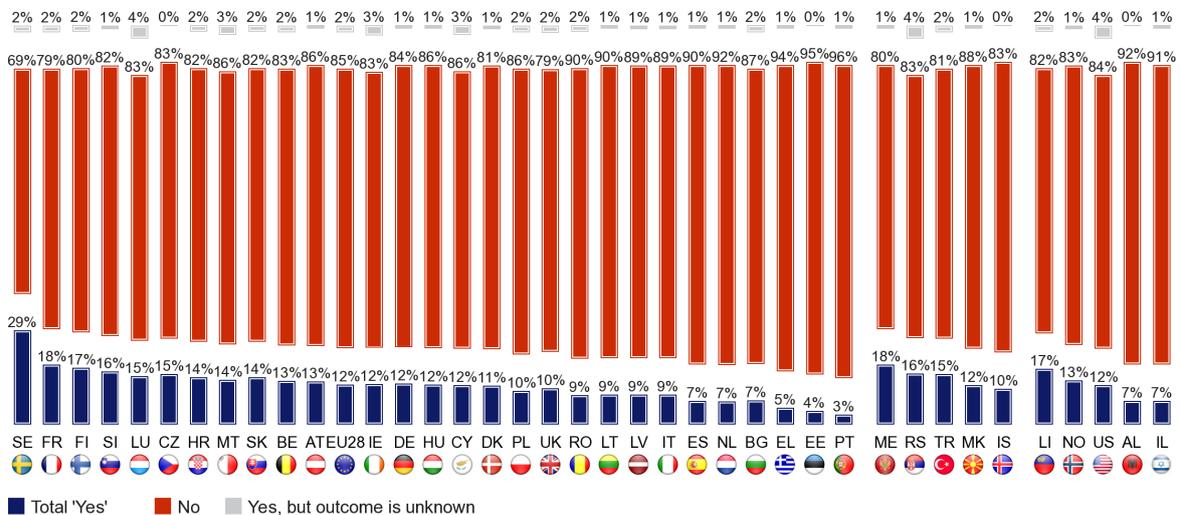
Q9. Did your company bid for a public procurement tender that included environmental requirements?



Base: All SMEs = 11,207

The most common reason for not bidding on a public procurement tender with environmental requirements is that SMEs have never been confronted with such a tender (55%). However 14% didn't even attempt a bid as they assumed it was too complicated. There are rather pronounced differences among countries.

Q9. Did your company bid for a public procurement tender that included environmental requirements?

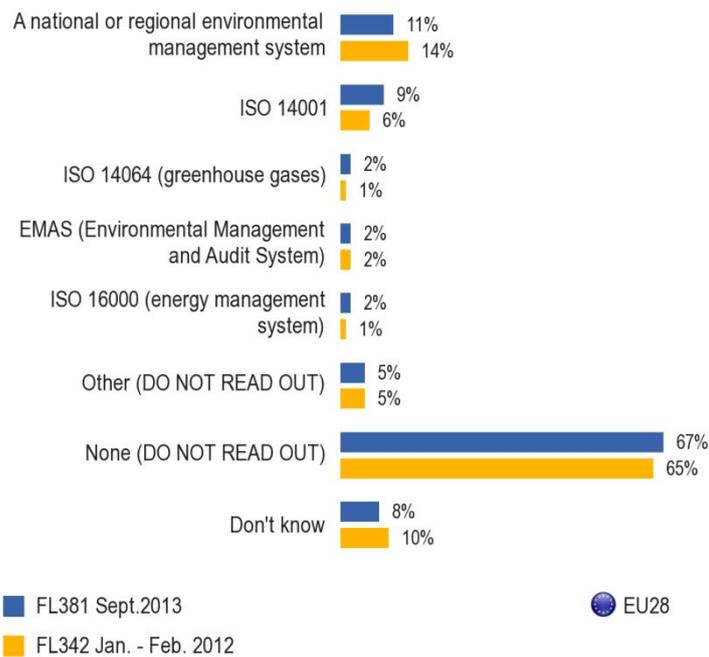


Base: All SMEs = 11,207

### 2.3. Most do not use an environmental management system

More than two thirds of SMEs (67%) do not use an environmental management system. This is a slight increase since the previous Eurobarometer survey published in 2012 (+2 percentage points). Across all companies, national or regional environmental management systems (11%) and ISO 14001 (9%) are the most commonly used.

Q8. Does your company use one or more of these environmental management systems?



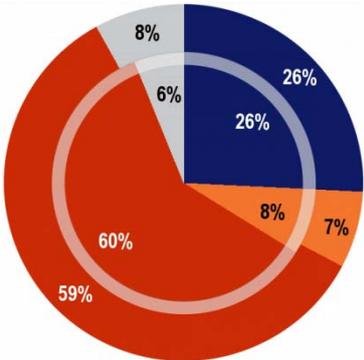
*Base: SMEs that are taking at least one resource efficiency action = 10,511*

### 3. Green Markets – A largely untapped potential

#### 3.1. One quarter of SMEs offer green products or services

Just over one quarter (26%) of SMEs in the EU offer green products or services, with a further 7% planning to do so in the next two years. However, the majority of SMEs do not offer green products or services, and have no plans to do so (59%).

Q17. Does your company offer green products or services?



- Yes
- No but we are planning to do so in the next 2 years
- No and we are not planning to do so
- Don't know

Inner pie : FL342 Jan - Feb. 2012  
 Outer pie : FL381 Sept. 2013

● EU28

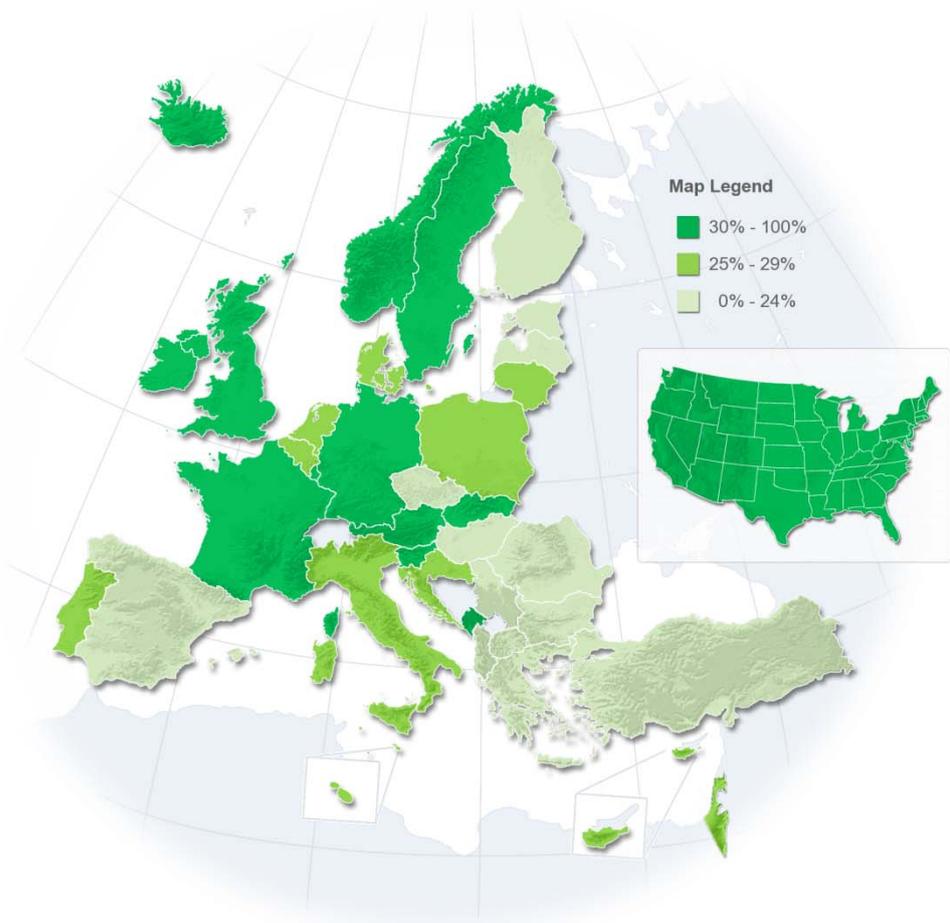
Base: All SMEs = 11,207

Overall the picture has not changed since 2012. Large differences remain across countries.

	AT	43%
	SI	37%
	SE	37%
	IE	34%
	LU	34%
	DE	33%
	SK	32%
	UK	31%
	FR	30%
	MT	29%
	BE	28%
	NL	27%
	LT	27%
	DK	27%
	PL	26%
	EU	26%
	HR	26%
	IT	25%
	PT	25%
	CY	25%
	FI	24%
	EL	23%
	RO	22%
	CZ	22%
	ES	21%
	LV	19%
	EE	19%
	BG	11%
	HU	10%
	ME	40%
	IS	32%
	RS	21%
	MK	16%
	TR	14%
	LI	39%
	US	34%
	NO	30%
	IL	26%
	AL	9%

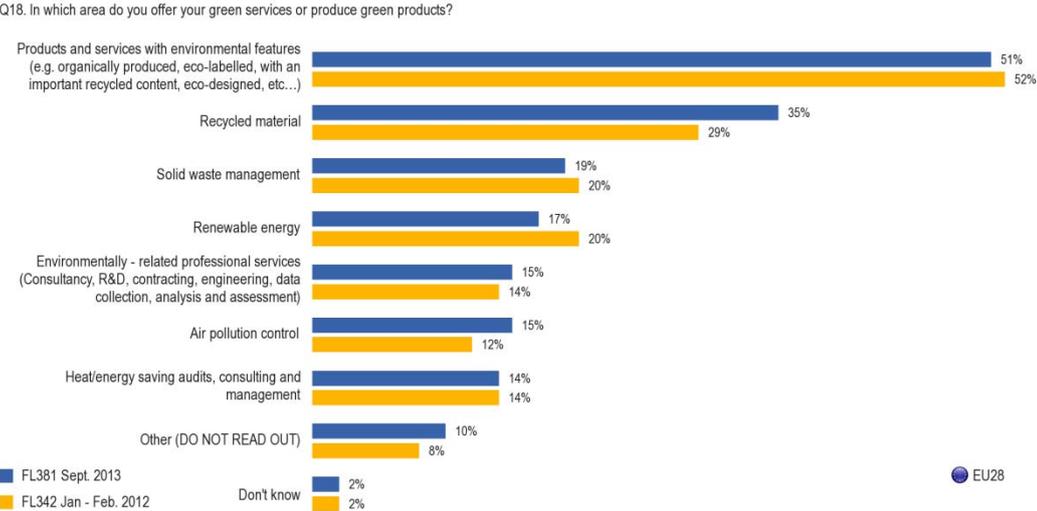
Question: Q17. Does your company offer green products or services?

Answers: Yes



### 3.2. The main green sectors where SMEs are active

Half of SMEs in the EU which offer green products or services do so in the area of products and services with environmental features. 35% offer green products or services in the area of recycled materials and 19% in solid waste management.

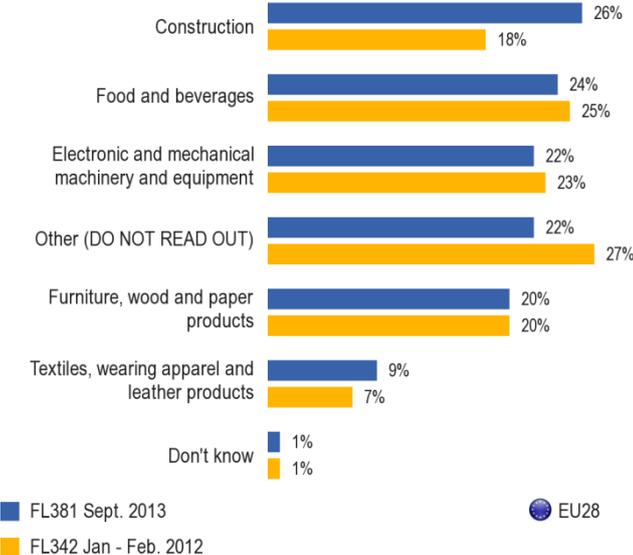


Base: SMEs that offer green products or services = 2,977

### 3.3. The most commonly sold green products and services

Just over one quarter of SMEs in the EU that offer services or products with environmental features do so in the construction area (26%). Almost one quarter sell food and beverages (24%), while 22% sell electronic and mechanical machinery and equipment. One fifth of SMEs offer furniture, wood and paper products (20%) while 9% offer textiles, wearing apparel and leather products.

Q19. What products or services with environmental features (e.g. organically produced, eco-labelled, with an important recycled content, eco-designed...) does your company offer? (Note for interviewers : It can be manufacturing or trading)



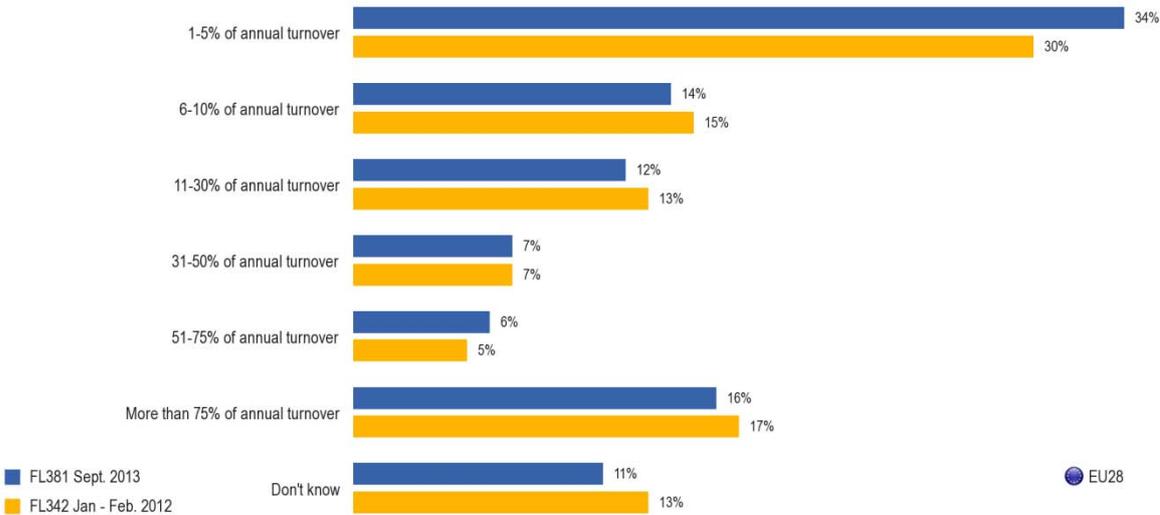
Base: SMEs that offer products or services with environmental features = 1,527

SMEs are now much more likely to be offering construction materials or services with environmental features than they were in 2012 (+8 percentage points). There has been little change in the proportion of SMEs offering products or services with environmental features in the other areas.

### 3.4. A decline in the turnover attributed to green goods

SMEs that offer green products and services are most likely to report they represent 30% or less of their turnover (60%). In fact for a third of green SMEs (34%), these products or services represent 1-5% of their annual turnover. It is worth noting that there is a sizeable proportion of SMEs in this category for whom sales of green products and services make at least 75% of their turnover (16%).

Q20. How much do these green products or services represent in your turnover (latest available fiscal year)?



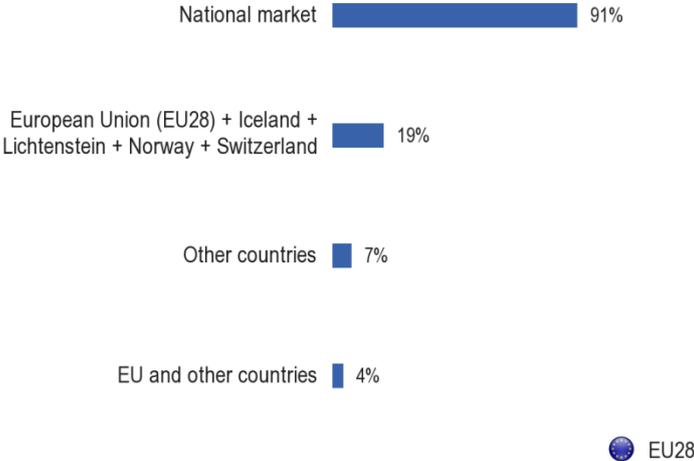
Base: SMEs that offer green products or services = 2,977

The trend from the last survey shows that turnover attributed to green products and services has declined, with more companies now saying 1-5% of their annual turnover comes from green products or services (+4 percentage points).

### 3.5. For SMEs, green markets are predominantly domestic

At least nine out of ten SMEs selling green products or services say their own country is their main market in terms of annual turnover (91%). Almost one in five (19%) say their main market is the EU and /or Iceland, Liechtenstein, Norway and Switzerland. Only 7% say that their main market is outside of Europe. Additionally, from the SMEs that export to another EU country, one quarter (24%) also export to a country outside of the EU.

Q23. In terms of turnover over the past 2 years, what were the main markets (countries/ geographical regions) for your green products or services?



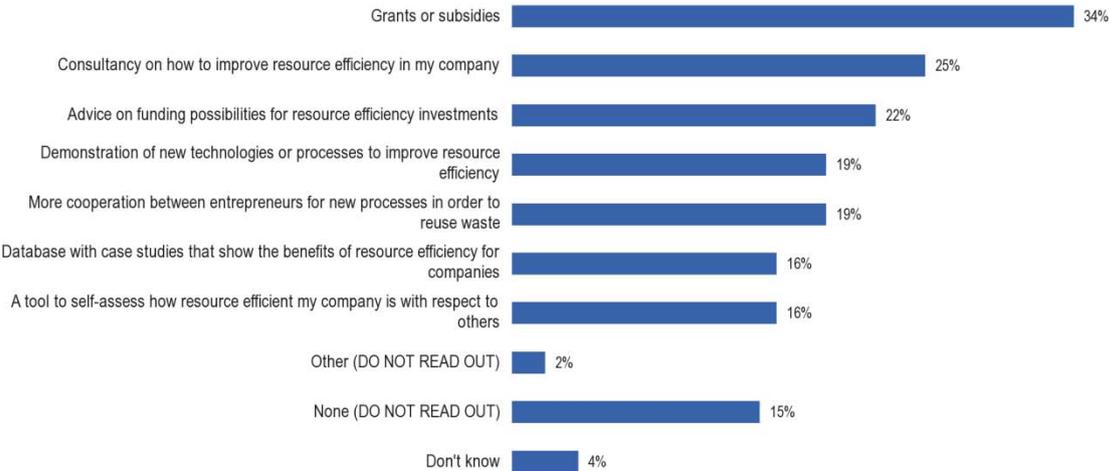
Base: SMEs that offer green products or services = 2,977

Country level analysis shows that SMEs in the US are even more likely than those in the EU to say their national market is their main market (99% vs. 91%).

### 3.6. Policy support could help SMEs to become greener

SMEs are most likely to say that grants and subsidies would help make their company more resource efficient (34%). One quarter mention consultancy on improving resource efficiency (25%), while 22% would like advice on funding possibilities for resource efficiency investments.

Q16. Which of the following would help your company the most to be more resource efficient?



EU28

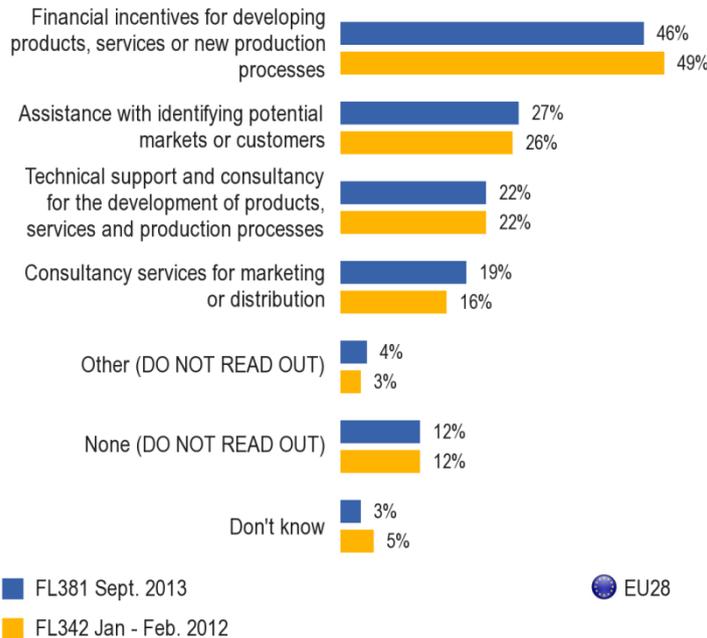
Base: All SMEs = 11,207

Just under one in five say that demonstrations of new resource efficiency processes or technology, or more cooperation between entrepreneurs on new waste reduction processes would most assist their company (both 19%). A case study database showing company benefits is mentioned by 16%, as is a self-assessment tool to gauge the company’s resource efficiency compared to others.

### 3.7. Financial incentives key in launching new green products

SMEs that sell green products or services were asked what kind of support that would be most helpful to them in expanding their green offering. Almost half (46%) mention financial incentives for new products, services or production process development. Financial incentives are much more likely to be mentioned than assistance with identifying potential markets or customers (27%), technical support or consultancy for new product, services or production process development (22%) or consultancy for marketing or distribution (19%).

Q27A. What type of support would help you the most to expand your range of green products or services ?

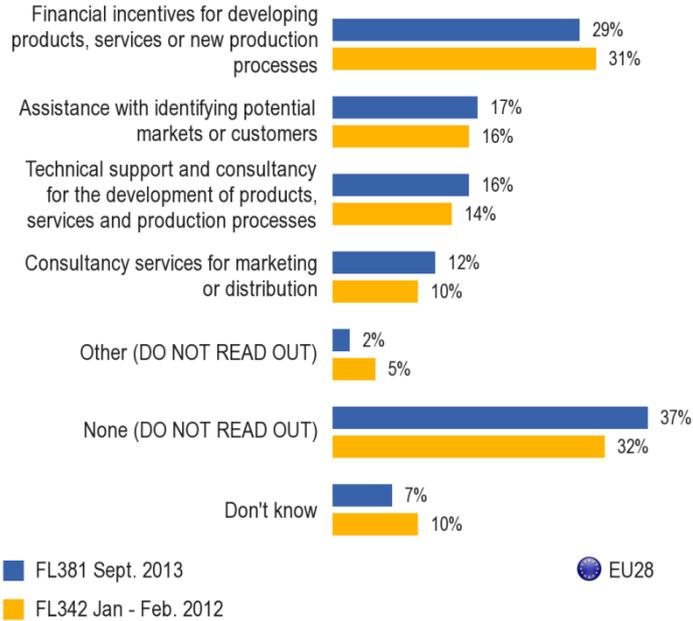


Base: SMEs that offer green products or services = 2,977

Cross-country comparison highlights the differences between SMEs in the US and the EU that offer green products or services. EU SMEs are more likely to mention financial incentives (46% vs. 42%), while those in the US are more likely to mention assistance identifying markets or customers (39% vs. 27%), technical support (29% vs. 22%) or marketing or distribution consultancy (24% vs. 19%).

SMEs that do not currently offer green products or services were asked what kind of support would most help them launch a range of green products or services. Financial incentives for developing new products, services or production processes are the most mentioned kind of support (29%), followed by assistance identifying potential customers or markets (17%), technical support and consultancy for developing new products, services or production processes (16%) and marketing or distribution consultancy (12%). However, more than one third (37%) said none of these options would help.

Q27B. What type of support would help you the most to launch your range of green products or services ?



Base: SMEs that do not offer green products or services = 7,341

There have only been slight changes since 2012, with SMEs less likely to mention financial incentives (-2 percentage points), and more likely to mention technical support or marketing or distribution consultancy (both +2 points). SMEs are also more likely to mention 'none' (+5 points).

SMEs in all but two EU countries are most likely to say that **financial incentives** would help them the most to launch their own green products or services. Companies in Greece (48%) are the most likely to say this, followed by those in Poland (43%), Bulgaria, Croatia and the UK (all 38%).