

European SME's in EO Services

In our last industry survey in 2013, we found that around 65% of the European EO service companies were micro-enterprises ie employing less than 10 persons and that 95% were SME's employing less than 50 persons. We found this a very interesting result and use it to argue that the sector is quite young and fragmented.

But looking recently at Europe-wide figures, maybe the sector is not so un-characteristic after all. Indeed the percentage of European micro enterprises and SME's more generally are higher than we found in 2013. The latest [SME report from the EC](#) shows 99.8% companies in Europe are SME with less than 250 employees, whilst 92.4% are micro-enterprises compared to our 1% and 67% respectively (see table below).

	Micro	Small	Medium	Large
EC Report: Percentage of class	92.4%	6.4%	1.0%	0,02%
EC Report: Employment per class	29.1%	20.6%	17.2%	33.1%
EARSC 2013 survey: percentage	67%	28%	4%	1%
EARSC 2013 survey employment	13%	38%	31%	18%

We are just starting the new survey and we shall see what results this delivers. In 2013 we "found" a total of 319 companies in our sector. Already our database in 2015 contains around 50% more companies that we address with our survey and since we are more aware of the larger companies it is sure that a large proportion of the new additions are micro-sized. I expect we shall see results which are closer to the wider population of companies.

SME's and especially the micro-enterprises are especially important in creating new jobs. At the launch of their report in 2012, the European Commission reported that *85% of net new jobs¹ in the EU between 2002 and 2010 were created by small and medium sized enterprises (SMEs). This figure is considerably higher than the 67%-share of SMEs in total employment. During this period, net employment in the EU's business economy rose substantially, by an average of 1.1 million new jobs each year. These are the main results of a study on the essential contribution of SMEs on job creation.*

But in 2013, the number of SME's fell by nearly 1% with the strongest decline in the micro category. So net creation of new enterprises fell below the rate at which earlier ones were failing. I hope, expect that in the EO services sector this is not the case and the numbers are still rising quite strongly. We have launched our 2015 survey and we ask that all companies respond and if by chance you have not received a request to do so, please let us know at secretariat@earsc.org.