



Flash Eurobarometer 342

SMES, RESOURCE EFFICIENCY AND GREEN MARKETS

SUMMARY

Fieldwork: January - February 2012

Publication: March 2012

This survey has been requested by the European Commission, Directorate-General Enterprise and Industry and co-ordinated by Directorate-General for Communication.

This document does not represent the point of view of the European Commission.
The interpretations and opinions contained in it are solely those of the authors.

Flash Eurobarometer 342

SMEs, Resource Efficiency and Green Markets

Conducted by TNS Political & Social at the
request of Directorate-General Enterprise and
Industry

Survey co-ordinated by Directorate-General for
Communication

TABLE OF CONTENTS

INTRODUCTION 3

1. USING RESOURCES BETTER: WHO, HOW AND HOW MUCH..... 4

1.1 Actions to promote resource efficiency: present and future..... 4

1.2 Does it pay to be "clean and green"? 6

1.3 Environmental management systems: a tool enabling companies to improve their environmental performance 7

1.4 Do policies help companies to become resource efficient? 9

1.5 Using public procurement to stimulate resource efficiency in SMEs..... 11

2. GREEN PRODUCTS AND SERVICES: REDUCING ENVIRONMENTAL RISK AND MINIMISING POLLUTION AND USE OF RESOURCES..... 12

2.1 Green markets: Profiles of the SMEs offering green products or services 12

2.2 What makes SMEs offer green products or services?..... 16

2.3 Can policy help SMEs to offer green products or services? 17

2.4 The number of jobs depending on green goods and services today and in 2014 19

INTRODUCTION

The Commission promotes the growth of SMEs through the Small Business Act for Europe¹. This framework includes an initiative to raise SMEs' awareness of environmental and energy-related issues and to assist them in implementing legislation, assessing their environmental and energy performance and upgrading their skills and qualifications.

This report presents the results of the Flash Eurobarometer 342 survey 'SMEs towards resource efficiency & green markets', carried out between the 24th of January and the 10th of February 2012. This survey has been requested by the EUROPEAN COMMISSION, Directorate-General for Enterprise and Industry.

It is a business to business survey co-ordinated by the Directorate-General for Communication ("Research and Speechwriting" Unit). This survey covers businesses employing 1 or more persons in the Manufacturing (Nace category C), Retail (Nace category G), Services (Nace categories I/J/K/H/L/M/) and Industry (Nace categories B/D/E/F) sectors within the European Union.

This Flash Eurobarometer was carried out by TNS Political & Social. It was conducted in the 27 EU Member States and in Albania, Croatia, Iceland, Liechtenstein, the Former Yugoslav Republic of Macedonia, Montenegro, Norway, the Republic of Serbia, Turkey, Israel and the United States where the same target group was interviewed. All interviews were carried using the TNS e-Call center (our centralized CATI system) except in Albania, Israel, Montenegro and the Republic of Serbia where the local infrastructures (call centers) were used. The sample was selected from an international business database, with some additional samples from local sources in countries where necessary.

The Eurobarometer web site can be consulted at the following address:

http://ec.europa.eu/public_opinion/index_en.htm

We would like to take the opportunity to thank all the respondents across the continent who gave their time to take part in this survey.

Without their active participation, this study would simply not have been possible.

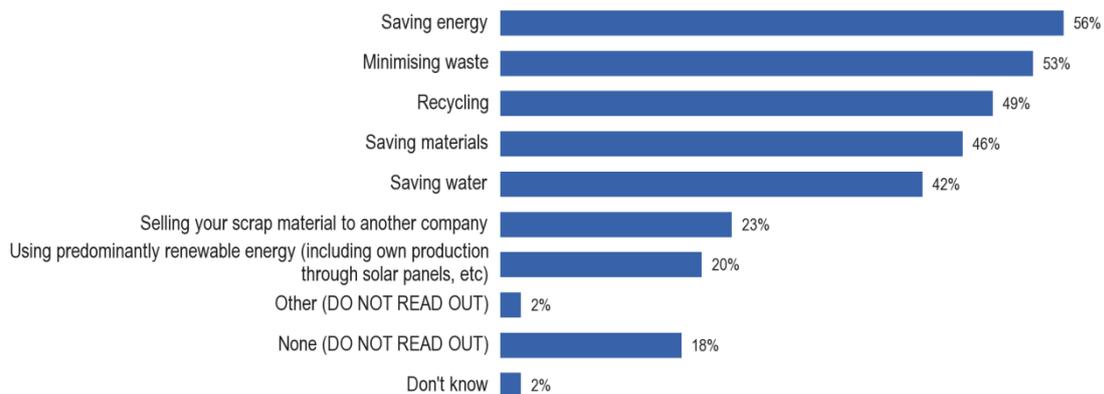
¹ http://ec.europa.eu/enterprise/policies/sme/small-business-act/index_en.htm

1. USING RESOURCES BETTER: WHO, HOW AND HOW MUCH²

1.1 Actions to promote resource efficiency: present and future

93% of SMEs in the EU report that they are taking at least one action to be more resource efficient. SMEs are currently most likely to save energy (64%), minimise their waste (62%) and recycle (61%) in order to be more resource efficient. Half or more of SMEs also opt for saving materials (57%) and water (50%).

Q4. Over the next two years, what are the additional resource efficiency actions that your company is planning to implement?



 EU27

SMEs in the US are considerably more likely to report that they take many (5-8) actions to improve resource efficiency than companies in the EU (57% vs. 32%). This is true for all types of actions, particularly for selling scrap materials to other companies (51% vs. 24%) and recycling (85% vs. 61%).

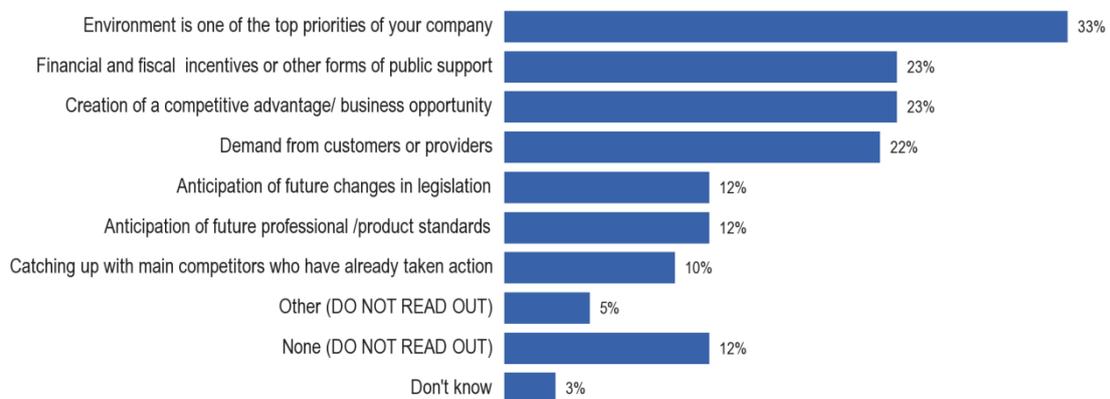
In comparison with SMEs, large companies with more than 250 employees are considerably more likely to save energy (82% vs. 64%), minimise waste (72% vs. 62%), recycle (76% vs. 61%), save materials (74% vs. 57%) and sell their scrap material to another company (44% vs. 24%).

² Methodological note: Answers followed by the words 'Do not read out' are spontaneous answers from the respondent. 'Don't know' stands as the abbreviation for the answer 'don't know/not applicable'.

In the next two years, four SMEs in five (80%) plan to implement additional resource efficiency actions. However, 79% of those SMEs that are currently not taking any measures do not intend to implement any action in the next two years. 91% of large companies plan to take additional actions to promote resource efficiency.

A third of SMEs in the EU (33%) make efforts to improve resource efficiency because it is one of their top priorities. Around a fifth say that they are taking these measures because of financial and fiscal incentives or other forms of public support (23%), in order to create a competitive advantage/business opportunity (23%) or because of demand from customers or providers (22%).

Q5. What are the main reasons why your company is taking actions to be more resource efficient?



 EU27

Large companies (250+ employees) are considerably more likely than SMEs to mention creation of a competitive advantage/business opportunity (36% vs. 23% for SMEs), anticipation of future professional/product standards (22% vs. 12%) and anticipation of future changes in legislation (20% vs. 12%) as reasons for improving resource efficiency.

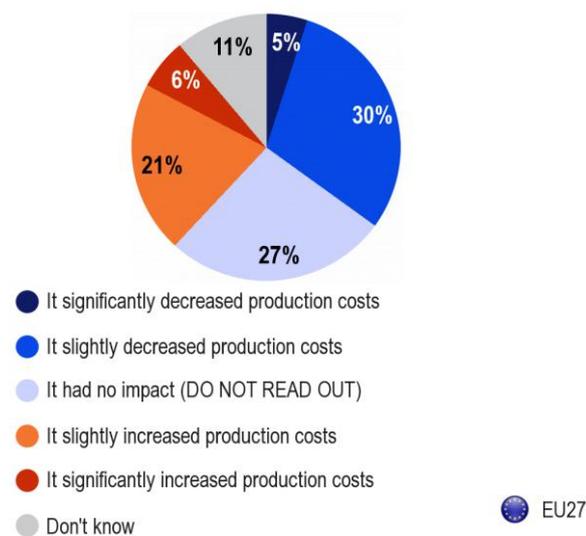
1.2 Does it pay to be "clean and green"?

62% of SMEs undertake resource efficiency actions at no particular production costs for them or with the result of decreasing their production costs. 35% of SMEs in the EU indicate that measures to improve resource efficiency have reduced the production costs and no impact is experienced by 27% of SMEs. 27% report that their production costs have increased.

When comparing results in the EU and the US, US SMEs are much more likely to report increased production costs than SMEs in the EU (38% in the US vs. 27% in the EU).

Large companies are considerably more likely than SMEs to report that undertaking resource efficiency actions reduced their production costs (56%).

Q6. What impact have the undertaken resource efficiency actions had on the production costs over the past two years?



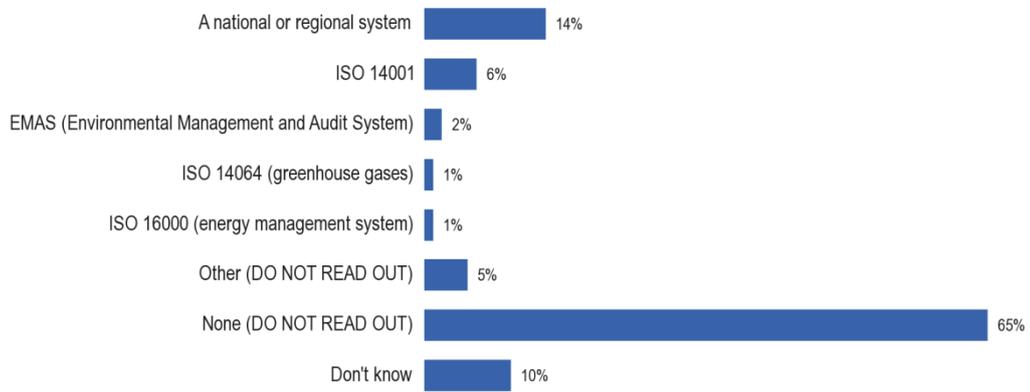
Base: SMEs answered 'at least one action' in Q3

In the EU, three SMEs in five (61%) invest 5% or less of their annual turnover in improving resource efficiency. 12% dedicate 6-10% of their turnover to such investments and 4% spend 11-30%.

1.3 Environmental management systems: a tool enabling companies to improve their environmental performance

Regarding more specific actions linked to resource efficiency, 25% of SMEs in the EU report they have **an environmental management system** in place in comparison with 48% of large companies. They are more commonplace in SMEs in the EU (25%) than in the US (10%). SMEs in manufacturing and industry (29% each) are more likely to have an environmental management system in place than companies in retail (24%) and in services (22%).

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

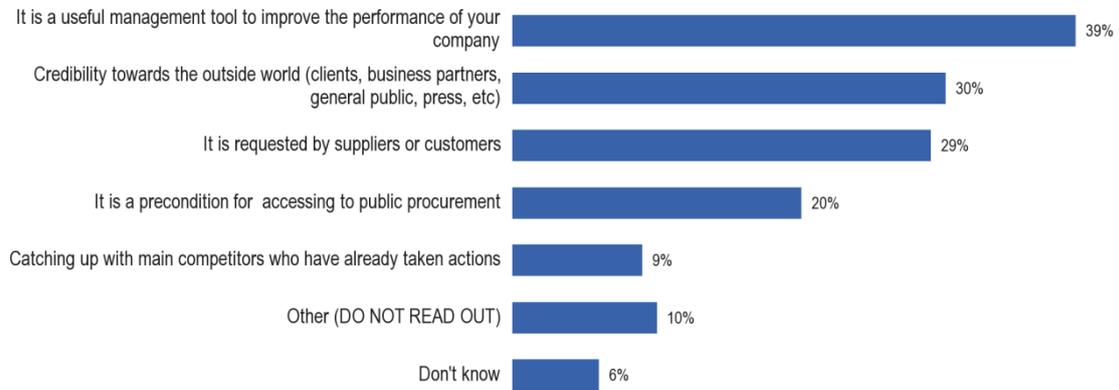


 EU27

Base: Companies answered 'at least one action' in Q3

Four out of ten SMEs consider an environmental management system to be a useful tool for improving company performance

Q9. What are the main reasons why you are using an environmental management system?



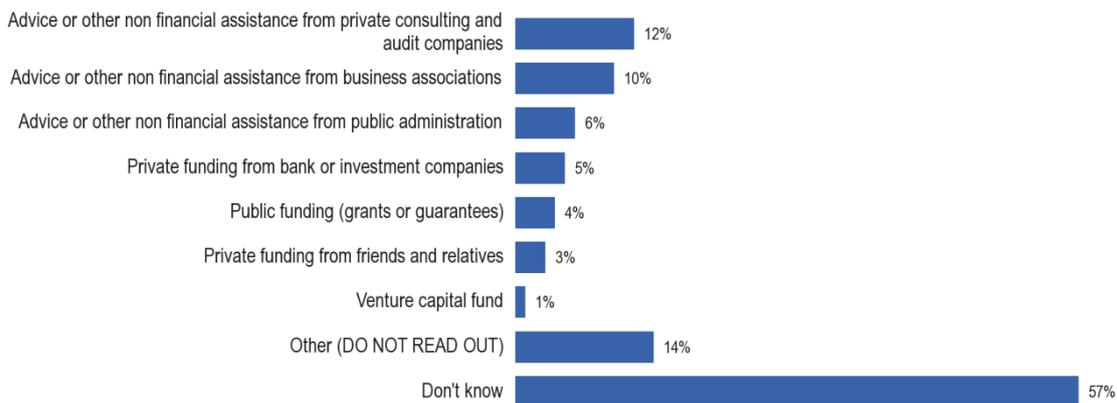
 EU27

Base: SMEs answered 'using at least one environmental management system' in Q8

1.4 Do policies help companies to become resource efficient?

43% of SMEs in the EU report that they receive external support in relation to their environmental actions. Support from the private sector (24%) is more widespread among SMEs in the EU than public support (9%). 57% of SMEs are not concerned by any type of external support and answered 'don't know/not applicable' to the question. 47% of large companies receive external support from private sector and 13% from public sector. **One SME in ten in the EU receives EU support** while such support is much more common among large companies (25%). Structural and cohesion funds rank highest with 4% of SMEs receiving support from them. The majority of SMEs that receive public support for their environmental actions are satisfied with it (56%).

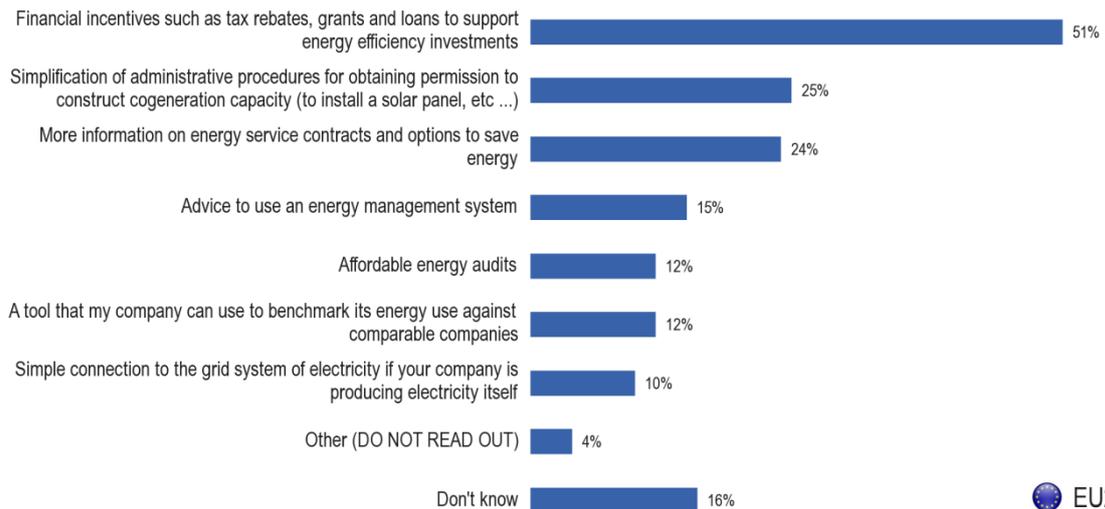
Q14. Which type of external support does your company get in relation to its environmental actions?



 EU27

Over half (51%) of SMEs in the EU name financial incentives as the most effective policy measure to promote energy efficiency, while around a quarter mention the 'simplification of administrative procedures for obtaining permission to construct cogeneration capacity' (25%) and 'increasing information on energy service contracts and options to save energy' (24%).

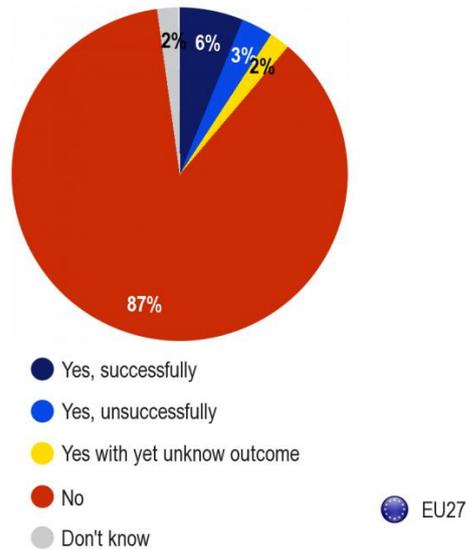
Q18. Which of the following policy measures to promote energy-efficiency do you consider particularly effective?



1.5 Using public procurement to stimulate resource efficiency in SMEs

11% of SMEs in the EU have bid for a public procurement tender that included environmental requirements.

Q11. Did your company bid for a public procurement tender that included environmental requirements?



In the EU, a quarter of Swedish SMEs (24%) have participated in public tenders with specific environmental requirements, followed by 14% of SMEs in Finland. A high figure is also observed in Norway (21%).

Large companies are somewhat more likely to participate in a public procurement tender than SMEs (16% vs. 11%). Among SMEs, medium-sized companies are the most likely to bid for a public tender (22%) while micro companies are the least likely to do so (9%). Most tenders are submitted by SMEs in the industry sector (20%).

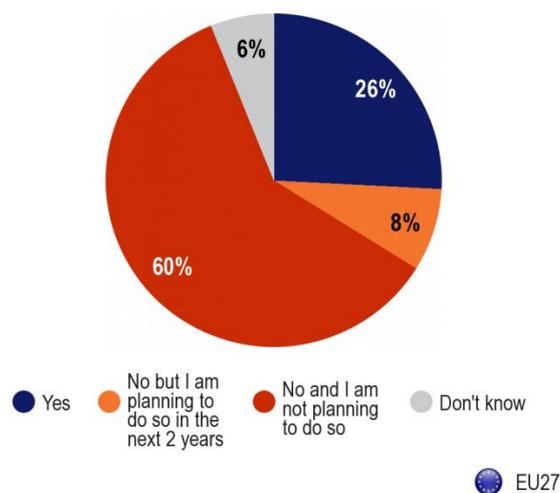
Most of the SMEs that have participated in a public tender with specific environmental requirements report that their main difficulty was the fact that they had to prove compliance administratively with the environmental requirements (31%), or mentioned the costs related to such requirements (26%). General compliance with the environmental requirements was mentioned as a difficulty by 12% of SMEs.

2. GREEN PRODUCTS AND SERVICES: REDUCING ENVIRONMENTAL RISK AND MINIMISING POLLUTION AND USE OF RESOURCES

2.1 Green markets: Profiles of the SMEs offering green products or services

Just over a quarter (26%) of SMEs in the EU offer green products or services. A further 8% are planning to do so in the next two years. Nevertheless, the largest segment of SMEs in the EU (60%) does not currently offer green products or services.

Q19. Does your company offer green products or services?



SMEs in the US are slightly more likely than SMEs in the EU to offer green products or services (30% vs. 26% in EU27). The future development of green business in the next two years in the US also appears slightly more positive than in the EU (11% vs. 8% in EU27).

In comparison with SMEs, a considerably higher proportion of large companies currently offer green products or services (42%).

Half (52%) of the SMEs in the EU that currently offer green products or services offer products and services with environmental features. 29% offer green services or produce green products in the area of recycled materials and 20% in renewable energy or solid waste management. Large companies are significantly more likely to offer environmentally-related professional services than SMEs (31% vs. 14%).

Q20. In which area do you offer your green services or produce green products?

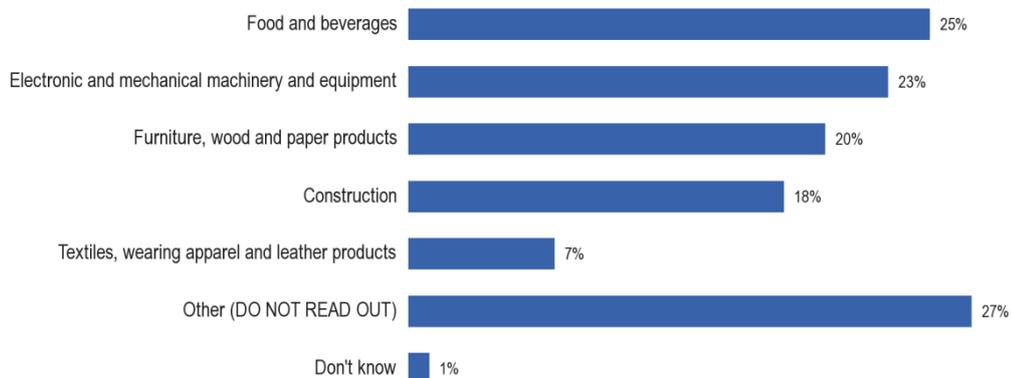


EU27

Base: SMEs answered 'offers green products or services' in Q19

Food and beverages (25%) and electronic and mechanical machinery and equipment (23%) are the most commonly sold green products and services among SMEs.

Q21. 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

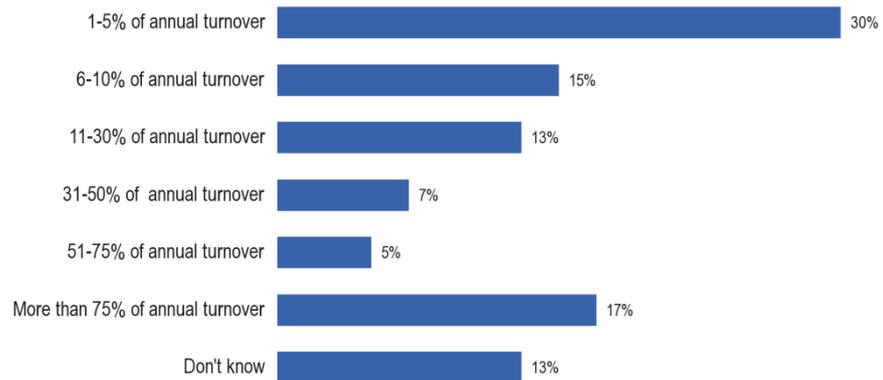


EU27

Base: SMEs answered 'offers green products or services' in Q19

SMEs which offer green products and services are most likely to report that their green sales represent 1-5% of their annual turnover (30%). For 17% of SMEs, green products or services represent more than 75% of their annual turnover. Large companies are more likely to report that these green products or services represent 6-10% of their annual turnover (24% vs. 15% for SMEs).

Q22. How much do these green products or services represent in your turnover (latest available fiscal year)?

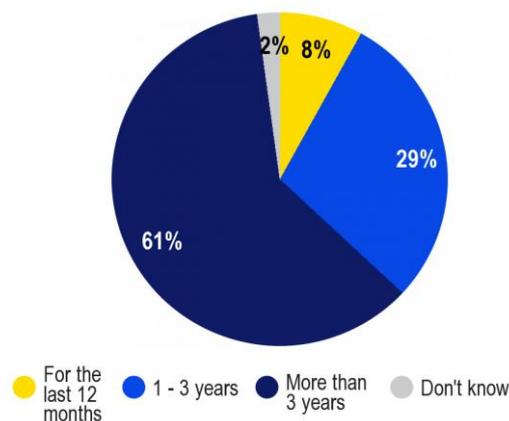


EU27

Base: SMEs answered 'offers green products or services' in Q19

Three in five SMEs have been selling green products or services for more than three years (61%). 29% report that they have been selling green products and services between one and three years and 8% of SMEs in the EU have been selling green products and services for the last 12 months.

Q23. For how long have your company been selling green products or services?



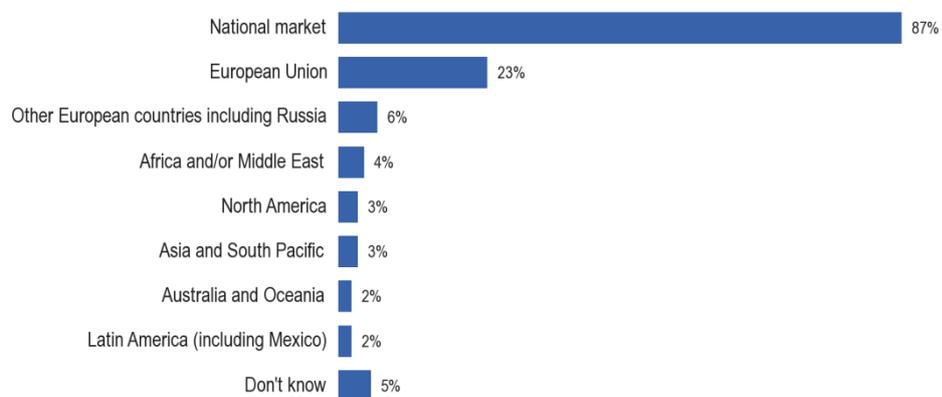
EU27

Base: SMEs answered 'offers green products or services' in Q19

SMEs are more likely to have been selling green products or services for more than three years than large companies (61% vs. 55%) while large companies (42%) are considerably more likely than SMEs (29%) to report they have been selling green products and services for one to three years.

87% of SMEs in the EU that sell green products or services do so on the national markets. In second place, just under a quarter of SMEs report that they operate in the European Union. Very few companies offer their catalogue of green products or services to countries outside the EU.

Q26. Where does your company currently sell green products or services?



 EU27

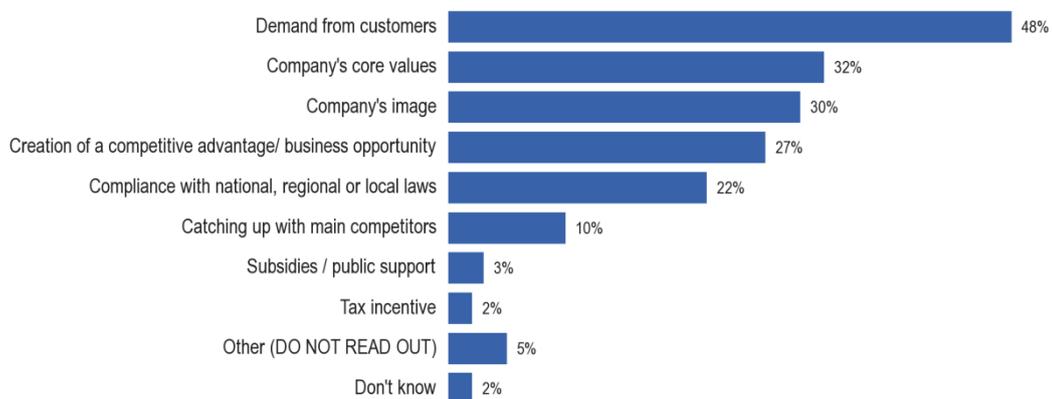
Base: SMEs answered 'offers green products or services' in Q19

Large companies are considerably more likely to sell green products or services in several geographical areas than SMEs.

2.2 What makes SMEs offer green products or services?

Customer demand plays a major role in the decision to sell green products or services. The main reason for SMEs in the EU to sell green products or services is demand from customers (48%). Companies' core values (32%) and image (30%) also play a role in this respect. Conversely, the main reasons for *not* offering green products or services listed by SMEs in the EU are that it does not fit or is not important for the SMEs image (24%), insufficient demand from customers (23%), and the fact that it is not important to the company's core values (20%).

Q24. What are the main reasons why your company offers green products or services?



 EU27

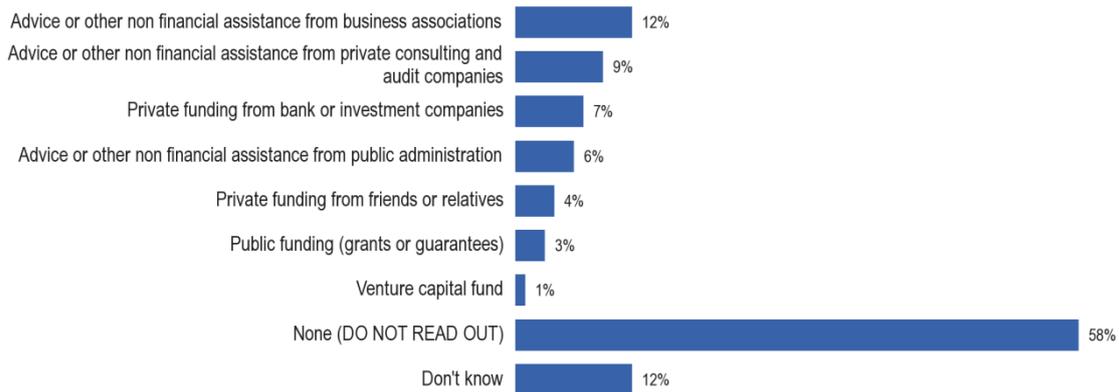
Base: SMEs answered 'offers green products or services' in Q19

Large companies are considerably more likely to mention company's image (51% vs. 30%) and creation of a competitive advantage/business opportunity (43% vs. 27%) as reasons for selling green products or services than SMEs.

2.3 Can policy help SMEs to offer green products or services?

Relatively few SMEs receive external support for the production of green products and services: 30% report that they receive external support. For 26% of SMEs this support comes from the private sector while 8% receive assistance from the public sector.

Q27. Which type of external support does your company get for the production of its green products or services?



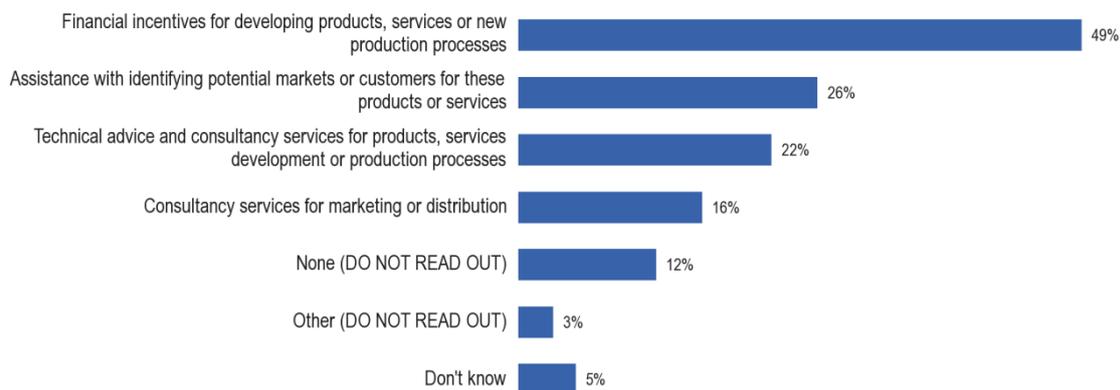
 EU27

Base: SMEs answered 'offers green products or services' in Q19

Large companies are considerably more likely than SMEs to receive external support for the production of their green products or services (44% vs. 30%). This is the case for funding from the private sector (40% vs. 26%), particularly private funding from bank or investment companies (19% vs. 7%) and advice or other non-financial assistance from private consulting and audit companies (18% vs. 9%).

Financial incentives are considered the best way to expand SMEs' range of green products or services. Half (49%) of the SMEs that already offer green products or services indicate that financial incentives for developing products, services or new production processes would be the best way to help the expansion of their range of green products or services.

Q29. What type of support would help you the most to expand your range of green products or services?



 EU27

Base: SMEs answered 'offers green products or services' in Q19

Large companies that are already offering green services or products are considerably more likely than SMEs that are currently offering green services or products to indicate that none of the types of support would help them to expand their range of green products or services (24% vs. 12% for SMEs).

Furthermore, 31% of the SMEs that are not currently offering green products or services cite financial incentives as the best way to help launch a range of green products or services.

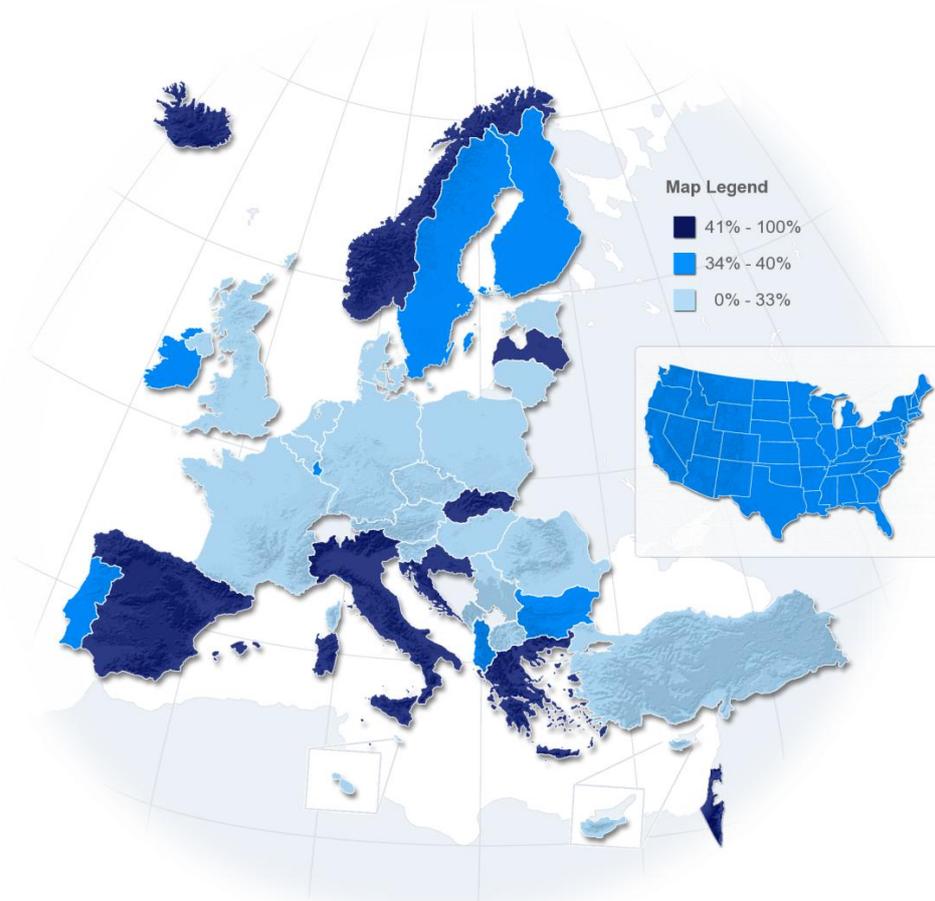
2.4 The number of jobs depending on green goods and services today and in 2014

37% of SMEs in the EU report that they have at least one full time employee, which may be or include the owner himself, working in green jobs some or all the time.

 LV	62%
 SK	57%
 IT	55%
 ES	53%
 EL	45%
 LU	40%
 FI	40%
 BG	40%
 SE	39%
 PT	38%
 EU	37%
 IE	35%
 SI	31%
 PL	31%
 UK	31%
 FR	30%
 MT	29%
 AT	26%
 DE	25%
 RO	25%
 BE	23%
 DK	22%
 HU	22%
 CZ	20%
 NL	16%
 LT	16%
 CY	10%
 EE	9%
 IS	48%
 HR	42%
 MK	20%
 ME	18%
 TR	8%
 IL	69%
 NO	43%
 AL	39%
 US	36%
 RS	31%
 LI	21%

Question: Q31.2. 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



A slight increase can be seen in the number of SMEs offering green jobs. The estimates of SMEs in the EU suggest that the proportion of companies with green jobs will increase in the next two years. The expected proportion of companies having at least one employee working in green jobs is 39% in comparison to the current proportion of 37%.