PRESS RELEASE OF THE CONFERENCE

„Small and medium-sized enterprises - regional networking and business improvement“
Held on February, 19th, 2016 in Belgrade, Serbia

Western Balkan region can be a source of confident suppliers and modern industry in SMEs sector based on knowledge, new technology and competitiveness, instead on cheap workforce as it was up today. This was assessment of SMEs representatives from Serbia, Montenegro, Croatia, Slovenia, Bosnia and Herzegovina which proved that there are examples of good practice in the region.

Conference „Small and medium-sized enterprises - regional networking and business improvement“ organized by Business Info Group under the auspice of Central European Initiative in partnership with Belgrade Chamber of Commerce, confirmed that SMEs sector presents the major potential and development chance of the whole region.

Administrative, bureaucratic, tax and other barriers which include tenders and unfair competition which discriminates participants are examples which panelists indicated, showed that private business in this area is still accepted and supported declaratively and is not acknowledged as strategic part of economy.

Austria is example of organized state support which small and medium-sized enterprises are serviced and promoted by diplomatic representative offices and foreign trade network of Austrian Federal Economic Chamber.

Mr. Christian Mandl, Head of European Policy Coordination Department of Austrian Federal Economic Chamber outlined that:
“This sectors counts more than 480.000 enterprises, employs 2.5 million people, contribute to the GDP with 338 mlrd EUR which is 2.3% of EU GDP. Austria has several organized supplier systems, and small firms should become part of them with the aim to be part of wider international supply. Second goal is better positioning in market niches, technology leadership in order to satisfy world market needs.”

Mr. Mandl added that their state policy considers uniform rules, simplified procedures, lower administrative burdens, consultancy support, financing on regional, federal level and through EU funds. There operate few important agencies which provide finances, such as AWS, FFG, ÖHT, OeKB.
State support is necessary in the beginning but also later when business start to develop and grow though in this phase is available more different channels and models of funding. One of the most respectful are funds of European Bank for Reconstruction and Development (EBRD) on which entrepreneurs could more count on in upcoming period.

„Overall, we provide over €1.5 billion to finance and develop over 200,000 SMEs each year. The EBRD has reached over to more than 8,000 SMEs in the Western Balkan region with different financial and non-financial tools, helping them grow and thrive. In 2011 – 2015 alone the EBRD has provided over €660 million in dedicated credit lines to partner financial institutions for on-lending to SMEs. Over 30 companies received a total of over €150 million in direct funding. EBRD support is reflected through business consulting in various segments, from the organization’s improvement to the market research and quality improvement,“ pointed out Natalia Meylunas, Associate Director, Advice for Small Business, Serbia, EBRD.

Miloje Ercevic, Owner of the serbian company IVA 28 Ltd., that specializes in machine parts production and 100% exports to German machine building industry. He assessed that in Serbia exist declarative support but attitude towards these enterprises is still unfriendly. He highlighted that state does not work on business operation facilitation in this sector.

In the neighbouring Bosnia and Herzegovina, Republic Agency for Small and Medium-sized Enterprises Development of Republic of Srpska is at the head of the consortium that is a member of the European Network of Entrepreneurship. This network has 600 members with over 4000 thousands of experts around the old continent. Marinko Djukic, Director of the Republic Agency for Small and Medium-sized Enterprises Development of Republic of Srpska said:
"We are able to close the market and new technology to our businessmen through this network, and provide all the necessary information and support."

Too extensive state bureaucracy, high taxes, lack of collection of claims within a reasonable time, unclear regulations and lack of networking - are the main problems that afflict entrepreneurs in the region, according to a survey conducted by "Business Cafe", a regional project business meetings of entrepreneurs from the region. This survey was conducted on the Internet, included 321 entrepreneurs from five countries in the region.

Kristina Ercegovic, Owner of Zaokret Ltd. from the Croatia and creator of Business Café project, pointed out that the respondents also believe that the main reasons that prevent people to start their own business include also fear of failure, lack of capital and frequent changes in legal regulations relating to small businesses. Lack of knowledge about entrepreneurship, absence of
good business ideas as well as lack of support of closer environment, are also frequent responses to the question of why not run your business.

"If they have a "magic wand" that could improve conditions for business, respondents would first: simplify the paperwork, make it easier to close a business, establish a time limit for payment up to 30 days, work on entrepreneurship education since elementary school, establish a network of mentors who would help entrepreneurs, work on networking with other entrepreneurs in the region and abroad," said Kristina Ercegovic.