

MSMEs and Critical Raw Materials

Guidelines and best practices for MSMEs to assure resiliency and progress towards a circular economy in sustainable resource management and critical raw material supply chain solutions



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- **What is the status of MSMEs in the Economy of the world?**
- European Union: MSME (250 employees) 99.8%
- USA: MSME 99%
- PR China: MSME (100-500 employees) main base of the Chinese economy

Number of enterprises, turnover and persons employed and the share of enterprises with fewer than 250 persons employed, 2015

	Enterprises		Turnover (m €)		Persons employed	
	total	< 250 persons employed %	total	< 250 persons employed %	total	< 250 persons employed %
EU-28	23 500 341	99.8	27 309 775	55.8	137 444 935	66.3
Belgium	602 153	99.9	989 197	65	2 769 085	69.3
Bulgaria	326 219	99.8	121 308	69.9	1 911 916	74.8
Czech Republic	1 001 048	99.8	444 231	56.9	3 591 896	67.6
Denmark	210 726	99.7	479 464	59.3	1 666 048	64.3
Germany	2 408 352	99.5	6 061 400	47.5	28 258 410	62.9
Estonia	68 124	99.7	50 820	77.5	414 763	78.2
Ireland	243 433	.	595 095	.	1 308 019	.
Greece	789 975	.	236 153	.	2 162 572	.
Spain	2 465 540	99.9	1 789 292	62.2	11 109 702	72.8
France	2 908 814	99.9	3 624 869	55.3	14 645 799	61.4
Croatia	146 637	99.7	77 670	60.9	989 598	69.5
Italy	3 683 127	99.9	2 887 615	68.8	14 225 278	78.7
Cyprus	48 329	99.9	25 573	79.9	215 716	83.9
Latvia	109 642	99.8	51 304	77.8	633 450	79.4
Lithuania	186 468	99.8	73 997	68.5	934 440	75.9
Luxembourg	31 926	99.5	151 365	70	255 869	68.3
Hungary	536 610	99.8	277 690	57.1	2 596 236	69.8
Malta	26 059	99.8	18 665	85.1	134 212	79.7
Netherlands	1 092 243	99.9	1 412 433	61.8	5 461 082	65.7
Austria	322 325	99.7	653 111	.	2 742 655	.
Poland	1 606 559	99.8	921 350	56	8 652 063	68.3
Portugal	807 183	99.9	314 227	.	3 007 264	.
Romania	458 122	99.6	263 366	59.1	3 898 199	65.5
Slovenia	134 727	99.8	83 628	68.3	591 340	73.7
Slovakia	429 524	99.9	180 476	56.7	1 502 912	71.8
Finland	229 096	99.7	365 782	56.1	1 454 614	65.6
Sweden	686 433	99.9	811 397	.	3 102 080	.
United Kingdom	1 940 947	99.7	4 348 297	47	19 209 717	53.5
Norway	293 403	99.8	546 504	.	1 610 874	68
Switzerland	142 775	99.2	1 929 684	.	2 737 720	67.1

Source: Eurostat (online data code: sbs_sc_sca_r2)



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- **Why we need Critical Raw Material (CRMs)?**

CRMs in Key Sectors

Defense Industry

Batteries

Automotive Sector

Electrical and Electronic Equipment

Renewable Energy

Chemicals and Fertilizers

The infographic features a central green background with the title 'CRMs in Key Sectors'. Six images are arranged around it: a defense facility, a battery with a 100% charge icon, a transparent car, a circuit board, wind turbines, and a hand using a blue shovel in a field.

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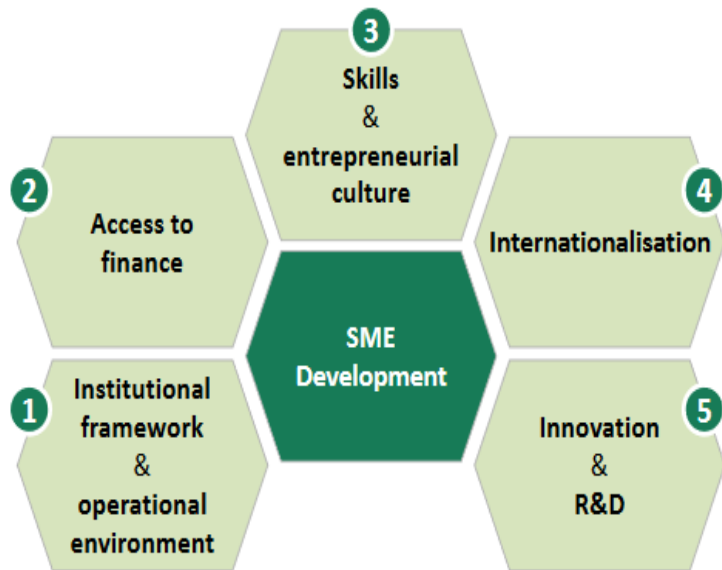
- **Why MSMEs have problems with the supply with Critical Raw Material (CRMs)?**
- Less in-house knowledge of applicable regulations and laws (no legal department, no experts for foreign tax laws, levies and royalties etc.)
- Fewer dedicated resources for managing import / export processes (no special experts for Customs clearance, insurance etc.)
- Lower level of digitalization of internal processes and documents
- Less amount of capital available for investments in infrastructure and equipment
- Most MSMEs are not direct importers but customers of an intermediary and thus have no insight into the supply chains.

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How to support MSMEs in critical raw material (CRM) supply



SME Development (http://www.oecd.org/eurasia/competitiveness-programme/easternpartners/Recommendations_for_Georgia_SME_strategy.pdf).

- Development of an audit catalogue and certification system to independently evaluate the sustainability and stability of supply chains.
- Development of a management system that provides the necessary information from a single source.
- Establishing a credit guarantee scheme as a risk-sharing mechanism and improve alternative non-bank and equity financing for SMEs.

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■ How to support MSMEs in critical raw material (CRM) supply

Almost all economies in the world are based on MSMEs and SMEs. Due to the pandemic crisis, many MSMEs and SMEs are likely to experience problems with liquidity and repayment for loans.

Countries that leave their MSMEs and SMEs alone, defenseless, and eventually insolvent without governmental support will face dramatic disruptions in their value chains. The loss of MSMEs and SMEs will lead to massive reduction of productivity and economic loss for these countries.

The Corona pandemic will prove as a result how stable the political and economic conditions within the respective countries are.



Thank you!

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