

BRITAIN STRONGER IN EUROPE

Small businesses are stronger in Europe

Small businesses benefit inside the EU by being able to trade without barriers inside the single market free trade area of 500 million consumers, and through working in supply chains for larger exporting companies.

Access to the Single Market

Small businesses are more globally-minded than ever before and Europe is their largest export market by far.

- Over 100,000 SMEs exported to the EU in 2014 (source: HMRC)
- Of all British small and medium-sized businesses that export, 88% do so to the EU (source: FSB).
- 82% of small and medium-sized businesses saw European markets as important to their future growth (source: RSA).
- New UK businesses that import are also reliant on the EU, with 64% of imports coming from the EU for businesses that are up to three years old, compared with 51% for businesses that are over 10 years old (source: HMRC).

Supply chains

- Millions of small firms supply larger exporting companies, many of whom export to the EU. The knock-on effects of a vote to leave the EU would hurt these small businesses.
- Small businesses in the UK operate in a global production environment. The OECD estimates that 41% of UK exports are part of a global supply chain.

Small businesses benefit from common EU rules

- Small businesses cannot afford to comply with different sets of rules when they seek to export their goods and services in the way that large corporations can. Small firms benefit from a simple set of rules like those in the Single Market, which give easy access to a market of 500 million people.

Funding for small firms

- Funding for small firms could be at risk in case of Brexit. The Bank of England has warned that Brexit could lead to a rise in interest rates, which would hurt funding for small firms.
- In addition, small firms would be cut off from the myriad of EU schemes that support small firms. From 2014-2020, the UK will benefit from over £8.6bn from the European Social Fund and the European Regional Development Fund if we vote to remain.
- ESF funding has gone towards training for managers and employees in small businesses and the creation of apprenticeships in the UK.
- If we remain in the EU, British SMEs will be able to benefit from the EU's flagship investment plan, which is expected to mobilise around £245bn in investment across the EU.

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- The EU is also taking action to unlock easier finance for start-ups and SMEs through its planned Capital Markets Union, led by the British EU Commissioner Jonathan Hill. The Capital Markets Union is expected to generate £15bn in finance for SMEs across the EU from its implementation in 2020.

Small businesses are clear that they want to stay in the EU

- A Goldman Sachs/Aston University survey of 10,000 small businesses shows:
 - 75% of small businesses want to remain in the EU, compared to 6% who want to leave
 - 82% of small businesses that trade internationally want the UK to remain in
- An EEF survey of its manufacturing members showed:
 - 82% of EEF members say it doesn't make sense for the UK to cut itself off from its major market
 - Majority of EEF members say that remaining in the EU is important (50%) or business critical (20%) for their company
 - Six in ten (61%) EEF members want the UK to remain in the EU – just 5% support 'Brexit'
- 56% of small and medium-sized businesses say the uncertainty surrounding a possible British withdrawal from the EU is holding growth back (source: RSA).
- 55% of small businesspeople think the most positive outcome would be to stay in a reformed EU. 63% believe a British withdrawal from the EU would have a negative impact on their business (source: British Chambers of Commerce)
- 87% of senior UK medium-sized business leaders support continued EU membership (source: Grant Thornton)
- 64% of Enterprise Nation respondents back continued EU membership (source: Enterprise Nation)
- 60% of owner-managed small UK businesses support Britain remaining in the EU (source: Moore Stephens)
- 87% of Tech London Advocates respondents want the UK to remain in the EU (source: Tech London Advocates)
- 70% of TechUK respondents support the UK remaining in the EU (source: TechUK)
- A 'poll of polls' covering seven surveys conducted among SMEs showed 81% of respondents in favour of the UK remaining in the EU (sources: FSB, Henderson Loggie, Goldman Sachs/Aston University, Moore Stephens, Tech London Advocates, FDF, COADEC)

Remember

A vote to stay is a vote for certainty. We'll be stronger, safer and better off in Europe because we'll get to keep access to the Single Market of 500 million people, with a say over the rules of doing business across Europe. That means more jobs, lower prices, and more financial security for British families.

A vote to leave is a vote for risk. Vote Leave say they'll walk away from the single market and negotiate a new deal, but they can't explain what it would be and how long it will take. The truth is if we left, the EU would not give us a better deal than they have for themselves. That means jobs aren't safe, prices will rise, mortgages will be at risk, and funding for your local school or hospital will fall. It is a risk not worth taking. We can't afford to leave the EU.