



SME Assembly 2024

SMEs: Shaping Europe's Future

BUDAPEST

18 - 20 November

#EUSMEWeek

Water scarcity and food production



Health and wellbeing



Cities, settlements and infrastructure



Ecosystem structure, species range shifts and changes in timing



Practical & visible climate impacts

- **Europe** - fastest-warming continent => Extreme weather events
- **Water** - scarcity & overflow. **Food security.** Infrastructure damage
- **Health and wellbeing** - e.g. heatwaves
- **Cities, infrastructure, value chains**
- **Ecosystem changes** – impact depends on a **sector**

European Climate Risk Assessment

<https://www.eea.europa.eu/publications/european-climate-risk-assessment>

Top 10 Risks

“Please estimate the likely impact (severity) of the following risks over a 2-year and 10-year period”

2 years



10 years



Risk categories

■ Economic ■ Environmental ■ Geopolitical ■ Societal ■ Technological

Source: World Economic Forum, Global Risks Perception Survey 2022-2023

Risks are getting green

[50% of World's GDP Moderately or Highly Dependent on Nature - World Economic Forum](#)

Slovenia floods 2023 - reconstruction costs estimated at between 6.7 - 9.9 billion EUR (11-16 % of GDP)

Company risks and opportunities

- Financial
- Operational
- Strategic

Customers:

- Loss/gain of customer loyalty, reputation
- Change of preferences and markets
- Decreased/increased demand for products/services and substitution

Financing:

- Change in company **scoring; credit rating**
- Limited/increased access to **capital** and borrowing costs
- Higher/lower **insurance premiums**

Talent:

- Higher/lower employee turnover
- Reduced/increased productivity from low morale
- Difficulty/easiness attracting and retaining top talent

Investors:

- Lower/higher valuations due to perceived risks
- Attracting /diverting capital to other companies
- Exclusion/inclusion to key portfolios and indexes

CLIMATE RESILIENCE DIALOGUE

Final report

July 2024



- **Aim:** narrow the climate protection gap and increase the resilience of the economies and societies
- **Key issues:**
 - **Gap** – different for stakeholders/geographies
 - **Low risk awareness** > prevention
- Availability of (forward) **data** for assessments
- **Insurance:**
 - Availability, affordability, trust, fragmentation resilience building and coping
 - **Insurability** – conditional on investments in climate resilience, adaptation, **implementation of risk**
- **1 USD invested = 2-10 USD avoided losses (WRI)**
- **Who pays? Avoiding social, economic, fiscal disorder**

Reducing climate protection gap – keeping risk reduction and adaptation affordable – **mitigation!**

What priorities
should the new Commission set
to help SMEs
address challenges and seize opportunities
related to extreme weather events?

Climate protection gap – solutions for SMEs

1. Stay informed and prepared - follow guidelines on how to protect property / assets
2. **Know and manage risks**
 - Seek guidance
 - Implement robust risk management framework including a business continuity plan
 - Consult insurers, experts on existing risk exposure, potential risk reduction and adaptation measures
 - Engage in company-level and sectoral dialogue on climate change adaptation plans, NECPs
 - Factor climate hazards into financial decisions (e.g. when acquiring new property)
3. **Explore financial support and protection**
 - Loans or grants for e.g. retrofitting
 - Consider insurance and its policies for adequate coverage



#EUSMEWeek

SME Assembly 2024

#SMEAssembly2024



SME Assembly 2024

SMEs: Shaping Europe's Future

BUDAPEST

18 - 20 November

#EUSMEWeek



Ferenc Sinkó

Head of the SME, Commercial & Corporate Business Unit Hungary & Head of Client & Broker Relationship Management of Generali Global Corporate & Commercial Business Unit, Central & Eastern European (CEE) Region

Generali Group's purpose

“To enable people to shape a safer and more sustainable future by caring for their lives and dreams”



SMEs insured against natural catastrophes (SLIDO)

What is the share of SMEs protected against natural catastrophes risks in Europe?

- 26%
- 49%
- 79%
- I don't know

A protection gap...to be filled

The insurance protection gap is the difference between insured and uninsured losses.

The global protection gap for health, mortality, agriculture and natural hazards reached a record **\$1.8 trillion in 2022**.

In 2023, **\$ 280 billion of losses** from natural catastrophes were recorded.



Source: Swisse Re Institute 2022 and 2023

Building SMEs resilience in Europe



Develop an ecosystem to promote a culture of Sustainability among SMEs and enable their sustainable transformation.



WHITE PAPER



SUSTAINABILITY HEROES



ENGAGEMENT OF EU INSTITUTIONS



INTERNATIONAL EVENT AND MEDIA

2023

3rd edition



10 Countries
7,600 SMEs Applicants(+30% vs 2022)



10 Sustainability Heroes
2 Special Mentions

The UNDP – Generali Partnership



“Parametric insurance to build financial resilience” Generali and UNDP joint report



SCAN THE QR CODE
TO DISCOVER OUR
JOINT REPORT



Thank you!



SME Assembly 2024

SMEs: Shaping Europe's Future

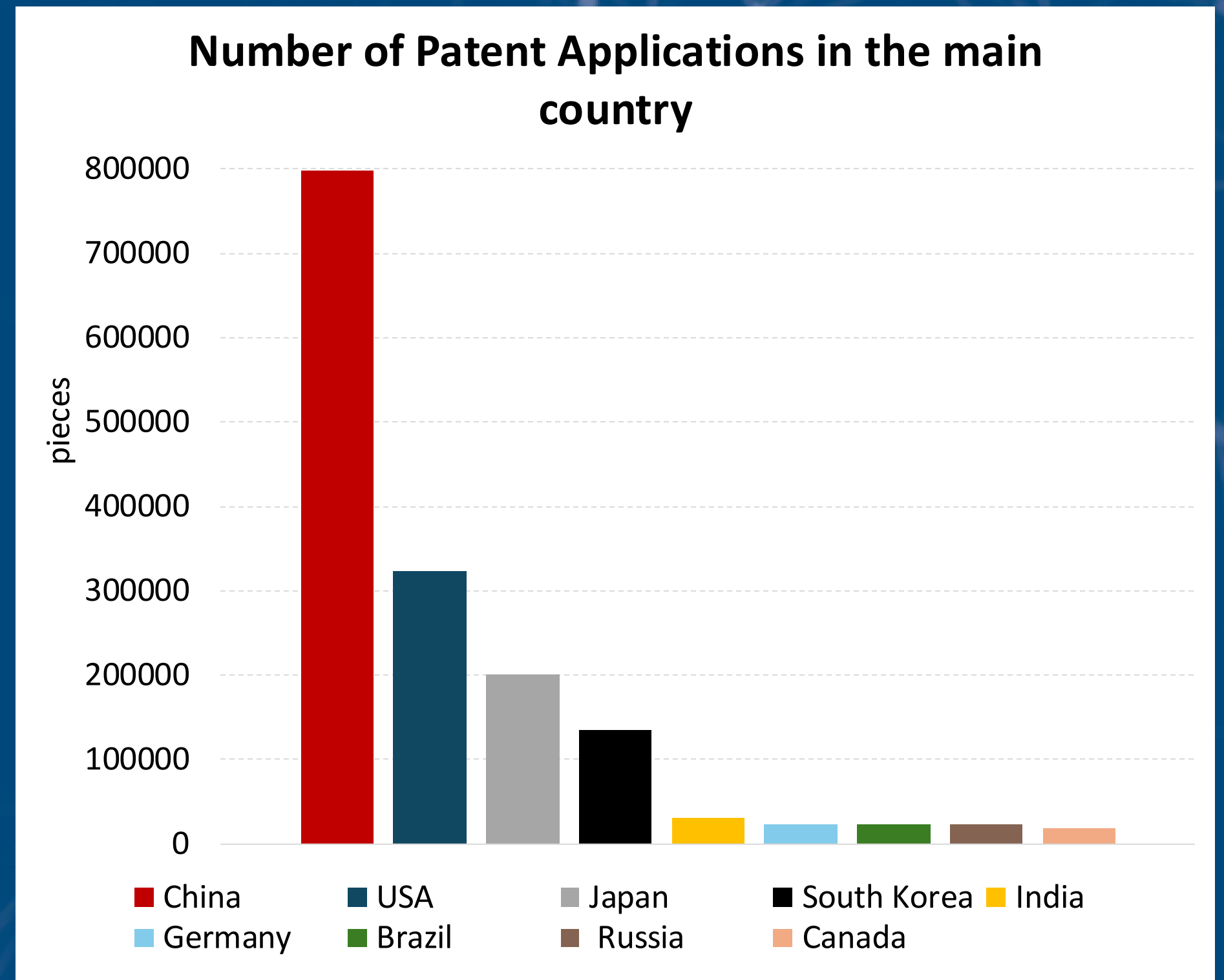
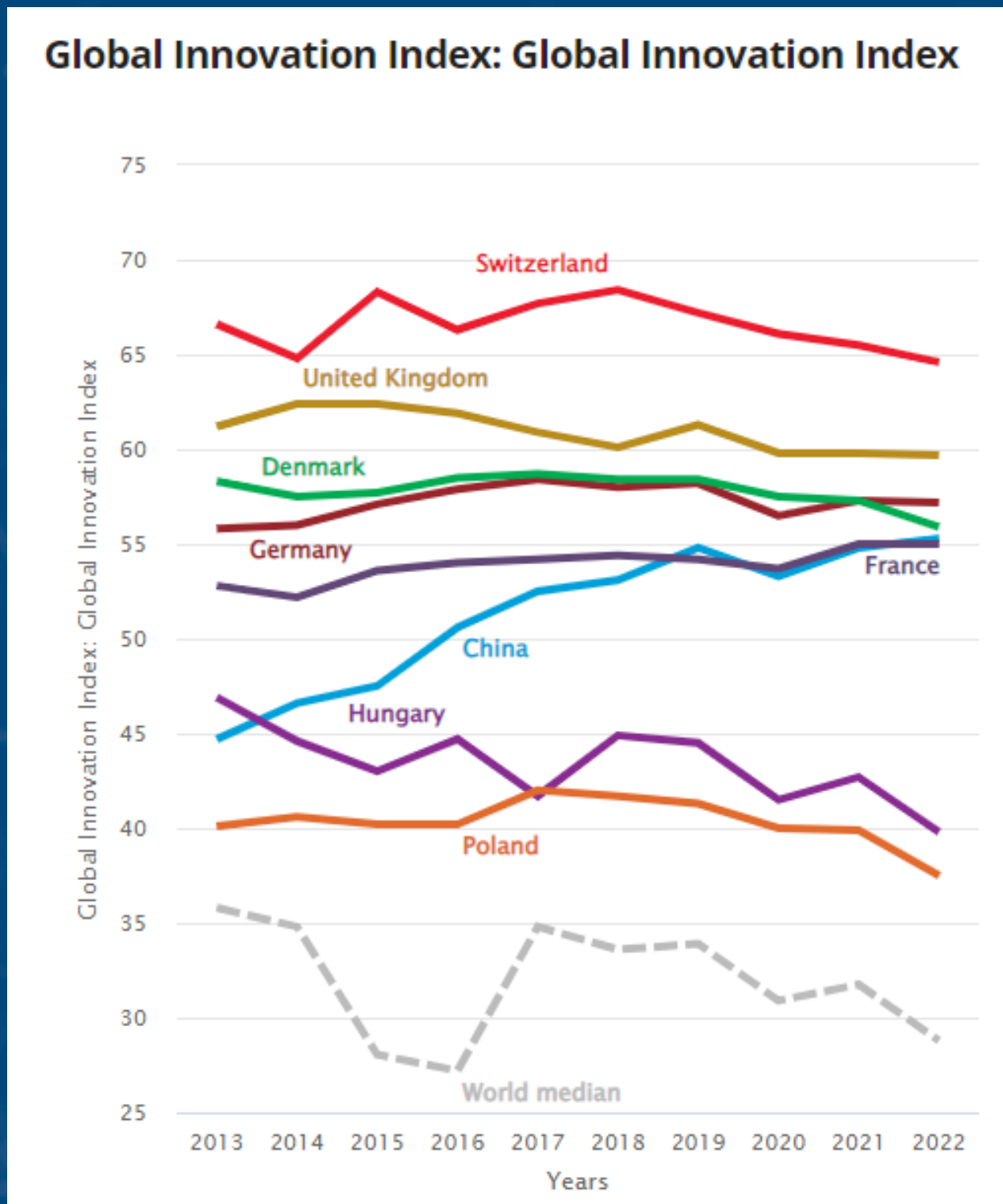
BUDAPEST

18 - 20 November

#EUSMEWeek

Dr. Kármén Billo - Open Strategic Autonomy
– what's in for SMEs?

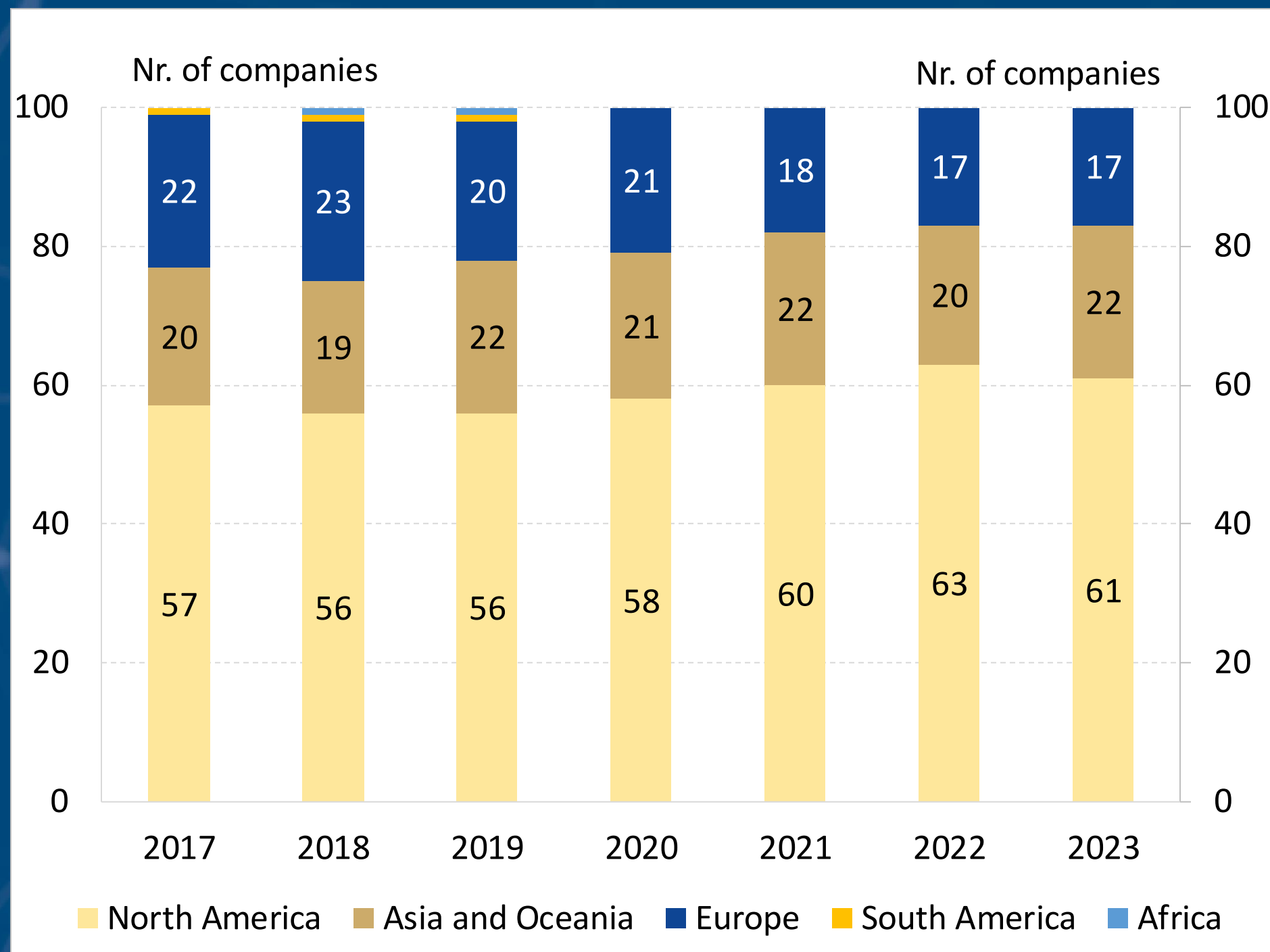
Innovation and patent in China and Europe



The decline of European competitiveness can be detected along a number of parameters, with the US also striving for leadership in "greening"



• The decline in the competitiveness of the European economy compared to North America and Asia has been ongoing for years



THE GEOGRAPHICAL DISTRIBUTION OF THE WORLD'S 100 LARGEST COMPANIES BY MARKET CAPITALISATION(2017-2023)



Europe in decline



Fewer and fewer European companies make the world's 100 biggest companies



Europe's share of global GDP continues to shrink



The financial and economic powerhouses of Europe (London, Paris, Frankfurt) are fading

Inflation Reduction Act - Green protectionism in the USA



The IRA's characteristics are reminiscent of Trump's protectionism, but in green robes



The IRA allocates significant resources to sectors (automotive, energy production) where the US is seeking to lead the green revolution

SME Assembly 2024

#SMEAssembly2024

Forrás: Pwc, Visual Capitalist

Key Goals of the Budapest Declaration

1. Deepening the Single Market - Industrial and technological powerhouse.



2. Investing 3% of GDP in R&D by 2030: Leading in AI and biotech.



3. Reducing Administrative Burdens: 25% reduction by 2025 to support SMEs.



4. Achieving Energy Sovereignty & Climate Neutrality by 2050



5. Increase defence capabilities - Space industry - Agriculture

6. Investing in skills. More circular and resource-efficient economy.

Competitiveness Strategy

Patriotism

Technology

Sustainability

Supply Security

**Focus on Artificial Intelligence (AI) and
Electromobility**

Company incentives

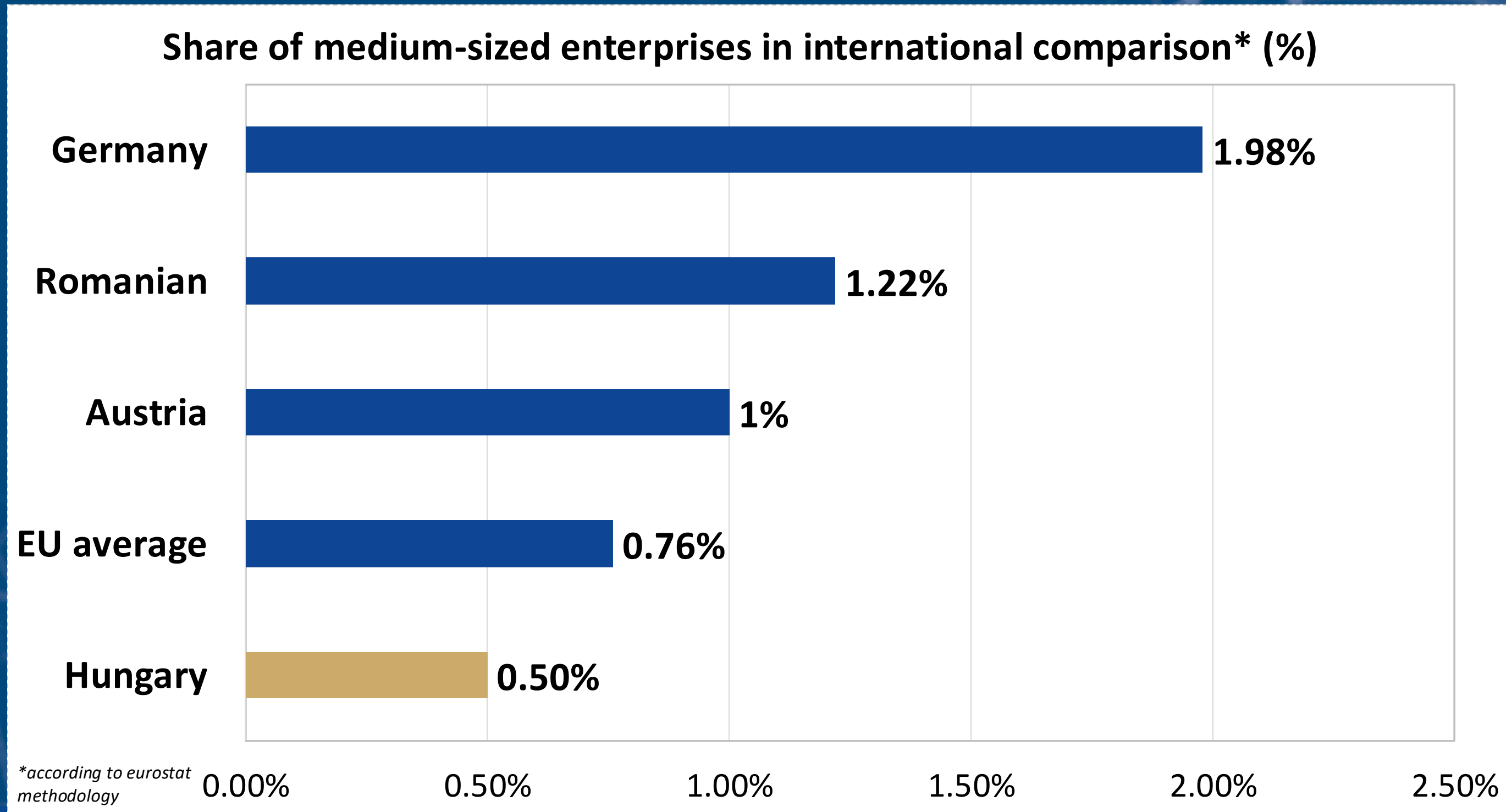
- Pandemic and war highlighted the risks of remote supply chains
 - EU and MSs must show alternatives

- STEP

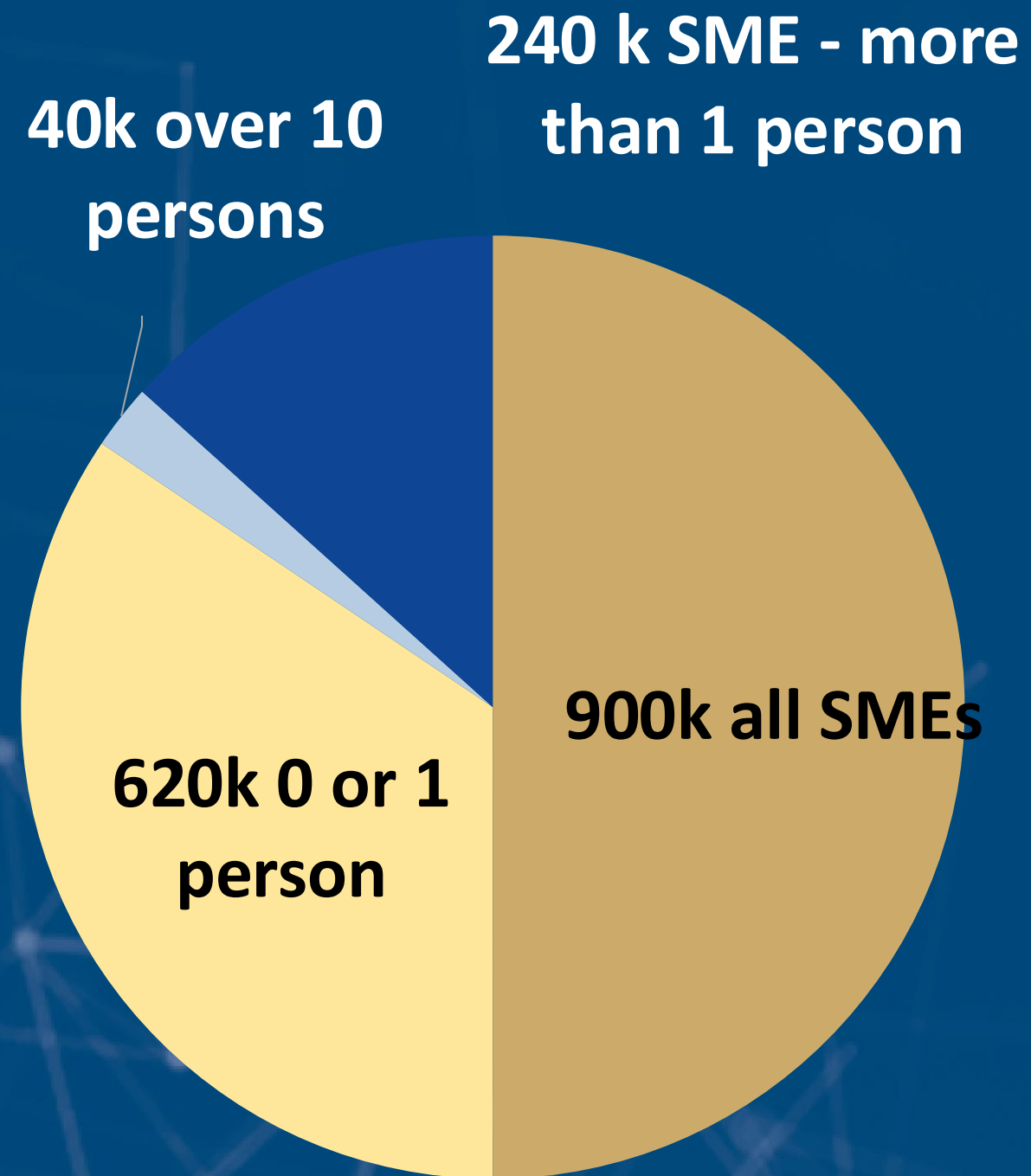
- Not enough European large companies; involve SMEs not only as suppliers



Number of medium size of enterprises



Distribution of SMEs by size and proportion of suppliers



**3573 pieces -
manufacturing
suppliers**

**1625 pieces -
metalworking
SME**

SME development in practice

- Transitional planning and aid
- Supplier consulting and support
- ESG preparation
- Supporting innovation
- Grants
- Subsidised loans
- Guarantee programmes
- Venture capital programmes

Thank you for your attention!



SME Assembly 2024

SMEs: Shaping Europe's Future

BUDAPEST

18 - 20 November
#EUSMEWeek

Better Regulation

Bureaucracy

Ludwig von Mises

Ludwig Heinrich Edler von Mises was an Austrian–American economist, logician, sociologist, and philosopher of economics of the Austrian school. Mises wrote and lectured extensively on the societal contributions of classical liberalism and the power of consumers



“Progress is precisely that which the rules and regulations did not foresee; it is necessarily outside the field of bureaucratic activities.”

Bureaucracy, Yale Press, 1944

The Challenge for the EU

- The regulatory burden on European companies is high and continues to grow, but the EU lacks a common methodology to assess it.
- ... around 3,500 pieces of legislation were enacted and around 2,000 resolutions were passed in the US at the federal level during 2019–2024.
- During the same period, around 13,000 acts were passed by the EU. Despite this increasing flow of regulation, the EU lacks a quantitative framework to analyse the costs and benefits of new laws.

The Challenge for an Entrepreneur

- We don't know if one very small duty or one very light piece of paper could be the last little stone that buckles business person knees and contributes to destroy the health of European economy
- Some companies have already fled Europe and have lighter backpacks of obligations on their backs, and they are developing and growing rapidly.



Opening statement by Commissioner-designate Valdis Dombrovskis at the European Parliament confirmation hearing

- On the third building block: today, administrative burden places a significant drag on our competitiveness.
- Every hour that an entrepreneur spends filling out forms is an hour lost for developing the business, for creating growth and jobs.
- We need simpler rules that are easier to implement.
- But I want to be very clear: simplification does not mean de-regulation.
- We will not compromise our policy goals or our high social and environmental standards.

November 7th, 2024

How to achieve this?



OR?



SME Assembly 2024

SMEs: Shaping Europe's Future

BUDAPEST

18 - 20 November

#EUSMEWeek

Empowering Women in Business: Female Entrepreneurship – Agnes Vida

Women entrepreneurship

- just 34.4% of self-employed workers are women and 14% of start-ups are headed by female entrepreneurs
- In the last 10 years, the share of venture capital investment raised by women in Europe has doubled. The number of women-founded unicorns has increased 10x.

(Source: European Institute of Innovation)

Women entrepreneurship

- women are less risk-taking in businesses. **90%** of businesses founded by men go bankrupt within 5 years, among businesses that survive 10 years, the proportion of women's businesses is **50%** higher

(Source: dealroom.co)

When and why women start an own enterprise?

- after marriage
- family business
- after childbirth
- after children leave

What kind of challenges do they have?

- **Special schedule:** they have to adapt to the family, they need a flexible schedule
- **Mindset:** you can be an entrepreneur and a mother at the same time, women can learn entrepreneurial skills too
- **Plan:** it is difficult to balance family and work, they have to learn how to make a plan that is good for family and the business, “business can grow with children”

What can we do?

- **E-learning:** it's flexible and can adapt well to the family's schedule
- **Teach mindset and planning:** teaching business and marketing skills is not enough, planning and time management must also be taught
- **Meetings:** personal meetings and cooperation help women share knowledge and strengthen each other as entrepreneurs