MSME Policy in United Kingdom

1. Year 2000- Small Business Service was established-Given responsibilities for the Government’s activities to support small business.

- Interdepartmental Coordination
- Govt. department- Banks Coordination.
- Less regulation.
- Mitigate the effects of existing regulation
- World class business support service.
- Change in societal attitudes to enterprise:
  - More people for start up
  - Ambition to grow
  - Supportive business environment.

2. Think Small First Policy

- Right Macro-economic conditions
- Good regulation:
  - Proportionality
  - Transparency.
  - Accountability
  - Targeting
  - Consistence.
- Business Link Network- Service should be simple, appropriate, rapid, affordable and effective.

Objectives:

- Build and enterprise culture
- Encourage a more dynamic start up market.
- Build the capability for small business growth.
- Improve access to finance.
- Encourage more enterprise in minority communities and under represented groups.
- Improve small business of Govt. services.
- Develop better regulations.

What is Small Business Service?

- A centre of expertise, developing and disseminating ideas and new thinking.
• An innovator.
• An engine of change.

Role:

• Listens to the need of small business
• Coherent delivery of services from Govt. departments
• Provide business link service.

Does it through a network called Business Link:

• Each business Link prepare a business plan each year.
• What they want to do.
• Targets
• Milestones
• Fit into the regional economic strategies prepared by regional development agencies.
• Contractors are independent who set local priorities depending on local need.
• Business links are entrepreneurial- Encouraged to earn income
• Collect data.

Tools

• National Advertising.
• National telephone Number.
• National Website.
• A corporate University.

Slogan

“For grown up advice, talk to Business Link”

Other Similar initiatives

• Live WIRE
• Enterprise Insight

Support Mechanism-Government procurement
Other Govt. support for SMEs

- Establish a growth Accelerator-Tailored support to meet growth potential.
- Cut in corporate tax rates.
- Funding for Lending Scheme extended and skewed towards SME lending.
- Developing a business bank to diversify the choice of lending available to SMEs.
- Small business Research Initiative.
- 100% research and development of funding.
- Departmental procurement from SMEs.
- Departmental commitment to the 25% aspiration
- agreement between UK Govt and Major High street banks to make Pound 76 bn of credit available to SMEs in 2011.
- Business growth fund (Pound 2.5 bn)
- UK Govt. Enterprise Finance Guarantee:
  - Guarantee 75% of the loan.
  - Charges borrowers a premium.
- Enterprise Finance Guarantee Scheme for exporters recently launched.
- Enterprise Investment Scheme (Tax incentives for direct investment in SME)
- Enterprise capital Funds (A venture capital fund).
- UK Innovation investment Fund.

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