



"The voice of crafts and SMEs in Europe"

Economic crisis: SMEs warn against rising wave of protectionism

UEAPME welcomes Czech Presidency's plan for an extraordinary summit, calls for EU coordination ahead of G20

Brussels, 10 February 2009 – UEAPME, the European craft and SME employers' organisation, welcomed the Czech Presidency's idea to call for an extraordinary summit at the end of this month to discuss Europe's policy response to the economic crisis. Against a worsening economic outlook, Europe must stick to a common approach based on its values and rules rather than revert to economic nationalism, warned UEAPME. The organisation denounced the growing danger of protectionism in Member States' recovery plans, some of which hint unacceptably at discriminations based on producers' nationality. Europe's internal market must be the cornerstone of the economic recovery and cannot be seen as an obstacle, stressed UEAPME, which called on the European Commission to play its role of "guardian of the Treaties" against any attempt to distort competition and overrule the single market. It also called on Member States to coordinate their response ahead of the G20 in April.

Secretary General **Andrea Benassi** offered the following comments:

"Small businesses are increasingly concerned by the new wave of protectionism that has hit Europe in the last weeks and made its way into a number of national economic recovery programmes. We are pleased by the Czech Presidency's strong reaction to this growing danger and by its call for an extraordinary summit. Heads of State and Government must quickly agree on a coordinated policy response based on Europe's values and rules and must understand that reverting to nationalism is a short-sighted and irresponsible choice. Protectionism is not an option at any stage."

"Beggars-my-neighbour policies aimed at sheltering national champions cannot be tolerated in good economic times, let alone in the present downturn. Competition in the internal market is a cornerstone of Europe's economy and cannot be a victim of short-term, thoughtless measures favouring national producers to the detriment of foreign competitors. Acting in this direction would mean relinquishing fifty years of European integration and ignoring the lessons learned in the 1930s."

"The Czech Presidency and the European Commission must act quickly to make it clear that the internal market and competition rules must be respected, all the more so in the present situation. Member States must coordinate and create synergies among their recovery programmes. A divided Europe would not be able to trigger a quick recovery and speak with one voice at international level, starting from the next G20 meeting in London in April. If we cannot agree with each other, the economic crisis will become a political crisis. That would be the worst possible outcome."

**** END ****

EDITORS' NOTES: UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 83 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information: <http://www.ueapme.com/>

FOR FURTHER INFORMATION PLEASE CONTACT:

Gerhard Huemer, Director for Economic and Fiscal Policy, Tel. +32 (0)2 230 7599, Email: g.huemer@ueapme.com
Francesco Longu, Press and Communications Officer, Tel. +32 (0)496 520 329, Email: pressoffice@ueapme.com