

UEAPME Newsflash

Investment gap and EFSI 2.0 discussed at MED-POL

At the [political meeting](#) of the EU Macroeconomic Dialogue (MED), EU [Social Partners](#) discussed policy responses to the current investment gap and the future of the EU Fund for Strategic Investments (EFSI) with ECOFIN Chair Minister Kazimir, EC VP Valdis Dombrovskis and Wilhelm Molterer (EFSI Managing Director). Secretary General Peter Faross stated that UEAPME's [latest SME figures](#) show modest growth and some increase in employment. However, SMEs are still reluctant to invest, due to low profitability, uncertainty and difficulties to finance innovation and investments. Therefore, the prolongation of the EU Investment Plan with an increase of the SME Finance Window would materialise right on time. A prolongation is crucial to strengthen the current recovery with long-term and risk-taking financial instruments. Furthermore, countries struggling to up-take these financial instruments should receive support to establish the needed intermediaries.

Contact: [Gerhard Huemer](#)

Pillar of Social Rights: no social progress without boosting the economy

UEAPME adopted its [position](#) on the European Pillar of Social Rights. For Crafts and SMEs, the Pillar requires a better integration of economic and social dimensions in order to tackle the real challenges Europe is facing – e.g. lack of growth, investments and jobs in a globalised economy and impact on inequalities and poverty. The necessary conditions for higher social cohesion and inclusion are: boosting employment and job creation in the new economy through SME competitiveness, enhancing workforce adaptability and employability, and improving performance of social protection systems. Instead of addressing gaps in the EU social legislation (as announced by the EC), the Pillar should contribute to improve the business environment and functioning of labour markets through adequate benchmarks, as well as foster structural reforms to create more jobs and ensure social progress.

Contact: [Liliane Volozinskis](#)

UEAPME and cooperative banks discuss future of SME finance

The future of SME finance was discussed from different perspectives at a [joint conference](#) of UEAPME and the associations of cooperative & popular banks, co-organised by EESC: (1) possibilities for banks to use and cooperate with new lending platforms and other alternative forms of finance; (2) experiences with new financial instruments like COSME, Horizon 2020 and EFSI and how to improve them; (3) the impact of the regulatory framework on the ability of banks to finance SMEs. In the panel on the third topic, Economic Policy Director Gerhard Huemer explained that smaller local banks and decentralised banking systems are better able to reply to SME needs. Unfortunately, these banks suffer most from the burdensome regulations from Basel III, which are only applied in the EU to all banks, including the smallest ones. Therefore, UEAPME demands more proportionate rules for smaller banks and a specific legal framework for local credit unions and cooperatives.

Contact: [Gerhard Huemer](#)

Guarantee institutions are crucial for SME finance

Secretary General Peter Faross and Economic Policy Director Gerhard Huemer were invited to the Board of Directors of the EU Association of Guarantee Institutions ([AECM](#)). Mr Faross underlined the crucial role of guarantee institutions' for access to finance for SMEs. Indeed, access to loans for SMEs depends on guarantees provided by these institutions to banks. This is especially relevant for riskier and long-term loans, as banks often hesitate to take these risks. AECM is the most important intermediary to channel EU financial instruments offered to SMEs. Mr Huemer discussed the first experiences with the European Fund for Strategic Investments (EFSI), of which the SME finance window is a big success and helps SMEs innovate and invest once again. UEAPME hence welcomes the extension and prolongation of EFSI, including an increase of the share dedicated to SME finance, and asks for more risk-taking instruments like mezzanine-guarantees.

Contact: [Gerhard Huemer](#)

Skills Agenda: SMEs welcome stepping up efforts for relevant skills

Comprehensive efforts are needed to make education systems more relevant for the economy and society. In its [position](#) on a new Skills Agenda for Europe, UEAPME welcomed the priority to modernise education systems and make them more responsive to the labour market as it is essential to improve employability of people and for digitalisation. Crafts and SMEs feel the lack of basic skills is a major obstacle for the EU's growth, job creation and social inclusion. Upskilling low-skilled adults and enabling a smooth bridge towards VET and the labour market will be essential, as stated in UEAPME's separate [position](#) on the Skills Guarantee. For SMEs, the priority should be on upgrading basic skills' levels. Alongside modernising education systems and improving skills intelligence, policy focus should be to strengthen VET and apprenticeship systems with ownership and involvement of business organisations in their design, governance and implementation.

Contact: [Arnold de Boer](#)

EFSI 2.0 could even do more for SME finance

The European Economic and Social Committee organised a [hearing](#) on “The extension of the duration of the European Fund for Strategic Investment (EFSI 2.0)”. Economic Policy Director Gerhard Huemer underlined the positive experiences with the current SME Finance Window of EFSI, which is indeed the most successful part so far of the European Investment Plan. Further improvements for EFSI 2.0 could be achieved with a stronger focus on long-term and more risk bearing financial instruments, further decentralisation of and a more pro-active approach by the Advisory Hubs, as well as more efforts on the 3rd Pillar of the Plan (i.e. improvement of the regulatory environment). Mr Huemer also met the Brussels EIB and EIF representatives to discuss further technical details as regards EFSI 2.0, such as quasi-equity instruments for innovative SMEs and blending sources from EFSI and regional funds.

Contact: [Gerhard Huemer](#)

UEAPME approaches EIF to facilitate SMEs' compliance with REACH

As the final REACH registration deadline (May 2018) is approaching, UEAPME is continually aiming to facilitate the registration process for SMEs. This last registration deadline will compel all chemical substances put on the market between 1 and 100 tons per year to be registered, which will hence mainly affect SMEs. Therefore, UEAPME [contacted](#) the Chief Executive of the European Investment Fund (EIF) to ask him to keep the impact on SMEs in mind when making a decision on requests from national intermediaries to support national schemes aiming to help SMEs manage their REACH registration. At the same time UEAPME advised its members to ask their national intermediaries to approach the EIF for support of their national schemes related to REACH or to set them up if they have not done this yet.

Contact: [Guido Lena](#)

Harmonisation needed on cash payments

The European Federation of Jewellery organised a lunch debate on ‘Best practices and challenges of the European jewellery sector “Made in”, conflict minerals, cash payments’. On the last topic, Enterprise Policy Director Luc Hendrickx welcomed DG ECFIN’s announcement to look into the problem of cash payments’ limits in some countries. Indeed, UEAPME had already brought this unjustified restriction in the internal market to the attention of DG Grow. He called on the Commission to urgently come up with a proposal as small entrepreneurs are subject to this distortion of competition on a daily basis, especially in border regions and not only in the jewellery sector but also in the furniture and car dealership sector.

Contact: [Luc Hendrickx](#)

CGPME Loire delegation visits UEAPME

22 entrepreneurs from the Pays de la Loire region of member association CGPME visited the European institutions and UEAPME secretariat. Enterprise Policy Director Luc Hendrickx informed the delegation of UEAPME manner of defending SMEs towards the European institutions. He highlighted the importance of intermediary organisations such as CGPME in UEAPME’s decision making process. Further topics discussed were no exemptions for SMEs, CETA, geo-blocking, the collaborative economy, and the working priorities.

Contact: [Luc Hendrickx](#)

----- News from UEAPME Sector Fora -----

Construction Forum discusses European Single Procurement Document

The Construction Forum gathered SME experts to discuss all EU policies relating to construction. The main topic was a discussion with DG GROW officials on the implementation of the EU Single Procurement Document (ESPD). This is a tool introduced by the new EU procurement directive aimed at simplifying certain administrative tasks for companies preparing to bid. Participants voiced several issues about its implementation at local level and for small local tenders, and asked for more consideration of SME needs during the introduction and transition phases. However, participants mostly insisted on the need for the EC to consult SME stakeholders in the upcoming reporting exercise of the ESPD. Other files discussed were posting of workers and the upcoming energy efficiency package. Finally, Study Unit Director Gerhard Huemer presented the construction data of the latest [UEAPME SME Barometer](#), showing an increase in SME confidence in the sector.

Contact [Riccardo Viaggi](#)

EVENTS AHEAD:

- UEAPME-HOTREC event on "How to make SMEs drivers for job creation in the EU: the example of the tourism sector" (30.11, contact [Chiara Aprea](#))

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