

UEAPME Newsflash

EC proposal on reduced VAT rates a boon for SMEs

The European Commission unveiled on 7 July a new communication on reduced VAT rates as part of its "Small Business Act" package. The text regroups a number of existing sector-specific and country-specific rules, and provides a permanent legal framework to introduce reduced VAT rates in labour-intensive sectors, which are currently applied in 18 Member States as an "experiment". It also extends the scope to other services provided locally, i.e. those that do not impact on cross-border trade and do not distort competition. UEAPME was pleased with the proposal, which is likely to put an end to years of uncertainty on reduced VAT rates. In particular, it stressed that reduced VAT rates in labour-intensive sectors represent an important tool in the fight against undeclared work, which creates unfair competition for SMEs. UEAPME therefore urged Member States to quickly approve and put to use the EC communication at the next ECOFIN Council.

➤ [Read more](#) or contact [Gerhard Huemer](#)

UEAPME welcomes General Block Exemption Regulation

The final version of the "General Block Exemption Regulation" (GBER) on State aid was also presented by the EC on 7 July. UEAPME was very pleased with the text, which replaces a number of different regulations and adds new rules to define the forms of aid deemed compatible with the Single Market. UEAPME was particularly satisfied with a series of new provisions specifically targeted to SMEs in the GBER, which allows increased aid intensities and makes it easier for small businesses to benefit from public support for investments in training, innovation, energy efficiency and other important areas. It warned, however, that none of these provisions would bring about concrete advantages for small businesses unless they are now properly used by Member States, which in the past years have kept directing the vast majority of State aid towards national champions.

➤ [Read more](#) or contact [Gerhard Huemer](#)

Social Affairs Troika: mobility, social agenda key points

Secretary General Andrea Benassi spoke at a meeting of the European Social Partners with the Troika of Social Affairs Ministers from France, Czech Republic and Sweden that took place in Chantilly on 10 July. Globalisation, mobility and the renewed social agenda recently presented by the Commission were in the spotlight at the meeting. Mr Benassi stressed the importance of a skilled workforce for SMEs, which can be achieved also through mobility in all of its forms, be it from one region to another, from one country to another or from one job to another. He recalled once again the need of a European exchange programme for apprentices, which is on the agenda of the French Presidency of the EU. On the renewed social agenda, Mr Benassi reinstated UEAPME's concerns on the risk to create new burdens and additional costs for SMEs arising from the EC's proposed Directive to tackle discrimination beyond the workplace, which explicitly covers "access to goods and services" and puts the burden of proof on the alleged offender.

➤ Contact: [Liliane Volozinskis](#)

European Social Partners write to the EC on childcare

The European Social Partners UEAPME, BUSINESSEUROPE, CEEP and ETUC wrote a joint letter to Commissioner Spidla on childcare, in view of a communication on this issue due for September this year. According to the four, Member States will fail to meet the "Barcelona targets" they set in 2002 on the provision of childcare (33% of 0-3 year olds and 90% of 3-6 year olds) if they continue to invest in childcare infrastructures at the current pace. Childcare plays a crucial role in promoting the participation of women in the labour market and in narrowing the gender pay gap, the organisations stressed in their joint letter. They called on the EC and on Member States to monitor progress on the basis of National Reform Plans, and to make recommendations and take action accordingly.

➤ [Read more](#) or contact [Liliane Volozinskis](#)

Directive on industrial emissions must be improved

UEAPME published this week a position paper on the Commission's proposal for a Directive on Industrial Emissions, due to recast seven existing directives (including the IPPC, waste incineration, solvents and other sectoral Directives) into a single legislative instrument. UEAPME welcomed the EC's effort to combine these different rules into one directive, and stressed the importance for SMEs of better, more comprehensible and easily enforceable provisions. Despite positive signals such as monitoring relief for smaller waste incineration installations, however, UEAPME noted that the EC proposal is likely to confront SMEs with additional burdens in other areas. For instance, the IPPC directive contains several additional information obligations, such as an annual compliance reporting requirement, which will be carried over in the new text. These requirements may end up largely outweighing the benefits of the proposed simplifications and cost reductions, warned UEAPME, which called on the Parliament and on the Council to introduce a more appropriate approach for SMEs in the EU legislation on industrial emissions.

➤ [Read more](#) or contact [Cristina Marongiu](#)

Market Access Committee: services now on the agenda

Advisor Rosa Solanes participated in a meeting of the European Commission's Market Access Advisory Committee (MAAC), which took place in Brussels on 10 July. Participants discussed the conclusions of a seminar on the Market Access Partnership launched one year ago to improve cooperation between businesses, Member States and the EC on

trade-related topics. For the first time, the issue of services was also on the agenda. Services will actually become one of the priorities of the future work of the Advisory Committee, of which UEAPME is a member. The MAAC will aim to gather information on the obstacles businesses face when providing a service in third countries, in order to better tackle market access barriers in the services sector. UEAPME will now collect comments and experiences on barriers to service provision to third countries.

➤ [Read more](#) or contact [Rosa Solanes](#) to report.

Mid-term reflections on gender equality in Berlin

The German social partners BDA and DGB jointly organised a conference on 8-9 July in Berlin to exchange perspectives on the European Social Partners' framework of actions on gender equality and showcase best practice examples. Social Affairs Adviser Helen Hoffmann participated in a panel discussion highlighting some examples of SMEs' engagement in different countries on issues such as the reconciliation of professional and private life, the gender pay gap, gender stereotypes and women in decision-making. SMEs were socially responsible actors, deeply embedded in their local communities and committed to the subject, she stressed. Moreover, tailor-made solutions are necessary to fit the individual company structures, she concluded. The European Social Partners will publish the 3rd annual follow-up report under this framework of actions in autumn this year.

➤ [Read more](#) or contact [Helen Hoffmann](#)

UEAPME tackles SME policy with Swedish Ministers

Secretary General Andrea Benassi spoke on 6 July in a seminar on SMEs and Europe at the "Almedalen Week", the biggest annual political get-together in Sweden. The event was attended by the Swedish EU Affairs Minister Cecilia Malström, with whom Mr Benassi exchanged views on different SME policy issues, first of all on the Small Business Act. On 7 July, Mr Benassi met Swedish Enterprise Maud Olofsson, who reconfirmed Sweden's commitment towards SMEs both at national and EU level. Both events were made possible thanks to our Swedish member Företagarna, in particular its Managing Director Anna-Stina Nordmark Nilsson, Board Vice Chairman Gunilla Almgren, who animated the seminar with Ms Malström, and colleagues Ulrika Stuart Hamilton and Christina Linderholm.

➤ Contact: [Andrea Benassi](#)

From Andrea Benassi's agenda: Brussels, Paris, Rome

Secretary General Andrea Benassi started the week in Sweden, where he met the Ministers for EU Affairs and Enterprise (*see above*). In Brussels, he met the Internal Market Commissioner, before travelling to Paris to attend the Social Affairs Troika (*see above*) and meet the Minister of Economy Christine Lagarde. Mr Benassi's week ended in Rome, where he closed the final conference of our CSR project.

09/07: In Brussels, Mr Benassi met Internal Market and Services Commissioner **Charlie McCreevy**, with whom he discussed accounting standards, UEAPME's views on exemptions for SMEs, which must be avoided as much as possible, and the SBA, in particular the concrete application of the "Think Small First" principle and the way forward to give to the Act's main provisions a legally binding value.

10/07: In Chantilly, Mr Benassi spoke at the Social Affairs Troika (*see above*), before joining the UEAPME Board of Directors to meet the Ministry of Economy and discuss UEAPME's main priorities for the French Presidency, once again focusing on the Small Business Act and reinstating our calls for an upgraded SBA and a serious follow-up. The meeting was made possible by our French members APCM and UPA.

11/07: In Rome, Mr Benassi closed the final conference of UEAPME's project "Responsible Entrepreneurship in SMEs" (*more on this event in next week's newsflash*).

➤ For questions on Mr Benassi's agenda, please contact the [UEAPME Secretariat](#)

FORWARD PLANNING

KEY EVENTS AHEAD:

- Informal Competitiveness Council (Versailles - Jouy-en-Josas, 17-18/07, contact [Luc Hendrickx](#))
- Conference on the Small Business Act at the European Parliament (16/09, contact [Luc Hendrickx](#))

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