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Press Release

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UEAPME welcomes Industrial Policy debate, proposes change in Industrial regulations approach

Brussels, January 21st, 2003. UEAPME, the European SMEs employers' federation, has welcomed the European Commission's initiative to launch a fundamental debate on industrial policy at the conference that started in Brussels today. UEAPME's director for economic affairs, **Gerhard Huemer**, said during his intervention that a debate was much needed in view of the latest developments in industrial area and the upcoming enlargement of the European Union. He also proposed a change in industrial policymaking approach in order to foster Europe's economic growth.

During his contribution to the debate, Huemer pointed out that since the mid 90's the development of the EU industry has been less profitable in many regards in comparison to the expansion of US industry. According to him, one of the main reasons for the EU lackluster industrial development lies in inefficient over-regulation. "There has been too much emphasis on inefficient regulation regarding labour and service markets. Over-regulation in social and environmental areas has set the boundaries impeding the further development of EU industry", he said.

Huemer further explained that the slower innovation dynamic in the EU is due to the missing strategic orientation for industrial development in Europe and to the lack of active support for industrial activities. Indeed, during the last years there have been very few examples of active support (Ex. Galileo and Airbus).

UEAPME's representative underlined the importance of big industries for SMEs because of their role as the nucleus of economic development. "This nucleus role is very important for the business related service sector and SMEs as subcontractors or cluster network. Nonetheless, European SMEs see in both relationship deficits in policy that have to be overcome" he argued.

UEAPME thinks that the shortfalls lie in the way of doing regulations for industrial policy. Therefore, the organisation calls on the Commission to target EU regulations on SMEs and adopt exceptions for big businesses instead of making exceptions for SMEs, as they represent 99% of enterprises in Europe. Moreover, UEAPME strongly doubts that regulations in the areas of environment, social and consumer protection are met in an efficient way. Regulations in these areas carry excessive burdens for small enterprises and are mainly focused on big businesses. "It seems that regulatory authorities only see SMEs as the bonsai version of big enterprises" Huemer concluded.

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