



## **“The Voice of SMEs in Europe”**

### **Press Release**

FOR IMMEDIATE RELEASE

### **UEAPME fears that the outcome of the vote on Environmental Liability will have catastrophic consequences for SMEs**

**Brussels, January 23<sup>rd</sup>, 2003.** If yesterday’s vote on the deletion of permits and the introduction of mandatory insurance is later confirmed by the legal affairs committee and the plenary the new directive on environmental liability would have major consequences for SMEs, forcing many out of business. Mr Guido Lena, director for environmental affairs at UEAPME commented, “this is very serious. I regret this decision which will have major repercussions on SMEs and, ultimately, on the economy”.

On the subject of permits, there has been a great deal of misunderstanding. The permit is interpreted as a “licence to pollute”. Yet, already in the Commission proposal, it was clearly stated that the permit exemption would not apply if the operator was found to have been negligent. The permit exemption must be seen as a mitigation instrument that would serve as a defence in court, making it not a right to pollute but a means of protection.

Deleting the permit defence, or any other defence, will result in legal uncertainty for businesses. Operators should not be held responsible for the damage caused by an activity, which, although permitted at the time, has later been classed as harmful or illegal. Also within the context of Sustainable Development, it is important to strike a balance between environmental, economic and social aspects. While environmental considerations must be integrated into economic activities, this must not go against the growth of businesses and the creation of new jobs. It also impedes the basic objectives of the Lisbon strategy.

Deleting the exemptions is incoherent with mandatory insurance, as exemptions are needed to ensure insurance availability. Therefore, UEAPME calls for insurances to be in place and readily available at the time of the entry into force of the Directive, but these must not be made compulsory immediately. The current insurance market, and this is unlikely to change in the near future, does not cover the sort of damage considered by the Directive. The setting up of schemes to cover these new damages must therefore be encouraged, and the participation of SMEs in these schemes will only be possible if premiums are set at a reasonable price; something which could prove difficult if the permits and state of the art exemptions are deleted.

\*\*\*\*\* End \*\*\*\*\*

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