



## **“The voice of SMEs in Europe”**

### **Press Release**

FOR IMMEDIATE RELEASE

#### **EU Summit: European SMEs expect policy proposal to overcome short-term economic problems**

**Brussels, 11th June 2003.** In view of the upcoming European Summit, UEAPME, the European SME employers association, presented a position paper today in which it deplors the Commission’s failure to address the European economy’s short-term problems in its latest Broad Economic Policy Guideline (BEPG). UEAPME also calls for the European Head of States to urgently adopt a short-term macro economic policy to pull out the EU of its economic slump.

According to the association, by failing to propose a solution to the short-term problems in the European Economy and by awaiting a stronger recovery of the US economy, the main policy players will not create an environment which will put Europe back on a growth path and allow the necessary reforms to be implemented. In that perspective, UEAPME warmly welcomes the decision of the ECB to cut its interest rates by 0.5 basis points. However, monetary measures alone will not suffice and other elements in the current macro economic policy mix will have to be re-thought in order to make growth possible.

First, UEAPME argues that the Stability and Growth pact must allow short-term flexibility in order to achieve the long-term targets. “Therefore,” **Hans Werner Muller**, UEAPME’s Secretary General commented, “fiscal policy should not only focus on structural aspects, but also support different economic situations”. Furthermore, UEAPME calls on the European Commission and the ECOFIN to interpret the Stability Pact in a way, which forces the Member States to implement the structural reforms without pro-cyclical effects.

Secondly, UEAPME asks social partners at national level to ensure that the development of wages is in line with inflation targets and is supportive of competitiveness and job creation, which are main sources for gaining purchasing power. Additionally, the association calls on trade unions in some member states to focus more on job creation than on the wage development of those who are already employed.

Finally, the SME association urges Member states to overcome the delivery gap and implement the structural reforms, which were agreed in numerous BEPGs. “As long as the national governments only agree on these reforms at meetings at European level without feeling responsible to do the next step at home, the economic recovery will not happen and the Lisbon targets will be far from being achieved” **Hanns-Eberhard Schleyer**, president of UEAPME’s economic and fiscal affairs committee and Secretary General of the German crafts and SME association ZDH stated.

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