



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE RELEASE

SMEs exasperated by Commissioner Bolkenstein’s refusal to propose extension to reduced VAT rate experiment

Brussels, 26th November 2003. UEAPME, the European SME employers’ association, has expressed its exasperation at Commissioner’s Bolkenstein continuous and incomprehensible refusal to accept the Council’s proposal to prolong the reduced VAT rate experiment for labour intensive sectors. The association further rejects the Commissioner’s argument that the experiment has not proved to be positive. UEAPME reminds the Commission that this interpretation is not in line with the vast majority of the national reports and the analysis made by national SME associations.

“We can not accept that one Commissioner opposes a position supported by all the EU’s Finance Ministers.” **Hans-Werner Müller**, UEAPME’s Secretary General said today. “It seems that Commissioner Bolkenstein is using the SMEs in the labour intensive sectors as hostages to bring through his own proposal on a reduced VAT rate system, which the ECOFIN has already opposed.”

The absence of a Commission proposal with regard to the experiment will be catastrophic for European SMEs as the Council will not be able to agree on such an extension. The Commissioner’s refusal to propose an extension would jeopardise the viability of around 250.000 jobs in Europe.

Therefore, and in the interest of Europe’s fragile economic recovery, UEAPME strongly urges the Commission to propose a prolongation of the reduced VAT rate experiment for labour intensive sectors.

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