



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE RELEASE

Regulatory framework will determine long-term success of Crafts and SMEs in an enlarged Internal Market

Brussels, 23 April 2004 “The question is not whether SMEs should fear the consequences of enlargement but instead whether the regulatory framework and business environment in Member States and the EU will allow SMEs to fully profit from the benefits of an enlarged internal market” Paul Reckinger, President of the European Crafts and Employers’ association – UEAPME- said today.

Speaking at the Third European SME Summit, a yearly event bringing together Europe’s leading SME representatives to discuss topical SME issues, Mr. Reckinger stressed that whilst the enlargement of the EU will imply more competition and new rules for enterprises, the advantages of an enlarged Internal Market will largely outweigh the drawbacks. A major advantage of the enlargement of the internal market will be that joint ventures between businesses on both sides of the former border will be considerably facilitated. This will decisively contribute to the overall competitiveness of Europe.

However, the potential of the enlarged Internal Market can only be fulfilled by SMEs if the environment in which businesses operate is adapted accordingly. In this perspective, UEAPME reiterates the need to reduce the complexity and the weight of legislation affecting businesses at national and European level. Small enterprises should be given the chance to operate effectively in their national market as well as in the European Internal Market.

Furthermore, access to appropriate finance remains one of the principle challenges for SME development in the enlarged EU. SMEs are still under-capitalised; they still have problems accessing bank credits and loans at reasonable rates and fast growing companies are hampered by the underdevelopment of European capital markets. Therefore, fostering a better business-bank relationship through private sector initiatives with public support is urgent.

Finally, UEAPME argues that a reviewed innovation policy is also essential to allow SMEs to fully benefit from enlargement. Currently, innovation is conceived as a process provided solely by high-technology companies, which devote a considerable amount of their budget to Research & Development. This interpretation prevents non-high tech SMEs from getting the necessary loans to innovate and adapt to the new challenges of the Internal Market.

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