



**“The voice of SMEs in Europe”**

**Press Release**

FOR IMMEDIATE RELEASE

**BEPG: Stability Pact problems must be addressed, UEAPME tells  
Commission**

**Brussels, 10 May 2004** UEAPME, the European Social Partner representing SMEs and crafts’ employers criticised the Commission’s failure to present solutions for the on-going row over the Stability Pact in its proposal for Broad Economic Policy Guidelines (BEPG). On the occasion of the traditional bi-annual Macro-Economic Dialogue meeting between European Social Partners, the Presidency of the Ecofin Council and the Commission, the SME employers’ association said that Member States and the Commission should put aside their differences and reflect on solutions to guarantee the sustainability of national budgets.

**Hans-Werner Müller**, Secretary-General of UEAPME, commented, “recent developments have clearly demonstrated that the rules of the Growth and Stability Pact need to be adapted but not eliminated. We are therefore quite surprised that the Commission did not mention the need for adaptation in its last Broad Economic Policy Guidelines proposal.”

In order to re-strengthen the Stability and Growth Pact, UEAPME proposes that both parties, Commission and Member States, give a stronger focus to the actual objective of the Pact: long-term sustainability of national budgets. Secondly, the association sees the need to make the rules of the Pact more flexible and adaptable to different economic situations in the Member States to avoid suffocating ailing economies. Therefore, the Commission and the Ecofin Council must develop instruments that allow Member States to reduce structural deficits in times of economic recovery. UEAPME expects that the Commission and the Ecofin Council will tackle these issues in their negotiations about the BEPG.

Finally, with regard to the on-going structural reform processes in Member States, the association backed the proposal made at the previous Spring Council to develop partnership for reforms at national level to strike the right balance between the need for structural reforms and growth oriented short-term policies. In this perspective, UEAPME reiterated that social partners in particular should act responsibly in the long term interest of all, workers and employers.

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