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Press Release

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UEAPME welcomes deal on Constitution but regrets failure to oust unanimity vote on tax issues

Brussels, 21 June 2004 UEAPME, the European crafts and SMEs employers’ association gave an overall positive verdict of the agreement reached by Heads of State on a European Constitution this weekend. But the association regrets that EU leaders have failed to extend the qualified majority voting system to taxation issues.

“For European SMEs, this is definitely the sore point of the deal,” commented **Hans-Werner Müller**, Secretary General of UEAPME. “We have now a framework that ensures the long term viability of the decision making process in an enlarged Europe, but we still have an obstacle to the finalisation of the Internal Market which is the unanimity vote rule for taxation issues.”

According to the association, the maintenance of the unanimity vote for tax issues will continue to be a hindrance to progress in vital areas for Europe’s enterprises. The gridlock on the lowered VAT rates dossier is just one example that is likely to be repeated in the future.

Nonetheless, the SME representative association thinks that the agreement is a positive step forward for the European Union. Indeed, UEAPME argues that once the new Constitution is in place it will make the decision-making process more transparent and, more importantly, it will allow decisions to be taken without having the risk of an institutional blockage.

Secondly, UEAPME welcomes the new solution surrounding the subsidiarity principle, which will increase the visibility of EU policy at national level by involving national Parliaments more actively in the process. Finally, UEAPME welcomes the extension of the qualified majority voting system to other important areas of EU activities (budget and Agriculture).

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