



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE RELEASE

**Commission’s plans to reform SGP will improve economic governance, says
UEAPME**

Brussels, 03th September 2004. Today, UEAPME, the European SMEs employers’ association, welcomed the Commission’s plans to reform the growth and stability pact (SGP). The association believes that the proposed measures will give a new impulse to the pact and significantly improve the economic governance of the EU.

“The measures proposed by the Commission give the EU an instrument flexible enough to allow an economic and monetary coordination in the EU that is more adapted to the reality of European economies. Whereas the current rules regulating the pact have clearly demonstrated their limitation in deepening the economic governance” **Hans-Werner Müller**, UEAPME’s Secretary General, declared today.

The association particularly welcomes the proposals granting greater flexibility to the pact. Measures such as a flexible timetable to resolve excessive deficits will give Member States an extra margin to overcome difficult economic situations. The association also welcomes the proposal to grant greater margins to run small deficits for countries with modest debts, which will especially help new Member States to implement the economic reforms. Such measures would definitely increase the acceptance of the pact by the public.

Furthermore, the association praised the Commission for not yielding to demands for the elimination of the vital pillars of the pact: a maximum government deficit of 3% of GDP and a debt not higher than 60% of GDP. The removal of these two targets would leave the pact without meaning and throw the EMU into a credibility crisis.

UEAPME is hopeful that the Commission will succeed in finding an agreement with the Member States on the basis of this new proposal and that the pact will regain its credibility.

***** End *****

Note to editors: For further information, please contact Gerhard Huemer on tel +32 2 230 7599

Raphael Anspach, Press officer
Tel: +32 2 230 7599/ Fax: +32 2230 7861
Email: pressoffice@ueapme.com

Web: www.ueapme.com/pressroom