



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE RELEASE

“Give Lisbon a last chance”, SMEs tells Luxembourg presidency

Brussels, 01 December 2004 “If we want to achieve the Lisbon objectives, economic growth and job creation must be at the top of the next presidency’s agenda” representatives of the newly elected UEAPME board of directors told Mr. **Jean-Claude Juncker**, future president of the EU council in a meeting yesterday. The representatives of the crafts and SME employers association told the PM that the mid-term review of the Lisbon process – to be presented in spring 2005- will be determinant for the future of Europe’s economic development.

“We need a strong signal from the next presidency. The mid term review of the Lisbon Strategy must clearly state that economic growth and job creation are the only sustainable sources to finance the existing social and environmental standards in Europe. And in addition the next presidency should create new instruments to enforce the commitment made by Heads of Governments in relation to the necessary reforms” **Paul Reckinger**, president of UEAPME said.

In line with the demand for a stronger focus on economic growth, UEAPME also asked for the presidency’s support on specific issues dealt by the Council.

With regard to the dossier of lowered VAT for labour intensive sectors, the association asked the Luxembourg presidency to renew the efforts to overcome the current deadlock amongst Member States. An abrupt end to the lowered VAT rates in the sectors currently benefiting from the measure would imply a decrease in employment and yet another setback for the Lisbon strategy.

UEAPME further requested a series of amendments to the proposal for a directive on Services in the Internal Market. Whilst the association fully endorses the directive’s objective, which is to give a new impetus to the internal market and facilitate the provision of services throughout the EU, it believes that the approach based on the “country of origin” principle is currently unrealistic. Instead, the association argues that a gradual harmonization of the basic quality requirements for services and a sector-based approach would be more effective in achieving the goals set by the Commission.

After a discussion on the different topics, Mr. Jean Claude Juncker reiterated that he was fully aware of the important role played by crafts and SMEs in the EU. He stated that the Luxemburg presidency would strongly focus on the reduction of administrative burdens and that it would study very closely the draft directive on services, which faces a growing opposition in public opinion. The Lisbon Strategy, which according to Mr. Juncker “is a reform to improve living conditions in Europe”, must be demystified and better explained to the European citizen.

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