



## ***“The voice of SMEs in Europe”***

### **Press Release**

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#### **Finance Ministers told to prioritise SME needs in Lisbon Review**

- **Member states must agree to refocus on growth and jobs**
- **SMEs must be helped to fulfill their potential as Europe’s growth generators**

**Brussels, 7 March 2005** The review of the Lisbon Strategy must give priority to the particular needs of SMEs, as the engines of European growth, innovation and job creation, if the European economy is to make progress. This was the message delivered by the UEAPME delegation to the President of the European Council and EcoFin, Jean-Claude Juncker, at the Macroeconomic Dialogue in Brussels today.

“Refocusing the Lisbon Strategy on jobs and growth is the right approach to address the malaise of the European economy and UEAPME strongly urges the European Council to adopt the Commission proposal,” said **Hans-Werner Müller**, UEAPME Secretary General. “However, as I stressed to the Ecofin Ministers today, any strategy that does not attempt to realise the potential of Europe’s SMEs, as the main growth generators and innovators in the EU, is a pointless exercise.”

There is now a recognition of the importance of innovation and R&D to European economic growth and job creation. At the same time, there is a growing acceptance of the fundamental role that SMEs have to play in this process, given they account for two-thirds of employment and almost 60% of economic output in the Union.

If the European economy is to be successful, however, action must be taken to improve the business environment for and remove the obstacles faced by small and medium businesses. UEAPME outlined a number of priority areas at the Macroeconomic dialogue today, including:

- Access to finance for small and medium businesses must be improved by extending credit guarantee schemes, creating better conditions for self-financing and by developing a market for risk capital for SMEs, among other actions.
- The high costs of cross border tax compliance have to be addressed by introducing the one-stop shop for VAT obligations and agreeing the Home State Taxation Scheme.
- Action must be taken to enable a greater commitment to R&D by small businesses in the upcoming 7<sup>th</sup> Framework Programme for R&D, by agreeing a specific budget for SMEs.

“Five years since its agreement, the Lisbon Strategy has failed to deliver its targets on all fronts. Using the review to focus the strategy on the key areas of growth and job generation is a realistic approach. However, unless action is taken to address the serious difficulties faced by SMEs in doing business, no strategy will rejuvenate the EU economy,” concluded Mr Müller.

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