



“The voice of SMEs in Europe”

Press Release

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Competitiveness and Innovation Programme must live up to its name

- **Access to finance for small businesses and normal business start-ups crucial**
- **New financial tools welcome but traditional instruments must not lose out**
- **SME-specific impact assessments and better regulation initiatives a priority**

Brussels, 6 April 2005 Actions targeting micro-businesses must be introduced under the new Competitiveness and Innovation Programme (CIP), proposed today (Wednesday), if it is to live up to its name, according to UEAPME, the European association for small and medium business and crafts.

“Micro-businesses make up almost 90% of all European enterprises, so it is welcome that they have finally been recognised as a separate entity in the Commission’s Enterprise Programme. Mere recognition is pointless however. Specific funding must be allocated to address the particular problems faced by both micro businesses and new business start-ups in accessing finance for innovation,” said **Hans-Werner Müller**, UEAPME Secretary General.

“The proposal for new financial instruments, providing funding for seed and venture capital and business angels, is a positive development for European business. However, this must not come at the expense of traditional financial instruments, such as EIF funding for credit guarantee schemes and micro-credit schemes, which are more relevant for smaller firms,” Mr Müller stressed.

It is encouraging to see the commitment to support actions under the Small Enterprises Charter, as this was a specific recommendation of UEAPME. Carrying out a proper study on better regulation is one important initiative that should be taken under this heading to improve the business environment in the EU.

SME-specific impact assessments of all legislation should be a priority under the new programme. The impact of new regulation on smaller firms is much more acute due to their size and limited resources. The CIP should recognise this by funding the assessment of new legislation for its impact on small businesses.

The logic of bringing enterprise-related activities, previously covered by a number of different DGs, into one framework programme has not been tested. UEAPME hopes that the CIP makes the Commission’s work more coherent and more accessible to European businesses.

“The scope and aims of this new enterprise framework are very broad but it has taken some of the recommendations of business on board. It is now important that actions financed under the programme reflect the needs of SMEs if it is truly to promote competitiveness and innovation in the EU,” concluded Mr Müller.

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