



“The voice of SMEs in Europe”

Press Release

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Competitiveness Commissioner told not to forget traditional businesses

- **Commissioner Verheugen should act as guardian of the economy in the Commission**

Brussels, 19 April 2005 The Commission must not forget traditional businesses if it is serious about prioritising growth and jobs in the EU. This was the key message delivered by **UEAPME President Paul Reckinger** at a high-level meeting with Enterprise Commissioner Günter Verheugen this evening (Tuesday).

“Despite a general acceptance of the importance of SMEs to the EU economy, the vast majority of small firms are ignored under Commission programmes and in crucial policy statements, most recently the conclusions of the Lisbon Spring Summit,” said Mr Reckinger.

Commission documents and statements by the Council focus on the need to support ‘innovative’ small businesses. However, the exclusive definition of innovation employed means that only high tech firms or those engaging in research receive support. Millions of small enterprises are excluded under this narrow focus, even though they are key growth and employment generators.

“We have a hypocritical situation in which small innovative firms in traditional sectors, such as manufacturing, which are seeking to develop new products and expand, are denied support because they do not fall under the restrictive definition of ‘innovation’ used in the EU,” Mr Reckinger told Commissioner Verheugen.

Mr Reckinger also called on Commissioner Verheugen, as Commissioner for enterprise and specifically SMEs, to assume the role of guardian of the economy in the Commission. There is a need to ensure the legislative programme of the Commission supports the EU economy and does not have a negative impact on competitiveness, through burdensome regulation.

Commissioner Verheugen and DG Enterprise should take a lead role in overseeing the Commission’s work programme and guaranteeing consistent and coherent policies are followed. UEAPME is calling on the Commissioner to ensure that proper impact assessments are carried out on all legislation; some new legislation, such as the Consumer Credit Directive, is still not assessed. In particular, there must be a much greater use of SME-specific impact assessments.

With regard to the new Framework Programme for Competitiveness and Innovation (CIP), covering the activities of DG Enterprise, UEAPME expressed the hope that the CIP makes the Commission’s work more coherent and more accessible to European businesses. In general, there should be a drive to reduce the onerous bureaucracy involved in Commission projects and to introduce more small projects with an SME focus.

“Small and medium enterprises are the engine for growth in the EU but are prevented from fulfilling their potential by a number of barriers, like burdensome regulation and poor access to finance. The Commissioner must ensure that the needs of all small businesses, not just those in the high tech sectors, are addressed if he is to be successful in promoting European competitiveness,” concluded Mr Reckinger.

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