



“The voice of SMEs in Europe”

Press Release

IMMEDIATE ISSUE:

Slashing budget for competitiveness would be a major step backwards

- **Competitiveness and Innovation Programme (CIP) should be made more concrete**

Brussels, 24 May 2005 Reducing the amount of the EU budget spent on improving competitiveness would be a serious mistake, according to the European small and medium business organisation UEAPME, responding to a proposal by the Luxembourg Presidency to reduce spending on the key competitiveness and research programmes by 50 billion euro.

“It is outrageous that Member States are proposing to slash the proportion of the budget allocated to research and innovation less than two months after the they agreed to focus on growth and job creation in EU. How can the European economy be expected to improve if spending in key areas is cut?” said **UEAPME Secretary General Hans-Werner Müller** at a conference on the CIP with the new SME Envoy.

“It is widely accepted that the EU is falling further and further behind other global economies, yet the Presidency is proposing to dramatically reduce spending on the very initiatives designed to redress this malaise. It is a self-destructive proposal,” continued Mr Müller.

UEAPME called on the European Parliament to make the new Competitiveness and Innovation Programme (CIP) more concrete and to assign specific funding for promoting innovation in small businesses at the conference, which was aimed at informing MEPs on the programme.

One important step in ensuring this would be explicitly including the focus on SMEs under the title of the CIP, as was the case in the previous Multi-annual Programme, which was “especially for small and medium-sized enterprises”. In addition, the CIP should be used an instrument to implement the 10 action lines of the Charter for Small Enterprises.

There is also a need to avoid a narrow definition of the term ‘innovation’ under the CIP. Currently, the programme places an excessive emphasis on high-tech firms and ‘gazelles’, at the expense of the vast majority of small businesses, which can also make important contributions in the area of innovation.

Some specific areas, which UEAPME called on the Parliament to focus, included: prioritising SME-specific impact assessments, and providing funding to address the problems faced by both micro businesses and start-ups in accessing finance for innovation.

“Cutting spending on areas like research and innovation would be a regressive move, which would undermine commitments made by the Heads of State to focus the Lisbon Strategy on growth and jobs,” concluded Mr Müller.

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EDITORS’ NOTE: UEAPME is the employer’s organisation representing the interests of crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 78 member organisations, which represent crafts and SMEs across the whole of Europe, covering over 11 million enterprises with nearly 50 million employees. UEAPME is a European Social Partner.

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