



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE ISSUE:

Minimum budget for SMEs in FP7 must be maintained

- **Administrative burden for research projects should be reduced**

Brussels, 3 June 2005 Member States should support a Presidency proposal to introduce a minimum allocation for SMEs in the FP7 collaborative budget at next week’s Competitiveness Council, according to UEAPME, the European small and medium business and crafts association.

“If we want to be serious about increasing the involvement of small business in the forthcoming framework programme, including a minimum budget for SMEs in such a major part of the programme is vital. Abandoning this provision, as the Commission proposed, would be a slap in the face to SMEs,” said **Hans-Werner Müller**, UEAPME Secretary General.

15% of the collaborative research budget was set-aside for SME participation in FP6, a target UEAPME wants maintained in FP7. This means providing at least 6 billion euro in the budget for the participation of SMEs in collaborative research projects. UEAPME is calling on Member States to support a Luxembourg Presidency proposal to reintroduce a minimum allocation.

“It is a question of quality and not just quantity. The onerous administration involved in submitting a proposal must be simplified. The application process in FP6 typically took more than a year. This acts as a disincentive for small firms with limited resources. Greater use of lump sums at the initial project stage is one way of reducing this process,” continued Mr Müller.

Official studies have shown that there is a serious shortfall in R&D investment by small firms in the EU¹. US small businesses spend on average 7 or 8 times more on R&D than their European counterparts. This must be addressed if the EU is to make progress towards its R&D targets.

The proposal to ensure that there is close coordination between FP7 and the new Competitiveness and Innovation Programme should be supported.

UEAPME is also calling on the Council and Parliament to ensure that attention is focused on CRAFT and Collective Research Programmes. The allocation of 1.9 billion euros, as proposed by the Commission, must be guaranteed. These SME-specific schemes were the most relevant and accessible for small businesses under the previous framework programme and will be key to increasing their involvement in FP7.

“If the forthcoming framework programme is to meet the Commission’s aim of increasing the involvement of small businesses, allocations to SMEs under the budget must reflect this. Member States should throw their support behind the Presidency proposal,” concluded Mr Müller.

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¹ EURAB – European Research Advisory Board, Policy Advice (2004)