



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE ISSUE:

Legislative simplification must address excessive burden on SMEs

- **Administrative burdens cost an average 6 to 30 times more for SMEs**
- **Gold plating during transposition causes much of the EU’s regulatory problems**
- **Sectoral approach to simplification must not neglect small firms**

Brussels, 19 July 2005 More needs to be done to reduce the disproportionately damaging effects of legislation and regulations on SMEs in the EU’s better regulation and simplification drive, according to a [report](#) published by UEAPME, the European small and medium business organisation.

“The impact of onerous regulations is greatly magnified on SMEs. Research has shown that the costs of complying with administrative burdens are 6 to 30 times greater on small firms than larger businesses. This must be addressed if we are to be serious about promoting innovation and encouraging growth in the EU,” said **Hans-Werner Müller**, UEAPME Secretary General.

Much of the regulatory complication faced by small businesses was added by Member States in the transposition of EU legislation, according to the UEAPME survey of SME organisations, representing 11 million enterprises throughout Europe. “Any simplification process will only be effective if it is coordinated with the Member States. Gold plating of EU legislation in its transposition into national law is a serious problem that must be avoided,” continued Mr Müller.

“There needs to be a change of culture both at EU and national level towards regulation. This means not just focusing on legislative simplification but on the overall realm of bureaucracy and excessive red tape.”

UEAPME has called on the Commission to ensure that the sectoral approach to tackling simplification, proposed by Commissioner Verheugen last week, is not confined to larger producers and that smaller service providers and subcontractors in the key sectors under review are also a focus. This must go hand-in-hand with a horizontal approach focusing on the most burdensome policy areas for SMEs.

The SME lobby group reiterated its call for the introduction of impact assessments with a focus on the evaluating the costs and burdens of legislation specifically on small enterprises. It also called for impact assessments to take greater account of the cumulative effect of other, existing regulations, when assessing the impact of new proposals. The SPORT impact test on the REACH proposals, for example, indicated that the obligations imposed by REACH duplicated a number of administrative procedures already in place.

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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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