



“The voice of SMEs in Europe”

Press Release

IMMEDIATE ISSUE

Proposals on innovation state aid an important step towards dynamism

- **New rules would target innovation in a broader sense and not just R&D**

Brussels, 21 September 2005 UEAPME, the European small and medium business organisation, has welcomed the initial proposals for reforming rules governing state aid for innovation, announced by the Commission today (Wednesday).

“The new approach being proposed by the Commission better reflects the reality of European businesses. Instead of funding unproductive, national champions, state aid will now be targeted towards small, innovative firms and encouraging this sizeable section of the economy to develop their potential. This can only serve to improve the competitiveness of the EU economy,” said **Gerhard Huemer, UEAPME Director of Economic and Fiscal Policy**.

“The outline for reforming the rules on state aid for innovation demonstrates that the Commission has understood that, especially for small companies, innovation does not just mean R&D. Innovation is a much broader concept by which businesses develop their capacities, ideas, products and markets.”

Under the new proposals, state aid under the category of innovation will aim to promote the transfer of technology and the development and support of clusters, which can help promote innovation among smaller businesses. Support will also target innovative start-ups and innovation intermediaries (such as business incubators and innovation poles). This will help channel state aid to smaller innovative businesses and should stimulate this growth-generating sector.

UEAPME particularly welcomes the proposal to encourage funding for training and developing greater links between university research and SMEs. Given SMEs account for 99% of European businesses, promoting training for and developing the research capacities of small firms is crucial for the overall development of the European economy.

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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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