



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE ISSUE:

Council decision on FP7 will help improve SMEs' R&D participation

- **Re-introducing threshold for SME participation signals commitment of council**

Brussels, 29 November 2005 The Competitiveness Council has made major strides towards improving the participation of small businesses in R&D in its decision on FP7 yesterday (Monday), according to UEAPME, the European small and medium business organisation.

“Shortfalls in EU spending on R&D are particularly acute for small businesses, so it is crucial that FP7 seek to raise the participation of SMEs, if the EU is to make real progress on this front. The Council has taken important steps towards improving the involvement of small firms in FP7 and thus promoting R&D in Europe,” said **Hans-Werner Müller**, UEAPME Secretary General.

UEAPME has strongly endorsed the decision of the Council to reintroduce the 15% threshold for SME participation in cooperative research programmes (6.7 bn Euro under the original proposal). This sends the right message to small firms and will increase their involvement in FP7. Studies have shown that small firms in the US spend up to 8 times more on R&D on average than their EU counterparts. Redressing this imbalance is key to improving EU research and innovation.

“The decision to re-institute ‘exploratory awards’ to financially assist SMEs in the initial stage of a project application will help overcome one of the major disincentives to their participation in the framework programme,” continued Mr Müller.

The use of ‘exploratory awards’ (an important component of FP5) will make funding available for businesses to seek out European research partners in the pre-application stage. However, the costly and complex process of project application is still largely unresolved.

“The Council have significantly improved the original proposals on FP7 in way that will encourage the involvement of SMEs. However, it is important that the Heads of State do not undermine the goals of improving R&D and innovation in Europe by seriously cutting competitiveness spending in the financial perspectives,” Mr Müller concluded.

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

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