



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE ISSUE

“De minimis” rule for state aid: 200.000 EUR threshold is sufficient

Brussels, 7 June 2006. UEAPME, the European employers’ organisation, welcomed the revised draft of the “de minimis” regulation as decided by the European Commission today (Wednesday) and warned that external pressures to increase the “de minimis” threshold above the figure suggested by the Commission should be resisted.

Under the new “de minimis” regulation, government support for an enterprise is not considered state aid if the enterprise receives less than 200.000 EUR over a three-year period. Subsidies below this figure do not require prior notification to the Commission. This proposal is in line with the conclusions of the Spring Council in March 2006, and is twice the amount of the previous threshold, which was set at 100.000 EUR.

“We fully support the new ‘de minimis’ threshold, which reflects inflation during the last years and contributes to reducing unnecessary bureaucratic burdens for SMEs”, said **Hans-Werner Müller**, UEAPME Secretary General. “An increase above 200.000 EUR, however, would be counter-productive, as it would shield a large quantity of state aid from public scrutiny and increase the danger of misuse of such funds.”

Small enterprises do not have the capacity or the need to handle larger contributions that may account for more than their annual turnover, therefore the proposed threshold is adequate for their needs. Only larger enterprises would actually benefit from a higher threshold, which would make significant amounts available to them without prior notification to the European Commission.

“A higher threshold would not be beneficial for small enterprises”, continued Mr Müller. “If larger amounts of subsidies could be awarded outside the existing notification procedures, the costs would be borne by all European taxpayers, thus falling largely on the shoulders of small businesses.”

UEAPME also stressed that further discussions are needed on the issues of non-transparent aid and aid cumulation, following the lack of agreement on the wording of the Commission text. It pointed out that rules on non-transparent aid should not restrict the use of guarantee schemes for SME credits and loans, whereas a non-cumulation clause would change the whole system of state aid in several Member States, ultimately leading to more red tape for SMEs.

“The revised ‘de minimis’ regulation should be in line with the spirit of the State Aid Action Plan, which foresees ‘less and better targeted aid’ in the future. The European Commission should resist all attempts to endanger this goal, such as the recent calls for a higher ‘de minimis’ threshold”, concluded Mr Müller.

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EDITORS’ NOTE: UEAPME is the employer’s 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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