



“The voice of SMEs in Europe”

Press Release

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Innovation: “smart” procurement and “lead markets” are steps in the right direction

- **Competition and open markets are pre-requisites to all initiatives, UEAPME reminds**

Brussels, 13 September 2006. UEAPME, the European SME employers’ organisation, stressed that the new communication on “Putting knowledge into practice - a broad-based innovation strategy for the EU” published by the European Commission today (Wednesday) must not create closed markets or new privileged “national champions” at the expense of competition in Europe. It appreciated, however, the stance taken by the Commission on “smart” public procurement and its efforts towards fostering innovation-friendly “lead markets”.

“The roadmap for a more innovative Europe, as outlined today by the Commission, rightly tackles both public and private elements in creating demand for market-driven innovation”, said **Gerhard Huemer**, UEAPME Director for Economic and Fiscal Policy. “Competition in the innovation arena is nevertheless a key pre-condition: all EU enterprises, not just a few ‘national champions’, must be able to access the innovation market and take advantage of it”, he added.

As far as public procurement is concerned, the communication emphasizes the role that contracting authorities can have in encouraging innovation through the use of “smart” public procurement, i.e. an innovation-oriented and performance-based tendering system, describing public authorities’ needs in a broad and non-prescriptive way. According to UEAPME, “smart” public procurement is an important means to support innovative SMEs. Concrete initiatives in this respect should also be taken at Member State level, for instance through the Lisbon National Reform Programmes.

The Commission document recommends facilitating private “lead markets” in promising innovative areas through the combined use of existing policy instruments. While incentives for “early movers” may be an effective feature in this respect, UEAPME warned that such markets should not become closed circles for one or a few winners, but should rather pave the way for a gradual improvement of the whole market sector involved. Obstacles to market access and opportunities for SMEs should be thoroughly assessed during the suggested pilot project on “lead markets” in 2007.

UEAPME also insisted on the importance of a new framework for State aid for research, development and innovation to properly address market failures in access to technologies and innovative services.

“The European Commission’s communication is a wide-ranging attempt towards closing the ‘innovation gap’ currently affecting Europe. We trust that efforts in this direction will promote rather than hinder market access for SMEs, and we call on Member States to follow up on this communication with concrete policy actions”, concluded Mr Huemer.

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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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