



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE ISSUE

Revised rules on “de minimis” State aid made more SME-friendly

- **Cap at 1.7 million EUR for loan guarantee schemes avoids pitfalls of previous versions**

Brussels, 20 September 2006. UEAPME, the European SMEs’ employers organisation, welcomed the amended rules on “de minimis” State aid as published by the European Commission today (Wednesday). By allowing loan guarantee schemes for SMEs up to a maximum of 1.7 million EUR, the Commission is ensuring the endurance of the most important and successful instruments for SME finance to date, which were under a serious threat in previous versions of the regulation.

“The new text will cover a vast majority of the existing schemes for SMEs, allowing them to benefit from substantial government loan guarantees without facing burdensome notification requirements”, said **Hans-Werner Müller**, UEAPME Secretary General.

According to UEAPME, the 15% “cap rate” suggested by the Commission in its methodology is a proper and cautious assumption in calculating the effective risk involved in a guarantee scheme. However, UEAPME would recommend more flexibility as regards the percentage of a loan that is covered by a guarantee. The current proposal assumes 80% coverage, leading to a total credit volume of 1.7 million EUR given the 15% cap rate. In cases where coverage is lower than the maximum of 80%, for instance 50% as it is the case in some German regions, a fair calculation would result in an increased maximum credit volume without exceeding the 200.000 EUR net aid equivalent – 2.7 million EUR in the German regions’ case for example.

UEAPME also appreciated the new draft “Community Framework for State Aid for Research and Development and Innovation (R&D&I)” released by the Commission on 14 September as a clear improvement over previous versions. The latest framework finally allows aid for innovation support services in the form of reduced prices, as the difference between the price paid and the market price. “This new text strikes a ‘triple-win’ balance ensuring fair competition, affordable supply and increased demand in the innovation support services market”, continued Mr Müller.

“The tweaked rules on ‘de minimis’ and R&D&I are now much closer to the needs of European SMEs and to the original spirit of the Commission’s State Aid Action Plan, aiming for less and better targeted aid. We trust that they will soon replace the previous set of laws to the benefit of European SMEs”, he concluded.

***** END *****

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.

Further information: Gerhard Huemer, Director for Economic and Fiscal Policy, Tel. +32 2 230 7599

Francesco Longu, Press and Communications Officer

Email: pressoffice@ueapme.com Web: www.ueapme.com/pressroom/