



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE ISSUE

Agreement on “Reform Treaty” a step forward to strengthen Europe

Brussels, 25 June 2007. UEAPME, the European craft and SME employers’ organisation, welcomed the outcomes of this weekend’s marathon talks at the European Council on the new “Reform Treaty” due to replace the ill-fated EU Constitution. UEAPME congratulated the German Presidency of the EU for achieving a compromise on the mandate of the forthcoming Intergovernmental Conference (IGC), which retains some of the key elements of the Constitution while answering to the concerns expressed by several Member States.

“Failure to reach an agreement on the future of the EU would have been ruinous at this stage”, said **Hans-Werner Müller**, UEAPME Secretary General. *“We therefore praise the efforts and leadership of the German Presidency, which were instrumental in attaining an overall positive result for Europe’s crafts and SMEs.”*

UEAPME insisted on the importance of a strong competition policy, the role of which is left untouched in the substance, if not in the form, by the IGC mandate. It was also pleased with a new protocol making it clear that the Treaties as amended will not affect Member States’ competence to provide, commission and organise services of general interest. Moreover, it stressed the importance of closer cross-border police and judicial cooperation as a pre-condition for the good economic functioning of the Union. UEAPME regretted, however, the lack of progress on taxation issues and the somewhat weak wording on economic governance.

Commenting on the language changes in competition policy, Mr Müller stressed that the Commission’s final say on cartels, monopolies, mergers and State aid is by no means altered by the Summit conclusions and competition is reaffirmed as an integrated part of the internal market. *“If anything, the new text confirms the Commission’s duties in the field, and clarifies that competition is a key means to achieve the Union’s results rather than an end in itself. The internal market would not exist without competition policy”,* he explained.

Regarding services of general interest, it is important that Member States clarified once and for all that every public entity is free to decide which services of general interest it wants to provide, and how to do so. The new protocol should eliminate resistances by some Member States in this area, and refute one of the most misused Euro-sceptic arguments in the last years.

On the negative side, taxation policy is still subject to unanimity. UEAPME had repeatedly called for the extension of qualified majority voting to taxation issues hindering the completion of the internal market. This vital policy area is all too often subject to minority blockades that are particularly unhelpful for small businesses. Moreover, the EU powers on economic governance are still feeble compared to its influence on monetary policy. The solution is not to weaken the latter, as some Member States would like, but rather to reinforce the EU mandate on the former.

“This weekend’s deal is a step forward to strengthen the functioning of the EU institutions. We now hope that Member States will complete the approaching Intergovernmental Conference with a renewed spirit of collaboration”, concluded Mr Müller.

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EDITORS’ NOTES: UEAPME is the employers’ organisation representing crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 81 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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