



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE ISSUE

Portuguese Presidency must unleash SMEs’ growth and jobs potential

- **UEAPME Board of Directors meets Portuguese Economic Affairs Minister, discusses SME priorities**
- **Energy policy, labour markets, SME policy review main concerns; no room to re-discuss EU Treaty**

Brussels, 12 July 2007. The Portuguese Presidency of the European Union should play a key role in unleashing the economic potential of Europe’s crafts and small businesses, according to UEAPME, the European SME employers’ organisation. The UEAPME Board of Directors discussed short and medium term priorities for SME policy in a meeting yesterday (Wednesday) with Mr Manuel Pinho, Minister for Economic Affairs of the Portuguese Republic currently holding the Presidency of the EU. President **Georg Toifl** presented Mr Pinho with a paper summarising UEAPME’s views on several policy dossiers his government will deal with (1). UEAPME put energy policy, labour market reforms and the review of SME policy as main issues on the table.

“The European Commission vowed to reduce administrative costs and red tape by a quarter in five years’ time. Unfortunately, SMEs haven’t felt any improvements so far”, said President Toifl. *“We would like the Portuguese Presidency to start the ball rolling. Crafts and SMEs could contribute to Europe’s economic welfare more than they already do, if the conditions in which they operate are improved. Much remains to be done in this respect.”*

The Portuguese Presidency will manage several files in the so-called “European Energy Policy” dossier, which was singled out as a major priority by UEAPME. SMEs suffer from soaring energy prices, explained Mr Toifl, since competition is low or non-existing and monopolies thrive on the supply side. A functioning internal market for energy is the key to solve this situation: however, it can only be achieved through ownership unbundling and by increasing regulatory power at EU level. Another important aspect for SMEs is energy saving: the ambitious targets set by the EC will never be reached without involving SMEs. Increased support services and better instruments to finance investments in this area are of the utmost importance, said UEAPME.

Labour market reforms are an additional crucial concern. UEAPME urged the Portuguese Presidency to encourage the adoption at Council level of the common principles of flexicurity recently proposed by the European Commission. In this respect, Mr Toifl stressed the need to improve the regulatory framework to fight undeclared work, which is particularly disadvantageous for SMEs in labour-intensive sectors as it creates unfair competition. Moreover, other important pending pieces of legislation should be taken forward: a solution to unlock the stalemate on the Working Time Directive, for instance, must be found as soon as possible.

Mr Toifl also spoke about the upcoming review of the EU SME policy. It should ensure an improved compliance with the “better regulation” and simplification principles, promote independent business impact assessments and support a real “think small first” approach. Furthermore, the SME case should be strengthened in a number of dossiers such as the green book on consumer protection and the package on marketing of products.

Finally, UEAPME commented on the Reform Treaty due to replace the EU Constitution, which the Portuguese Presidency aims to finalise. The delicate consensus found under the German Presidency should not be re-opened under any circumstances, insisted Mr Toifl: *“The way to go for the IGC is forwards, not backwards”*, he stated.

“The previous Portuguese Presidency in 2000 was instrumental in setting up the Lisbon Strategy and adopting the European Charter for Small Enterprises. It also showed a very good understanding of the problems and needs of Europe’s crafts and SMEs. We are willing and ready to work together to make 2007 as fruitful as 2000”, concluded Mr Toifl.

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(1) http://www.ueapme.com/docs/pos_papers/2007/070711_BoD_Lisbon.pdf

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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