



## **“The voice of SMEs in Europe”**

### **Press Statement**

FOR IMMEDIATE ISSUE

## **Parliament report stops short of promoting a functioning energy market**

**Brussels, 12 July 2007.** UEAPME, the European crafts and SME employers’ organisation, was left with mixed feelings by the European Parliament’s “Quadras report” on prospects for the internal gas and electricity market adopted last Tuesday. While rightly calling for ownership unbundling and for increased cooperation among EU energy regulators, MEPs were far too indulgent towards energy giants and exceedingly confident in the authority of national watchdogs, said UEAPME.

UEAPME was not satisfied with the wording of the Quadras report on ownership unbundling, i.e. the separation between production and distribution activities. Ownership unbundling is indeed fundamental, but it must be done in a way that avoids the creation of private monopolies on the distribution side. The optimal solution would be to keep energy grids in the public sphere and enforce competition on the supply and production side: this would ensure both a sufficient degree of grid maintenance and a level playing field for grid users. The other way around, i.e. a private network monopolist, would require a strong regulatory power – which has proved to fail in the past.

The MEPs’ call for increased cooperation between national authorities equally failed at addressing SMEs’ concerns. According to UEAPME, a strong and independent European Regulatory Power is both the precondition and the cornerstone of a functioning internal market for energy. Several national watchdogs have repeatedly showed in the past their inability or unwillingness to effectively control national champions. *“Stronger cooperation will not be enough”*, said **Gerhard Huemer**, UEAPME Director for Economic and Fiscal Policy. *“The idea of a better coordination is a paper tiger unless it is accompanied by an EU-wide authority capable of providing both guidance and sanctions”*, he explained.

*“European crafts, SMEs and private households are paying the price of the lack of a functioning internal market for energy. The Parliament went surely further than the European Council in supporting its creation, but not far enough: a tougher stance on ownership unbundling and EU-wide regulation would have sent a stronger message to Member States. MEPs missed this opportunity”*, concluded Mr Huemer.

\*\*\*\*\* END \*\*\*\*\*

**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.

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](mailto:pressoffice@ueapme.com) - Web: [www.ueapme.com/pressroom/](http://www.ueapme.com/pressroom/)