



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE ISSUE

European SME policy has not reached small entrepreneurs yet

- **Energy efficiency, better regulation key priorities for forthcoming SME policy review**

Brussels, 14 September 2007. The European Commission’s forthcoming mid-term review of SME policy should focus on achieving concrete results on the ambitious targets set by the EU in areas such as energy efficiency and better regulation, according to UEAPME, the European craft and SME employers’ organisation. Speaking at a “High-level stakeholder conference” organised by the European Commission’s Vice President Günter Verheugen today (Friday), Secretary General **Hans-Werner Müller** put forward a number of suggestions setting out UEAPME’s vision for a workable SME policy.

“The EC was able to lay a strong theoretical foundation for a business-friendlier Europe in the first half of its mandate, which we appreciate and fully support”, said Mr Müller. *“However, there has been no significant impact on the daily life of small businesses so far. The mid-term review of SME policy is an excellent occasion to move from theory to practice, especially in areas such as energy efficiency and better regulation.”*

Increasing energy efficiency was singled out by Mr Müller as a key policy issue affecting European crafts and SMEs in several ways. First of all, SMEs must be better informed on their energy savings potential. While businesses in energy-intensive sectors might be more knowledgeable on the subject, energy costs for the vast majority of small undertakings represent on average 3.5% of the total budget, which puts energy savings at the bottom of the expenses list for most SMEs. Information and awareness raising services are therefore needed, but cannot be subsidised under the current draft guidelines for environmental State aid, which is at odds both with SMEs’ needs and with the EC energy efficiency targets.

Secondly, even if SMEs were completely aware of their energy saving potential, they would still have difficulties to put in place the necessary investments. Small businesses have a very low equity ratio and therefore limited investment capacity, which makes it difficult and sometimes unwise to prioritise energy savings over other types of investment. SMEs therefore need specialised financial instruments, which could be provided under the EU Competitiveness and Innovation Programme (CIP). Unfortunately, implementation difficulties have delayed access to this programme and created shortages in the provision of credit guarantees.

Better regulation is the second area in which more efforts are needed. Despite some timid positive signs, the potential benefits of better regulation have not yet reached small businesses. Quite the contrary, actually: bureaucracy has increased for a number of small undertakings. Bakeries, for instance, are now faced with stricter labelling and reporting requirements that are absolutely inadequate for their business model. *“The fight for better regulation must continue in every sector and at every level”*, commented Mr Müller, who encouraged Vice Commissioner Verheugen to keep up his efforts both towards colleagues and Member States.

“The upcoming SME policy review must not become another sterile target-setting exercise. All policymakers should live up to their responsibilities and work towards a business environment in which more SMEs can be created and the existing undertakings can thrive”, concluded the UEAPME Secretary General.

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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 84 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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