



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE ISSUE

R&D and SMEs: “Eurostars” programme could aim even higher

Brussels, 2 October 2007. UEAPME, the European craft and SME employers’ organisation, welcomed today’s official launch of the “Eurostars” programme, which aims to provide funding for market-oriented research and development activities undertaken by SMEs. UEAPME was pleased by Eurostars’ focus on SMEs’ innovation potential and was equally satisfied with the market-driven nature of the programme, which will exclusively support projects aimed at the development of new and viable products, processes or services. UEAPME regretted, however, that funding will be initially available only to SMEs investing 10% or more of their annual turnover in research activities, which will create a niche market and de facto prevent the vast majority of European small businesses, including hi-tech undertakings below the threshold, from applying to the first round.

“Only a small number of the SMEs potentially concerned will fulfil the Eurostars’ eligibility criteria as presented today”, said **Ullrich Schröder**, Research and Development Adviser at UEAPME. *“The programme’s definition of ‘R&D-performing SME’ goes well beyond internationally recognised standards such as the OECD criteria, which label hi-tech enterprises as those spending more than 5% of their budget on R&D. By artificially reserving funding to a handful of ‘super hi-tech’ SMEs, the Eurostars programme runs the risk of preaching to the converted and limiting excellence instead of fostering it”,* he explained.

According to UEAPME, Eurostars funding should be allocated in future rounds to all businesses fulfilling the EU-adopted definition of SME, provided that their submitted R&D project proposals are competitive. In fact, the European Commission decided to earmark 100 million Euro for the Eurostars programme out of a budget line of the 7th Research Framework Programme that was originally meant for all R&D performing SMEs, regardless of the percentage of their R&D expenditure. Therefore, said Mr Schröder, it makes sense that the same conditions are applied to Eurostars.

“Deleting the ‘10% clause’ or at least lowering it to match the OECD definition in the next funding rounds would create a win-win situation: hi-tech SMEs would be in no way hampered or prevented from applying, while other SMEs could also consider this opportunity and take advantage of such an innovative way of funding”, he concluded.

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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.

Further information: Ullrich Schröder, Research and Development Adviser, Tel. +32 2 230 7599

Francesco Longu, Press and Communications Officer

Email: pressooffice@ueapme.com - Web: www.ueapme.com/pressroom/