



"The voice of crafts and SMEs in Europe"

Crafts and SMEs hand out to-do list to upcoming French Presidency

Brussels, 13 June 2008 – The upcoming French Presidency of the EU will have the unique opportunity to reshape SME policy and place the "think small first" principle at the heart of the EU decision-making process, according to UEAPME, the European craft and SME employers' organisation. Secretary General Andrea Benassi met today a high-ranking representative from the French Government and presented him with a paper outlining the main priorities for crafts and SMEs in the run-up to the "Small Business Act for Europe" to be adopted in the second half of the year (1). The document identifies six key areas where immediate action is needed: encouraging entrepreneurship, completing the internal market, creating an SME-friendly fiscal and financial environment, promoting sustainable development among crafts and SMEs, supporting innovation and fostering cohesion.

"Europe is now entering the last phase of the Lisbon Strategy, and the French Presidency will be instrumental in this final sprint", said Mr Benassi to Minister **Jean-Pierre Jouyet**, in charge of European Affairs. *"A legally binding Small Business Act would provide crafts and SMEs with the right environment to thrive and maximise their contribution to the Lisbon goals",* he continued, before elaborating on the paper's key points.

First of all, Europe should answer to the needs of SMEs in terms of staff and training. **Mobility** plays a crucial role in this respect, stressed Mr Benassi, who strongly backed the creation of a specific programme to increase the mobility of trainees and apprentices across Europe. Fighting **undeclared work** is another clear priority, especially in labour-intensive sectors, which is why UEAPME called for the establishment of a permanent system of **reduced VAT rates** for services provided locally that are not detrimental to competition. Public support for the proper application of the "flexicurity" concept in small enterprises and measures to tackle the lack of workers at all skill levels also fall under the same heading.

Crafts and SMEs should also be put in a position to make the most out of the EU internal market. This means finding a workable solution to the **Community Patent** to begin with, in order to stimulate innovation and shelter SMEs against unfair competition. Mr Benassi also insisted on **public procurement**, a sector in which SMEs could fare better if procurement authorities would make full use of the existing room for manoeuvre to facilitate SME participation. Moreover, fiscal barriers must be removed: despite the single market, SMEs are still potentially confronted with 27 different fiscal systems.

As regards **sustainable development**, the EU's ambitious goals on energy efficiency, greenhouse gas reduction and renewable sources will not be reached without involving SMEs, stressed Mr Benassi. A generalised lack of information and limited resources are the main obstacles to a better uptake of "green" behaviours by SMEs. In this respect, the SBA must encourage a rapid application of the Environmental Compliance Assistance Programme (**ECAP**) and include additional financial instruments such as **guarantees** to promote investments in energy savings and energy efficiency.

Innovation is still meant in a strict sense by most of the current EU policies and programmes, which tend to promote "high-tech" and niche sectors while innovation in SMEs is rather a permanent evolution process, involving suppliers and customers, whose importance must not be underestimated, wrote UEAPME. In this respect, the SBA should encourage Member States to review their support instruments and include measures on the hiring of highly qualified personnel, innovation support services, start-ups and technology transfers. New financial instruments should also be devised, and "alternative" tools such as **guarantees**, **micro-credits** and "**mezzanine finance**" must be further developed and promoted.

Finally, UEAPME urged the French Presidency to better integrate crafts and SMEs in the field of **cohesion policy**, in the framework of the upcoming Green Book on the subject. The specificities of crafts and SMEs should be properly taken into account both in rural development policies and in urban areas, wrote UEAPME, stressing that the revision of the **Common Agricultural Policy** and the upcoming Action Plan on **Urban Mobility** will be crucial in this respect.

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(1) http://www.ueapme.com/docs/pos_papers/2008/080613_FR_pres_priorities.pdf (available in French only)

EDITORS' NOTES: UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 86 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information: <http://www.ueapme.com/>

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