



"The voice of crafts and SMEs in Europe"

Competitiveness Council conclusions do not live up to SMEs' expectations

Brussels, 26 September 2008 – UEAPME, the European craft and SME employers' organisation, was left disappointed by the political debate on the Small Business Act that took place at the Competitiveness Council yesterday (Thursday). On one hand, UEAPME welcomed the increased focus on access to finance and better regulation, especially in the light of the worsening economic outlook in Europe. On the other hand, Member States preferred once again future promises to concrete commitments on public procurement and on State aid, two areas which could dramatically increase SMEs' contribution in terms of growth and jobs created as of today.

"The French Presidency of the EU has rightly steered the debate on the Small Business Act towards its possible contribution to solving the current economic crisis, without losing sight of the overall project. Competitiveness Ministers have correctly selected access to finance and better regulation as priorities in the SBA package, but the meagre one-page outcomes of the Council discussion do not feature any reference to public procurement and State aid, two areas in which Member States can already make a difference. Once again, Member States preferred to procrastinate and hide behind words", commented Secretary General **Andrea Benassi**.

Improving **access to finance** for SMEs is the number one priority against the current economic background, stressed Mr Benassi. This means of course increasing the funding available, but also providing tailored schemes for riskier projects and acting swiftly on **late payments**, which are responsible for one out of four insolvencies in Europe. *"We look forward to reading the European Commission's proposals on late payments, and we will fully support all initiatives geared towards improving access to finance for small entrepreneurs",* he continued.

Simplification and **better regulation** must remain on top of the agenda, as rightly stressed by all Ministers yesterday according to UEAPME. **Impact assessments** remain UEAPME's primary concern in this area: *"Member States agreed that all legislative initiatives must be checked against the reality of SMEs. We shall test their present goodwill against their future actions",* commented Mr Benassi, who will publish next year a "Think Small Test" to follow up on the SBA.

"Member States can act as of today if they are serious about SME policy and really want to find ways out of the looming economic crisis. The SBA package gives them plenty of room for manoeuvre to foster SMEs' access to public procurement and to redirect State aid from unproductive industrial dinosaurs to small businesses, which created 80% of the new jobs in Europe last year. Unfortunately, yesterday's Council conclusions show that they still lack a real commitment to SMEs, and do not bode well for the success of the Small Business Act", concluded Mr Benassi.

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EDITORS' NOTES: UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 87 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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