



"The voice of crafts and SMEs in Europe"

Access to finance: SMEs welcome new Commission's initiative to foster dialogue

UEAPME supports Vice President Tajani's announcement of a new high level body and of an "SME test" on new financial rules

Brussels, 6 May 2010 – UEAPME, the European craft and SME employers' organisation, warmly welcomed today's announcement by the Commission's Vice President Antonio Tajani of a new high-level dialogue between all stakeholders involved in SME finance to monitor market developments and make recommendations on how to improve access to finance for small businesses. According to UEAPME, the new body has the potential to bring about substantial improvements in access to credit for SMEs, by giving employers' organisations the unprecedented opportunity to give direct feedback to lending institutions. Speaking at the "SME Finance Forum" hosted by Vice President Tajani today in Brussels, during which the new body was announced, President Georg Toifl stressed once again that SMEs are subject to tighter credit conditions that make it harder to finance riskier projects such as start-ups and innovation activities. This may delay Europe's economic recovery as doubts remain on who will finance the upswing, stressed Mr Toifl, who also spoke in favour of better financial market regulations, urging banks to drop their opposition and welcoming Vice President Tajani's announcement of an "SME test" for all pieces of legislation, including the new capital requirements for banks.

"Although it would not be appropriate to speak of a credit crunch, financing conditions have become tougher for SMEs as a consequence of the crisis. Higher credit costs make it harder for small entrepreneurs to finance risky projects such as start-ups, business transfers and innovation activities. This state of affairs may delay Europe's economic recovery. Against this background, today's announcement by Vice President Tajani of a new body to enhance SMEs' access to finance is a very welcome step forward", said President Toifl. "We particularly appreciated Vice President Tajani's willingness to unlock all possible support mechanisms for SME finance, starting from the European Investment Bank and the European Investment Fund and from tools such as guarantee schemes, which have already proved their worth."

Financing conditions for SMEs will also depend to a large extent on the new capital requirements for the banking sector, which must be reviewed without harming SME finance by targeting riskier products and avoiding one-size-fits-all measures, stressed Mr Toifl. Positive signs in this respect came from Vice President Tajani today. In fact, the Vice President pledged to "SME test" the new financial market regulations in order to assess their impact on the real economy. *"While it is clear that financial markets must be re-regulated, it is crucial to ensure that the new rules will not diminish the availability of credit for SMEs. Some of the proposals made so far seemed to go in the wrong direction, but today's statements by Vice President Tajani are somewhat reassuring. The new rules must serve the real economy",* commented Mr Toifl.

Finally, President Toifl urged banks and their representatives to abandon their hostility towards the new financial regulations. *"New rules for the financial markets are a must, especially when it comes to reviewing capital requirements to avoid a new crisis. Banks must be more constructive and drop their uncompromising resistance in this respect. The initiative announced by Vice President Tajani today is an excellent opportunity to establish dialogue and overcome contrasting positions. It would be very unwise to let this chance slip away at this stage",* concluded President Toifl.

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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 84 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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