



"The voice of crafts and SMEs in Europe"

SME finance: Commission urged to follow up on Parliament's resolution

Brussels, 16 February 2011 – UEAPME, the European craft and SME employers' organisation, warmly welcomed the resolution on the next generation of SME finance programmes adopted today by a large majority at the European Parliament (1). According to UEAPME, the document sums up very well the main challenges facing European SMEs when it comes to access to finance and provides a comprehensive set of possible measures to improve the status quo. The organisation particularly appreciated the resolution's calls for tailored measures adapted to the reality of SMEs, which are very heterogeneous and go from traditional and family-run businesses to high-tech and fast growing companies. It also backed the need to address market failures, to create better and more complete funding programmes and to remove administrative barriers that limit the uptake of the existing schemes. UEAPME thanked all members of the Parliament's SME Intergroup for their efforts in the run up to the vote, and called on the European Commission to follow up on the action path established by MEPs today.

"Today's vote shows that MEPs have a very good understanding of the obstacles small companies face in securing funding, be they traditional businesses or high tech companies. The Parliament made it clear that there is no 'one-size-fits-all' answer to their needs, and that each of them requires tailored interventions that respect this diversity. It also stressed that market failures must be addressed and red tape linked to SME finance programmes must be reduced, two points that we have also put forward quite vocally and frequently", said Economic and Fiscal Policy Director **Gerhard Huemer**.

Traditional and family-run businesses depending on loan financing must be supported mainly via guarantees, explained Mr Huemer. The existing guarantee instruments have proved their worth, but administrative procedures must be simplified and the use of structural funds in this respect should be made easier, also according to the Parliament's resolution. On the other hand, small businesses working on riskier projects such as innovation, start-ups and business transfers will require "mezzanine finance" instruments capable of carrying a higher degree of risk, continued Mr Huemer. Unfortunately, these instruments are not yet provided to a sufficient degree by the market – that is why the Parliament's resolution calls for more attention to "mezzanine finance" in the next generation of programmes. Moreover, the text stresses that high-tech and fast growing companies will not develop without a functioning market for venture capital, equity and bonds.

The Parliament's resolution is also very clear on the need to strengthen and improve functioning SME finance schemes, calling for instance for more funding for the "CIP" programme and for innovative financial instruments. Furthermore, it places a clear emphasis on the necessity to reduce administrative barriers, which often trigger excessive expenses in time and money for small companies compared to the benefits of the relatively small amounts that they receive.

"The resolution approved by MEPs today provides a solid action path for the next months and years. We are thankful to all members of the European Parliament, in particular to those belonging to the SME Intergroup for the preparatory work that led to today's vote. It is now up to the European Commission to take over responsibility and to ensure that these recommendations are fully taken on board. We trust that it will not ignore the Parliament's calls and that it will work to put today's suggestions at the core of the next generation of European SME finance programmes", concluded Mr Huemer.

**** END ****

(1) The motion for resolution B7-0096/2011 is available at the following link:

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+MOTION+B7-2011-0096+0+DOC+PDF+V0//EN>

EDITORS' NOTES: UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 80 member organisation covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information: <http://www.ueapme.com/>

FOR FURTHER INFORMATION PLEASE CONTACT:

Gerhard Huemer, Director for Economic and Fiscal Policy, Tel. +32 (0)2 230 7599, Email: g.huemer@ueapme.com
Francesco Longu, Press and Communications Officer, UEAPME, Tel. +32 (0)496 520 329, Email: pressoffice@ueapme.com