



"The voice of crafts and SMEs in Europe"

New de minimis regulation on State aid receives lukewarm welcome from SMEs

UEAPME welcomes the inclusion of loans and the definition of 'undertakings in difficulties', but criticises the ceiling and the limitation of maturity

Brussels, 19 December 2013 – UEAPME, the European craft and SME employers' organisation, gave a lukewarm welcome to the new de minimis Regulation on State aid, adopted yesterday by the European Commission. Indeed, UEAPME is very satisfied with the new safe harbour measures for state aid granted in the form of loans, as well as with the new EC definition of 'undertakings in difficulties' – which no longer takes into account the criteria previously introduced and to which UEAPME had already responded in September with a request to delete it. However, the reduction of the volume of guarantees and loans with a duration longer than five years has been kept, rendering it even more difficult for SMEs to access finance through de minimis, although UEAPME had already criticised this issue. Last but not least, UEAPME is unsatisfied with the lack of increase in the ceiling for aid, leading to a cutback of the ceiling in real terms.

Concerning the new definition of 'undertakings in difficulties', Economic and Fiscal Policy Director **Gerhard Huemer** stated that *"UEAPME welcomes the final solution the European Commission came up with and which allows de minimis aid to be allocated to all SMEs not in insolvency procedures or on the verge of these procedures. We are satisfied that the Commission took into account our request for deletion of the additional criteria proposed earlier this year."*

"Additionally, the new version of the Regulation also provides safe harbour measures for state aid granted in the form of loans – of an amount up to 1 million Euros –which will offer new opportunities to support SME finance at national level," he continued.

On the negative side, UEAPME criticised the cutback in the volume of loans and guarantees covered by the regulation if they have a maturity of more than five years. This will reduce the use of de minimis aid compared to the current situation and gives the wrong message for measures aiming to support SME finance for investment, which would urgently be needed to help Europe's economy to recover. Limitations to five years are not in line with many SME investment loans and guarantees, which often have a maturity of seven years and more. *"Such a limitation of guarantees increases the problems SMEs have in accessing external finance and is in contradiction with the European Commission's aim to support long term finance,"* he commented.

Moreover, the European Commission has stuck to the 200.000€ ceiling for aid per SME for three years without increasing this amount to fit present day situations. *"The 200.000€ ceiling was fixed in 2006 and has not changed since then, an increase in line with inflation would have ensured that the real value of the ceiling remain constant,"* concluded Mr Huemer.

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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 80 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information please visit <http://www.ueapme.com/> or follow [@UEAPME](https://twitter.com/UEAPME) on Twitter.

FOR FURTHER INFORMATION PLEASE CONTACT:

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