



*"The voice of crafts and SMEs in Europe"*

## Recovery action must go beyond big businesses, SMEs urge Commission

*UEAPME speaks at European Social Partners' meeting with Commission, unveils survey results on SME employment*

Brussels, 25 February 2009 – Europe must steer clear of protectionist temptations and quickly implement the recovery measures announced and adopted in the last months if it is serious about reducing the duration of the economic crisis and its impact on small businesses, according to UEAPME, the European craft and SME employers' organisation. Speaking at an extraordinary meeting of the European Social Partners with the College of Commissioners this morning, President Georg Toifl singled out access to finance and the inclusion of SMEs in all employment support measures as the organisation's main concerns (1). He also called on the European Commission to increase its efforts to tackle administrative burdens and stressed the urgent need to move the debate on the economic crisis from words to actions in the months to come.

*"Today's meeting is as exceptional as Europe's economic conditions. It is also an encouraging signal of Europe's willingness to respond to the crisis, and certainly one way to improve dialogue among all concerned parties",* said President Toifl. *"The recovery plans adopted in the last months go in the right direction to the economic downturn, but much remains to be done. Europe must ensure that protectionism stays out of the picture, and warrant a rapid implementation of the measures announced to tackle the crisis",* he continued, before elaborating on the two main SME concerns.

Access to finance is a first obvious issue: with credit becoming scarcer and more expensive, small businesses are finding it hard to finance not only investments, but also their day-to-day activities. Thanks to the quick reaction from the EU institutions, access to finance has not come to a complete standstill for SMEs, stressed Mr Toifl. However, notifications under the new Temporary State Aid Framework must be made quicker and the new commitments by the EIB and the EIF to cover SME loans must be transferred to small entrepreneurs by signing contracts with intermediaries at national or regional level. The European Commission should also come up with a new, bolder proposal on late payments covering business-to-consumer transactions to tackle households' payment delays that menace SME's liquidity and solvency.

On labour markets and employment, President Toifl unveiled the first results of a survey conducted by UEAPME, which showed that despite the crisis small entrepreneurs are more reluctant to lay off workers compared to larger businesses and that the smaller the enterprise, the better the employment outlook (2). However, small entrepreneurs cannot do it alone, continued Mr Toifl. They need support to continue in this responsible behaviour, in terms of flexible working arrangements, temporary unemployment benefits as well as measures for training and requalification of staff. Moreover, when large industries reduce or cease operations, small suppliers and subcontractors are hit as hard as the industry's own staff. That is why SMEs must be included in all restructuring support measures. Unfortunately, this is not the case at the moment, stressed President Toifl, not even when EU funds are used.

Finally, Mr Toifl stressed the importance of a rapid implementation phase. *"It is now time for action",* he continued. *"It is time to 'Think Small First', now more than ever. This slogan must be more than a catchphrase; it must become the founding principle of Europe's enterprise policy. A lot of progress has been made in this respect, but we are not quite there yet: more efforts are needed to cut red tape, for instance. It is time to focus on tangible results, which are the only results that matter to entrepreneurs like me. If the initiatives taken or announced in the last months remain on paper, we will be left on our own. Europe cannot afford a gap between words and deeds at this stage",* concluded Mr Toifl.

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(1) [http://www.ueapme.com/IMG/pdf/090225\\_briefing\\_President\\_Toifl\\_FINAL.pdf](http://www.ueapme.com/IMG/pdf/090225_briefing_President_Toifl_FINAL.pdf)

(2) Available on page 2 and at [http://www.ueapme.com/IMG/pdf/090225\\_Employment\\_Chart\\_LE.pdf](http://www.ueapme.com/IMG/pdf/090225_Employment_Chart_LE.pdf)

**EDITORS' NOTES:** UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 83 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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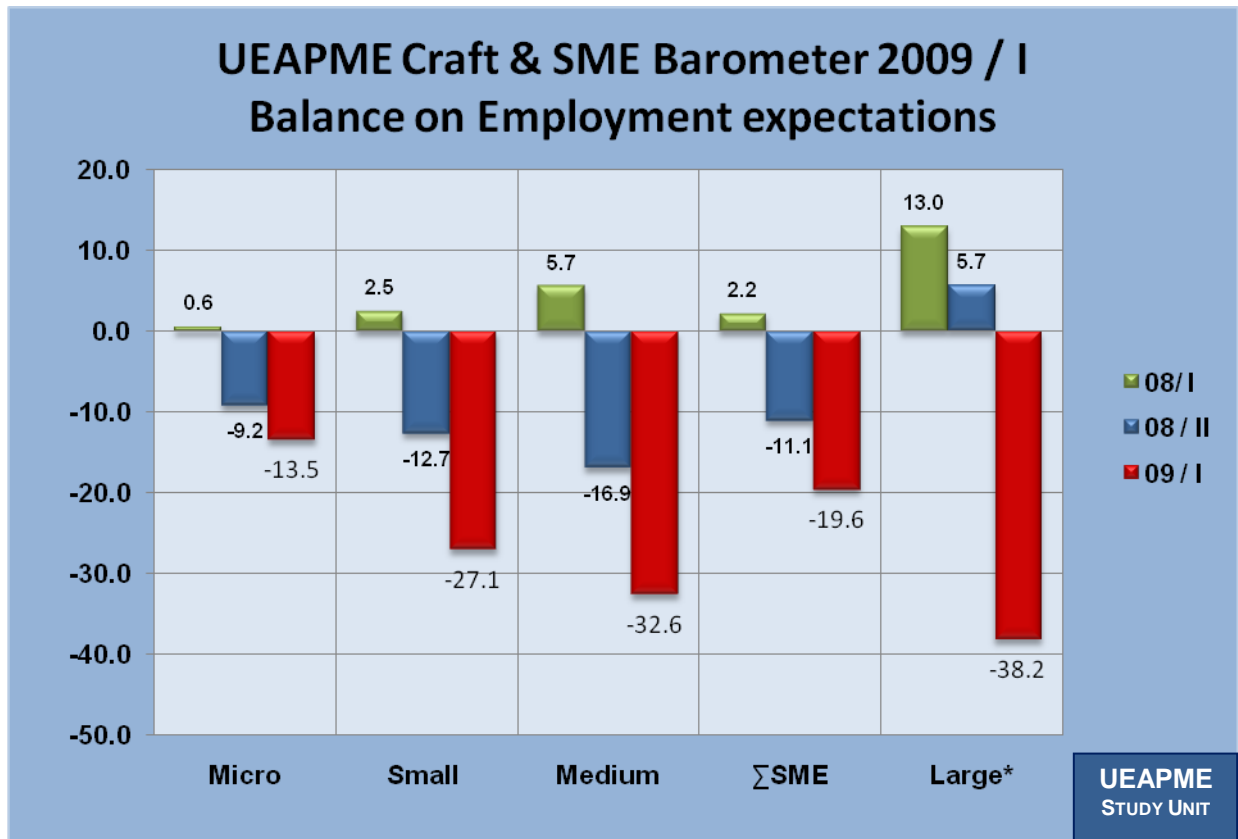
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## First results from the upcoming UEAPME Craft and SME Barometer 2009 / I

### Employment expectations



The graphs show the balance of companies (weighted by number of employees), which report growing (+), stable (0) or decreasing (-) employment, arranged by size classes. Data for large\* enterprises were calculated on the base of the monthly monitoring report from the European Commission's DG Employment.

The results of the survey, which was conducted in December 2008 and January 2009 within the European Union, show a dramatic decrease in employment expectations since the economic crisis has become a reality. However, the reduction is much more pronounced for larger companies than for smaller enterprises. The highest level of stability is shown by micro enterprises.