



"The voice of crafts and SMEs in Europe"

SBA review a step forward but implementation is top priority, say SMEs

UEAPME calls on Member States to do more, warns that financial resources must be doubled to achieve all SBA goals

Brussels, 23 February 2011 – The Small Business Act review published today by the European Commission is a step forward in terms of governance, but its actual impact on small businesses will depend on the concrete implementation at national, regional and local level and on the availability of adequate funds, according to UEAPME, the European craft and SME employers' organisation. The organisation appreciated the focus put by the European Commission on the need to involve representative business organisations and local authorities in delivering the many actions and principles contained in the Small Business Act. It also welcomed the consideration for all types of SMEs, which are very heterogeneous and require policy responses tailored to their specific needs. On the concrete proposals, UEAPME was pleased with the insertion of references to unfair contractual terms and companies' access to markets in the text. On the negative side, the organisation criticised the scarce attention paid in the communication to labour markets in general and to small companies' skill needs in particular. Finally, UEAPME called on all Member States to follow up with concrete actions on today's communication, which clearly shows the little progress made so far, and on the EU to double the available funds in this respect.

"At a time when European small companies find it increasingly difficult to obtain financing and access markets, the full implementation of a clear European SME policy cannot be postponed any longer. Today's long-awaited communication by the Commission is a reminder of this necessity, but also a testimony of the erratic progress made up to now. The examples of good practice published today show that only a handful of Member States have acted in a comprehensive way to put the Small Business Act at the centre of their policies. This must change", said Secretary General **Andrea Benassi**.

First of all, the involvement of representative business organisations and local authorities is fundamental to improve the uptake of the SBA and of its principles, continued Mr Benassi. In this respect, UEAPME welcomed the announcement of an "SBA Advisory Group" composed by representatives of governments and business organisations, and the invitation to Member States and local authorities to fully involve business organisations in their SBA implementation plans.

Secondly, UEAPME welcomed the Commission's acknowledgement of the heterogeneity of the SME sector. European SMEs vary significantly in terms of size and sector of activity, and each company requires policy responses tailored to its specific needs. The diversity of SMEs must also be considered when assessing the impact of legislation, a point that the Commission has thankfully taken on board today, said Mr Benassi. Adapted policy responses are also needed for instance when dealing with issues such as access to finance, where financial instruments from guarantee-backed loans to "mezzanine finance" and pure venture capital must be provided according to the nature of the company, he explained.

Thirdly, on the concrete proposals put on the table today, UEAPME was pleased with the announcement of an in-depth analysis of unfair commercial practices in the EU, to be followed by a legislative proposal if needed. SMEs are particularly vulnerable to such practices, which are still all too common in the EU, stressed Mr Benassi. UEAPME also welcomed the Commission's plans to involve its delegations abroad to improve SMEs' access to third country markets. On the other hand, today's communication should have devoted more attention to labour markets' skills requirements, an issue which is unfortunately absent from the text despite its relevance for small companies.

Finally, the impact of today's communication will depend on one hand on its uptake at national, regional and local level and on the other hand on the availability of resources for all the initiatives foreseen in the text. *"Each actor must now step up to the plate to ensure that what was decided is respected and implemented. Member States must increase their efforts to put the SBA into practice – after all, it is in their own interest: official figures recently released by one of Europe's founding members show that a full application of the SBA would make the country's GDP grow by one extra percentage point in the next three years. Moreover, funding must be at least doubled to allow SMEs to innovate, become 'greener', obtain access to finance and reach all the goals of the SBA. The debate on Europe's financial perspectives is vital in this respect. Policymakers must realise that by spending on SMEs now, they are investing in our economic stability for the long term",* 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 80 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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