

## A reviewed and revised new EU policy for craft and SMEs

- 1) UEAPME, the European Association of Craft, Small and Medium Sized Enterprises, supports the European Commission's policy line, to integrate SME issues into sectoral policies, especially the new internal market strategy.

However when integrating SME elements into sectoral policies the fundamental principles of the Small Business act need to be respected, like:

- the true application of the 'Think Small First Principle' (as more than 99% of all European businesses are SMEs legislation should primarily be drafted with SMEs in mind);
- better legislation principles should be fully applied to new Commission initiatives (compulsory SME tests, early participation of stakeholders, priority for review and implementation of existing legislation before creating new legislation);
- better access to markets through strengthened Mutual Recognition.

- 2) The integration of SME elements into sectoral policies cannot be a substitute for a consistent horizontal SME policy. At present the basis for European SME policy is the existing Small Business Act. This SBA needs to be reviewed and revised to establish the future SME strategy for the European Union.

- 3) The horizontal SME policy approach is not only a question of visibility but a necessity to judge whether national SME actions respect agreed EU principles. SME development and economic wellbeing and growth will be integrated into the European semester process and Europe needs a yardstick to judge whether national policies create growth and jobs.

- 4) Substantial preparatory work for a revised SBA has already been undertaken. The network of EU SME Envoys has already identified five priority areas for action: better access to finance, improved market access, improved entrepreneurship, cutting red tape, eliminate skills shortages. A public consultation has been finalised this year underlining the tremendous public interest in a revised SBA.
- 5) Such a new SBA needs to be better implemented than in the past. It should be combined with an 'Action Programme' to eliminate :
- obstacles when doing (temporary) business across borders,
  - obstacles when providing cross border goods and services,
  - obstacles when establishing in another EU member State.
- 6) The following subjects need to be addressed in a future SME policy :
- a) Services
- In order to make full use of the internal market, the services Directive has to be fully implemented in all MS, so as to guarantee fair competition. UEAPME requests a proportionate application of Art 20(2) of the Services Directive taking into account the perspective of the services provider as well as different legal cross border obstacles. We need to improve the system of Points of Single Contact and to create platforms to promote regular exchange of information by and between business representatives. We need the establishment of a one-stop shop for VAT – SMEs must be able to fulfil all their VAT obligations for all turnover generated in the internal market at their relevant revenue office.
- The possibility to maintain the prohibition to sell below cost in the countries where it exists is vital for SMEs, especially in the retail sector.

b) Quality and market relevant European standards

SMEs must be able to access information about standards in an uncomplicated, transparent and affordable way. Standards should be market relevant and should not give advantages to single market actors. Recognise that different sectors have different needs when it comes to standards (IT versus construction). SMEs need to participate fully in the national and European standardisation systems.

c) Fair balance between companies interests and consumer protection

SMEs need regulations that provide a fair balance as regards consumer rights and company interests. Microenterprises do not have by definition more market power than consumers. Measures in the area of consumer protection need to respect the needs and requirements of SMEs. The responsible consumer, as described by the ECJ, should become the guiding principle.

d) Access to finance for SMEs

In the internal market there should not be proposals for initiatives that would weaken bank financing. Bank loans will remain the main tool for SME financing. Especially local, regional and promotional banks should be strengthened. Strict application of proportionality in order not to create difficulties for SMEs is needed. National guarantee institutions should be strengthened. Initiatives for crowd investing and crowd funding could be developed but have to be appropriate for microenterprises.

Immediately after the assessment foreseen for March 2016 of the Late Payment Directive, the Commission has to come up with concrete proposals to tackle the remaining problems.

e) Ensure the supply of skilled manpower

Modernising education and training systems is necessary to be more responsive to labour market and company needs notably through Quality Vocational Education and Training including higher VET, work-based learning and apprenticeship. Promoting the free movement of professionals through the recognition of qualifications should respect the regulated professions systems which prove to ensure high quality products and services, sustainable entrepreneurship and a positive impact on apprenticeship. Remove complex administrative formalities that need to be complied with when posting workers temporarily to other EU countries.