



“The voice of SMEs in Europe”

Press Release

EMBARGO: 17:00

An efficient energy internal market is key to SMEs’ competitiveness

Brussels, 14 February 2007. The completion of an efficient internal market for energy is a key precondition to reach the European Commission’s ambitious goals on energy efficiency, greenhouse gas reduction and renewable sources, according to UEAPME, the European SME employers’ association. Speaking to Members of the European Parliament during a meeting of the SME Intergroup in Strasbourg today (Wednesday), UEAPME President **Georg Toifl** outlined the main SME expectations from the EU and its Member States on the energy sector overhaul.

“The European Commission’s recent communication on a new European energy policy is a step in the right direction. However, we now need concrete instruments to boost the benefits of a truly integrated energy market in Europe”, said Mr Toifl. “As an entrepreneur in an energy-intensive sector, I have seen with my own eyes the negative effects of private monopolies on the performance of companies. SMEs pay a hefty price because of lack of competition – this is not acceptable anymore.”

Commenting on the EC proposals on the completion of the energy internal market, Mr Toifl pointed out that the available regulatory instruments must be improved. The Commission’s recent schemes for “unbundling”, i.e. separating ownership from distribution, are deeply needed but will not be sufficient. Only a strong and independent European regulator will be able to avoid the growth of private network monopolies in the energy sector, and can achieve the goal of a functioning market enhancing cross-border trade. National bodies have proven to be weak at best, and excessively obliging towards national champions at worst.

Mr Toifl also stressed that the EU objective to increase energy efficiency by 20% by 2020 will only be achieved if SMEs are put in a position to fully use their energy savings potential. Small businesses can contribute towards this target either by company-specific measures or by regulations enforcing certain efficiency standards. In the second case, regulators should fully consider the investment cycle of a small business, and avoid investment failures by providing ample timeframes for action. Moreover, information campaigns should be put in place to clearly demonstrate to SMEs the advantages and benefits of energy efficiency. These actions should be accompanied by adequate support measures on financing, for instance through specific public guarantee schemes from national institutions or by the European Investment Fund.

Speaking about renewable energy, Mr Toifl backed the EC goals to diversify the energy mix to reduce dependency on fossil fuels and tackle climate change. Industrialised nations have a key responsibility – but the EU cannot do it alone. One-sided measures in this area would damage competitiveness for EU businesses without any significant benefits for global climate. Reasonable and widely shared global strategies are the only solution in this respect.

“The European Union and its Member States should start tackling the energy problem by working on what they do best – creating an integrated internal market for energy and fostering competitiveness in the sector. No other measure will be as beneficial, and no other measure can be implemented without this basic prerequisite”, concluded Mr Toifl.

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EDITORS’ NOTE: UEAPME is the employers’ organisation representing crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 81 member organisations, which represent crafts and SMEs across Europe, covering over 11 million enterprises with 50 million employees. UEAPME is a European Social Partner.

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