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Press Statement

FOR IMMEDIATE RELEASE

State aid: SMEs call on Member States to improve General Block Exemption

Brussels, 28 April 2008 – Despite significant improvements over the existing version, the latest “General Block Exemption Regulation” on State Aid does not yet meet small businesses’ needs, according to UEAPME, the European craft and SME employers’ organisation. The UEAPME Economic and Fiscal Affairs Committee, meeting in Brussels today (Monday), put forward a series of remarks (1) ahead of a crucial meeting between the European Commission and Member States on the same day. UEAPME called on Member States to support the inclusion of State aid in form of guarantees, aid for innovation support services and aid for the hiring of highly qualified personnel in the scope of the GBER, which specifies the forms of aid that must not be notified to the EC. It also insisted on the need to extend the coverage for State aid for business transfers, and stressed the necessity to simplify aid requirements for energy saving investments.

“The European Commission has made considerable step forward in streamlining and combining the different block exemptions on State aid in one single document with a wider coverage. However, some aspects of the text deserve more attention”, said **Hanns-Eberhard Schleyer**, Chairman of the UEAPME Economic and Fiscal Affairs Committee and Secretary General of ZDH, the German confederation of small and medium-sized businesses and skilled craft enterprises. *“Member States should now help SMEs go the extra mile and sort out the remaining issues on the table”,* he continued.

First of all, said Mr Schleyer, the GBER should apply to State aid provided in form of guarantees, which are increasingly used by Member States, if the aid component of such guarantees is calculated in accordance with the EC rules. Including guarantees in the scope of the GBER will ensure that Member States can use this ever more popular instrument without unnecessary administrative burdens, thereby making it more attractive for aid providers.

Secondly, State aid for business transfers, one of the most delicate moments in the life of a small business, is currently allowed only for family successions. This is a very welcome addition compared to previous drafts, commented Mr Schleyer. However, there are many cases where the original owner has no successors within his or her family. In these cases, it is advisable and not unusual that a former company employee takes over, a case that should be covered by the GBER next to family succession.

Thirdly, both innovation support services and aid for hiring highly qualified personnel are still excluded from the scope of the GBER, despite their great importance for SMEs, which rely on external expertise since they cannot usually afford in-house R&D possibilities. These measures are covered by the Commission’s own “Guidelines on R&D and innovation”, and should also be included in the GBER.

Finally, on energy saving measures, UEAPME welcomed the Commission’s simplified approach to calculate eligible costs, but warned that the requirement to have these costs certified by an external auditor will create a major entry barrier for SMEs, especially smaller businesses. This condition should be removed, stressed Mr Schleyer, or else the attractiveness of energy saving investments will suffer.

“Today’s meeting between Member States and the Commission is an important chance to redress these shortcomings and find consensus on a better wording for the GBER. We trust that Member States will support our stance and put their weight behind our requests”, concluded Mr Schleyer.

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(1) http://www.ueapme.com/docs/pos_papers/2008/080328_GBER_3rd_final.pdf

EDITORS’ NOTES: UEAPME is the employers’ organisation representing crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 85 member organisations, which represent crafts and SMEs across Europe, 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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