



"The voice of crafts and SMEs in Europe"

Crafts and SMEs react positively to EC proposals for a Small Business Act

SMEs discuss with EC and French Government, call on Member States to show their commitment

Brussels, 23 June 2008 – The "Small Business Act" to be unveiled by the European Commission on Wednesday is a good working basis to improve SME policy in Europe and firmly put the "Think Small First" principle at its heart, according to UEAPME, the European craft and SME employers' organisation. However, its success will largely depend on Member States and their commitment to act before the 2009 elections, stressed Secretary General Andrea Benassi, speaking alongside the EC SME Envoy Françoise Le Bail and the French Minister for EU Affairs Jean-Pierre Jouyet at a conference organised by UEAPME's French member CGPME today in Brussels.

"The Commission is putting forward this week a comprehensive package that touches upon all our main demands, albeit not always in the form we would have liked to see. It is also rightly stressing the need for a partnership between the EU institutions and Member States to achieve the best possible conditions for SMEs", said Mr Benassi. *"We welcome the progress made on the SBA, but we are afraid that the EC's intentions will remain on paper unless the other side of the equation is sorted out: the political commitment to transform words into actions, and to do so in a very short timeframe".*

Minister Jouyet largely shared UEAPME's analysis and reinstated his Government's commitment towards crafts and SMEs, which are "the cornerstone of Europe's economic and social model". The French Presidency of the EU will be instrumental in ensuring a swift adoption of the SBA, agreed Mr Benassi and CGPME's President Jean-François Roubaud. Crafts and SMEs have always been a loyal and supportive partner of the European integration process – failure to meet their expectations at this stage would have serious consequences and probably stop their support, warned Mr Roubaud.

Speaking on behalf of the EC, Ms Le Bail explained that the "Think Small First" principle will be at the forefront of the Small Business Act. The text will call for a screening of all pieces of legislation to assess their impact on small businesses, for which compliance costs are up to ten times larger compared to big enterprises. This is a very welcome move, commented Mr Benassi, who stressed once again the need to properly consult representative business organisations. Promoting a true entrepreneurial culture is another crucial issue to be tackled by the SBA continued Mr Benassi. Statistics show that the image of entrepreneurs is often seen in negative terms in Europe, and that being self-employed is not considered as a possible career option by European citizens. Entrepreneurship must therefore be promoted at all levels and starting with education, but also by facilitating business transfers and tackling the stigma of business failure.

The Small Business Act will also contain a set of core principles and some long-awaited legislative proposals on which UEAPME has commented extensively in the past months, such as a simplified General Block Exemption Regulation on state aid, with increased aid intensities for SMEs; a proposal on reduced value added tax (VAT) for labour intensive and/or locally supplied services; and the European Private Company statute meant to facilitate cross-border trade for SMEs. Finally, the SBA will be fully embedded in the Lisbon Strategy and linked to National Reform Programmes, a decision welcomed by Mr Benassi as a good step to improve governance and Member States' ownership of the SBA package.

"The next six months will be a crucial time for SME policy in Europe. We expect a rapid adoption and a timely implementation of the Small Business Act, and we will follow closely the developments in this respect. Crafts and SMEs cannot afford another inconclusive initiative – they need a long-term, binding commitment to create the best possible environment for them to thrive. We trust that Member States will understand the importance of the challenge at stake and build on the work done by the EC so far. It is now up to the French Presidency to keep the momentum", 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 86 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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