



"The voice of crafts and SMEs in Europe"

EC plans on sustainable consumption and production a worrying signal for SMEs

Brussels, 16 July 2008 – The action plan published today by the European Commission to improve the energy and environmental performance of products and to foster their uptake by European consumers might put small businesses at a competitive disadvantage and in some cases price them out of the market, according to UEAPME, the European craft and SME employers' organisation. While agreeing with the general objectives of the plan, UEAPME expressed worries on the revised "Ecodesign Directive", which will now cover a larger number of so-called "energy-related" products and set compulsory minimum marketability standards. It also voiced its concerns on the labelling criteria that the EC plans to introduce, which will be used to set a minimum level for public procurement below which goods and services will be excluded from public tenders, a sensitive market for SMEs.

"Despite some timid and unsatisfactory references to SMEs, the plans unveiled by the European Commission today are far from being in line with the reality in which European crafts and small businesses operate", said Guido Lena, UEAPME Director for Sustainable Development. "The action plan published today dramatically underestimates the impact on smaller businesses, which will have to face a revolution in their manufacturing methods and stricter compliance rules without proper support and in a relatively short timeframe", he continued, before elaborating on the main SME concerns.

The revised **Ecodesign Directive** will now cover all "energy-related" products, defined as those products that have an impact on energy consumption during use. This definition is dangerously ambiguous, commented Mr Lena, all the more so since all covered products will be subject to compulsory minimum standards in order to be allowed on the internal market, as well as to stricter, albeit voluntary, benchmarks. Currently, most SMEs do not have any environmental policy in place, stressed Mr Lena, and are not familiar with the "life cycle perspective" promoted by the EC in its Action Plan. A significant number of SMEs runs therefore the risk of not being in compliance with the future minimum requirements. These companies will no longer be able to put their products on the market, with negative consequences on their continued existence and on the employment levels in the EU. Moreover, these requirements will be based on standards, which are notoriously costly and hard for SMEs and their organisations to interpret and understand. The consultation measures foreseen by the Commission will be purely formal and not of use for small businesses, which lack the know-how needed to comment in a limited amount of time on extremely technical documents usually available only in English, stressed Mr Lena. The EU should therefore set up a framework to inform, prepare and support SMEs in the transition to the new scheme, and allow for longer timeframes for compliance. Moreover, it should set up a workable consultation scheme for the preparation of new standards to enable SME organisations to react, as well as simplified implementation schemes.

On "**greener**" **public procurement**, a renewed labelling scheme will be used to establish minimum criteria on the environmental performance of products and services, below which public authorities will not be allowed to procure. This is likely to introduce additional obstacles to SMEs' participation in public procurement and create further red tape, warned Mr Lena. Moreover, although the EC is suggesting impact assessment studies before minimum criteria are set, these studies must clearly include a chapter on the effects on SMEs, stressed UEAPME. This would be in line with the ongoing discussions on how to stimulate and increase SMEs' participation in public procurement in the framework of the SBA.

"The European Commission has pledged to start 'thinking small first' some weeks ago when it unveiled its Small Business Act, although its environment chapter is already the weakest part and does not mention the ECAP programme, the most important tool to translate environmental challenges into opportunities for SMEs. Today's plans are a further step back and a worrying message for Europe's small businesses", concluded Mr Lena.

**** END ****

EDITORS' NOTES: UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 87 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information: <http://www.ueapme.com/>

FOR FURTHER INFORMATION PLEASE CONTACT:

Cristina Marongiu, Deputy Director for Sustainable Development, Tel. +32 (0)2 230 7599, Email: c.marongiu@ueapme.com
Francesco Longu, Press and Communications Officer, Tel. +32 (0)496 520 329, Email: pressoffice@ueapme.com