

Confédération Européenne des Associations de Petites et Moyennes Entreprises European Confederation of Associations of Small and Medium-sized Enterprises - ECA-SME • Europäische Vereinigung der Verbände Kleiner und Mittlerer Unternehmen - EV-KMU

News from Brussels

July 2008

We are pleased to provide you with the latest edition of our newsletter.

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Business opportunities for SMEs

<u>Intellectual Capital Statement InCaS – made in Europe</u>

Attentive readers of our newsletter are already well-aware of the InCaS project in which CEA-PME plays a key role. The aim is to establish the brand "Intellectual Capital Statement" as a <u>quality label</u> and to provide businesses with a product that meets the highest quality standards and which is recognized Europe-wide. InCaS will help SMEs improve their management structures, improve the external communication of their intangibles towards investors and business partners and obtain credit lines in accordance with the "Basel II" guidelines.

On the 13th of November 2008, CEA-PME will organise a conference on InCaS in Brussels which will be attended by entrepreneurs and management experts. If you are interested in this conference, please contact the following e-mail address: <u>incas@cea-pme.org</u>.

You will find information on: <u>www.incas-europe.org</u> and <u>www.cea-pme.org</u>.

Framework contract in the field of external relations

The European Commission has published a tender for a framework contract in the range of external relations. Service providers, that are able to offer services around the world over a period of 2 years, are looked for in the following sectors:

- rural development
- transport and infrastructure
- telecommunication and IT
- energy and nuclear safety
- organisation of conferences
- environment
- governance and domestic affaires
- health
- culture, employment and social affaires
- trade, standards and private sector
- economy, statistics and public financing
- humanitarian aid
- crisis management and crisis accomplishment

To be successful, it is necessary to cooperate with the appropriate partners and to comply with the very demanding requirements. If you are interested, CEA-PME is pleased to provide you with any information and details.

News for European SMEs

Small Business Act for Europe

In the last issue of our newsletter we gave you a detailed account of the preparation of the Small Business Act. After the public consultation in Spring the European Commission finally presented the Small Business Act at the end of June 2008.

The Small Business Act for Europe is not a legislative project but rather a package of measures and proposals which are supposed to affect SMEs positively. A major part of the Small Business Act consists of recommendations aimed at member states, as in many sectors the Commission does not have exclusive decision making power. However, after years of discussions the Commission has issued its firm commitment to improve the framework conditions of the business environment of SMEs. In this respect, the Small Business Act serves as a sort of schedule that summerises the various proposals by the European Commission and that also offers a prospect on legislative projects which are on the horizon in Brussels.

Critics see the risk of yet another unsuccessful attempt to promise more support to SMEs. CEA-PME believes that a great number of the proposals of the Small Business Act point in the right direction and target the problems which SMEs actually face (access to funding opportunities, late payment, obstacles with public procurement procedures, bureaucracy, taxation issues).

Which changes could SMEs actually face?

In its 10 proposals, the Commission attributes particular importance to financial issues. Thus, it is planned to launch EU legislative projects with the following objectives:

- general block exemptions for state aids in favour of SMEs
- statute for a European Private Company aimed at SMEs
- directive for the reduction of VAT rates for local services and simplification of VAT rates in general
- special consideration of SMEs within the late payment directive.

For further information on the proposal for a European private company by the European Commission, please click on the following link: <u>Statute for a European</u> <u>private company</u>.

For a detailed report of the European Commission on the Small Business Act please click on the link: <u>Small Business Act</u>.

Priorities of the French Presidency

On the 1st of July, France took over the EU-Presidency. Among the priorities you can find SME policy, the climate and energy package, the reform of agricultural policy, immigration policy and security policy. In a speech after the last European Council the German ambassador to the EU pointed out that the heads of government have suspended any official reaction to the Irish referendum until the end of autumn.

Meeting on the European Charter for SMEs

In 2000, the EU set up the European Charter for SMEs. Since then, the Commission has organised a conference in order to exchange best practices. This year, CEA-PME took part in the conference in the Slovenian city of Bled. Issues such as cutting red tape and incentives for entrepreneurship played a major part in the conference. A detailed report will follow in the next issue.

Debate about anti-discrimination legislation in the European Parliament

CEA-PME assumes a firm position in the face of the discussion about new proposals for a broader anti-discrimination legislation supported by the Parliament. A balance must be struck between legitimate requests of employees on the one hand and the business environment on the other hand. We believe that the state of the art is sufficient in this field and that changes should be thought through carefully. We will inform you about any development in this area.

EU plans to cut red tape for SMEs

In the European Parliament Commissioner Verheugen and Edmund Stoiber, chairman of the working group for the reduction of bureaucracy, emphasised the importance of reducing bureaucratic obstacles for small and medium businesses. Cutting red tape is particularly useful for a better regulation on the European and the national level (e.g. more electronic forms and less paperwork). The ambitious aim consists in reducing bureaucratic burdens by 25 % across Europe until 2012 (compared with the current situation). By these means, the European GDP could increase by 1,5 %. Besides, about 80 % of the commercial activities throughout the EU are affected by reducing bureaucracy. On the 5th of June, the European Commission published a communication on the reduction of bureaucracy.

Innovative Medicine Initiative (IMI) and its relevance for SMEs

The Innovative Medicine Initiative has a special relevance for highly innovative companies in the field of medical and pharmaceutical research. IMI should boost the competitiveness and innovation potential of medical research across the EU in accordance with the Lisbon Strategy. The aim consists in decreasing the risks of a commercial launch for new medication from the perspective of the producer. Safety and efficiency as well as education and knowledge management constitute the key issues of the research collaboration. A budget of 2 billion \in is foreseen for IMI while the first tender for 2008 comprises a total volume of about 250 million \in .

Support for SMEs within the EU financial framework 2007-2013

On the occasion of a working breakfast in the European Parliament, the financial framework of the EU and especially the current state of affairs of the seventh research programme and its relevance for SMEs have been discussed. The dabte took place between experts from the Commission, the European Parliament and business associations.

The participants agreed that the seventh research programme benefits SMEs and is actually boosting innovation and growth. However, it was also pointed out that SMEs encounter difficulties due to heavy bureaucracy and low flexibility within the research framework programme. This shows that some efforts are still required in order to reap the benefits of the central role of SMEs within the research programme.

Events

European Award for Entrepreneurs

The aim of this award for outstanding performances in the advancement of entrepreneurship by the EU consists in rewarding successful initiatives for the advancement of entrepreneurship and in attaching particular importance to the driving role of the entrepreneur. Awards will be handed out in the categories "Entrepreneurship Promotion", "Red Tape Reduction", "Enterprise Development", "Investment in Skills" and "Responsible and Inclusive Entrepreneurship".

Applications can be submitted until the end of July 2008. Last year, the Spanish municipality development company "Lan Ekintza-Bilbao" won the award for its "innovative approach to the regeneration of Bilbao's city centre".

For further information click <u>here</u>.

SME week 2009

In the course of the realisation of the objectives of the Small Business Act, the European Commission will coordinate a Europe-wide SME week in 2009. On this occasion, entrepreneurs should be informed about funding opportunities on national and European level. Business associations are among the potential organisers of the different events in the member states. A website will be published in autumn which provides on overview over all events. Every interested party can send proposals for events to this website. We will keep you informed.

Announcements

<u>Unbundling of electricity and gas markets</u>

On 18th June, the energy packet was approved in second reading by the European Parliament. A majority of votes approved the ownership unbundling in electricity production on the one hand and electricity distribution on the other hand. This decision could have major consequences for the European economy. Now, the final decision has to be made by the Council of the European Communities.

Business talk in the German EU representation

At the annual meeting between the German ambassador to the European Union and business representatives the following topics were discussed: WTO negotiations, Blue Card for highly qualified workers, proposals for the framework directive concerning anti-discrimination, Small Business Act and especially the implications of the financial market crisis.

We are gladly looking forward to any queries, wishes or suggestions you might have.

CEA-PME

Avenue de la Renaissance 1 B-1000 Bruxelles

Tel: +32 27 39 62 64 Fax: +32 27 39 62 79