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SME UNION President Leitl looks back at successful 2008

“The business organization of the EPP has been very dynamic in 2008. Facing new challenges and especially the worsening of the international and European economic framework conditions, we had to work even harder to support our members and our SMEs” stated SME UNION President Christoph Leitl at the end of this working year. Furthermore he highlighted some of our successes:

☑ Increase of “de-minimis-limit” big success for European SMEs

Our consistent fight for small and medium-sized enterprises in Brussels has once again yield fruit: Europe’s heads of state and government have picked up our demand for an increase of the de-minimis-limit for national SME funding. This is a great success for SMEs. This increase from EUR 200.000 to 500.000 EUR which allows national aids to be granted without permission from Brussels is now valid for a period of two years. In my function as SME UNION President I met several times with EU Commission Vice-President Günter Verheugen to fight for this increase of the de-minimis-threshold.

☑ SME UNION shaped SBA content

We contributed with our input and feedback to the development of the Small Business Act (SBA) intensively and from the very beginning. In 2006, when almost nobody was talking about an SBA for Europe, our union hosted a Brussels event on these issues with – at that time – French Foreign Trade Minister Lagarde. Taking part in the online consultation, through our “Low” Level Group proposals and through several events and personal meetings in close cooperation with the Commission and French Presidency, we could in fact shape the SBA content. We also welcomed the claim of the EU summit to completely implement the SBA. “Think small first” must be the guiding principle of all EU legislation. The member states gave their full blessing to the SBA and its newly annexed action plan at the December EU Council summit.

☑ SME “Low” Level Group proposals partially implemented

Half a year after the presentation of our 21 proposals for the reduction of administrative burdens, we can announce our first achievements. Our proposals, representing a saving potential for companies of approximately 2.5 to 3.5 billions of Euros, were hammered out this year by our experts only within a view months. After six months, 1 suggestion was already fully implemented (EU Battery Waste Directive), and 3 suggestions were taken over by the EU Commission High Level Group for Better Regulation in order to promptly implement them. 14 LLG suggestions are currently in the process of implementation. In a speech at the Commission’s Conference “Cutting Red Tape for Europe” this year, Commissioner Günter Verheugen has referred to our catalogue of the LLG as “very

interesting proposals for simplifying life for SMEs.” Verheugen called the proposals “concrete, practical, innovative and quickly realizable”. The LLG will continue to push for the implementation of all of our proposals on all legislative levels to reach the goal of minus 25 percent red tape until 2010.

SME UNION and EIB tackle financial crisis

In December, in a letter to EU Internal Market Commissioner Charlie McCreevy and Commission Vice-President Verheugen, I asked them to implement measures in the Capital Requirement Directive, the implementation of Basel II in the EU, that would ease pro-cyclical effects of the current Basel II framework since banking regulation must not aggravate current economic downturn.

In September, EU Finance ministers, led by French Finance Minister Christine Lagarde, announced their plan for the expansion of global loans for SMEs granted by the European Investment Bank (EIB) by 50 percent to 30 billions of Euros for the years 2008 and 2009. We also appreciated the announced new facility for mezzanine financing, a form of financing including own funds and debt capital, as a good alternative to a credit and very important for SMEs facing succession or growth financing.

Nevertheless, banks are now reluctant to provide loans to risky projects, like innovative ventures and start-ups. Therefore the EIB should bring forth its own SME Guarantee Fund to provide counter-guaranties to national and regional guarantee institutions providing guarantees particularly to start-ups and innovative SMEs.

SME UNION welcomes climate package compromise

The EU – chaired by France - has understood that we must not forget Europe as a business location. In the future, best-practice enterprises of energy intense industries will get emission certificates for free. The worst case scenario – Europe’s energy intense enterprises migrate due to exorbitant CO2 costs – was prevented at the December EU summit of heads of state and government.

Stronger organization with 3 new members

In June, the members of the SME UNION voted and accepted three new members into their ranks making the EPP business organisation even stronger and ready for the political and economic challenges in front of us. The Hungarian Democratic Forum (MDF), the PP GERB Bulgaria party and Democratic Alliance of Hungarian in Romania (RMDSZ) are now all full member and vital pillar of the SME UNION family.

2009 – full of chances and challenges

“With elections in the European Parliament in June, within our organization and at the European People’s Party, we will face new challenges coming up next year. Following our Topic of the Year 2009 ‘Creative SMEs as key driver for innovation and growth’, we will join forces yet again with our task force in the European Parliament, the SME Circle, to lobby for the best legal framework conditions for European SMEs” expressed Christoph Leitl.

Yes we could – thanks to French Presidency

President Leitl addressed his congratulations for the most diligent and important work that the French EU Council Presidency has realized during the past 6 months is extended by the SME UNION. During this time, the European Union has had to face many obstacles that threaten Europe's security and stability. "Their leadership and strong willingness in showing that Europe is strong and that it can overcome any obstacle showed us that it was possible and that it only depends on us to climb up the mountain. European citizens were able to trust in the EU and the EU leaders again" underlined the SME UNION President. The SME UNION entertains excellent relations with our members of UMP France. In a matter of facts, our friends of the SME Union France, represented by President Jean Marie Virepinte, by Secretary General Patrick Moulin and MEP Alain Lamassoure, were once again crucial partners to our work and to our fight for a SME friendly environment.

"Thus, so much of what we do depends on developing constructive and valuable personal relationships – with our members, the Members of the European Parliament, the members of the business community, with European institutions and media who we thank for all their support in 2008" concluded SME UNION President Christoph Leitl.

Further information: sme@sme-union.org, www.sme-union.org; Tel: +32/2/233 38 38

SME UNION (Small and Medium Entrepreneurs Union) of the EPP (European People's Party) is the network of pro-business Christian-Democrat, Conservative and Liberal politicians and political organizations. Its main objective is to help in shaping EU policy in a more SME friendly way. www.sme-union.org