

BUSINESSEUROPE



Enhancing Entrepreneurship and SME Development

Civil Society Facility – P2P Study Visits

17 June 2009

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Who are we?

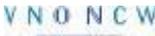


The voice of European companies

- The Confederation of European Business
 - Represents over 20 million companies of all sizes
 - Recognised European social partner
- Achieve growth and competitiveness in Europe
- Lobby for a business-friendly environment



40 members in 34 countries

| | | | | | | | |
|---|---|---|---|--|---|---|---|
|  |  |  |  |  |  |  |  Confederation of Danish Industry |
| Austria | Belgium | Bulgaria | Croatia | Cyprus | Czech Republic | Denmark | Denmark |
|  |  |  |  |  |  |  |  |
| Estonia | Finland | France | Germany | Germany | Greece | Hungary | Iceland |
|  |  |  |  |  |  |  |  |
| Iceland | Ireland | Italy | Latvia | Lithuania | Luxembourg | Malta | Montenegro |
|  |  |  |  |  |  |  |  |
| Norway | Poland | Portugal | Portugal | Rep. San Marino | Romania | Slovakia | Slovenia |
|  |  |  |  |  |  |  |  |
| Spain | Sweden | Switzerland | Switzerland | The Netherlands | Turkey | Turkey | United Kingdom |



Work process

- seven main policy committees
- experts nominated by our members
- follow-up and influence EU legislation
- find consensus view of impact on enterprises
- about 100 position papers each year
- permanent staff actively represents these views



BUSINESSEUROPE support in Eastern European member states

- BOSMIP: “Business Organisations as Single Market Integration Players”
 - Strengthening business federations in new Member States and accession countries in Eastern Europe
 - exchange of know-how about implementation of the *acquis communautaire*
- BUSINESSEUROPE-BOSMIP II
 - business organisations from 23 countries
 - operational period: 1 November 2007 - June 2009
- Negotiations ongoing for BOSMIP III
 - focus on Western Balkans



BUSINESSEUROPE

The Entrepreneurship & SME Committee

At the heart of our SME strategy



BUSINESSEUROPE – active for European SMEs

- We defend the needs and expectations of Europe's entrepreneurs
- We advocate for SME-friendly EU policies
- We push for coherent implementation of the “Think Small First” principle
- We create synergies thanks to our large network of member federations all over Europe



and the “Small Business Act”

- We called for and obtained the highest political backing
- We insist on effective implementation at European, national, regional and local level
- We will closely monitor and assess implementation progress together with our member federations



Maximising synergies across departments

- supportive environment for entrepreneurship and SMEs, e.g.
 - Regional policy
 - Modern and efficient taxation
- SMEs in the Internal Market, e.g.
 - Services directive
 - European Private Company Statute
 - Better Regulation
- climate change and innovation
- SMEs' success around the globe

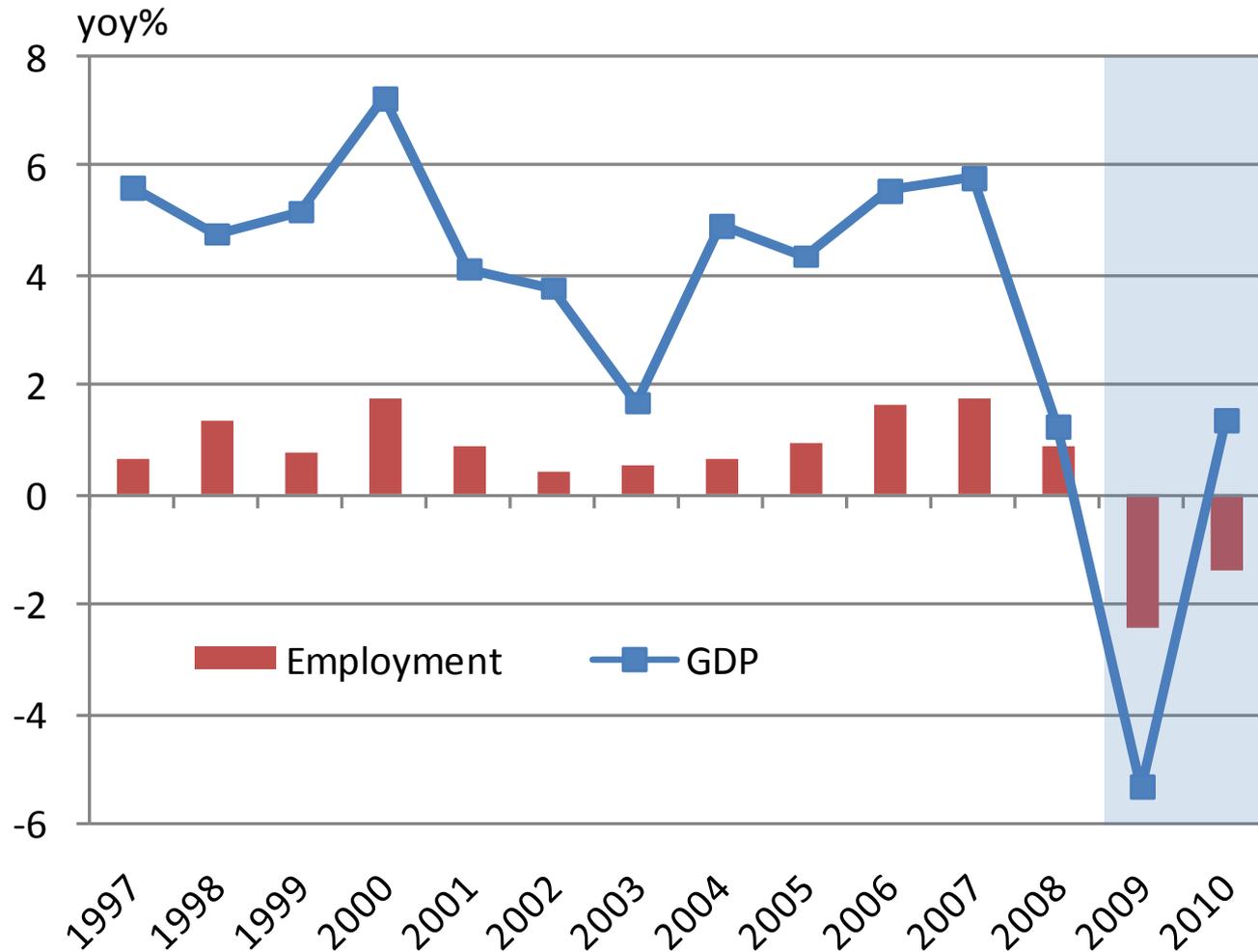


The economic and financial crisis -

How can SMEs survive?



Dire outlook – EU economy in severe recession

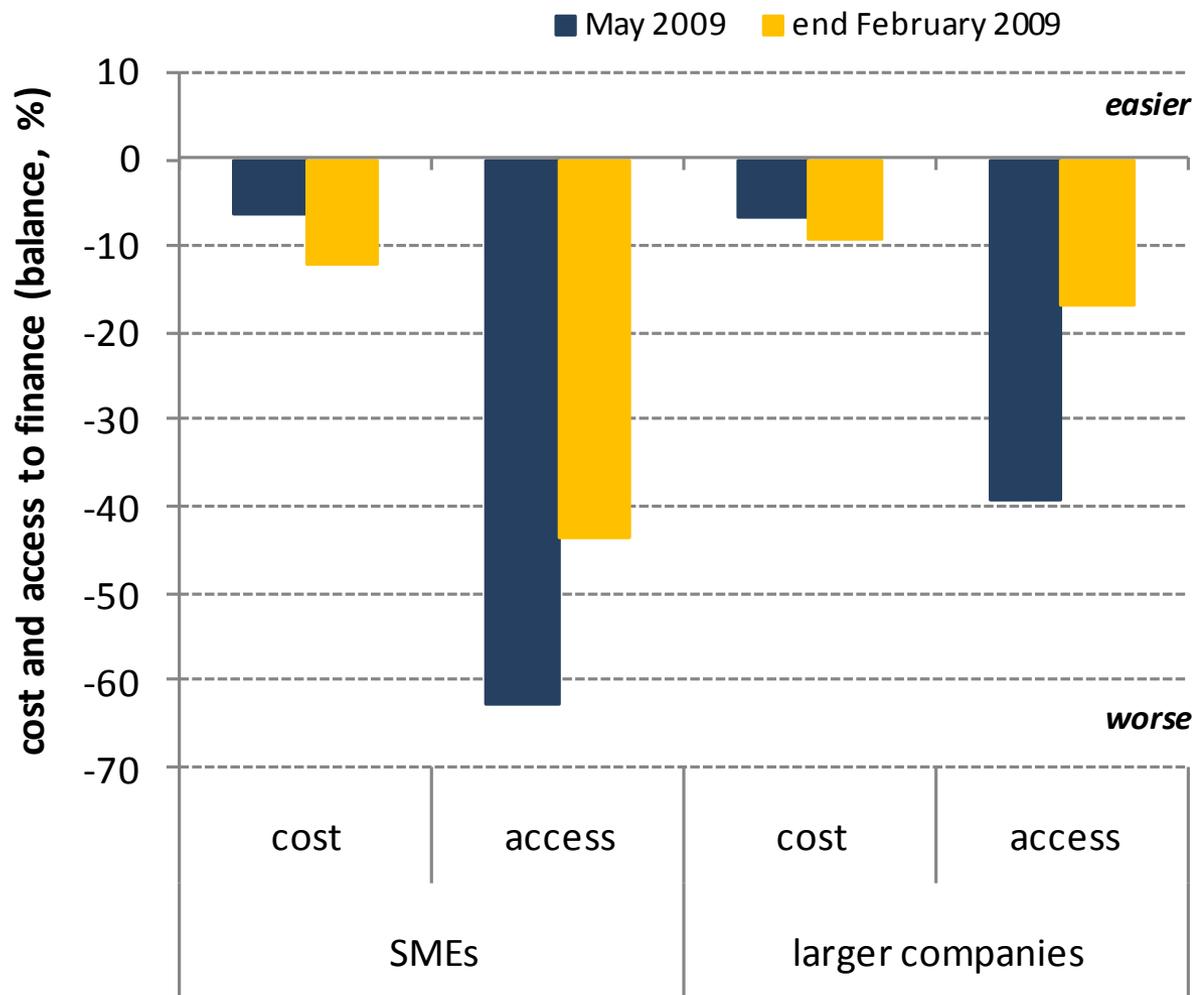


EU response to the credit crisis

- **European Investment Bank**
 - €70 bn of loans for 2009, risk-sharing schemes under test
 - Working capital and trade finance: EIB steps in for SMEs!
- **Central banks**
 - BoE expands quantitative easing strategy
 - ECB announces far-reaching measures
- **European Commission**
 - State Aid rules and the crisis
 - Financial reforms



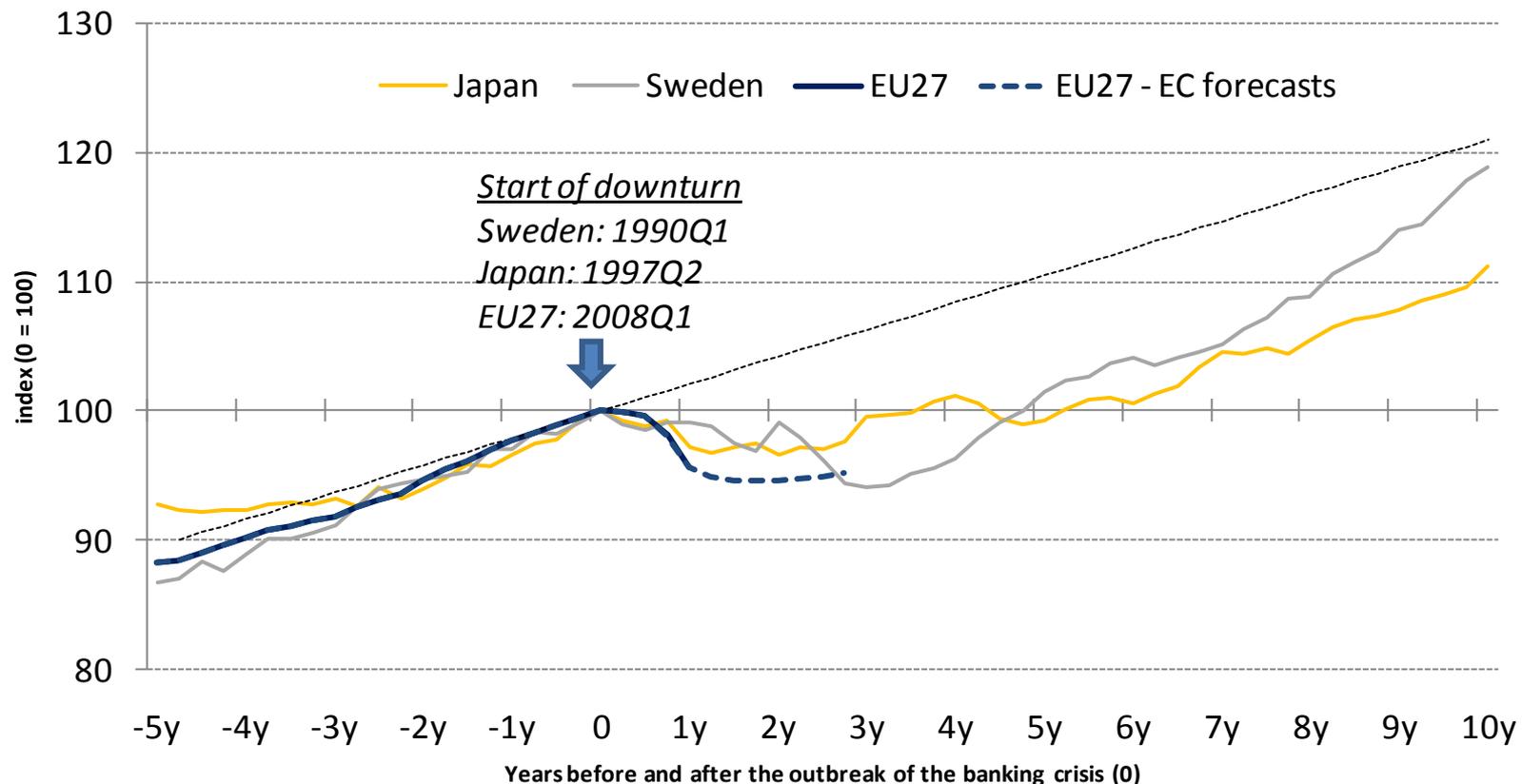
But companies' access to finance remains a major problem



Lessons from the past: don't be complacent, act decisively

Is Europe heading towards Swedish or Japanese experience?

Real GDP level before and after banking crises



Main challenges ahead

1. Fix financial sector problems:

Quick and calibrated response is a precondition for recovery

2. Address rising unemployment:

Short-term measures will not suffice

3. Limit propagation in vulnerable Member States:

EU safeguards for non-euro Member States, but also within the eurozone

4. Restore confidence in public finances:

Beef-up the Stability and Growth Pact with stronger link to reforms



Important areas of work to restore flow of credit

- **Trade finance**
 - Consistent EU framework needed
- **Bank bailout plans**
 - Common approach to evaluate banks' solvency
- **de Larosière / Commission report**
 - Agreement on main proposals
- **Role of capital markets**
 - Increasing in the face of a banking crisis



Help SMEs cope with the social fallout of the crisis

- Increasing labour market flexibility
 - variety of contractual arrangements
 - working time flexibility (short-time)
- Reducing non-wage labour costs
- Narrowing the skills gap
- Upgrading skills and lifelong learning of workers and managerial staff



Mobilising the European Social Fund (ESF)

- Call to improve the effectiveness of EU financial instruments to cope with the challenges of the crisis
- Social partners' joint recommendations at the Employment Summit on 7 May:
 - use ESF resources for start-up of new businesses and hand-over of small existing businesses
 - speed up national procedures to enable rapid accessibility, particularly for SMEs



Looking beyond the crisis

Ensuring Europe's future prosperity



Policy priorities

1. Implement reforms for growth and jobs
2. Remove barriers to the Internal market
3. Shape globalisation and fight protectionism
4. Combine competitiveness and sustainability
5. Make social systems fit for global challenges

1. Promote reforms for growth and jobs

- **Restore commitment towards Lisbon goals**
 - Improve ownership at national and regional level
 - Focus on areas where EU has an added value
 - Re-establish a benchmarking culture
- **Overhaul of EU budget**
 - shift resources from CAP in support of R&D, infrastructures, mobility and training
 - encourage leverage effect of EU budget through financial engineering, co-financing and private public partnership



2. Remove barriers to the Internal market

A single market for services:

- simplification and modernisation of national legislation
- points of single contact to complete formalities effectively

Freeing companies from red tape:

- 25% target for cut administrative burdens by 2012
- new legislation must not undo past achievements
- “Think Small First” principle
- yearly progress reports and benchmark performance



3. Shape globalisation, fight protectionism

Opening markets and reducing trade barriers is essential for growth and jobs

- WTO Doha Development Agenda
 - lower tariff and non-tariff barriers
 - simplify burdensome customs requirements for SMEs
- Free Trade Agreements
 - remove non-tariff barriers
 - harmonise standards to ease SMEs' internationalisation
- Market Access Strategy
 - tackle barriers with Commission, Member States and business



4. Integrate sustainability and competitiveness

- Reducing greenhouse gases with SME-friendly policies
 - Emission Trading: opt-out for small installations
 - energy efficiency: information transfer, product standards and labels
- Securing internationally competitive electricity prices
 - Internal Market for electricity and gas
 - energy security
- Protecting the environment without imposing excessive costs and administrative burdens
 - REACH, industrial pollution control, waste legislation



5. Social systems: fit for the future?

- Increasing labour market flexibility
 - variety of contractual arrangements
 - working time flexibility (short-time)
- Reducing non-wage labour costs
- Narrowing the skills gap
- Upgrading skills and lifelong learning of workers and managerial staff



Further information

www.business europe.eu

