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### **“HAPPY BIRTHDAY SBA” EUROPEAN ECONOMIC AND SOCIAL COMMITTEE**

#### **OPENING REMARKS BY THÉRÈSE DE LIEDEKERKE MANAGING DIRECTOR OF BUSINESSEUROPE**

“SBA - Happy Birthday?” – this is the title of the conference. Of course, the first birthday always is a special one. As one of the strongest and first supporters of the SBA, BUSINESSEUROPE is particularly happy to celebrate it with you today.

But, this first anniversary is no reason to claim “mission accomplished”. True, the European Union has devised a useful policy document is over. Now all our efforts, Commission, institutions and business organisations, must be geared towards achieving its effective implementation in all member states. This will take time. We must remain vigilant to ensure that the efforts of national governments do not slow down.

“Think Small First” must become the rule for all local, regional, national and European institutions. And in practice there still is an important way to go! Despite good intentions of national or regional governments when it comes to implementing “Thinks Small First”, proposed improvements of the business environment or reduction of administrative burdens do not always achieve the expected results.

But the effective implementation of the SBA principles is all the more important in the current situation. We are on a long and difficult way of the recovery. Entrepreneurs and SMEs are a key driving force behind growth and job creation. They must be at the centre of policy attention if we want to have a sustained recovery and match the competition of emerging economies. Implementing the principles of the SBA must remain the number one priority.

So what do we aim for concretely?

1. We want to see a rapid adoption of two legislative proposals which are still pending in the Council and the European parliament: the European Private company Statute and the “late payments directive” . Let us hope that the competitiveness council will take the right decisions on this tomorrow and Friday!



2. We want to see implementation of the SBA to be included as an integral part of the future Lisbon Strategy, the EU's "2020 Strategy". In our view this is the best way to ensure that member states effectively report regularly on the progress they make.
3. Among the more specific principles of the SBA, facilitating access to finance (principles VI).

SMEs finances were affected by the crisis. Thanks to quick and comprehensive responses by policy makers, the EIB and central banks a severe credit crunch could be averted. However, we could see more difficulties appearing when companies will start to invest again from 2010 onwards. Moreover, young, innovative, start-up companies already suffer from banks' risk averseness.

The crisis underlined that European companies rely more than their US competitors on bank loans. We need to increase the attractiveness of equity finance, encourage business-angels and to integrate European cross-border venture capital markets.

4. Promoting innovation (principle VIII) is another area deserving attention.

Facilitating the cooperation between companies will help to achieve real results. In fact innovation not only happens in research labs but in thousands of small and medium sized companies. Of course, it this also requires a well-functioning and cost-effective system to protect intellectual property and patents.

To conclude, let me add two more general aspects to be included in the road map for a better implementation of the SBA. First, it is important to foster the internationalisation of SMEs, so that they can benefit from strong growth in emerging economies. These are the engines of future world growth and European SMEs need to be present in those markets.

Second, SMEs need to be able to benefit more from the Single Market. To be frank, the single market is far from complete. And SMEs still face immense hurdles when doing cross-border business. That is why we are looking forward to the proposals made by the High-level Group chaired by Mario Monti, which should give a new thrust to the internal market.

When we meet to celebrate the second anniversary of the SBA, we must be able to report real progress on the points highlighted by BUSINESSEUROPE.

In the mean time, I wish you fruitful discussion and a happy SBA day !