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**EUROPEAN SME WEEK SUMMIT
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**OPENING PLENARY SESSION
SPEECH BY PHILIPPE DE BUCK,
DIRECTOR GENERAL OF BUSINESSEUROPE**

Members of the European Parliament,

Secretary of State,

Ladies and Gentlemen,

I would like to thank the Commission and the SME Intergroup of the European Parliament for this invitation.

What are the expectations of BUSINESSEUROPE regarding development of EU policy on promotion of entrepreneurship and SMEs?

Today ten workshops will identify concrete actions that public authorities can take to encourage entrepreneurship.

Our particular interest lies in the workshops on finance and innovation in the global context, and I will offer some thoughts on these subjects later.

But before going into details, I believe we need to look at the broader macro-economic picture.

Let us ponder on the root of the current uncertainties which are depressing the European economic context. Let us reflect on strategies to restore the confidence of entrepreneurs.

Last week President Barroso has addressed the European Parliament. His speech on the state of the Union state contains many far-sighted views on these issues.

What is the first cause cited by President Barroso President Barroso for today's difficulties? It is the fact that "Europe has not responded to the challenges of competitiveness".

This is a strong message. To say it is good. Now we have to draw the conclusions of that statement.



This diagnosis should mobilise all policy-makers in their decisions. It should radically increase the attention paid to the competitiveness of the regulatory conditions influencing millions of SMEs.

Providing 67% of employment in Europe, SMEs are the backbone of the economy.

Promotion of SME development is present in most government programmes. But this objective often does not receive the determination it needs. The Small Business Act is being implemented at very different speeds by the member states. In some countries, the time to start a business is 32 days, whereas the EU average is 14. This EU average is itself much too high. The time required to transfer property can be as high as 152 days in some countries, against an EU average of 34 days.

So Member states must accelerate the modernisation of their pro-SME policies. Establishment of the Network of national SME Envoys is encouraging in that respect:

- The SME Envoys should intensify their exchange on innovative measures developed in their country to facilitate SME development.
- They should put in place an effective monitoring mechanism about implementation of the SBA in all the Member States.
- And finally, they should systematically implement the SME test to upcoming national legislation.

But to inject fresh dynamism into SME development, we need above all to revive growth.

The immediate concerns surrounding the Euro and the financial system are monopolising media attention. I understand these concerns. But they should not cause defeatism and delay collective action to reignite growth.

We should not lose sight of the real economy. Last year growth was 2.7% in Germany, and is still expected to reach 1.3% this year. The growth prospect for the European chemical sector is plus 2.5% for 2012. This shows that there is still a momentum that absolutely must be maintained.

The European Commission can play an important role for promoting growth. All policies at EU level should facilitate growth. We need speedy Commission proposals in areas that can act as a catalyst for growth. These areas include:

- Ensuring that the twelve key levers for growth set out in the Single Market Act are fully deployed. Rapid actions must take place in particular on implementation the Digital Agenda. The Services Directive should be implemented and even reviewed!
- Accelerating negotiations on ambitious free-trade agreements with high-growth trading partners such as Canada, India, Ukraine and Mercosur.
- Helping leverage the € 200 billion investment needed by 2020 to modernise European's energy infrastructure, with new EU financial instruments.

- Promoting business innovation through the “Horizon2020” framework programme.

Ladies and Gentlemen,

I mentioned the role of the Commission for stimulating national pro-SME policies. Besides this, the Commission must continue to build its own action agenda for promoting SMEs and entrepreneurship. I would like to comment on two very important components of this agenda:

- access to finance
- internationalisation.

Access to finance

Regarding access to finance, the Commission’s action must be intensified in two directions:

First, improving the frameworks which regulate the supply of different kinds of financial products. By way of example, we need a new regime for venture capital, putting an end to fragmentation of venture capital markets.

Next, the deployment of innovative EU financial instruments must be strengthened. We should build on the success of the instruments introduced by the Competitiveness and Innovation Program. I refer here in particular to the guarantee and equity platforms of that programme. Companies have an urgent need for efficient guarantees helping them to access to credit at affordable conditions.

Internationalisation

We need to upgrade the capacity of SMEs to participate in growth outside Europe. Growth will be increasingly driven by emerging countries. Many innovative SMEs need to target the world market at the early stage of their development.

A number of services already exist for helping SMEs in their internationalisation efforts. They are provided by member states, bilateral chambers of commerce and European business organisations abroad. EU business support centres have been opened in various key countries. The European Enterprise Network helps SMEs finding partners outside the EU.

However the task is becoming so huge that growing gaps exist in the provision of services. One should think in terms of a new cooperative model in which certain information services would specialise on certain areas. The goal would be to make their expertise available to much wider SME communities than is currently the case. A basic service should be available to all SMEs at zero cost, and more tailor-made services should be offered on the widest possible scale.



Above and beyond this, Europe must upgrade its economic diplomacy. The EU External Action Service must be fully mobilised in this regard. In all negotiations on free trade, SME concerns should be taken into account.

Ladies and Gentlemen,

I am sure you are convinced that a radical change in mindset is needed to extract the full potential of SMEs for both economic growth and job creation. I wish that this Conference helps business and policy-makers identifying together how to bring about decisions and policy changes.

Thank you.

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