



EUROPEAN ECONOMIC AND SOCIAL COMMITTEE SME CATEGORY

PANEL DISCUSSION (6 NOVEMBER 2017) ON:

"IMPROVING SUPPORT TO SMEs DURING THE FINANCIAL PERIOD 2020 – 2027

HOW TO BETTER TAKE INTO ACCOUNT THE NEEDS OF SMEs IN SUPPORTING POLICIES AND MEASURES? DO WE NEED ANY LEGISLATIVE SOLUTIONS?"

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The subject of the panel discussion is quite broad. It has:

- a financial dimension - we talk about support to SMEs in the post 2020 financial period
- a legislative dimension – we want to explore if legislative solutions are needed in order to better take SME needs and challenges into account when defining support policies.

I will make short political remarks on these two dimensions, taking as starting point the need – consistently stressed by BusinessEurope - for a dynamic EU SME policy, truly recognising SMEs as a key asset for a return of Europe on the path to sustainable economic growth.

To start with the **financial dimension**, it is clear that supporting SME competitiveness and access to markets must continue to be present as important components in the future Multi-annual Financial Framework (MFF).

We call for strengthening support to RD and innovation in the future MFF, and due attention should be given to SMEs in that context. This means that attention should not be exclusively focused on breakthrough innovation, but also on incremental innovation, on which many SMEs are active. Regarding the European Innovation Council, we insist that it should involve industry of any size and maturity, in order ensure that SMEs have the possibility to develop in very diversified ecosystems.

The future MFF should also devote means for supporting SME internationalisation. In our position paper on the COSME interim evaluation, we have shown the added value that EU actions can have in this area. In the next MFF, one should build on the achievements of the Europe Enterprise Network, and bring them up to a new level.

A major effort is needed to enhance the digital competence level of SMEs, and their access to professional advice. The next MFF should foresee funding for the Digital



Innovation Hubs and competence centres, and support Member States' efforts to develop a national network of Digital Innovation Hubs.

And finally, BusinessEurope calls for stepping up the efforts to mobilise private investment in SMEs thanks to well-designed EU financial instruments. The COSME financing models and the EFSI model should inspire future EU initiatives in this area. The future initiatives must pay attention to the need for rationalising EU funds.

Moving to the **legislative dimension**, SMEs still face many challenges to reap the full benefits of the Single Market. This will call for continued legislative initiatives aimed at:

- Giving SMEs better access to information on markets and regulations
- Creating efficient tools to defend SMEs facing technical barriers to trade
- Preventing new national regulations that do not comply with EU regulations.

In general, we do not see a need for SME-g geared legislation in these areas. We call for efficient horizontal legislation to solve the relevant issues. Such legislation must involve an efficient SME test in the impact assessment phase. There is still quite some work to do in order to have really satisfactory SME tests.

Making VAT less complex and burdensome for SMEs is an area which will probably continue to call for well-designed horizontal legislation, sometimes including practical tools and systems geared to SME needs.

An in-depth revision of the EU SME definition is sometimes advocated as a useful legislative step for the further implementation of the EU SME policy. There is within BusinessEurope a very broad consensus view that the current EU SME definition should not be fundamentally modified. What is needed is a limited adjustment of the 2003 EU SME definition to take into account the recent jurisprudence from the K-Chemica and Crosfield cases, to facilitate equity financing by financial intermediaries and to possibly adjust the level of financial parameters, to take account of inflation.
