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## **SMEs: competitiveness and business opportunities**

P7\_TA(2012)0387

### **European Parliament resolution of 23 October 2012 on Small and Medium Size Enterprises (SMEs): competitiveness and business opportunities (2012/2042(INI))**

(2014/C 68 E/06)

*The European Parliament,*

- having regard to the European Charter for Small Enterprises, adopted by the European Council at its meeting in Feira on 19 and 20 June 2000,
- having regard to the Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (SMEs) <sup>(1)</sup>,
- having regard to the Commission Communication of 14 October 2011 entitled 'Industrial Policy: Reinforcing competitiveness' (COM(2011)0642),
- having regard to the Commission Communication of 9 November 2011 entitled 'Small Business, Big World – A new partnership to help SMEs seize global opportunities' (COM(2011)0702),
- having regard to the Commission Report of 23 November 2011 entitled 'Minimising regulatory burden for SMEs – Adapting EU regulation to the needs of micro-enterprises' (COM(2011)0803),
- having regard to the Commission Communication of 23 February 2011 entitled 'Review of the 'Small Business Act' for Europe' (COM(2011)0078),
- having regard to the Commission Communication of 13 April 2011 entitled 'Single Market Act – Twelve levers to boost growth and strengthen confidence - Working together to create new growth' (COM(2011)0206),
- having regard to the Commission Communication of 3 March 2010 entitled 'Europe 2020 – A strategy for smart, sustainable and inclusive growth' (COM(2010)2020),
- having regard to the Commission's proposal for a Regulation of 30 November 2011 establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (2014-2020) (COM(2011)0834),
- having regard to the Commission's 'European Competitiveness Report 2011' (COM(2011)0642),
- having regard to its resolution of 16 February 2011 on practical aspects regarding the revision of EU instruments to support SME finance in the next programming period <sup>(2)</sup>,
- having regard to its resolution of 9 March 2011 on an Industrial Policy for the Globalised Era <sup>(3)</sup>,
- having regard to its resolution of 12 May 2011 on the Small Business Act Review <sup>(4)</sup>,

<sup>(1)</sup> OJ L 124, 20.5.2003, p. 36.

<sup>(2)</sup> OJ C 188 E, 28.6.2012, p. 7.

<sup>(3)</sup> OJ C 199 E, 7.7.2012, p. 131.

<sup>(4)</sup> Texts adopted, P7\_TA(2011)0235.

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- having regard to Rule 48 of its Rules of Procedure,
  - having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on International Trade, the Committee on Employment and Social Affairs and the Committee on Regional Development (A7-0293/2012),
- A. whereas micro-enterprises and SMEs suffer, in times of economic crisis, from difficulties in accessing funding, particularly small loans, to support their development;
  - B. whereas 25 % of EU SMEs have been internationally active within the single market but only 13 % have been internationally active outside the EU; whereas only 24 % of micro-firms export goods or services compared to 38 % of small firms and 53 % of medium-sized firms;
  - C. whereas almost one third of the administrative burdens deriving from EU legislation stems primarily from disproportionate and inefficient national implementation, which means that up to EUR 40 billion could be saved if Member States transposed EU legislation more efficiently <sup>(1)</sup>;
  - D. whereas more than 96 % of SMEs in the European Union have fewer than 50 employees and less than EUR 10 million in annual turnover; whereas their ability to export goods and services across national borders is limited, mainly due to high fixed costs linked to international trade, legal insecurity and regulatory fragmentation;
  - E. whereas 85 % of all new jobs in the EU between 2002 and 2010 were created by SMEs, in particular by new firms; whereas 32,5 million people in the EU are self-employed;
  - F. whereas industry plays a key role in the European economy and generates 25 % of direct jobs in the EU's private sector and accounts for 80 % of private R&D;
  - G. whereas job creation in eco-industries has been positive throughout the recession in comparison to many other sectors and is forecasted to continue to remain sound in future years; <sup>(2)</sup>
  - H. whereas internet and information and communication technologies (ICTs) facilitate SMEs opportunities to sell services around the globe and play a vital role in making SMEs more potent contributors to economic growth and job creation.
  - I. whereas the Commission estimated that policies promoting a transition to a green economy such as resource efficiency, energy efficiency, and climate change policies could generate more than 9 million jobs by 2020, in particular in the SME sector;

### 1. 'Small business – big world'

1. Notes the common structural and regulatory challenges faced by SMEs, such as access to finance, human capital and organisational resources; welcomes, in this respect, the fact that the Commission endeavours to promote and support SMEs' economic activities in the single market and third country markets; points out that, in general, SME internationalisation should be considered a process; points out that in order to be successful to expand their business outside the EU, SMEs need advice services already at their local level and not only on third markets; stresses that this necessity must be reflected in EU support policies;

<sup>(1)</sup> "Europe can do better" – A report on best practice in Member States to implement EU legislation in the least burdensome way; by the High Level Group of Independent Stakeholders on Administrative Burdens, 15 November 2011.

<sup>(2)</sup> Eurostat estimates total numbers employed have grown from 2,4 million in 2000 and 3,0 million in 2008 and are forecast to reach 3,4 million in 2012 - (April 2012).

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2. Points to the fact that SMEs are extremely varied; stresses, therefore, that when designing new policies for SMEs, the Commission should take into account the different challenges faced by companies depending on size and sector;
3. Recalls that SMEs, more than bigger businesses, benefit from internationalisation through exposure to best practices, a better take-up of excess production, an improved supply of input products through imports, and thereby better competitiveness, to the point that exporting SMEs consistently perform better than their non-exporting peers, resulting in greater welfare gains for the economy as whole and for consumers;
4. Rejects the belief that sheltering EU SMEs from international competition could help them grow and perform better on the international stage; believes, rather, that the EU should support a positive agenda benefitting its SMEs in international negotiations in order to lower barriers, on a reciprocal basis, in the interests of SMEs globally;
5. Considers that the effective protection of SMEs against unfair trading practices by EU partner states is just as important as helping SMEs wishing to internationalise; considers internationalisation and protection as two sides of the same coin of the globalisation process;
6. Emphasises that the Communication should have recognised the differences between sectors, since internationalisation for service SMEs is fundamentally different from internationalisation for manufacturing SMEs; notes that many services SMEs, which represent the bulk of SMEs, often do not need to reach a critical size for starting exports, and would benefit above all from more open regulations and access to ICTs in the target countries, whereas industrial SMEs would benefit more from enhanced conditions in transport logistics and from trade facilitation;
7. Notes that most public policies in support of EU SMEs' internationalisation are focused on manufacturing, and recommends therefore that they are readjusted to take into account services SMEs' different needs; recommends in particular rethinking the minimum size requirements for SME trade support programmes, which have usually been based on the industry SMEs' export model, under which the firm can expand internationally after reaching a critical size;
8. Takes the view that that while the Communication does try to address the difficulties faced by SMEs in identifying foreign business opportunities, it does not emphasise sufficiently that providing SMEs with guidance, suggestions and incentives to internationalise is a desirable path of public action; believes that the EU, again in concert with the Member States, should support and promote incentives to develop SMEs in strategic sectors in a proactive fashion by adding value to already existing initiatives, especially when it concerns high-value-added and technologically advanced manufacturing activities offering a competitive edge over emerging economies; stresses the need, therefore, to identify promising niche-markets, which has already started to be integrated in other EU policy documents such as the report of the high-level group on Key Enabling Technologies;

#### *Information for SMEs*

9. Urges the Commission to launch the multilingual online portal foreseen in the Communication as soon as possible and to be fully up and running by the end of 2013 at the latest; believes, whilst recognising the huge variety of SMEs and their questions, that the portal should not duplicate but rather interlink existing portals, should be easily accessible and user-friendly and should not cause additional search costs for SMEs; stresses that the portal should be likely to raise the number of EU SMEs that do engage internationally;
10. Calls for increased and more efficient support for SMEs in access to the single and third country markets at the EU, national and regional level, particularly as regards promotion activities and access to information, the protection of intellectual property rights, participation in public tenders, ICT, standardisation, and regulatory issues; believes that the Enterprise Europe Network (EEN) is an effective tool to achieve these objectives; shares the view that, based on a thorough evaluation, a new governance model for EEN should be put in place with the view to increase effectiveness, reduce the administrative and management burdens and allow for tailor-made support; believes that this support should assist businesses in acquiring the necessary skills and in defining a strategy for expanding in foreign markets, and should promote cooperation between businesses by encouraging the matching of supply and demand;

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11. Is convinced that the EEN will only maximise its value to SMEs in the EU if the functioning and governance of its constituent organisations is strengthened and if awareness of its support services is raised;

12. Urges the Member States to adopt a single network of export helpdesks at a local and regional level, run in cooperation with businesses, chambers of commerce, universities and other interested stakeholders, so that SMEs can have an easily identifiable single contact person and receive, in their own language and for immediate use, personalised advice and economic analyses of overseas markets, information regarding assistance, export opportunities, existing barriers to trade (both tariffs and non-tariffs), investment protection and dispute settlement provisions in force, administrative formalities, and competitors in third markets; believes that these helpdesks should contribute to exchanges of good practices, in accordance with the European Charter for Small Enterprises;

13. Recommends that more information be targeted to small and micro-enterprises, these being the SME grouping that is least active internationally and least aware of its export potential and of the benefits it would gain from internationalisation;

#### *Mapping of support services*

14. Shares the view that support programmes funded with public resources should be delivered in the most cost-effective possible form, especially at a time when the EU economy is still recovering from its worst crisis in decades; points out, in this regard, that the quality of the programmes should remain at the very least at the same level;

15. Supports the proposal that a large number of local, regional, national and EU support schemes should undergo a "mapping exercise"; believes that this exercise should include private-sector and local initiatives to help SME access funding, in particular initiatives facilitating access to loans for micro-enterprises, as well as an assessment of the effectiveness of existing EU support schemes; believes that the mapping should be conducted in regular intervals and serve as basis for a benchmark and scoreboard system; believes that the initial mapping exercise should serve as a basis for the assessment of the effectiveness of existing EU support schemes; notes that any mapping exercise may not capture all initiatives, in particular if they are small or informal and if the cost and/or practicality of doing so is not viable;

16. Expects first specific proposals by the end of 2012 to streamline and coordinate the existing EU support schemes in order to make them effective and responsive to the needs of EU SMEs; believes that EU action must avoid any duplication or development of parallel structures and demonstrate a clear European value added; believes that existing national support structures should be respected in consideration of the subsidiarity principle; believes that the servicing of single EU SMEs must be focused to the organisation identified as closest to their individual business needs; asks the Commission to inform the responsible committees of Parliament regularly about the progress of this ongoing exercise;

17. Points out that new EU activity such as this must have proven added value over existing instruments; believes that such added value can be found where there is geographic or substantive market failure ('blank spots'), or where representation of the EU's trade policy interests, or efforts to gather information for a market access database, need to be boosted;

18. Stresses the need to make SMEs co-owners of the review of the existing support framework; calls for SMEs, together with EEN and EU business organisations, to be closely involved in the implementation of the review;

19. Insists that tools currently available to all EU firms when they export, such as the Market Access Database and the Export Helpdesk, should be adapted to suit the needs of SMEs; appreciates the opening of a SME-dedicated helpdesk for issues pertaining to trade defence instruments (the SME TDI helpdesk); recommends more effective coordination between the various support structures for European SMEs in third countries;

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20. Considers that practical and cost-effective solutions to help SMEs in overcoming the shortage of working capital, especially capital to make the initial investment required and to start financing exports, should be designed and implemented through the EU common commercial policy or other suitable EU instruments if, on the basis of the mapping, it is deemed necessary and feasible;

21. Believes that while making effective use of existing national structures, EU-initiatives are necessary in third markets where there is shown to be added value; encourages cooperation among experts in both the public and the private spheres, including the EU Market Access Teams; agrees that SMEs from some smaller and newer Member States are at a disadvantage because they may lack either diplomatic representation, experienced partners or both in some third markets; stresses, nonetheless, that EU-initiatives shall not interfere in competition between individual companies from different Member States on third markets;

22. Stresses that the internationalisation of SMEs is a process, and that, in order to be successful, SMEs already need support measures at local level and not only on third markets; recognises that on third markets, common EU efforts concerning lobbying, trade policy and market access, as well as complementary programmes to address market failure, can add substantial value to this process;

23. Calls on the Commission, in order to avoid duplication, to create new structures only after having conducted a review of funding, an inventory of available advisory services in the Member States and a proper analysis of their effectiveness and of any proven need for creating new structures;

#### *Promoting EU clusters and networks*

24. Supports the Commission's suggestion to enhance cooperation between various company associations, chambers of commerce and other actors active in the single market and in third countries in order to facilitate business partnerships and promote clusters and access to new markets, encouraging the process of internationalisation from the level of the individual business to that of networks or multi-location chains, in order to encourage more complex and sustainable internationalisation projects involving multiple businesses and other public support organisations and institutions;

25. Emphasises the importance of the territory in which SMEs work, and calls on the Commission and the Member States to cooperate on an ongoing basis with local authorities in order to enhance networking;

26. Considers that the creation of joint ventures or other partnership agreements between or with SMEs should be fostered as a strategy for penetrating new markets, developing direct investment projects in the single market and third countries and taking part in invitations to tender; calls on the Commission to mobilise resources in order to promote such transnational cooperation;

27. Notes that clusters and networks can often be created virtually as well as physically; encourages the Member States to promote the necessary tools and resources to facilitate virtual clusters and networks;

28. Encourages the Member States to actively support the Commission's role in boosting SMEs access to third country markets in international forums and conferences;

#### *Future steps*

29. Recommends that the Commission consider all dimensions related to internationalisation, namely exporting and importing, including various forms of economic partnerships and cooperation; notes that there is not sufficient emphasis on this second dimension in the Communication;

30. Calls for the greater integration of Union policies in favour of SMEs, with particular reference to innovation, growth, internationalisation, productivity, containing costs and reducing bureaucracy, the quality of human resources, and social responsibility;

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31. Welcomes the new programme for the competitiveness of SMEs (COSME); notes the successful actions of the Competitiveness and Innovation Framework Programme (CIP); believes that these actions – such as the High Level Group of Independent Stakeholders for Administrative Burden Reduction and the Enterprise Europe Network – should be continued and further expanded under the new programme; underlines the need to improve access to finance for SMEs and strengthen the role that the private sector could play; calls for the simplification and rationalisation of the various Union instruments devoted to access to credit, guarantees or venture capital, in particular for SMEs with internationalisation plans; calls for a review of the costs and availability of basic banking services for SMEs involved in cross-border – especially cross-currency – trade, including outside the EU; encourages the Member States to explore the possibility of using parts of their national corporate tax revenues to facilitate access to loan guarantees for SMEs; stresses that all instruments, in particular the non-financial instruments, should be adopted based on a critical evaluation of the CIP and in close cooperation with SME organisations;

32. Stresses the need to increase significantly the budget for COSME foreseen in the Multiannual Financial Framework (MFF), considering in particular the significant market failures with regard to SME financing and the need to increase EU support for business transfers; believes, in this regard, that the delineation between COSME and Horizon 2020, in terms of activities and budget, deserves further consideration in order to facilitate orientation for SME;

33. Calls on the Member States to ensure that sufficient export guarantee facilities are available for SMEs;

34. Notes the importance of skilled and trained entrepreneurs in facing the challenges of international business; calls on the Commission to promote the 'Erasmus for Young Entrepreneurs' programme and to study the possibility of an 'Erasmus Mundus for Entrepreneurs' in order to give talented entrepreneurs the opportunity to acquire experience in, and network with, centres of excellence outside the EU, also through advanced business culture training, which allows an international entrepreneurial vision to be gained, in order to acquire the necessary and fundamental tools to compete in a global market; calls on the Commission and the Member States to include young entrepreneurs and industrial policy in the relevant EU policies for the 'Erasmus for All' programme;

35. Welcomes the Commission proposal on the review of European standardisation; stresses the need for a more coherent system of international standards in order to enable interoperability and reduce obstacles to SMEs going international;

36. Supports a European standardisation system that includes SMEs more systematically in the decision making processes, while also making use of the proven principle of national delegation; calls on the Commission to take the necessary measures to make the standards developed by the European standardisation bodies more accessible, and at a lower cost to SMEs, in order to enable interoperability and reduce some of the substantial obstacles faced by SMEs going international; emphasises that the adaptation of EU ICT standardisation policy to market and policy developments is an important tool for the involvement of SMEs in the e-business, e-commerce, e-Freight and intelligent transport systems (ITS), etc.;

37. Emphasises that a simple, efficient and affordable intellectual property rights (IPR) and copyright regime is key for promoting the internationalisation of SMEs; considers that SMEs need effective IPR protection to encourage the development of new technologies as the basis for their international activities;

38. Stresses the lack of resources at SMEs' disposal to fight breaches of IPR affecting them on third markets; calls for concrete initiatives on the part of the EU to improve the protection of SMEs' intellectual property rights in these third countries, such as has been achieved with the SME IPR helpdesk in China; observes that this model of helpdesk is currently being extended, in a pilot initiative, to a selection of ASEAN and South America countries; stresses the need to conduct a proper evaluation of existing helpdesks, with a view to optimising the functioning of the model before extending it further; urges the Commission, once lessons have been drawn from this assessment, to adopt similar helpdesks in priority markets where IPR is an important issue; urges the Commission and the Member States to step up customs cooperation in the EU and with third countries on the seizure of counterfeit goods, and to simplify customs procedures;



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39. Notes the importance of the creation of a simplified and transparent EU regulatory framework for public procurement, so that SMEs gain better access to public contracts both within the EU and in third countries, including through the application of the “only once principle” and the use of electronic transmission systems, as well as by applying the “European code of best practices facilitating access by SMEs to public procurement contracts”; considers that public procurement is an effective public policy instrument to support domestic SMEs’ technical innovation capacities and to provide for their growth to the size needed for them to engage in internationalisation; calls for a better definition of tenders as well as for the opening up of services to public tenders;

40. Expects the Commission to take an initiative to ensure that EU SMEs enjoy access to public procurement on third markets on an equal footing with other companies; hopes that the recently published proposal for a regulation on the EU public procurement market will foster reciprocity in openness, which would benefit EU SMEs; requests that the EU develop an ambitious common industrial policy based on fostering research and innovation that benefits from innovative financing arrangements, such as project bonds, and that supports the development of SMEs, particularly via access to public procurement, in order that they maintain their competitiveness vis-à-vis new major players in industry and research; calls on the EU to enhance the value of European production by providing better quality-information to consumers, particularly through the adoption of the regulation on origin marking (‘made-in’) of products imported into the EU;

41. Strongly urges the Member States to finalise as soon as possible, and at the latest by the end of 2012, an agreement on the common patent, as it is vital for the EU to offer businesses easy and affordable access to patent protection in the single market, similar to the protection available to their competitors in the United States, China and Japan;

42. Recommends that the existing EU SME Centres should only be expanded with due consideration for the conclusions of the assessment of the existing Centres’ effectiveness and the general guiding principles; notes that these Centres would function better in conjunction with joint helpdesks tailored to needs as one-stop-shops with single contact points for EU SMEs in third countries; considers that EU initiatives should be focused on areas where SMEs actually operate;

43. Calls for a clearer definition of SME priority markets on the basis of the agenda for the EU’s trade negotiations; recalls that priority markets should of course include high-growth markets, such as the BRIC countries, but also take into account SMEs’ perception of opportunities for internationalisation in developed countries and in neighbouring regions; sees, therefore, the growth of host markets and gaps in existing support structures as the main criteria for making the list of priority markets; recommends that several of the EU’s neighbouring countries, especially those in the Western Balkans and in Mediterranean area, or those sharing borders with the EU, should be added to the list, since most SMEs initially export to trading partners in neighbouring countries and since EU trade with these countries plays a strong role in their growth and stability;

44. Urges the Commission to ensure that the specific needs and interests of SMEs are reflected in all trade negotiations; observes that this would imply identifying the areas of negotiations where problems affect SMEs more than other categories of businesses, and focusing on them in the process of negotiating commercial agreements with third countries; supports a reform of the multilateral framework for involving SMEs at the WTO and for ensuring faster arbitration and settlement of disputes for SMEs;

45. Stresses that investing abroad is the most challenging form of internationalisation for SMEs; recommends that, when the EU comes to negotiate bilateral investment treaties in the future, SMEs’ need for greater safety for their foreign direct investments should be taken into account;

46. Regards better, less costly and faster access of SMEs to anti-dumping procedures as key to better protecting them from unfair trade practices by trade partners; calls on the Commission to pay due consideration to this concern when reforming the EU’s TDIs;

47. Appreciates the initiatives to foster business-to-business contacts foreseen in bilateral free-trade agreements; recalls that the challenges of locating and contacting potential customers overseas, and of establishing reliable supply chains, pose high hurdles for SMEs wishing to enter export markets, and that in particular smaller firms and micro-enterprises rely on intermediaries to sell goods abroad;

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## 2. *Administrative burdens*

### *Regulatory approach*

48. Welcomes the achievement of the 2012 target on minimising administrative burdens but believes that there is a great deal more to achieve; urges the Commission to review existing legislation and to come up with a new and ambitious reduction target in accordance with the 'Small Business Act' for Europe (SBA) and the 'Think Small First' principle; considers that such a new target should be a net target taking into account new legislation which is adopted after the target is set; recommends that the new target should be measurable and verifiable, and should achieve a qualitative improvement, for instance by reducing the amount of documentation required from SMEs and ensuring that SMEs are not faced with unrealistic deadlines for submitting documentation; believes that the High Level Group of Independent Stakeholders should have a central and continuous role in supervising the progress on such a reduction target.

49. Calls on Member States and the Commission to secure agreements enabling SMEs to operate all over Europe and commercialise their ideas by granting them better access to markets and reducing red tape;

50. Stresses its disappointment concerning the shallow and inconsistent application of the SME test by the Commission; insists that the SME test should systematically feature as a fixed chapter of the impact assessment; calls on the Commission to clarify why no proper SME test has been conducted for the data protection package, and to take swift, concrete action to remedy this omission;

51. Strongly supports the focus on micro-enterprises in a strengthened SME test, and notes the concept of excluding micro-enterprises by default from any proposed legislation; believes, however, that an exemption could only be applied, where the specific needs of micro-enterprises cannot be addressed by adapted solutions or lighter regimes, as demonstrated by the SME test; insists, therefore, on the establishment of a micro-dimension as an inherent part of the SME test in order to assess systematically all available options; recalls that any exemption or adapted solution should not interfere with fundamental EU health and safety at work requirements, fundamental EU workers' rights or fundamental principles of EU environmental legislation; stresses that when micro businesses are included in the scope of a provision to the full extent, the reasons for including them thus should be clearly demonstrated by the SME test results;

52. Highlights the need to improve the efficiency of the transposition of EU legislation into national law; calls on the Commission for more harmonisation of legislation in order to reduce the scope for gold-plating and a more systematic use of the SME test; asks the Commission to assess to what extent the application of the "checklist for good implementation of EU legislation" <sup>(1)</sup> can be introduced as a requirement for the Member States, to the benefit of the single market;

53. Urges national governments to apply a 'comply or explain' approach similar to the corporate governance provisions; stresses that, under this approach, governments would need duly to justify implementing provisions additional to those required by EU legislation;

54. Regrets that only a few Member States systematically apply an SME test in their national decision making process; calls on the Commission to submit, and on the Council to support, a proposal for minimum requirements, including guidelines for the implementation of SME tests at national level, based on best practices obtained from the SME test applied by the Commission as well as at national level;

55. Calls for a "fitness check" of existing EU legislation in order to eliminate inconsistencies and outdated or ineffective rules;

56. Calls, in the context of fitness checks, for the identification of areas characterised by excessive burdens, inconsistencies or ineffective legislation that impact adversely on SMEs; calls on the Commission to ensure that the objectives of health, safety and equality and social provisions are met;

<sup>(1)</sup> As suggested by the High Level Group on Administrative Burden.



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57. Strongly supports the idea of “one in, one out” as a guiding principle for EU single market legislation, to ensure that no new legislation which imposes costs on SMEs can be brought in without the identification of existing regulations within a given field and of an equivalent value that can be removed;

58. Calls for the role of the SME Envoy network to be reinforced as it brings real added value to communication and coordination between the Member States, and between the national and the European level, from policy formulation to the implementation of legislation; calls on the Commission and the national administration to ensure that SME Envoys can act independently and follow a cross-cutting approach to ensure that SMEs interests are taken into account in all areas of law and policy-making; insists that SME Envoys are strongly involved in the SME test procedures; encourages, furthermore, the strengthening of civil society organisations operating for the purposes of uniting EU SMEs, and calls for the needs of civil society organisations to be considered in the administrative and legislative processes;

59. Underlines the importance of discussions with the social partners in the planning of national actions aimed at strengthening and promoting small and medium entrepreneurship;

#### *SME definition*

60. Takes note of the current evaluation of the SME definition which already covers more than 99 % of all EU businesses; calls on the Commission to examine the impact of: a) increasing flexibility and mitigating disincentives to growth (e.g. by extending transition periods to 3 years), b) adapting the turnover and balance sheet ceilings to economic developments and c) allowing for a more differentiated consideration of each of the sub-categories;

61. Calls on the Commission and the Member States to establish a separate visa regime within the framework of the Schengen Agreement in relation to import and export activities;

#### *Further measures*

62. Highlights the single market as key enabler in creating the best possible environment for SMEs; deplores that it is still not a reality in many areas, in particular as regards its digital dimension; calls, therefore, on the Commission to push for the implementation of the digital single market by 2015, including by promoting the development of broadband infrastructure and technologies, in order to force Member States to implement and apply existing legislation and to make new proposals, where internal market legislation is still missing, in particular with a view to reducing the costs and bureaucracy of doing business;

63. Calls on the Commission to accelerate the high-speed broadband links in EU regions in order to ensure maximum participation of SMEs in a digitalising internal market;

64. Recognises that cloud computing can significantly boost the efficiency and productivity of SMEs; calls, therefore, on the Commission to develop a Europe-wide framework for cloud computing that is open to other global clouds;

65. Regrets that the EU is lagging behind other global actors, such as Japan and South-Korea, having only 2 % of internet connections operating on fibre; calls, therefore, on the Member States and the Commission to accelerate the spread and adoption of ultra high-speed broadband;

66. Recognises that e-commerce is an enabling tool for SMEs that want to enter new markets and expand their customer base; calls, therefore, on the Commission to facilitate cross-border e-commerce by, for example, creating a reliable, safe and efficient online payment system;

67. Stresses the urgent need for the EU to provide SMEs and entrepreneurs with confidence and means to trade online in order to increase cross-border trade; calls, therefore, for a simplification of licensing systems and the creation of an efficient framework for copyright;

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68. Calls on the Commission to encourage the free movement of services by extending and fully implementing the Service Directive in order to give SMEs and entrepreneurs a real possibility to scale up and sell services and products to the EU's 500 million consumers;

69. Calls on the Member States to take advantage of the benefits offered by electronic administration and to introduce e-governance solutions;

70. Encourages the Commission Secretariat-General, in cooperation with business associations and other stakeholders, to establish an annual award within the College of Commissioners to honour the Member of the Commission or the Member State that has applied the 'Think Small First' principle in the most effective and successful manner within the framework of the European semester;

71. Calls for the simplification of EU instruments for SMEs, and for these instruments to be made more accessible; notes that, all too often, EU programmes can be too bureaucratic to be exploited by SMEs;

72. Stresses that it is necessary to implement and apply extensive simplification measures, including simplified reimbursement methods, to help SMEs take part in EU-funded programmes;

### **3. Reinforcing industrial and SME competitiveness**

73. Welcomes the Communication from the Commission entitled 'Industrial policy: Reinforcing competitiveness' (COM(2011)0642), as well as the Commission's working document on 'competitiveness proofing' (SEC(2012)0091);

74. Recognises that the Commission has begun to implement competitiveness-proofing and the ex-post evaluation of legislation; insists that the Commission should apply this concept consistently and thoroughly, even in cases in which changes to the implementation provisions of EU legislation impact on industrial competitiveness (for example in the event of changes to the auction rules in emissions trading); calls on the Commission to report regularly on progress achieved in this field;

75. Believes that regional road shows, with the inclusion of local civil organisations for business ventures, should be organised in order to stimulate entrepreneurial spirit, where entrepreneurial culture could be demonstrated in the region by presenting best practices and through roundtable discussions with the participation of successful business persons;

76. Stresses that free trade and access to global markets is an important catalyst for jobs and growth, and a decisive factor enabling EU SMEs to take a leading position on world markets; underlines, therefore, the importance of progress in trade negotiations that further reduce regulatory barriers to trade, which effect SMEs disproportionately.

77. Welcomes the fact that the Commission has, in its various strategies and communications, acknowledged the importance of the manufacturing sector for sustainable growth and employment in the EU; reiterates the need for an integrated industrial policy based on the principles of social market economy and in support of a transition to a sustainable, resources efficient and resilient economy;

78. Points out the importance of encouraging, at local and regional levels, the involvement of SMEs in energy efficiency and environmental plans, as their participation in these sectors will significantly increase business opportunities;

79. Recognises that if the Member States are to attain the targets for an innovative, smart and inclusive Europe contained in the EU 2020 strategy, it is necessary for them to take into account, and facilitate the creation, of SMEs and microenterprises, given the enormous potential of such enterprises to create employment, in particular youth employment, and thereby reduce poverty and social exclusion; notes that becoming self-employed and establishing a micro-business can be a good and flexible option, particularly for women;

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80. Recognises that SMEs play an important role in achieving social stability, cohesion and integration, particularly in areas that are faced with negative effects in their demographic development; calls on the Commission and the Member States to support SMEs in establishing a working atmosphere that will encourage workers to comply with the standards of labour law, worker protection and health protection, thus also contributing to social prosperity and the fight against poverty;

81. Stresses that easier access to micro-credit through the European Microfinance Facility, and the further development of this instrument – in the context of the Programme for Social Change and Innovation for the period 2014-20 and the future of the European Social Fund (ESF) – should be encouraged, so that the founders of microenterprises from socially disadvantaged sections of the population in particular can gain access to appropriate financial instruments; calls, in this context, on the Commission to include special information on cooperatives in the financial instruments managed by the European Investment Fund;

82. Notes that when it comes to cross-border services, the one-stop shop can also, together with the social partners, provide comprehensive information about the working conditions in the destination country where services are to be provided;

83. Considers that entrepreneurship and the right framework conditions for SMEs' competitiveness and growth, including through infrastructure investments such as in green infrastructure, can greatly facilitate the way out of the economic crisis; underlines the need to encourage entrepreneurial potential where the level of SME start-ups is below average across all segments of society as well as where entrepreneurship is wanted in specific target group, notably young people and women;

84. Believes that any revision of financial markets regulation should improve the ability of SMEs to raise finance through capital markets in order to be less dependent on bank loans;

85. Believes that, in the ongoing reform of the structural funds, SMEs should be taken into account in a serious way where it is appropriate, where it contributes to regional framework conditions for growth, and where it creates synergies with other EU programmes and initiatives; believes that red tape needs to be reduced, for example by accepting proportionate corporate auditing and reporting standards and by introducing common rules for all funds and programmes in the revision of the Financial Regulation;

86. Calls on the Member States to transpose, as soon as possible, the Late Payments Directive into national law, in order to help give additional liquidity to SMEs in the current economic crisis;

87. Calls for more effective, simpler and better-coordinated EU instruments devoted to access to credit or risk capital, in particular for SMEs with internationalisation plans;

88. Calls for efficient safeguards for SME portfolios, in view of the increased capital requirements for banks, as part of the implementation of the Basel III monitoring exercise and the deleveraging process currently carried out by a number of banks, while considering the cumulative effect of financial services legislation;

89. Emphasises that the EU's SME activity is not a substitute for but rather a complement to Member States' and region's actions, and is intended to enforce these efforts on the basis of a "more for more and less for less" principle, whereby Member States giving more support to SMEs should receive more EU support; urges, therefore, the Member States to implement ambitious programmes based on incentives to promote entrepreneurship further; calls for such programmes to include measures that improve access to finance and markets, to ease administrative requirements and to better include entrepreneurial education in school curricula at all levels; believes that these measures should support private-sector initiatives that make it possible to reduce the time required to obtain small-scale funding, such as partnerships between banks and accountancy professionals; recommends that practice-oriented academic competitions should be organised regularly for students, where in addition to their lexical knowledge their entrepreneurial way of thinking can also be assessed;

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90. Supports private-sector initiatives designed to facilitate the access of SMEs – in particular micro-enterprises – to funding, such as partnerships between banks and accountancy professionals designed to reduce to 15 days the time required to obtain a small loan (less than EUR 25 000); believes that such partnerships are effective for micro-enterprises because, firstly, accountancy professionals prepare and send online all the financial documents required by the bankers and provide a certain level of assurance on the forecasts supplied by the micro-enterprises, and, secondly, the banks place standardised funding applications online and provide reasons for refusals of funding applications;

91. Calls on the Commission to look into new fund-raising initiatives for entrepreneurs and start-ups such as crowd funding, in order to assess how these could benefit SMEs and to determine whether they should be promoted; points, furthermore to the need to evaluate the whether a legislative framework to frame such practices in the EU would be needed;

92. Calls on the Commission and the Member States to ensure, in the future multiannual financial framework, easier access by SMEs to European funds, an access that should consolidate their access to the internal market;

93. Calls on the Member States and the Commission to facilitate investment opportunities for innovative start-ups by removing obstacles that hinder the emergence of an EU-wide venture capital market;

94. Points out that it is necessary to be aware of, and remove, obstacles that hinder micro-enterprises from growing into SMEs and SMEs from growing further;

95. Urges the Commission to tackle SME knowledge and skill gaps in relation to green technologies, practices and business models; points out that action is needed to identify skill needs and to address the gaps in the labour market through education and professional training strategies and the development of training and skills development programs targeted to SMEs;

96. Believes that the future COSME, Horizon 2020, as well as Structural Funds Programmes under the next MFF, should earmark sufficient amounts to support SME efforts to innovate and generate employment in a resource-efficient and sustainable way;

97. Calls for new financial instruments to be developed in support programmes for SMEs, such as COSME, that take account not only of the financial position of SMEs but also of the so-called 'intangible values', so that access to credit provides for forms of recognition of the intellectual capital of SMEs;

98. Calls for an ambitious budget to be allocated to the SME instrument established under Horizon 2020, which will provide targeted support to innovative SMEs with high growth potential; believes that the instrument should be delivered through a single dedicated structure tailored to the needs of SMEs;

99. Stresses that the potential of the financial engineering instruments should be developed further so as to allow both the development of qualitative strategic projects and the participation of private actors – especially SMEs – and private capital in European projects; draws attention to the fact that the current under-utilisation of financial engineering instruments, due to their excessive complexity, makes the debate on their governance very urgent;

100. Stresses that the Structural Funds – through the Financial Instruments – should continue to provide financing to SMEs by means of equity, guarantees and soft loans, and stresses that complex administrative procedures, especially at national level, should be simplified and that significant differences in the way that provisions are applied by, respectively, managing authorities and intermediate bodies, should be avoided;

101. Calls on the Commission to establish a roadmap on competitive SME taxation, encouraging Member States to adapt their taxation schemes with a view to lowering the non-labour wage costs for young companies, and allowing such companies to keep a larger proportion of their profits for reinvestment in the company; suggests that the roadmap be based on best practices and include pilot projects;

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102. Calls for increased efforts to be made in implementing mutual recognition in order to facilitate cross-border activities of SMEs; calls for the establishment of a 'one-stop-shop' for VAT in order to make it possible for entrepreneurs to fulfil their responsibilities in the business country of origin;

103. Calls on the Commission to encourage the Member States to establish a level playing field for all forms of finance; points out that urgent measures are needed so that businesses are not so reliant on debt; supports the establishment of tax neutrality between equity and debt;

104. Urges the Commission and the Member States to promote the continuity of SMEs via a regulatory environment that facilitates business transfers; recommends that fiscal barriers (inheritance tax, gift tax, etc.) that could put the continuity of family businesses in jeopardy be removed;

105. Underlines the need for lower taxes on labour and investments;

106. Calls on the Commission and the Member States to take concrete measures to promote social entrepreneurship in Europe, in particular by improving access to public and private finance, reducing salary discrimination between the genders, promoting measures for balancing work and family life and improving the mobility and recognition of skilled workforce, and improving the quality and the availability of corporate social responsibility (CSR) advice for SMEs; calls on the Commission and the Member States to adopt specific measures to promote social entrepreneurship in Europe, in particular through improved access to public and private finance and by improving the mobility and recognition of skilled workers and apprentices; points out, however, that this should not lead to a categorisation of "good" and "bad" entrepreneurs;

107. Emphasises the importance of a reliable supply of raw materials for medium-sized enterprises in the industrial sector as well; calls on the Commission and the Member States to take specific steps to secure, in a sustainable fashion, the supply of raw materials, and to increase raw materials efficiency, in particular by ensuring free and fair access to internationally traded raw materials and by developing resource efficiency and recycling while considering a cost/benefit ratio;

108. Calls on the European Council to preserve the cohesion policy budget for the next programming period, as the Structural and Cohesion Funds are among the EU's most effective instruments for creating growth and jobs, increasing competitiveness of the European economy and supporting SMEs;

109. Calls on the Member States to encourage the development and the competitiveness of the different types of SMEs, and to address their particular needs through tailor-made measures; underlines the contribution of the European Regional Development Fund (ERDF) and the Cohesion Fund to the development and improvement of transport, energy, environmental and broadband infrastructure, and thus to the creation of a favourable businesses environment that encourages investments and strengthens competitiveness; highlights the need to promote entrepreneurship and increase the support given to SMEs, recognising the key role they play in fostering economic competitiveness;

110. Underlines the need for better coordination and synergy between different EU, national, regional and local policies and instruments directly addressing SMEs; points out that existing policies and financial instruments for SME support should be addressed in a more coherent way, and should complement each other; stresses the need to reduce fragmentation, and to consolidate and promote financial support schemes for SMEs, in order to ensure greater pooling and coordination of resources at EU, national, regional and local levels; emphasises that competitiveness would also increase if investments and aid for SMEs are adapted to regional diversity;

111. Takes the view that the objective of financing SMEs through the ERDF is to boost competitiveness in all regions of the Union, so as to achieve economic, social and territorial development in line with cohesion policy objectives;

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112. Underlines that the Structural Funds, and in particular the ERDF, are an important instrument for supporting innovative SMEs by boosting their competitiveness and, especially, their internationalisation, and stresses that eligibility for such support should therefore be interpreted as broadly as possible; calls on the regions to make use of the opportunities that the regulations provide to support their operational programmes;

113. Emphasises the need to apply financial incentives to stimulate the creation of new jobs in SMEs;

114. Points out that European Territorial Cooperation programmes support networking, knowledge and know-how exchange activities between organisations in different European regions and could serve as a useful instrument for creating new business opportunities;

115. Considers that Structural Funds, and in particular ESF, play an important role in the acquisition of knowledge and skills, networking and exchange of good practices; believes that investments in human capital and cooperation projects make a major contribution to strengthening European SMEs' competitiveness;

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116. Instructs its President to forward this resolution to the Council and the Commission.

## Trade and economic relations with the United States

P7\_TA(2012)0388

### European Parliament resolution of 23 October 2012 on trade and economic relations with the United States (2012/2149(INI))

(2014/C 68 E/07)

*The European Parliament,*

- having regard to the Joint Statement of the EU-US Summit issued on 28 November 2011 <sup>(1)</sup> and the Joint Statement of the EU-US Transatlantic Economic Council (TEC) issued on 29 November 2011 <sup>(2)</sup>,
- having regard to the bipartisan letters of 22 February 2012, from 20 US Senators, and of 14 May 2012, from 51 Members of the US House of Representatives, to US President Barack Obama,
- having regard to the letter of 19 March 2012 from four Members of the Committee on International Trade of the Parliament to Commission President José Manuel Barroso and European Council President Herman Van Rompuy in support of the EU-US High-Level Working Group on Jobs and Growth (HLWG),
- having regard to the Joint Declaration of the G8 Summit held in Camp David, United States, on 18-19 May 2012 <sup>(3)</sup>, and to the Joint Declaration of the G20 Summit held in Los Cabos, Mexico, on 18-19 June 2012 <sup>(4)</sup>,
- having regard to the 'Interim Report to Leaders' of 19 June 2012 from the HLWG <sup>(5)</sup>,

<sup>(1)</sup> [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/126389.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/126389.pdf)

<sup>(2)</sup> [http://trade.ec.europa.eu/doclib/docs/2011/november/tradoc\\_148385.pdf](http://trade.ec.europa.eu/doclib/docs/2011/november/tradoc_148385.pdf)

<sup>(3)</sup> <http://www.whitehouse.gov/the-press-office/2012/05/19/camp-david-declaration>

<sup>(4)</sup> [http://www.consilium.europa.eu/uedocs/cms\\_Data/docs/pressdata/en/ec/131069.pdf](http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/131069.pdf)

<sup>(5)</sup> [http://trade.ec.europa.eu/doclib/docs/2012/june/tradoc\\_149557.pdf](http://trade.ec.europa.eu/doclib/docs/2012/june/tradoc_149557.pdf)