

Small Business Act

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The Commission presents a report on the implementation of the Small Business Act for Europe (SBA). It summarises the progress achieved in 2009, which has been the first full year of implementation of the SBA, focussing mainly on the measures contained in the SBA Action Plan and in the [European Economic Recovery Plan](#). The report notes that both the Commission and Member States have taken substantial action to improve SMEs' access to finance, to facilitate their access to EU and third country markets and to improve framework conditions for SMEs in particular by removing unnecessary administrative burdens.

The Commission has delivered on major actions announced in the SBA. It has adopted all five legislative proposals linked to the SBA:

- a general 'block exemption' regulation (GBER) adopted in July 2008 made it easier for governments to support SMEs through aid measures exempted from the notification obligation;
- the [proposal on reduced VAT rates](#) entered into force on 1 June 2009 and offers the Member States ample possibilities to boost economic activity notably in labour-intensive services.

The three other legislative proposals are still pending. The [proposed recast of the late payments Directive](#) and the [proposal on a European Private Company Statute](#) are both vitally important for the competitiveness of SMEs. The [proposal on VAT invoicing](#) aims at ensuring equal treatment of paper and electronic invoices and is estimated to have a maximum midterm reduction potential of EUR 18.4 billion if all businesses send all their invoices electronically.

Member States have also shown strong political commitment to implement the SBA, but vary as regards both the approach taken and the results achieved. Several Member States have 'transposed' the SBA as a whole into their national policy programmes.

Implementing the 'Think Small First' principle: from January 2009, the Commission has systematically applied an 'SME Test' to assess the impact on SMEs of all its major legislative and policy proposals. It proposed giving Member States the option of exempting micro-enterprises from accounting rules. It has also taken major steps to reach the EU target of a 25% reduction in administrative burdens set in March 2007, which particularly benefits SMEs. Reduction measures already adopted by the legislator are expected to lead to reduced costs of EUR 7.6 billion. Measures pending adoption by the Council and Parliament could add EUR 30.7 billion to that amount. All in all, the administrative burdens reduction proposed or currently under preparation by the Commission could exceed the initial target and reach 33% of the total of EUR 123.8 billion estimated burdens of EU origin.

The Commission welcomes the fact that all Member States have by now adopted national targets for reducing administrative burdens and that they are continuing to simplify the administrative environment for SMEs. For example, the average time and cost to start-up a private limited company is now 8 days (compared to 9 days in 2008) and the cost is EUR 417 (compared to EUR 463 in 2008).

Access to finance: the Commission has simplified state aid rules and has pointed clearly to the need to take better account of SMEs' needs at Member State level. The new General Block Exemption Regulation (GBER) adopted as part of the SBA enlarges the categories of state aid covered by the exemption. Block exempted aid for SMEs amounted to EUR 2.8 billion in 2008, an increase of EUR 0.3 billion compared to 2007. The European Investment Bank (EIB) group has played a crucial role in easing SMEs' access to finance in 2009. It has substantially increased its lending activity dedicated to SMEs from EUR 8.1 billion in 2008 to around EUR 11.5 billion in 2009. EUR 200 million has been allocated by the EIB for mezzanine finance for 2009.

The report notes the activities and contribution of the JASMINE and JEREMIE initiatives.

As a response to the financial and economic crisis, and often using the temporary framework on state aid, most Member States have also adopted policy measures to enhance SMEs' access to liquidity, especially to bank lending, through the creation and extension of loan and guarantee schemes for SMEs. The EIB package of EUR 30 billion for loans to SMEs also allows some member countries to use a second level guarantee scheme.

Access to markets: to stimulate cross-border operations with the Single Market, the Commission and Member States jointly decided to lower the fees for EU-wide trade mark rights by 40% and to simplify the registration procedure from 1 May 2009. The Commission also increased EU financial support to EUR 2.1 million in 2009 to promote SMEs defence of their interests in the standardisation process and to improve SMEs use of European standards. As regards the external dimension, Market Access Teams have been established in 30 key export markets. The Commission is setting-up business centres in a selected number of these markets. These Centres will help EU SMEs wishing to set up and trade in these countries by providing business support services including market access assistance, finding commercial partners, logistical support and advice on issues such as protection of intellectual property rights (IPR) and standardisation.

Promoting Entrepreneurship: two major events in 2009, the First European SME Week which took place in 36 European countries and the Conference on the SBA/European Charter for small enterprises have contributed to promoting entrepreneurship among the general public, giving voice to entrepreneurs to present their career paths and providing opportunities for networking. A number of countries have anchored entrepreneurship education in their curricula

The report concludes that it remains of utmost importance to continue to implement the SBA Action Plan at all levels.