

EUROPEAN PARLIAMENT

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Committee on the Internal Market and Consumer Protection

2008/2237(INI)

3.12.2008

OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Industry, Research and Energy

on the Small Business Act
(2008/2237(INI))

Rapporteur(*): Martí Grau i Segú

(*) Associated committee - Rule 47 of the Rules of Procedure

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SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas small and medium sized enterprises (SMEs) account for more than 99% of EU enterprises and are of the uttermost importance for fulfilling the objectives of the Lisbon strategy as regards growth and jobs and for the competitiveness and robustness of the economy due to their diversity and ability to rapidly adapt to market conditions,
- B. whereas SMEs make an essential contribution to social cohesion, innovation, regional development and Europe's ability to compete,
- C. whereas SMEs are not provided with sufficient support to defend themselves against unfair commercial practices that are conducted cross-border, such as those of misleading business directory companies,
 - 1. Welcomes the Small Business Act (SBA) as a framework for a comprehensive political approach towards SMEs, while respecting their diversity; calls however for further measures to ensure that SMEs can benefit fully from the opportunities offered by the Single Market, notably by providing a graduated response so as to take account of their diversity, in particular with regard to craft industries and small businesses;
 - 2. Underlines the importance of the Single Market for SMEs, and notes that promoting SME access to the Single Market should be a priority;
 - 3. Recognises that there are still certain restrictions on the ability of SMEs to fully exploit advantages offered by the internal market; therefore notes that both the legal and political framework of the internal market should be improved to facilitate cross-border operation by SMEs; also notes that a clear regulatory environment would offer SMEs increased incentives to trade in the internal market; considers that Member States should set up Single Points of Contact and web portals;
 - 4. Calls urgently for recognition of the role that intermediate SME organisations play by facilitating the access of small and micro-businesses to the internal market and to the advantages this affords; calls for the provision of support measures in the SBA and in all Community programmes for the accompanying and advisory role that these representative intermediate organisations play;
 - 5. Recognises that pre-commercial procurement offers substantial rewards for SMEs both in facilitating SME participation in procurement practises and in helping to encourage SME involvement in research and development;
 - 6. Notes that SMEs can benefit from pre-commercial procurement through risk sharing (given their more limited investment capabilities), through progressive growth (in size and experience) at each stage of the research and development process and through the bidding process, which is streamlined compared to traditional procurement;

7. Underlines the importance of taking measures suited to the real needs of SMEs, and particularly the smallest of them, notably as regards access to, cost of and implementation of standards, reducing administrative burdens and improving regulation and the stability of legal provisions; also draws attention to the need to simplify procedures relating to business transfers and to the importance of informing and supporting company directors in this process, to avoid businesses closing when entrepreneurs retire;
8. Reminds the Commission of the need to increase consultation at European level with representative intermediate SME organisations, whose participation in the legislative process must be secured; repeats its call for improvement of the system of impact assessment, with account also being taken of the realities of the different categories of SMEs;
9. Highlights the need for an administrative environment that is less complex, more flexible and less bureaucratic; calls, nevertheless, for a plan for the simplification of administrative procedures to be drawn up that will make management more flexible and eliminate unnecessary red tape;
10. Stresses that it is vital to give preferential treatment to SMEs in training policies, and in particular in lifelong learning programmes, establishing positive discrimination to facilitate the full integration of women in this sector and guarantee the balance between family life and employment;
11. Takes the view that it is essential to provide optimum access to start-up and spin-off financing for SMEs, especially micro-credits;
12. Recognises the difficulty of setting up a new business as a result of the diversity of systems established in the various Member States; therefore considers it necessary to establish a unified system for setting up businesses in which the process is carried out step-by-step and it is possible for a business to be created in 48 hours;
13. Points out that one in four cases of failure of SMEs is due to late payment, in most cases on the part of public administrations; therefore recommends to the Member States that they introduce mechanisms to guarantee payment within the prescribed period and, furthermore, that they consider applying administrative sanctions in this respect;
14. Points out that SMEs are particularly vulnerable in relation to violations of intellectual property rights; highlights the importance of creating a Community patent to strengthen and protect innovation by European SMEs vis-à-vis their competitors;
15. Calls on the Commission and the Member States to increase the competitiveness of SMEs by giving them greater access to European innovation aid programmes and by providing them with the means for fighting counterfeiting and fraud in the internal market more effectively, and to demand that their commercial partners apply the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) more strictly and to make whatever efforts may be necessary for the adoption of bilateral, regional or multilateral agreements to combat counterfeiting and piracy, such as the ACTA agreement;
16. Underlines that improved information on market access and export opportunities within

the Single Market is essential at both national and EU levels; calls therefore on Member States and the Commission to strengthen information and advisory services, in particular the SOLVIT problem-solving network;

17. Supports calls for the provision of advisory services by Member States to help SMEs defend themselves against unfair commercial practices, such as those of misleading directory companies, which should strengthen SMEs' confidence to operate cross-border; emphasises the importance of the Commission's role both in facilitating the coordination of, and in cooperating with, such advisory services to ensure the appropriate and efficient handling of cross-border complaints; insists, however, that in the event that such soft measures do not produce results, the Commission should be ready to initiate the appropriate legislative changes which would provide SMEs with similar protection to consumers where they are the weaker party in such transactions;
18. Encourages the Commission and the Member States to facilitate the access of SMEs to public contracts, in particular by standardising the documents required and the different online platforms of public contracts and by making more frequent use of phased payments, in order to guarantee that SMEs obtain the same advantages as the other tendering firms, benefit from innovative solutions and thereby safeguard their regional development;
19. Calls on the Commission and the Member States to step up their efforts to promote and provide information on the existence of Community funds and State aids, and to make these two kinds of instrument not only more accessible but also more comprehensible;
20. Encourages the stimulation of an entrepreneurial culture through education and training and particularly through, inter alia, greater collaboration between research and industry; takes the view that initiatives in this respect should also focus on the importance of SMEs in enhancing social cohesion, efficiency and environmental protection (eco-innovations); calls on the Commission to present an action plan on how to promote women's entrepreneurship;
21. Recognises that SME involvement in research and development is important both to increase SME competitiveness in the internal market and to increase the attractiveness of SMEs; is of the opinion that conditions for participation in EU research Framework Programmes remain too bureaucratic and are a disincentive for SMEs;
22. Calls for simplification of the requirements for SMEs to obtain financing in the context of public procurement; takes the view that financial institutions and banks should create programmes tailored to the needs of SMEs;
23. Takes the view that the Member States should apply the SBA and its principles as a matter of priority, monitor its implementation and complement that monitoring with an annual report reflecting the progress made by each Member State;
24. Recalls that the SBA does not have legally binding status and therefore calls for a strong political commitment by the Commission, Parliament and the Council to systematically apply the 'Think small first' principle; recommends that the Member States apply the principles of the SBA and the 'Think small first' principle at national and regional level;

25. Underlines the importance of stakeholder input through public consultation by the Commission, but notes that the eight-week period for consultation represents a significant barrier to the interests of SMEs being taken into account; would therefore encourage the Commission to reconsider a longer consultation period to help meet policy objectives as well as to encourage SME involvement and representation;
26. Considers that the Commission and the Member States should together ensure that the business environment does not present disincentives, whether through burdensome procedures, tax disincentives or other regulatory complexity, to people with specialist skills who wish to offer them on a self-employed basis.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	2.12.2008
Result of final vote	+: 33 -: 0 0: 0
Members present for the final vote	Gabriela Crețu, Mia De Vits, Janelly Fourtou, Evelyne Gebhardt, Martí Grau i Segú, Małgorzata Handzlik, Malcolm Harbour, Christopher Heaton-Harris, Anna Hedh, Edit Herczog, Eija-Riitta Korhola, Lasse Lehtinen, Toine Manders, Catuscia Marini, Arlene McCarthy, Catherine Neris, Bill Newton Dunn, Zita Pleštinská, Zuzana Roithová, Heide Rühle, Leopold Józef Rutowicz, Salvador Domingo Sanz Palacio, Christel Schaldemose, Andreas Schwab, Eva-Britt Svensson, Marianne Thyssen, Jacques Toubon, Barbara Weiler
Substitute(s) present for the final vote	Emmanouil Angelakas, Brigitte Fouré, Joel Hasse Ferreira, Anja Weisgerber
Substitute(s) under Rule 178(2) present for the final vote	Maddalena Calia