



**2020/2131(INI)**

28.9.2020

# **OPINION**

of the Committee on the Internal Market and Consumer Protection

for the Committee on Industry, Research and Energy

on a new strategy for European SMEs  
(2020/2131(INI))

Rapporteur for opinion: Liesje Schreinemacher

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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 into its motion for a resolution:

- A. whereas SMEs are the backbone of the European economy and account for 99 % of EU companies;
- B. whereas European SMEs are currently experiencing unprecedented challenges because of the COVID-19 crisis that threatens their very existence;
- C. whereas only 17 % of SMEs have so far successfully integrated digital technology into their businesses and digitalisation is crucial for strong economic growth and job creation within the internal market;
  - 1. Welcomes the SME strategy and shares the Commission's view that SMEs are the backbone of the European economy and are absolutely essential to the EU's prosperity;
  - 2. Considers that the SME strategy should go hand in hand with the European Industrial Strategy, and calls on the Commission to take further action in light of the lessons learnt from the COVID-19 crisis and of the Recovery Package in order to boost economic growth and job creation within the single market;
  - 3. Encourages the Commission to further support European SMEs in addressing both the short-term consequences of the crisis and long-term challenges such as digitalisation and the transition to a more sustainable internal market;
  - 4. Insists that sustainability needs to remain a core objective of relevant EU programmes so that SMEs can take full advantage of the sustainable transition in terms of competitiveness, cost reduction and job creation;
  - 5. Stresses that the implementation of the SME strategy should focus on supporting SMEs to help them maintain their existence, as the COVID-19 crisis has delivered a massive shock to many SMEs and their role in the everyday life of Europeans; considers it appropriate, in this regard, for the strategy to be updated where necessary to take account of the impact of the pandemic;
  - 6. Stresses that in times of crisis the free movement of essential goods and services must be guaranteed within the internal market; calls on the Commission to swiftly propose new tools to avoid any disruption of the internal market during future crises and to take account of SMEs' specific needs;
  - 7. Notes that maintaining the existence of SMEs is already the subject of Member States' individual policies; urges, therefore, that the strategy and these policies complement each other in order to stimulate robust and long-lasting recovery on the part of SMEs;
  - 8. Recalls that SMEs were already facing difficulties prior to the COVID-19 crisis, in particular as regards access to finance, including easy access to R&D funds, markets,

technical support and information; calls, therefore, for enhanced support in these areas, such as in the form of reinforced one-stop shops and streamlined and easily accessible regulatory and administrative procedures; accordingly stresses the importance of adopting an ambitious strategy to ensure that SMEs can recover and thrive;

9. Underlines that action should also be taken to prevent shutdowns, assess and restore disrupted supply and value chains, support the scaling-up of SMEs, and enhance their cross-border activities in order to maximise the potential benefits of the single market;
10. Calls for the synchronisation of all financial tools aimed at supporting SMEs within the internal market; insists that programmes that are crucial for SMEs' competitiveness, development and resilience in the face of the crisis must be strengthened in the next Multiannual Financial Framework to guarantee the necessary level of funding; calls on the European Investment Bank to continue its support for SMEs, in particular as part of the sustainable finance approach;
11. Points out the added value provided by the EU MFF in terms of supporting SMEs, in particular with regard to the Single Market Programme, InvestEU, Digital Europe, Horizon Europe and other programmes; considers that the SME window of the Single Market Programme should maintain the level of ambition of Parliament's position, and therefore highlights the importance of the swift adoption of the MFF and of the Next Generation EU instrument;
12. Welcomes the inclusion among the actions identified by the Commission that regarding measures to create an environment that is friendly to micro, small and medium-sized enterprises (MSMEs); notes that fostering the generational transition in traditional craft enterprises, some of which are at risk of extinction, can not only be an effective way to encourage self-starting entrepreneurship, but is also a means to promote Europe's heritage of craft-related knowledge, traditions and skills; points out that it would be useful to provide for incentives for cross-generational projects that can combine the artisanal crafts tradition with digitalisation, through the involvement of young people at the end of a training pathway;
13. Notes that MSMEs should be subject to obligations that are proportionate taking into account their specificities and sectoral characteristics; encourages the Commission to take strong enforcement action to limit market fragmentation, remove unjustified market barriers and ensure a level playing field, by making use of all available tools and bodies, such as the SME Envoy Network and the Regulatory Scrutiny Board, with the aim of lowering costs and strengthening SMEs' activities;
14. Stresses that excessive regulation is particularly burdensome for SMEs; considers, therefore, that in order to achieve the goals of the SME strategy, greater emphasis must be placed on the proportionality of any new regulatory initiative;
15. Calls for a roadmap towards achieving a proportionate reduction in administrative burdens in order to boost SMEs' potential for investment and speed up economic recovery in the EU, including the following elements:
  - supporting SMEs in operating cross-border and thus fully reaping the benefits of the internal market;

- encouraging scale-up;
  - making effective use of the SME test performed at an early stage of impact assessments to analyse the economic impact of legislative proposals, including compliance costs;
16. Insists that SMEs should receive targeted support - i.e. technical, administrative and skills support - when implementing the EU regulatory framework, in order to ensure compliance with single market rules;
  17. Recognises the support provided by the State Aid Temporary Framework and welcomes its recent amendment enabling Member States to provide public support to all MSMEs; however, urges the Commission, in the interim, to ensure that the temporary frameworks approved for state aid do not distort competition in the medium and long term and in consequence adversely affect SMEs, which are the major beneficiaries;
  18. Highlights the crucial role of data, as well as transfer of technology from academia to SMEs, as being the lifeblood of the digital economy; points out the existence of market imbalances and obstacles in access to data that affect SMEs' competitiveness, and underlines that SMEs must receive a fair share of the added value of the data they generate, stressing that non-discriminatory access to data is key to ensuring a digital level playing field within the internal market; welcomes the European Data Strategy in this regard; supports the Commission in promoting interoperability and establishing European data spaces for trusted and secure non-personal data sharing in order to ramp up data flows between businesses, relevant stakeholders, and the public sector; stresses the importance of open data and knowledge sharing via open technologies for SMEs, in full compliance with the applicable legislation;
  19. Points out that there is a need to facilitate SMEs' access to and uptake of artificial intelligence (AI) in line with the future ethical and liability framework, by promoting the creation of SME cross-border 'Alliances for AI' in strategic value chains within the internal market, as well as promoting investment in the next generation of standards, tools and infrastructures to store and process data; points out that it is important to ensure SMEs' access to and awareness of ICT standards in order to innovate and provide more tailored digital solutions;
  20. Points out that SMEs face difficulties in protecting their intellectual property (IP) rights and protecting themselves from aggressive patent litigation, which can threaten their development; calls on the Commission to increase IP awareness, make more use of external advice and ensure appropriate enforcement;
  21. Stresses that digitalisation offers many benefits to SMEs, such as providing new opportunities to offer digital services or products and expanding their market access; points out that SMEs are increasingly under pressure to adapt their business models accordingly and adopt the necessary digital technologies in order to remain competitive and attractive to customers;
  22. Stresses that SMEs, and especially start-ups, have enormous potential to grow in new digital sectors such as AI, the Internet of Things (IOT) and robotics, but highlights that if they are to be successful in the digital transformation, SMEs must be adequately

- supported and must have access to sufficient financial resources and infrastructure;
23. Underlines the opportunities for SMEs to reach new customers and markets offered by e-commerce; highlights the added value of legislation in this regard such as the Platform-to-Business Regulation and calls for its swift implementation and enforcement;
  24. Warns that a persistent risk of unfair competition exists in e-commerce, also due to the presence of non-compliant, illegal or unsafe products in online marketplaces targeting EU consumers;
  25. Stresses that equal access to investment for SMEs remains a challenge in the EU, considering the greater difficulties of access to finance in some Member States, thus leading to discrepancies in competitiveness between SMEs in the single market; calls on the Commission to address this financial access gap, without undermining the relevance of prudential requirements, so as to ensure that SMEs compete on an increasingly level playing field;
  26. Encourages Member States to implement the single digital gateway in an SME-friendly way by cooperating closely with regional and local authorities as well as with the other Member States, and by providing easy digital access to information, procedures, assistance and services linked to doing business across borders, including advice on public procurement and funding sources;
  27. Points out that urgent measures in this regard, such as those relating to the extended digitalisation of the relationship between government departments and enterprises, and to the interoperability of government databases, can no longer be postponed;
  28. Welcomes the SME Envoy Network, which makes it possible to take better account of the end-user in future legislation; suggests, however, a critical assessment of its appointment process and functioning in order to address potential weaknesses and ensure that it works efficiently in all Member States, in continuous coordination with the relevant business associations and stakeholders;
  29. Stresses the need to utilise the European Public Procurement GovTech Platform (EU GovTech) to carefully monitor the state of SME engagement in procurement challenges across the EU, guiding the subsequent formulation of good practices and higher legislative standards;
  30. Calls on the Commission to launch as soon as possible the European GovTech Initiative to promote best practices in creating a synergy effect between the government and start-ups and digital SMEs, and to facilitate the use among several Member States of a cross-border tool promoting equal market access for European digital SMEs;
  31. Calls on the Commission and the Member States to simplify procurement tendering processes by using the flexibility of the Commission's new guidance within the current EU public procurement framework, and to enhance opportunities for SMEs in the single market, such as the possibility of subdividing procurement into smaller lots and the streamlining of administrative procedures, as well as by using digital tools and platforms to expand national and cross-border procurement;

32. Stresses that sustainable public procurement can contribute as a strategic tool to boosting sustainable production and consumption patterns; encourages in that regard the use of economic, social and environmental criteria in the procurement process in full compliance with the applicable legislation, and stresses that SMEs need the right support to bring forward this transition;
33. Notes that with total procurement spending within the EU reaching 14 % of the combined GDP of the Member States, increasing the participation rate of SMEs in tenders represents a significant funding opportunity for them; stresses that achieving this aim requires the utilisation of new procurement methodologies and tools to put them into practice, making the best use of the current EU public procurement legislation and of the flexibility already provided within this framework;
34. Underlines the importance of making the European Single Procurement Document (ESPD) more accessible to SMEs; calls for the creation of digital tools such as platforms for enhancing access to relevant public procurement information for SMEs;
35. Underlines the fact that late payments account for a quarter of all SME bankruptcies in the EU; urges the Commission to swiftly equip the Late Payment Directive<sup>1</sup> with strong monitoring and enforcement tools and to take appropriate binding measures to reinforce the current framework, so as to ensure and promote prompt payments as a norm, in particular for government-to-business transactions, across the single market; calls on authorities at European, national, regional and local level to set the right example by paying SMEs on time; encourages in this context an active use of infringement procedures in cases where the directive is not properly implemented.

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<sup>1</sup> Directive 2011/7/EU of the European Parliament and of the Council of 16 February 2011 on combating late payment in commercial transactions, OJ L 48, 23.2.2011, p.1.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	28.9.2020
<b>Result of final vote</b>	+: 40 -: 1 0: 4
<b>Members present for the final vote</b>	Alex Agius Saliba, Andrus Ansip, Pablo Arias Echeverría, Alessandra Basso, Brando Benifei, Adam Bielan, Hynek Blaško, Biljana Borzan, Vlad-Marius Botoș, Markus Buchheit, Dita Charanzová, Deirdre Clune, David Cormand, Carlo Fidanza, Evelyne Gebhardt, Alexandra Geese, Sandro Gozi, Maria Grapini, Svenja Hahn, Virginie Joron, Eugen Jurzyca, Arba Kokalari, Marcel Kolaja, Kateřina Konečná, Jean-Lin Lacapelle, Maria-Manuel Leitão-Marques, Morten Løkkegaard, Adriana Maldonado López, Antonius Manders, Beata Mazurek, Leszek Miller, Dan-Ștefan Motreanu, Kris Peeters, Anne-Sophie Pelletier, Miroslav Radačovský, Christel Schaldemose, Andreas Schwab, Tomislav Sokol, Ivan Štefanec, Kim Van Sparrentak, Marco Zullo
<b>Substitutes present for the final vote</b>	Anna-Michelle Asimakopoulou, Maria da Graça Carvalho, Anna Cavazzini, Edina Tóth

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

40	+
ECR	Adam Bielan, Carlo Fidanza, Beata Mazurek
EPP	Pablo Arias Echeverría, Anna-Michelle Asimakopoulou, Maria da Graça Carvalho, Deirdre Clune, Arba Kokalari, Antonius Manders, Dan-Ștefan Motreanu, Kris Peeters, Andreas Schwab, Tomislav Sokol, Ivan Štefanec, Edina Tóth
EUL/NGL	Kateřina Konečná
GREENS/EFA	Anna Cavazzini, David Cormand, Alexandra Geese, Marcel Kolaja, Kim Van Sparrentak
ID	Virginie Joron, Jean-Lin Lacapelle
NI	Miroslav Radačovský, Marco Zullo
RENEW	Andrus Ansip, Vlad-Marius Botoș, Dita Charanzová, Sandro Gozi, Svenja Hahn, Morten Løkkegaard
S&D	Alex Agius Saliba, Brando Benifei, Biljana Borzan, Evelyne Gebhardt, Maria Grapini, Maria-Manuel Leitão-Marques, Adriana Maldonado López, Leszek Miller, Christel Schaldemose

1	-
ID	Hynek Blaško

4	0
ECR	Eugen Jurzyca
EUL/NGL	Anne-Sophie Pelletier
ID	Alessandra Basso, Markus Buchheit

### Key to symbols:

+ : in favour

- : against

0 : abstention