

**Question for oral answer O-000130/2015
to the Commission**

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Subject: Access to finance for the SMEs

Since the start of the economic crisis, European micro-, small- and medium-sized enterprises (MSMEs) have been excluded from access to credit. This fact combined with austerity policies depressing final demand and increasing financial instability has drained MSMEs of liquidity, forcing many solvent firms to close their doors. The European economy has experienced a huge rise in unemployment, disproportionately affecting the young and the long-term unemployed. Considering that MSMEs provide more than two-thirds of total employment, their access to finance is crucial in overcoming the crisis and creating quality jobs in the EU.

Notwithstanding the high levels of public aid received, the financial sector has systematically refused to provide credit to the European economy. Indeed, as a result of the financial crisis and European policies, this sector has become more oligopolistic and less concentrated in traditional banking activity, further increasing its detachment from the real economy and small businesses.

The Capital Markets Union (CMU) will consolidate this trend, because it involves the financialisation of banking activities and of the overall economy, including MSMEs, by deregulating the financial sector and encouraging small business to use increasingly opaque financial products and markets in order to finance their regular activity. But the evidence from the Member States shows that this is a red herring. MSMEs credit markets based on traditional banking practices and with a strong presence of regional and public institutions outperform more complex instruments in countries where MSMEs face less barriers to liquidity, like in Germany for example.

1. How does the Commission evaluate the risk of increased financial instability and volatile or stagnant growth affecting the flow of credit to MSMEs with the development of the CMU?
2. How does the Commission evaluate the risk of increased banking concentration, the non-separation of commercial and investment banking activity, and lower involvement in day-to-day credit activities on finance to MSMEs with the development of the CMU?
3. How does the Commission evaluate the transfer of risk from the financial sector to the SMEs in its proposal of the CMU?

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