



HEADLINE

EU/SMEs: Commission believes in SBA and COSME to strengthen SMEs and the whole economy

On 20 October, the European Commission issued a statement that it believes the Small Business Act (SBA) and the Competitiveness of Enterprises and SMEs (COSME) initiatives to be a strong package supporting SMEs and microbusinesses. As most of the European economy and new jobs are created and supported by SMEs a policy supporting them should be equally suitable for the rest of the economy. Director General of Enterprise and Industry, Daniel Calleja Crespo, stated that to grow and increase employment, Europe needs more entrepreneurs and therefore supporting SMEs microbusinesses is an essential task for the EU and Member States. As part of this push for growth the SBA is being reviewed and the COSME programme was put in place as first-ever exclusive initiative for SMEs.

ESBA Opinion

ESBA agrees that the Small Business Act for Europe has marked a turning point in the EU's approach to SMEs. We do however stress that much still remains to be done. The key principle of the Small Business Act, the *Think Small First* principle has been implemented only marginally. Too often legislation is created with large companies in mind. As a form of compensation, micro and small companies are then exempted from certain elements or the entire scope of this legislation. Though this can be a viable temporary solution, exemptions should never be a substitute to proper implementation of *Think Small First*. Another key element the Commission failed to implement to satisfaction so far is the SME test. This test should have become an intrinsic part of Impact Assessments accompanying proposals that may affect SMEs. So far this is done piecemeal and often not to standard. For the SBA to live up to its full potential, these crucial elements need to be addressed; a challenging task for the new First Vice-President, Mr. Frans Timmermans.

ESBA has supported the COSME programme since its initial stages. Disappointing however, is the relatively tiny budget when compared to Horizon2020, as well as the lack of accessibility for most 'mainstream' SMEs.

To find out more about the SBA, please click [here](#).

To find out more about the COSME programme, please click [here](#).

IN BRIEF

EU/SMEs: ESBA member UMU awards Volker Kauder with the 'Mittelstandspreis'

On 5 November, German ESBA member, the *Union Mittelständischer Unternehmen* (UMU) awarded CDU-CSU President Volker Kauder with the Deutscher Elite Mittelstandspreis. The prestigious award which has previously been given to high level politicians like Bill Clinton, is awarded to politicians who have made exceptional efforts to the benefit of Small and Medium Sized companies. The laudation was given by German minister of finance Dr. Wolfgang Schäuble, who praised him for his

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limitless dedication. The dinner event was attended by some of Germany's most influential business owners and politicians.

To learn more about UMU and its award, click [here](#).

EU/US: Lack of transparency makes citizens skeptic

On 31 October, Bernd Lange MEP (S&D/Germany) stated that the skepticism of EU citizens towards the TTIP results from a lack of information by the EU about this topic. The public has the feeling of being left out of the debate and many even claim that the discussions are only about economic aspects. They feel that other equally important topics such as data protection should feature in the talks equally. This lack of a plan of action or strategy by the EU can be compared with the Democratic Party and their failure in the US midterm elections on 4 November. Just like the Democratic Party failed to inform its citizens about the party's achievements and future plans, MEPs ought to do more to inform their citizens about trade agreements. After all, hostility against TTIP is mainly due to public misunderstanding. After all TTIP is great chance to create growth and jobs, and also to strengthen the strategic partnership between the EU and the US.

To read more about TTIP, please click [here](#).

EU/Data Protection: the Commission's top priority

On 31 October, the European Commission confirmed data protection as one of the top priorities on its agenda. During recent years, EU citizens' data protection rights have been jeopardized by cybercrime and by the Snowden affair. The 1995 legislation currently in place became insufficient to tackle these risks and to enhance EU citizens rights in that area. It is for this reason that data protection is one of the top priorities of the new Commission. Furthermore, a new legislative package to improve the protection of EU citizens' private data has been expected since 2011 and the EU hopes that the new package will be adopted in 2015. However, we must not forget that big data offers great advantages in some areas, such as environment and the economy.

To read more about the priorities of the Commission on the digital market, please click [here](#).

EU/Banks: Eurozone banks in better shape than expected

On 26 October, the European Banking Authority (EBA) published the EU-wide bank stress test results of 2014. This test aims to evaluate the stability of banks when faced with difficult economic situations and assesses whether capital resources of banks are sufficient or not. Out of 123 banks, 25 failed the test, which was the most stringent one in the Eurozone ever. These banks have a capital shortfall of € 25 billion combined. However, the numbers are based on the end of 2013 and 12 banks have made up € 15 billion already. The banks that failed were small institutes and mostly from Italy. They will now have two weeks to create capital plans and a further 9 months to fill the capital resources gap. The European Central Bank (ECB) was pleased with the outcome and believes that it will help to return confidence and trust into the banking sector. It remains to be seen whether the banks will be able to rectify shortcomings in the allocated time frame.

To access a summary of the stress test results, please click [here](#).

To read the complete report containing the aggregate data, please click [here](#).

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EU/SMEs: COSME programme could help many SMEs

On 24 October, the European Commission published good news about COSME for SMEs. COSME is the programme of the EU for the Competitiveness of Enterprises and Small and Medium-sized Enterprises. It runs from 2014 until 2020 and has a budget of €2.3 billion with which it wants to help SMEs to get better access to finance and markets, support entrepreneurs and supply favourable conditions for business creation and growth. Thanks to an agreement between the European Investment Fund (EIF) and the European Commission an additional €25 billion in finance will be made available by financial intermediaries over the next seven years. For this the EIF started a call to interested parties in the financial sector to provide this additional money.

To find out more about the COSME programme, please click [here](#).

EU/SMEs: Long-term growth may rests on stimulating investments for SMEs

On 23 October, during the Tripartite Social Summit, the President of the European Council and the President of the European Commission discussed the overall European economic governance. Joined by worker organizations, Herman Van Rompuy and José Manuel Barroso also discussed strategies for long-term recovery. The Tripartite Social Summit was mainly focused on finding ways to meet the goals of the Europe 2020 Strategy. Although the European Commission already announced the first SMEs that will benefit from the SME instrument of the Horizon 2020 programme, there has been more push to support the development process of SMEs, in order to secure the EU's long-term growth and SME market competitiveness. All in all, the participants of the Tripartite Social Summit agreed that Europe needs to do more to stimulate investment.

To read more about the Horizon 2020 programme, please click [here](#).

EU/TTIP: TTIP is not CETA

On 22 October, the President of the European Commission hinted the possibility of dropping the Investor-state dispute settlement provision in the EU-US free trade agreement. There has been a lot of misunderstanding surrounding ISDS in the Transatlantic Trade and Investment Partnership (TTIP), mainly due to the lack of transparency during the negotiating process. To clarify, Jean-Claude Juncker said that ISDS will not have the final verdict over any trade dispute, and commented that "the rule of law and the principle of equality before the law would always prevail." Unexpectedly, Juncker was not resolute about an ISDS provision in TTIP. It seems, after all, that the recent EU-Canadian free trade agreement was not a prototype for TTIP.

To read more about TTIP, please click [here](#).

EU/TTIP: 2015 is the time to enhance regulatory cooperation

On 21 October, the College of Europe Foundation hosted a debate focused on the divisive topic of adding an Investor-state dispute settlement provision to TTIP. Anyone following the developments of the US-EU trade deal is well aware of the controversy surrounding ISDS. Recall the 250 protesters arrested on May outside the European Business Summit? The farmers and trade unions who rallied outside the venue; voiced their opposition to what they believe is a wide array of risks to health, safety, environment and security embedded in the US-EU trade deal. Public dissent stems from the idea that the United States is more prone to take risks and, in effect, TTIP will weaken EU policies.

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Nevertheless, we should remember that one of the key objectives is to enhance regulatory cooperation and compatibility. Since negotiators expect to reach an agreement in 2015, and the Commission will continue negotiations on behalf of the EU and the Member States, advocacy groups ought to consider the following months as an occasion to strengthen regulatory cooperation.

To read more about TTIP, please click [here](#).

EU/Finance: Progress Microfinance helps starts-ups and stimulates expansion

On 20 October, the European Commission published its progress report on the European Progress Microfinance Facility. The purpose of the European Progress Microfinance Facility is to enable people that cannot get bank loans to receive credits and set up businesses or expand their existing ones. The Facility is under the authority of the European Investment Fund and operates nationally, regionally and locally through several providers (40 according to the report). The report found that more than 20.000 entrepreneurs were already able to benefit from this programme and that 60% of the final users were unemployed when they applied. There is a gap in European microfinance of about €2.7 billion and the Microfinance Facility was able to cover €182 million so far. The Commission therefore continues to encourage Member States to be more active in this field.

To find out more about Progress Microfinance in general, please click [here](#).

PUBLICATIONS

EU/Eurostat: ‘Business investment rate stable at 21.6% in the euro area and 21.9% in the EU28’

On 27 October, Eurostat published the business investment rates for the euro area and the EU28. Both rates were stable when compared with the first quarter of 2014 due to stable investment.

To access this publication, please click [here](#).

EU/Eurostat: ‘Household saving rate down to 12.9% in the euro area and to 10.4% in the EU28’

On 27 October, Eurostat published the household saving rates for the euro area and the EU28. Both rates went down in the second quarter compared with the first one in 2014. However, household real income per capita went up by 0.2% in the euro area.

To access this publication, please click [here](#).

EU/CEPS: ‘The Review of the Europe 2020 Strategy: From austerity to prosperity’

On 27 October, the Centre for European Policy Studies (CEPS) published a policy brief on the Europe 2020 Strategy. The author claims that countries can enjoy more flexibility only if they have structural reforms and good governance. The brief suggests to conduct the mid-term review of the Europe 2020 strategy on different levels and argues that it can help Europe to get back to prosperity if organised in the correct manner.

To access this publication, please click [here](#).

OECD: ‘Tax Compliance by Design: Achieving Improved SME Tax Compliance by Adopting a System Perspective’

On 24 October, the OECD released a report on tax compliance highlighting how to improve tax compliance by integrating reporting in the taxpayer’s normal business operations and strengthening digital solutions.

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To access the report, please click [here](#).

EU/CEPS: ‘The ECB AQR and the EBA Stress Test: What will the numbers tell?’

On 23 October, the Centre for European Policy Studies (CEPS) published a commentary on the impending asset quality review of the European Central Bank (ECB) and the stress test by the European Banking Authority (EBA). The authors argue that having two publications of assessments published at the same time may create confusion on the data published.

To access this publication, please click [here](#).

EU/CEPS: ‘Priorities for the Juncker Commission: Policy recommendations and advice’

On 22 October, the Centre for European Policy Studies (CEPS) published a special report giving policy recommendations for new European Commission under Jean-Claude Juncker. According to CEPS the restructuring implemented by Juncker will improve internal coordination, policy-making and transparency. This publication is a collection of 14 separate commentaries by CEPS senior researchers.

To access the special report, please click [here](#).

EU/Eurostat: ‘Euro area annual inflation down to 0.3%’

On 16 October, Eurostat published the inflation rate of the euro area for September 2014. It decreased from 0.4% in August to 0.3%, its lowest rate recorded since October 2009. In the EU the rate decreased from 0.5% to 0.4%, the lowest rate recorded since September 2009. This is due to a fall in inflation rates in 17 Member States when compared with August 2014.

To access this publication, please click [here](#).

CONSULTATIONS

[Consultation on cross-border mergers and divisions](#)

DEADLINE: 01/12/2014

The European Commission is launching a consultation on cross-border mergers and divisions in order to collect information, which would allow the Commission to assess the functioning of the existing EU legal framework for cross-border operations of companies and any potential need for changes in the current rules.

[A strong European policy to support Small and Medium-sized enterprises \(SMEs\) and entrepreneurs 2015-2020. Public consultation on the Small Business Act \(SBA\)](#)

DEADLINE: 15/12/2014

Since its adoption in 2008, the Small Business Act (SBA) has proven its worth as a policy tool in support of the small and medium enterprises (SMEs). Various initiatives have been taken at both EU and national level to improve the environment in which these businesses operate and help them grow. It is now time to reflect on what can be done in the years that lie ahead to make life easier for SMEs. The Commission has drafted a consultation document including the on-going measures and the new proposals (see the link below). This consultation is designed to collect feedback on the new initiatives set out in the consultation document.

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[Patents and Standards - A modern framework for standardisation involving intellectual property rights](#)

DEADLINE: 31/01/2015

The objective of this consultation is, on the one hand, to gather information and views on the interplay between standardisation and intellectual property rights (IPR) such as patents. On the other hand, this consultation aims to allow stakeholders interested in standardisation involving patents, to bring to the Commission's attention their views on how the current framework governing standardisation involving patents performs and on how it should evolve to ensure that standardization remains efficient and adapted to the fast-changing economic and technological environment.

COMING-UP

EU Institutions: important dates

- 3-6 November: European Parliament Committee Meetings (Brussels)
- 7 November: Economic and Financial Affairs Council (Brussels)
- 10-11 November: European Parliament Committee Meetings (Brussels)
- 12-13 November: European Parliament plenary session (Brussels)
- 13 November: European Parliament Committee Meetings (Brussels)
- 14 November: Economic and Financial Affairs Council (Brussels)
- 17 November: Conference on EU Energy Policy (Brussels)
- 17 November: European Parliament Committee Meetings (Brussels)

Other SME-related events

Business in Horizon 2020: the SME Instrument in detail

12/11/2014 - 13/11/2014

Brussels

This event is an opportunity for your SME to learn how to effectively prepare top quality proposals under Horizon 2020's SME Instrument, both for Phase 1 and Phase 2, and get ready to thrive through commercialization of your product/technology/process/service in Phase 3.

To find out more about this event & register, please click [here](#).

EU2020 and Industrial competitiveness: SMEs in the Surface Engineering Sector

13/11/2014

Brussels

On the occasion of the European SME Week 2014 MEP Paul Rübiger and the Surface Engineering Association have the pleasure to invite you to a breakfast briefing on "EU 2020 and Industrial Competitiveness: SMEs in the Surface Engineering Sector".

To find out more about this event & register, please click [here](#).

NEW

Conference on EU Energy Policy

17/11/2014

Brussels

Bringing together high-level representatives of national and European institutions, this event will offer a unique opportunity for public discussion between the main political decision-makers and find answers to questions such as 'How do we shape EU energy policy so as to boost European competitiveness?'

To find out more about this event & register, please click [here](#).