



HEADLINES

ESBA / Annual Exhibition and Event: “European SMEs Team-Up against Red Tape”

On 9-12 June, ESBA held an exciting exhibition and event to mark its 10th anniversary in Brussels. The goal was to support the European Commission's efforts to reduce admin burdens on businesses by 25% in 2012.

ESBA's exhibition and event, which brought together policy-makers, the SME community and media, presented and discussed real life case studies describing red tape and its impact on entrepreneurs. The collection focused on bureaucratic problems arising from national and EU law. Given that SMEs represent 99.8% of all enterprises, new recommendations on how and why the EU & its Member States should 'Think Small First' were formulated. Improving the regulatory environment for SMEs by cutting red tape in existing and future initiatives will boost EU growth and jobs.

ESBA OPINION

ESBA backs the ambitious 25% reduction target and aims at further supporting the Commission's Action Programme. Research carried out by the UK FSB, an ESBA Member, shows that SMEs spend on average over 7 hours each week filling in forms. In addition to a cost of €150 billion across the EU, this is time that entrepreneurs, the backbone of the economy, could spend on developing their business, training, supporting the community and achieving a better work-life balance. ESBA will issue a report based on the collection of real life case studies across the EU. ESBA urges small businesses to take part in the Commission's online consultation, which invites entrepreneurs to identify unnecessary red tape (open until 21 September 2008).

To access the online consultation, please click [here](#)

To read more about ESBA's 10th Anniversary Event and Exhibition, please click [here](#)

To view the collection of real life red tape case studies, please click [here](#)

EU/SBA: ESBA welcomes EC's proposals for a Small Business Act

On 25 June, the European Commission published the Small Business Act for Europe (SBA). Günter Verheugen, Vice President and Commissioner for Enterprise and Industry, attending ESBA's 10th Anniversary earlier this month, outlined the Commission's proposals and emphasised the importance of the SBA as a means to fully unlock the growth and jobs potential of small businesses.

The SBA is composed of a set of ten principles, which will help to design and implement policies Member States and EU level. The second part of SBA includes a set of new legislative proposals, such as the General Block Exemption Regulation on State Aids (GBER), Regulation providing for a Statute for a European Private Company (SPE) and Directive on reduced VAT rates. Finally, the third part comprises a set of policy measures created to implement the ten principles. The SBA is expected to be adopted by the end of 2008 under the French Council Presidency.

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ESBA OPINION

ESBA supports the Commission's proposal for a SBA for Europe. The Commission's communication touches upon most of the demands presented by ESBA during the public consultations phase. ESBA's campaign to reduce administrative burdens and ESBA's research have a good reflection in the SBA, which puts the "Think Small First" Principle at the forefront of economic policies. The SME Test proposed by the Commission should be at the core of any new legislation across the EU. Special attention should also be given to the proposed principles regarding access to public procurements, which, if properly implemented at national level, will give wider access to contracts worth as much as 16% of EU GDP.

EU /VAT: Commission revises VAT Directive on value added tax

On 7 July, László Kovács, European Commissioner for Taxation unveiled details of a proposal to revise VAT Directive 2006/112/EC on the common system of value added tax. The Commission's proposed plans would enable all Member States to apply reduced VAT rates of not less than 5% in a large number of labour-intensive sectors on a permanent basis. The proposal is one of the elements of the Small Business Act, published 25 June 2008.

The new legislation would introduce changes to the current tax system, enabling all Member States to apply reduced VAT rates for instance on restaurant services, which currently are applicable only in 11 countries. Other categories would include cleaning and maintenance services, care services and personal-care services, such as hairdressing and gardening. The proposal contains also important changes for the construction sector, in which the reduced VAT would no longer be limited only to social housing but could also be applied to the supply and construction of all housing and related services.

ESBA OPINION

ESBA welcomes the Commission's initiative as a good step towards the normalisation of the currently distorted tax regime. All sectors concerned are dominated by small and medium size enterprises. ESBA believes that the revision proposed would have a significant impact on the SME sector, enabling local businesses to improve their economic performance significantly. ESBA also considers that VAT on 'green' goods and services could be cut to promote their production and consumption.

To read more about the Commission's proposal to revise VAT Directive on the common system of value added tax, please click [here](#)

IN BRIEF

EU/State aid: EU adopts measures to ease state aid for SMEs

On 7 July, the Commission adopted new measures to ease state aid requirements for Member States. Under the new regulation, Member States are entitled to automatically approve a wide range of aid measures for small businesses without prior notification to the Commission. It allows Member States to grant aid towards the goal of creating jobs, boosting competitiveness and improving the environment. The new General Block Exemption is in line with the Small Business Act and will allow for state aid in a wide array of areas in favour of SMEs. For example, categories of aid authorized by the new legislation will incorporate: SME investment and employment, research, innovation, measures promoting entrepreneurship, small enterprises newly created by female entrepreneurs, training, and young innovative enterprises. The Regulation will come into force in the course of the coming weeks.

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To read more about the Commission Regulation on state aid, please click [here](#)

EU/ Presidency: French Presidency 2008

On 1 July 2008, France took over the Presidency of the Council of the European Union for a term of six months. In its Presidency Programme, the French Government has set ambitious targets in order to prepare the EU for the challenges of the 21st Century. During its presidential term, France will stress in particular highly political topics such as climate change and energy, immigration, agricultural policy, European defense and research.

The French presidency is expected to take a dynamic approach towards SME policy. In their joint letter, President Nicolas Sarkozy and Prime Minister Gordon Brown urged the EU to do more to support small businesses and called, in particular, on the EU to boost SMEs access to finance. Access to funding for innovative SMEs, the protection of industrial property rights and the promotion of entrepreneurship will be at the heart of the French presidency's SME policy. The expected adoption of the recently published Small Business Act is expected to be one of the highlights of SME policy under the French presidency this year.

To read more about the objectives of the French presidency, please click [here](#)

PUBLICATIONS

OECD: OECD Employment Outlook 2008

The OECD report on labor markets sheds light on recent labor market developments and offers an in-depth analysis of the effects of various policy measures and prospects through 2009. The analysis includes coverage of the youth labor market in OECD countries; informal employment and undeclared work; labor market discrimination and policies to combat it; the link between job stress and mental health problems; and the pay and working conditions offered by multinational firms. The report calls on the OECD countries to improve labor market performance.

To purchase the publication, please click [here](#)

CONSULTATIONS

NEW:

Online Consultation on Combating Late Payments in Commercial Transactions

Closes 31 August 2008

The Commission has launched an online consultation on combating late payments in commercial transactions. Its aim is to explore possibilities to propose better and more effective rules to combat late payments between businesses or between public authorities and businesses within the EU. The questionnaire seeks to gather views from small businesses on problems with late payment under the current Directive 2000/35/EC on late payments, and on possible means of ensuring more timely payment in commercial transactions within the EU.

To access the online consultation, please click [here](#)

ONGOING:

Online consultation on Administrative Burdens Reduction

Closes 21 September 2008

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The European Commission has launched an online consultation on the reduction of administrative burdens. Inspired by examples of Best Practice in Belgium and the Netherlands, the consultation invites entrepreneurs to identify unnecessary red tape in order to help the EU improve the quality of its legislation. The consultation is part of the Action Programme to reduce admin burdens on businesses in the EU by 25% in 2012.

To access the online consultation, please click [here](#)

COMING UP

EU Institutions: Important dates

14-17 July 2008 Committees in the EP, Brussels

Other SME related events

24-25 July 2008 The New Zealand Small Business Summit 2008 "Engaging the Key Players"; organised by the Independent Business Foundation; taking place in Auckland, New Zealand; for more information, please go to: <http://www.smallbusinesssummit.org.nz/>

15-16 September 2008 Conference on "Consolidating Research and Innovation for European SMEs", Paris; organised by the French Presidency of the Council of the European Union; for more information, please go to: http://www.fp7.cz/dokums_raw/sme-days-2008-paris-908_2158.pdf