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SME UNION addresses EU October summit and pledges for SME guarantee fund

“Bearing in mind the weak results in support of the European economy of the last European Council in June 2008, I urge the heads of state and government and the French EU Council Presidency **to tackle the real issues with whom European citizens and businessmen are confronted now**“, demands SME UNION Christoph Leitl, in the run-up to this week’s European Council on October 15 and 16 in Brussels. SME UNION President Leitl summarized the main points of the resolution in the run-up to this week’s European Council on October 15 and 16 in Brussels as follows:

Increasing consumer and energy prices and the current financial turmoil are generating new problems, especially for small and medium-sized enterprises since the additional costs are especially burdening SMEs. **During** such a **downturn, access to finance for SMEs must be a priority**. Banks are now even more reluctant to provide loans to more risky projects, like innovative ventures and start-ups. Nonetheless start-ups and innovation are crucial for maintaining and strengthening the EU’s competitiveness. Therefore the European Investment Bank (EIB) should bring forth its own **SME Guarantee Fund** to provide counter-guarantees to national and regional institutions providing guarantees and equity side funds particularly to **start-ups** and **innovative SMEs**, donated with a yearly budget of at least 500 million EUR.

Furthermore, during this time of general financial crisis, it is imperative that SMEs do not bear the brunt of the credit starvation, by larger companies seeking to make **later payments** to SME suppliers.

“We strongly believe that bringing Europe closer to the citizen means concrete measures and answers for needs and concerns of entrepreneurs and citizens. The current discussion about the EU **Small Business Act** is a unique chance to ensure that European SMEs will be able to continue to be a strong backbone of our economy. **If business goes well – all are well!**” were the concluding remarks of SME UNION President Leitl.

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SME UNION (Small and Medium Entrepreneurs Union) of the EPP (European People’s Party) is the network of pro-business Christian-Democrat, Conservative and Liberal politicians and political organizations. Its main objective is to help in shaping EU policy in a more SME friendly way. www.sme-union.org