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SMEs are decisive for wealth and security of European citizens

SME UNION President Leitl at SME Week in Prague: EU Guarantee Fund and increase of „EU-Balance of Payment” assistance needed

“The financial and economic crisis hit the world economy with surprising speed and force and only joint efforts of the international financial institutions, the EU and individual countries managed to mitigate some of the worst effects. But European small and medium-sized enterprises need further and quicker support to emerge stronger from the ongoing crisis”, urged SME UNION President Christoph Leitl at the **conference** “Chances and Challenges for European SMEs in Times of Economic Crisis with a special focus on Central and Eastern Europe (CEE)”. The conference was organized within the framework of the **1st European SME Week '09**. Representatives from the SME UNION family, Czech and Polish Chamber of Commerce in cooperation with EUROCHAMBRES came together in Prague today to find sustainable solutions for the most urging problems SMEs face during the crisis.

“CEE Countries are a major trading and financial partner of the Euro-zone. They deserve the solidarity of the international and especially the European community. Major economic problems in these states would also reflect on the other European states whose businesses are already very active in that region”, underlined President Leitl in his speech. “Now we have to put one’s money where one’s mouth is and elaborate tailored measures. At this time the EU has to prove solidarity and to bring up concrete solutions for people and companies.”

Therefore the SME UNION proposes the following measures:

- Immediate regulatory action to **mitigate pro-cyclical effects of Basel II**: otherwise the crisis would be aggravated by banking regulation.
- **Increase of „EU-Balance of Payment assistance“**: Governments should ensure SMEs access to finance, e.g. by providing guarantees for working capital, because loan supply to enterprises could tighten even further.
- **EU Guarantee Fund for SMEs** that provides re-insurance for national and regional guarantee institutions. Due to the leverage effect, a multiple of the guarantee volume could be generated as new loan volume. The volume of the Fund should be 1 billion Euros which means that new loans of up to 50 billion Euros could be generated.
- **Better access to finance for SMEs**: In addition to the recent raise of SME credit lines from 5 to 7.5 billion Euros per year, the European Investment Bank (EIB) should further increase its credit volume in CEE.

Besides the conference the SME UNION also held a Presidency Meeting in which the **12 SME UNION priorities for the upcoming Swedish EU Council Presidency** were adopted. The SME UNION considers them as crucial topics that need to be implemented and pushed forward during the upcoming Swedish EU Council Presidency.

Last but not least, SME UNION President Christoph Leitl **welcomed last week’s approval of the Lisbon treaty of the Czech senat**: “This is a great step forward”.

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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