

## Support SMEs to realise European goals

### Declaration of the General Assembly – 3<sup>rd</sup> December 2020

SMEs across Europe are dramatically affected by the **COVID-19 pandemic**. Although they show resilience, the impact is **devastating**: about 90% of SMEs report loss in turnover, 40% suffer from liquidity shortage and risk insolvency. As Europe undergoes a second wave of covid-19, many SMEs are at the limits of their financial reserves, operational capacity and confidence in their future.

SME representatives from around Europe, gathered in the SMEunited General Assembly, call for an update to the EU SME strategy in order to support SME's to recover from the crisis and tackle the challenges ahead. In this way, SMEs can play their role in **turning the EU policy goals into reality**:

- With **Next Generation EU**, the European Union offers strong instruments to deliver on this request. However, SME survival cannot afford any further delay in the MFF and NGEU approval. EU Governments must firmly take their responsibility. Authorities at all levels have to align and cooperate with SME organisations for the design and implementation of National Recovery and Resilience Plans. The European semester must monitor the implementation of the SME Strategy.
- SMEs are seriously concerned about their **risk for insolvency**. A prolongation of crisis measures as long as necessary and the creation of solvency support instruments are essential. We regret the rejection of the Solvency Support Instrument by the European Council. Solvency support for SMEs must be at the core of National Recovery and Resilience Plans. The remaining EU funds should be used to provide financial instruments for SMEs and their support structures.
- The economy is in a **major transition**. The measures to contain the health crisis negatively affected the **investment capacity** of SMEs. This reduces their ability to act. **Skills development** is essential for SME's to weather through this transformation and increase the resilience of the workforce. It is essential that those in short time work or unemployment schemes participate in requalification initiatives. Continuous training should equip workers with green and digital skills.
- **Better regulation** putting in practice the Think Small First principle ensures SMEs can comply with legislation in a cost efficient and easy manner. The functioning of the **Single Market** should be ensured during the pandemic and strengthened for the future.
- Since the Spring lockdown, SMEs are making giant **digital transformation** steps. A safe and well-developed infrastructure, standards and connectivity are required to drive this process further. Moreover, SMEs must be able to work in a level playing field. Market power should be speedily balanced by the Digital Services Act package. Equal access to data must be ensured for SMEs to maintain their activity and develop new products, services and business models.
- SMEs support the aim of the European **Green Deal** with the achievement of EU Climate neutrality by 2050, but ask a facilitating and unburdening policy. Initiatives as the Renovation Wave are a step in the right direction. Business-based best practices must be preferred over mandatory instruments to avoid high costs and red tape for SMEs in the transition to the circular economy. The Sustainable Finance Strategy should guarantee access to finance, also for traditional SMEs. Any new reduction targets for greenhouse gas emissions must be based on a thorough and specific SME impact assessment. Changes in energy provision must ensure affordability and security of supply.

**Crafts & SMEs are the heart of Europe.** The ambitious European goals are truly made reality on the ground by SMEs. It is time to move from words to action, so let us provide them with the appropriate framework and give them the chance and resources to put these objectives into practice. Quickly.