

European Entrepreneurs CEA-PME

Confédération Européenne des Associations de Petites et Moyennes Entreprises

Avenue de la Renaissance 1
B-1000 Bruxelles
Phone: + 32 2 739 62 64
Fax: + 32 2 740 20 32

x: + 32 2 740 20 32 mail info@cea-pme.com web www.cea-pme.com

RESOLUTION

European Entrepreneurs CEA-PME, the biggest European confederation of voluntarily associated Micro, Small and Medium-sized companies, together with **ESBA**, the **European Small Business Alliance**, and **AMSP**, the **Czech SME Association**, are deeply concerned about the health and economic situation in Europe in relation to the COVID-19 pandemic.

Not only hundreds of thousands of people are infected and suffer, and tens of thousands are dying, but also hundreds of thousands, if not millions of Micro-, Small- and Medium-sized enterprises risk to die. It is inevitable to fight the pandemic by limiting the economic activities and the movement of the European citizens, but it is equally inevitable to urgently avoid the risk of losing everything as a great part of the more than 23 million MSMEs in Europe is running.

This is a task of the European Union too. National governments not always and not everywhere can do or are doing enough to prevent from this risk. We need European Solidarity now. And this time we need this solidarity particularly for the Micro-Enterprises, Self-Employed Solo- and Small Entrepreneurs, the most hit entrepreneurs in this crisis, because they don't get higher loans or unemployment cheques, and they risk to lose everything: skilled and loyal colleagues, machines, offices, workshops, often carefully equipped hotels, restaurants & shops.

The Self-Employed & SMEs have answered to a survey of European Entrepreneurs, and ask mainly for **7** things the EU should do now, in a logic of subsidiarity with Member States:

1. A coordinate EU-response for pandemic emergency health care

> The EU's **rescEU** Initiative should be **strongly supported by all Member States** and amplified, in order to be most efficient in coordinating on European level <u>all</u> aspects of health care systems, where single countries might be overloaded or ineffective without the help of other countries. This regards e.g. the fast equipping with and fair distribution of masks, protection suits, sanitisers, lung ventilators, medicines, etc. but also reciprocally help out with medical staff wherever possible.

2. Immediate direct financial aid to Self-employed, Solo-Entrepreneurs, Micro-, Small and Medium-sized Enterprises

Closing the gaps that member states leave open and making sure that the majority of entrepreneurs get over the worst period and safeguard their basic assets. This shall be done with all possible funds available on the European Union's already approved annual budget 2020, that are not yet contractually committed, and are dedicated to competitiveness for growth and jobs (e.g. HORIZON 2020 and COSME), the 37 Billion of funds in the Coronavirus Response Investment Initiative in the hands of the Member States, as well as all funds for SME Financing in the budgets of the European Investment Bank and the European Investment Fund. Immediate means now in a few days, direct means without intermediaries: EU-Commission/EIB => Entrepreneurs.







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3. A European Reload SME Programme with min. 10 Billion Euro of Funds

to be planned now and opened in 1 month, calling for proposals to be submitted latest until beginning of June, in particular for heavily impacted, typical SME sectors like event organisation and fairground services companies, the building industry, retail shops, tourism companies, hotels, bars and restaurants, etc. This programme should be for all kinds of SMEs as the EU defines them today. It should give small flat-rate grants to at least 1 Million companies in Europe that need to relaunch their competitiveness and need a second chance: everything that boosts new ideas, develops new services, or finalises new products should be welcome. Crucial is fast roll-out, easy application and short-term implementation. Parts of this programme can be already successful models, like DigitaliseSME, to support digitalisation of SMEs, or MobiliseSME, the Erasmus for SMEs and their employees, to find new clients and markets abroad.

4. Max. 1.5% interests on crisis loans

We hear that in some countries some banks offer new loans with excessive interest. Trying to take advantage from desperate SMEs shall not be allowed in any EU country. The commercial banks have been saved by us in 2008-2013, and now they should save our economy. We call the European Commission, the ECB and the European Banking Authority to use all their powers to monitor and limit such abuse, to make sure 1,5% is the max. interest rate for SMEs in this period, particularly if they are guaranteed by public funds.

5. EU and all other public authorities should "Pay in 7" days

> We fully support the campaign of ESBA and ask that the EU and all public authorities, particularly those entrusted with payments of EU-funds (e.g. Agricultural, Social & Regional Development Funds, etc.) should now do their payments to beneficiaries and service providers in 7 days. This would create immediate liquidity for thousands of SMEs & local administrations.

6. An EU-wide coordinated EXIT STRATEGY

In order to avoid less tax payments, less public funds, an economic collapse of the health systems and hence even more fatalities, we need to turn back to work. Our most important proposal for an EU-wide Exit Strategy is to test at our costs all workers below 60 years of age in the manufactu-ring and building industries, in transports, agriculture, and in all non-direct public contact services, to re-start production again. We need governments to approve this rapidly and the EU to coordinate production, purchase and distribution of fast COVID-19 antibody tests as already available.

7. No corporate taxes for SMEs until end of 2021

To relaunch the economy, companies need to recover. One important aspect would be to temporarily suspend all corporate taxes for SMEs for 2 years, until end of 2021. This needs to be coordinated at EU-level and agreed by all member states, to avoid unfair tax competition.

Unanimously approved in online conference on April 2nd 2020 by the Extraordinary General Assembly of European Entrepreneurs CEA-PME presided by Mario Ohoven, as well as by David Caro, President of ESBA - the European Small Business Alliance, and by AMSP, the Czech SME Association, represented by its president Karel Dobeš.



