

According to a study by ECLAC and EUROCHAMBRES as part of the AL-INVEST IV Programme:

SMEs can boost relations between Latin America and the European Union

The two organisations presented the results of a joint study at the 4th CELAC-EU Business Summit in Santiago, Chile

According to the Economic Commission for Latin America and the Caribbean (ECLAC) and the European Association of Chambers of Commerce and Industry (EUROCHAMBRES), micro, small and medium-sized enterprises (MSMEs) can play a fresh and significant role in boosting relations between Latin America and the Caribbean and the European Union, given their substantial share in the economic activity of both regions' countries.

This is one of the conclusions of the document financed by the AL-INVEST Programme, "Building SME competitiveness in the European Union and Latin America and the Caribbean. Policy proposals by the private sector", presented by Alicia Bárcena, Executive Secretary of ECLAC, and Arnaldo Abruzzini, Secretary General of EUROCHAMBRES, at the 4th CELAC-EU Business Summit held in Santiago, Chile.

The business meeting was held as part of the First Summit of Heads of State and Government of the Community of Latin American and Caribbean States (CELAC) and European Union (EU), which will be opened this Saturday in the Chilean capital.

According to Alicia Bárcena: *"There needs to be more coordination between public policies and private sector actions to break the vicious circle that limits SME performance. As part of deepening CELAC-EU relations, we call on SMEs to be strategic players in the inclusive development of both regions' countries"*.

Arnaldo Abruzzini stated: *"There is no growth and no job creation in Europe or Latin America without small companies! Thus, increasing their competitiveness by ensuring their successful internationalization is a key challenge ahead of us but also an opportunity for EU and Latin America to define concrete instruments that will foster the strategic partnership between the two regions. Also, an effective network of EU and Latin American business-support organizations is crucial to achieve these objectives"*.

The document presented today brings together the visions of almost 50 Latin American and European business leaders and opinion makers interviewed in December 2012, and aims to encourage debate among senior political and business authorities in the EU and Latin America

and the Caribbean about the role of SMEs in domestic economies and the support they need to overcome their main limitation: the productivity gap with large companies.

SMEs in the EU and Latin America and the Caribbean have much in common: they are thought to represent almost 99% of all firms and employ 67% of all workers. They also have lower productivity and make a smaller contribution to GDP than larger companies, and have a limited share of exports.

Both regions' business owners identify four interlinked areas where support policies are needed to narrow the productivity gap between SMEs and large companies: innovation to strengthen productive and management capacity, access to markets, productive linkages and business cooperation, and access to financing.

Along the same lines, business owners describe the obstacles to the internationalization of SMEs as including the lack of information on markets and business opportunities, scant vertical integration (in value chains) and horizontal integration (cooperation and peer associations), lack of human resources needed to manage such processes and funding problems.

The document states that, in all these areas, "it is important for public and private agencies to pursue joint and coordinated actions that will ensure continuity over time and will incorporate the local, regional and territorial dimensions".

In the next few years, business leaders agree on the need to implement priority actions to promote cooperation among companies from the two regions in fields such as renewable energy, clean technology and biotechnology, particularly in the light of new world economic trends and the productive and technological specialization of Latin America and the European Union.

Lastly, the report indicates the need to make progress in producing standardized and comparable quantitative information on the characteristics and performance of SMEs in Latin America and the Caribbean, as well as to improve the visibility and dissemination of actions, programmes and policies to support these firms. This could involve, for instance, creating an observatory of good practices.

Full report "Building SME competitiveness in the European Union and Latin America and the Caribbean – Policy proposals by the private sector – January 2013"

[Spanish version](#)

[Portuguese version](#)

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EUROCHAMBRES – The Association of European Chambers of Commerce and Industry represents over 20 million enterprises in Europe – 93% of which are SMEs – through members in 44 countries and a European network of 2000 regional and local Chambers.