

Commission SME finance action plan: several important elements, but not much new

European Chambers support many of the key elements of today's Commission's Action Plan to improve access to finance for SMEs. Nonetheless, they question the package's added value given that most of its proposed actions have already been tabled.

Chambers in particular recognise the potential value of the measures to streamline guarantee instruments and activities: *"New EUROCHAMBRES research shows that a European level guarantee fund for debt and equity financing could have a powerful leverage effect in easing SMEs' liquidity. While the action plan does not go this far, it delivers a positive signal and we will monitor closely the next steps,"* commented Arnaldo Abruzzini, Secretary General of EUROCHAMBRES.

Chambers also endorse the Commission's intention to improve the monitoring of the SME lending market, promote the regular use of qualitative rating and mitigate the potentially negative impact of Basel III bank capital requirements on SME lending. But on the latter, Chambers would like to see the rapid lowering of the current risk weight for SMEs in the Capital Requirements Directive, without waiting for the anticipated legislative review: *"The stifling effect of the credit crunch on smaller businesses is an immediate concern. Europe simply cannot afford to wait for confirmation of the negative impact of current weightings – this issue must be addressed urgently,"* said Mr Abruzzini.

Overall, EUROCHAMBRES finds little new in today's paper: *"While we support many of the elements of this action plan, we are left wondering whether the package is of added value or simply a compendium of ongoing or expected initiatives,"* concluded Mr Abruzzini.

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