

## **SMEs need robust measures to boost the European economic recovery**

**The COVID-19 crisis brought exponential challenges for millions of European SMEs that are struggling to enhance financial liquidity and to ensure adequate working capital. EUROCHAMBRES [input for the EU Recovery Roadmap / Action Plan](#), underlined the need to supporting businesses to survive and rebuild. It is only possible if the EU fulfils its crucial role in coordinating an effective, coherent economic recovery strategy, with transparent criteria and a clear timetable.**

We invited the Co-chairs of our SME and Economic Policy Committee - EUROCHAMBRES Vice President and Member of the Board of the Association of German Chambers of Commerce and Industry (DIHK), Wolfgang Grenke, and the President of the regional Chamber of Commerce Eastern France, Gilbert Stimpflin - to present their and the organisation's view on the European Economic recovery after COVID-19.

### 1. In your opinion, what should be the priorities to overcome the COVID-19 crisis?

At European level we need a budget that can really make a difference to overcome this unprecedented crisis. It will be crucial to guarantee and adapt the Multiannual Financial Framework for 2021-2027 to equip the Commission with the tools needed to drive a coordinated European effort and reboot the economy and SMEs liquidity. The financial framework should allow an easy and wide-ranging access to funding for SMEs. Some sectors will be more affected by the crisis than others – tourism and travel for example – and will require targeted assistance. More than ever SMEs have to focus on their core business. Compliance with legal obligations is obviously relevant, but every effort must be made to ensure that obligations are clear and proportionate, and that reporting and administrative requirements are kept to a minimum.

### 2. What type of measures do you think will yield the best results?

Above all, measures need to be put in place quickly to support the economy and well-coordinated to be effective. Support is essential because businesses across all sectors and regardless of whether they are established, 'traditional' SMEs or more innovative, will face many challenges simultaneously in relation to recovery, industrial transformation, social and market changes. The Single Market's benefits like free movement of goods, services and workers must be fully re-established maintaining European value chains upright. Large-scale EU financial liquidity measures with a tailor-made structure are essential to reach the many struggling SMEs across the continent without delay, as well as public/private risk-sharing and equity financing. Digitalized information and procedures can have a huge impact as well, by minimizing regulatory and administrative burdens. Major industrial projects that create jobs, through a clear investment focus on innovation and research and enhanced cross border cooperation, should be boosted.

### 3. Regarding the SME and Economic Policy Committee, which areas should we focus on?

Financial liquidity will play a major role and has to stay in the focus, in order to ensure a continued support and expansion of SMEs, in conjunction with the reduction of red tape and

information deficits by minimising regulatory and administrative burdens. Furthermore, the transition towards digitalization and climate neutrality, accompanying all types of businesses especially through research and innovation funding and the digital innovation hubs, requires all our attention.

This relates as well to the implementation of a coordinated and innovative SME strategy, in close cooperation with the Chambers of Commerce and Industry, leaving no one behind. We should further acknowledge the role of Chambers as leading partners at the local level to anticipate transformations and possible synergies, as they are in very close contact with the regional business community. Moreover, the crisis shows the necessity of an increased strategic supply chain security in the EU as well as of securing the supply of critical raw material at EU level. And let us not forget about actions in order to avoid SMEs over-indebtedness and increase the resilience against possible future severe economic shocks, through diversification of financing sources.

#### 4. Could you go a bit more into detail on industrial policy and digitisation?

We need to boost the emergence of major industrial projects that create jobs, through a clear investment focus on innovation and research, enhanced cross-border cooperation and public-private partnerships in key areas such as artificial intelligence, critical raw materials, clean hydrogen, and other areas defined in cooperation with business. Europe's recovery should increase strategic supply chain security, so as to foster European resilience, including more independence in the crucial area of public health. The situation of flagship European sectors - such as aerospace and space industry - currently considerably weakened and dragging with them R&D, subcontractors and thousands of jobs, require particular attention.

This crisis can also be used as an opportunity to make Europe more digital: The current situation has magnified the value of digitalized procedures, also to increase administrative efficiency. Advanced digital infrastructure must be put in place across Europe as well as investment in digital capacity, cyber-security and networks will enable us to boost our competitiveness in this important sector. Swift implementation of the expansion of the Digital Innovation Hubs for local and regional ecosystems announced in the SME Strategy should be envisaged, in close partnership with the Chambers of Commerce and Industry, and can enable companies to exploit their digital potential in the short term.

#### 5. What should be the role of chambers of Commerce in this regard?

The EU should capitalize on the Chamber network to deliver services to Europe's businesses during the recovery. Businesses, particularly smaller ones, understandably have a greater need for advice and support during the crisis. This need will not diminish quickly.

It is of utmost importance to ensure that businesses' needs are clearly understood and effectively met. Chambers will actively contribute to the new rapid alert function of the Commission to help identify supply and value chain disruptions and, of course, help to overcome them swiftly.

#### 6. Where will Europe be in 5 years from now?

If the right measures are taken, Europe will have recovered from the corona crisis. Europe will be more competitive, thanks to the use of the recovery plan's financial means to boost the EU's competitiveness through innovation in the areas of digitalization and climate neutrality

supporting technologies. A secured access to appropriate and diversified sources of funding for SMEs will allow them as well to seize growth opportunities and undertake innovative projects.

The European Union has the capacity to increase the security of strategic supply chains and ensure security in the supply of critical raw materials. We will benefit from a further integrated Single Market in a more EU “SME business friendly” environment and a successful development in key industrial sectors, generating thousands of jobs. The European trade policy will be strengthened, within and beyond its borders, allowing an enhanced protection of European strategic companies and economic sovereignty. All in all the European project will be better shared with its citizens generating a higher level of integration.

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