

Interview with Eurochambres Economic Policy committee chair – Jean-Charles Herrenschmidt

1. What is the main priority of the Economic Policy Committee for 2023?

The SME Relief Package – announced by Ursula von der Leyen last September and expected this September – is one of the Eurochambres Economic Policy Committee’s main priorities for this year. With European businesses experiencing historic low levels of confidence as highlighted in the [Eurochambres Economic Survey 2023](#), EU policymakers must ensure a level-playing field, improve the regulatory environment, and enable simplified access to finance. The way in which EU industrial policy is designed and implemented must take into account local SMEs in all the emerging industrial alliances and value chains. Coherence, visibility and availability are key aspects of the effective and flexible industrial policies that Europe needs.

2. What activities do you have lined up in this area?

During the first quarter of the year, we focused on the role of the SME Test in analysing the possible effects of EU legislative proposals on smaller businesses. By assessing the costs and benefits of policy options, the SME Test must support the correct implementation of the 'think small principle' to improve the business environment.

Eurochambres has contributed to the Commission’s consultation on the revision of the Late Payment Directive, highlighting the need to address the shortcomings of the existing text and to tackle a harmful culture that still prevails in some EU member states. We are also drafting a broader contribution on the SME Relief Package, underlining the need for immediate relief and a favourable regulatory environment that enables entrepreneurs to do business, rather than hindering it. Once the package is adopted, Eurochambres will continue to engage in discussions with Commission officials, MEPs and member state representatives and push for calibrated measures, based on the real needs of companies and according to the feedback from our chamber network. In this regard, Eurochambres considers the Enterprise Europe Network an important ally of European companies and complementary to chambers of commerce and industry, as it is tasked with collecting feedback at local level, advising companies and promoting local activities.

The Commission’s SME Envoy Network, the European Parliament’s SME Intergroup, and the EU SME Assembly will also represent important stages where Eurochambres will continue to deliver on its commitment to support SMEs. Our own European Parliament of Enterprises™ on 14 November will provide an important platform to advocate for business-friendly policy measures as the 2019-2024 EU term draws close to its conclusion and as preparations for the 2024-2029 legislative cycle gather momentum.

3. With the Communication on the long-term competitiveness of the EU, the Commission is also setting long-term objectives for SMEs. What would you consider as important elements in this given the very difficult conditions that SMEs are currently operating in?

The main objective of EU policymakers must be to pave the way for a competitive Europe. I am certainly conscious that such an objective cannot be reached overnight, as a myriad of

factors influence it. Competitiveness should not rely solely on increasing subsidies and temporary measures. Instead, the EU should revitalise its attractiveness as a manufacturing location, not only for already established businesses, but also to foreign investors.

The first step is the simplification of rules and the creation of a predictable, clear and proportionate regulatory environment in accordance with a 'one in, many out' approach. Reducing red tape throughout our supply chain is much needed to ease the movement of goods and services. The single market must be our lever to this end, and it is therefore important to simplify border processes, embrace digitalisation, and enhance the speed and security of entrepreneurial activities. All this will have to be accompanied by strong investment in skills and competences to tackle the skills mismatch that entrepreneurs currently face.

A future-proof economy must also consider the cumulative impact on SMEs of obligations arising from legislation. In this sense, the Commission's new competitiveness check must ensure that burdens on companies are drastically reduced and that reporting requirements do not restrict the productivity of companies or result in additional costs.

Territorial cohesion also represents a key factor to ensure that EU legislation considers the reality on the ground: in many countries, the gap between the capital city region and other territories is wide and affects the resilience of national economies and the scope to operate cross-border.

Lastly, Eurochambres emphasises the importance of an efficient coordination of existing EU financial instruments for a competitive Europe. The Commission should ensure that the Recovery and Resilience Facility and the NextGenerationEU budget are spent impactfully and effectively, with a strong focus on the barriers encountered by SMEs for the digitalisation and greening of their activities. The Commission should also align its SME policy with actions promoted by other actors – for example, the European Investment Bank – through mechanisms such as Invest EU or structural funds.