Resolution on the state of the SME Union

2023/2750(RSP) - 13/07/2023 - Text adopted by Parliament, single reading

The European Parliament adopted the resolution on the state of the SME Union.

The text adopted in plenary was adopted by the EPP, S&D, Renew and ECR groups.

European small and medium-sized enterprises (SMEs) have faced significant challenges and hardships because of the COVID-19 pandemic and Russia's war of aggression against Ukraine, both of which have led to disruptions of global value chains and persistent inflation. European competitiveness is lagging behind other developed economies, threatening Europe's potential to generate wealth and prosperity. Therefore, EU legislation must be properly balanced between fostering growth, entrepreneurship, climate adaptation and business productivity. Regulatory burdens should be markedly reduced, including the costs of compliance created by over-regulation and overly complex administrative procedures and reporting obligations.

Parliament called on the Commission to carry out an overall assessment of the cumulative effect of EU legislation on SMEs in the EU, with a view to proposing simplifications where needed, as well as an enabling framework to ensure that the EU is the best place to establish SMEs in terms of competitiveness and growth.

SME relief package

Noting that late payments remain a major threat to the survival of SMEs, particularly in the current climate of high inflation and increased energy costs, Parliament called for the urgent adoption of a revised Late Payments Directive, providing SMEs with a robust and predictable legal framework to address payment delays in both business-to-business and business-to-government relations, while ensuring a balanced approach that preserves the freedom of contracts. The Commission is urged to support the widespread use of digital tools such as e-invoicing and automated payment processes, in order to increase transparency, security and efficiency. Moreover, it is also asked to assess a possible revision of the State aid rules in order to evaluate how the interests of SMEs are safeguarded.

Improved access of SMEs to finance

Noting that current economic challenges and increasing interest rates have led to tighter conditions for SMEs trying to access financing, the Commission is called on to increase its efforts on the capital markets union (CMU) and to unlock funding for Europe's growth.

Parliament highlighted the need to support SMEs experiencing financial difficulties by offering adequate financial and non-financial support to avoid bankruptcy and in this regard called on the Member States to implement the Preventive Restructuring Directive.

The resolution recalled that the European Innovation Council (EIC) is a new and unique European funding programme designed to provide deep-tech start-ups with a one-stop shop for finance to enable them to develop their innovation from an early idea to a marketable product, as well as to scale up the company. In addition, Parliament called for a single contact point to be designated within the Commission to provide clear guidance and support for SMEs and for a single digital gateway serving as a one-stop shop, consolidating all relevant financial and non-financial support, forms and information for all undertakings, including SMEs.

Moreover, there is an urgent need to remove barriers to cross-border business operations and intra-EU investments in order to establish a fully fledged single market for all economic activities.