Basic information

1994/2120(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
European observatory for SMEs. 2nd annual report 1994 **Subject** 3.45.02 Small and medium-sized enterprises (SME), craft industries	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	ECON Economic and Monetary Affairs, Industrial Policy	MURPHY Simon Francis (PSE)	13/09/1994
Council of the European Union			

Key events

Date	Event	Reference	Summary
07/09/1994	Non-legislative basic document published	COM(1994)0352	Summary
12/12/1994	Committee referral announced in Parliament		
19/12/1994	Vote in committee		Summary
19/12/1994	Committee report tabled for plenary	A4-0120/1994	
18/01/1995	Debate in Parliament		
19/01/1995	End of procedure in Parliament		
20/02/1995	Final act published in Official Journal		

Technical information

Procedure reference	1994/2120(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/05923

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0120/1994 OJ C 043 20.02.1995, p. 0004	19/12/1994	
Text adopted by Parliament, single reading		T4-0014/1995 OJ C 043 20.02.1995, p. 0053-0076	19/01/1995	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(1994)0352	07/09/1994	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0052/1995 OJ C 102 24.04.1995, p. 0025	25/01/1995	

European observatory for SMEs. 2nd annual report 1994

1994/2120(COS) - 07/09/1994 - Non-legislative basic document

This communication contains the Commission's comments on the second annual report by the European Observatory for SMEs, the objective of which is to provide an overall analysis of the impact of the single market on SMEs (main trends, general situation of SMEs and craft industries in the EU, job creation and human resources, capital and finances, innovation and research). Generally speaking, the Commission welcomes the fact that the report confirms what the "Growth, competitiveness, employment" White Paper had highlighted, i.e. that strengthening the competitiveness of enterprises - and first and foremost SMEs, which represent 99% of the 15.8 million enterprises in the private sector in the EU and create 72% of the jobs - is one of the main ways of stimulating economic growth and job creation in Europe. The Commission is in favour of the recommendations in the report which highlight employment and the role of SMEs in reducing unemployment and the numerous recommendations on promoting exchanges of information and experiences between the Member States on national initiatives under way, which now form part of the integrated programme for SMEs and craft industries. Other recommendations, such as developing a European programme to promote entrepreneurship, could be examined during the implementation of the integrated programme. As for the future work of the Observatory, it should focus more on monitoring the participation of SMEs in the internal market and the format of future reports should therefore be changed so as to reflect the results of this monitoring. The Commission considers that the Observatory should constitute one of the main sources of analysis when drawing up practical proposals for effectively implementing the internal market for SMEs.

European observatory for SMEs. 2nd annual report 1994

1994/2120(COS) - 19/01/1995 - Text adopted by Parliament, single reading

Adopting the report by M. MURPHY (PSE, UK), the European Parliament welcomed the publication of the 2nd report of the European Observatory for SMEs but regretted that it could not be used as a starting point for drawing up an integrated programme for the benefit of SMEs and craft industries. This report should be seen as a working document which clarified some of the problems faced by SMEs: - structure: there is a marked difference between micro-enterprises and small enterprises and between micro-enterprises and medium-sized enterprises, with micro-enterprises creating most jobs; - the internal market: SMEs still play a limited role in the internal market as they tend to have local and regional rather than national or international markets. In addition, they complain of serious obstacles to their operation (taxation, customs procedures, late payments etc.); - employment: only 5 to 6% of SMEs want to expand and the number of bankruptcies has risen, a bad sign for job creation; - capital and funding: SMEs are desperately short of venture capital and equity capital. In addition, the cash flow problems often caused by overly heavy taxation and excessively late payments result in a large number of bankruptcies; - new technologies: SMEs often lag behind large companies in compiling information on new standards and taking part in European research programmes; - regional disparities: there are still serious disparities, mainly due to cultural and linguistic differences; - policy on SMEs: the integrated programme for SMEs should take account of their management capacities and modernisation. In the light of this report, the European Parliament specifically called on the Commission to: - introduce a directive on late payments; - eliminate the

obstacles which still prevent SMEs from operating on the internal market; - propose a series of measures for the benefit of this sector, mainly by opening export credit guarantees to SMEs, increasing skill levels in SMEs, promoting exchanges etc. It also called on the Council to examine the circumstances in which SMEs are forced to close down, especially as the result of highly inflexible legislation introduced by national governments.