

RESOLUTION

European Entrepreneurs CEA-PME, the biggest European confederation of *voluntarily associated* Micro, Small and Medium-sized companies, together with **EVBB**, the **European Confederation of Professional Training providers**, with **ESBA**, the **European Small Business Alliance**, and with **AMSP**, the **Czech SME Association**, are deeply concerned about the health and economic situation in Europe in relation to the COVID-19 pandemic.

Not only hundreds of thousands of people are infected and suffer, and tens of thousands are dying, but also hundreds of thousands, if not millions of Micro-, Small- and Medium-sized enterprises risk to die. It is inevitable to fight the pandemic by limiting the economic activities and the movement of the European citizens, but it is equally inevitable to urgently avoid the risk of losing everything as a great part of the more than 23 million MSMEs in Europe is running.

This is a task for the European Union too. National governments cannot always and not everywhere do enough to prevent this risk. **We need European Solidarity now**. We need this solidarity particularly for the **Micro-Enterprises, Self-Employed, Solo- and Small Entrepreneurs**. They are the most hit entrepreneurs in this crisis, because they don't get higher loans or unemployment cheques, and they risk to lose everything: skilled and loyal colleagues, machines, offices, workshops, often carefully equipped hotels, restaurants & shops.

The Self-Employed & SMEs have answered to a survey of European Entrepreneurs, and ask mainly for **7 things the EU should do now**, in a logic of subsidiarity with Member States:

1. A coordinate EU-response for pandemic emergency health care

- The EU's **rescEU** Initiative should be **strongly supported by all Member States** and broadened in scope, in order to have the most efficient coordination at European level on all aspects of the health care systems,, where single countries might be overloaded or ineffective without the help of other countries. This regards for example. the fast equipping with and fair distribution of masks, protection suits, sanitisers, lung ventilators, medicines, etc. but also reciprocally help out with medical staff wherever possible.

2. Immediate direct financial aid to Self-employed, Solo-Entrepreneurs, Micro-, Small and Medium-sized Enterprises incl. small associations and cooperatives

- Closing the gaps that member states leave open and making sure that the majority of entrepreneurs get over the worst period and safeguard their basic assets. This shall be done with all possible funds available in the European Union's already approved **annual budget 2020** that are not yet contractually committed and are dedicated to competitiveness for growth and jobs (e.g. HORIZON 2020 and COSME), the **37 Billion** of funds in the **Coronavirus Response Investment Initiative** in the hands of the Member States, as well as all funds for SME Financing in the budgets of the **European Investment Bank** and the **European Investment Fund**. **Immediate** means *now, in a few days*, **direct** means *without intermediaries*: EU-Commission/EIB => Entrepreneurs.

3. A European Reload SME Programme with min. 10 Billion Euro of Funds

- to be planned **now** and **opened in 1 month**, calling for proposals to be submitted latest **until beginning of June**, in particular for heavily impacted, typical SME sectors like event organisation and fairground services companies, the building industry, retail shops, tourism companies, hotels, bars and restaurants, etc. This programme should be for all sizes of SMEs as the EU defines them today. It should give small **flat-rate grants** to at least **1 Million companies in Europe** that need to **relaunch their competitiveness** and **need a second chance**: everything that boosts new ideas, develops new services, or finalises new products should be welcome. **Fast roll-out, easy application** and **short-term implementation are crucial**. Parts of this programme can be already successful models, like **DigitaliseSME**, to support **digitalisation of SMEs**, or **MobiliseSME**, the *Erasmus for SMEs and their employees*, **to find new clients and markets abroad**.

4. Max. 1.5% interests on crisis loans

- We hear that in some countries some banks offer new loans with excessive interest rates. Trying to take advantage from desperate SMEs shall not be allowed in any EU country. The commercial banks have been saved by us in 2008-2013, and now they should save our economy. We call the **European Commission**, the **ECB** and the **European Banking Authority** to **use all their powers** to monitor and **limit such abuse**, to make sure **1,5% is the max. interest rate for SMEs** in this period, particularly if they are guaranteed by public funds.

5. EU and all other public authorities should "Pay in 7" days

- We fully support the campaign of ESBA and ask that the EU and all public authorities, particularly those entrusted with payments of EU-funds (e.g. Agricultural, Social & Regional Development Funds, etc.) should now make their **payments to beneficiaries and service providers in 7 days**. This would create immediate liquidity for thousands of SMEs & local administrations.

6. An EU-wide coordinated EXIT STRATEGY

- If people don't get back to work, it will cause a drop in income, followed by fewer tax payments, less public funds, an economic collapse of the health systems and hence even more fatalities. Our most important proposal for an EU-wide Exit Strategy is to test **at the companies' costs** all workers below 60 years of age in the manufacturing and building industries, in transports, agriculture, and in all non-direct public contact services, to re-start production again. We need governments to approve this **rapidly** and the **EU to coordinate production, purchase and distribution** of fast COVID-19 antibody tests as already available.

7. No corporate taxes for SMEs until end of 2021

- To relaunch the economy, companies need to recover. One important aspect would be to **temporarily suspend all corporate taxes for SMEs for 2 years**, until end of 2021. This needs to be coordinated at EU-level and agreed by all Member States, to avoid unfair tax competition.

Unanimously approved in online conference on **April 2nd 2020** by the Extraordinary General Assembly of **European Entrepreneurs CEA-PME** presided by **Mario Ohoven**, by **David Caro**, President of **ESBA the European Small Business Alliance**, by **AMSP, the Czech SME Association**, represented by its president **Karel Dobeš**, as well as by **EVBB, the European Confederation of Professional Training providers**, represented by its Secretary General **Horst Dreimann**.