



Confédération des industries agro-alimentaires de l'UE
Confederation of the food and drink industries of the EU

PROMOTING THE COMPETITIVENESS OF EUROPEAN AGRO-FOOD SMEs

(Brussels, 2 July 2008) As the European Commission steps up its efforts to support small and medium-sized enterprises in the EU food and drink industry, CIAA (the Confederation of the food and drink industries of the EU) calls on authorities to streamline and reinforce actions to allow SMEs to grow, create jobs and make full use of their innovative capacities.

CIAA has long argued that the framework in which the food and drink industry operates must be flexible and business-friendly and take into account the specific needs of SMEs. This, as well as many other specific needs of SMEs, will be discussed today with participants at a CIAA conference on the competitiveness of the European agro-food SMEs. This conference is organised in cooperation with the European Commission.

Consultation among CIAA members on the main challenges faced by SMEs has shown that the following main areas are critical to their development and have a considerable impact on their competitiveness:

- **Administrative burden:** The costs of compliance with EU legislation are relatively higher for SMEs than for large companies. There is a clear need for a flexible, business-friendly framework that takes into account the capacities of SMEs.
- **R&D and innovation:** SMEs have considerably fewer resources to invest in R&D and to participate in joint research projects. Knowledge and technology transfers, as well as access to EU funding, training, networking and partnerships should be facilitated and can lead to further innovation.
- **Relationship with retail:** There is a need to review and strengthen Directive 35/2000 on late payments in order to improve the business environment for SMEs in the internal market.
- **Reaching out to non-EU markets:** Developing exports is costly and requires significant investments and capacities to overcome regulatory, cultural and other hurdles.
- **Supply of raw material inputs:** Ensuring access to competitive raw materials is a serious source of concern in the current situation of increasing costs and problems with the availability of raw materials.

“CIAA welcomes the European Commission’s commitment to SMEs. Vice-President Günter Verheugen’s High Level Group on the Competitiveness of the Agro-Food Industry, launched on 12 June 2008, and the Small Business Act, launched on 25 June 2008, are both steps in the right direction,” stated Jean Martin, President of CIAA. “However, these initiatives have to lead to concrete results and this is how we will measure their success. It will be most important to develop a holistic and integrated food policy that focuses on the needs and role of the sector as a whole and SMEs in particular,” he said.

(more)

Avenue des Arts, 43 • B-1040 Bruxelles

Tel.: +32 2 514 11 11 • Fax: +32 2 511 29 05 • E-mail: ciaa@ciaa.be • Web: <http://www.ciaa.be>

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SMEs are the backbone of the food and drink industry, a sector which is extremely fragmented, consisting of more than 99% SMEs. These 280,000 SMEs employ about 61% of all food and drink workers and generate approximately 50% of the sector's revenues.

The conference is gathering more than 150 participants from industry, public authorities and academia to present and discuss different issues relevant to SMEs. The results will provide input into the European Commission's High Level Group on the specific measures that should be considered in its policy recommendations.

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For further information please contact:

Sabine Henssler, CIAA Communications Director, Tel: +32 2 508 10 28, or +32 2 514 11 11, s.henssler@ciaa.eu

CIAA represents the European food and drink industry – the largest manufacturing sector, major employer and exporter in the EU. CIAA's mission is to represent the food and drink industries' interests, at the level of European and international institutions, in order to contribute to the development of a legislative and economic framework addressing the competitiveness of industry, food quality and safety, consumer protection and respect for the environment. CIAA membership is made up of 25 national federations, including 2 observers, 28 European sector associations and 20 major food and drink companies.



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