



Conservatives in the European Parliament

News Release

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Issued by: Malcolm Harbour MEP

Brussels: +32 (0) 2 28 45132

Strasbourg: +33 (0) 3 881 75132

Commission proposes to cut red tape on microenterprise, but far more ambition needed

The European Commission has announced plans to help thousands of small businesses employing less than 10 people, by potentially excluding them from the scope of future EU laws. The plans, announced by Commission President Jose Manuel Barroso, also give small business a bigger role in consultations on future EU laws.

Malcolm Harbour, the Conservative West Midlands MEP who chairs the European Parliament's Internal Market Committee, welcomed the plan but called for a far more ambitious Commission agenda to cut business costs and drive growth. Conservatives want a systematic review of all existing EU regulation which carries disproportionate red tape costs in relation to the benefits it is supposed to deliver. They want the Commission to draw up a list of laws, such as the Working Time Directive, which are sapping Europe's global competitiveness and discouraging new business growth. These would then be reformed or repealed.

Mr Harbour said: "The average cost of starting a business in the EU is €1,600 more than in either Brazil or the US. We have to start redressing that balance.

"Building on the 2008 Small Business Act and the principle of 'think small first', these new proposals are another step in the right direction. But this is still a half measure. We need comprehensive action to cut red tape and alleviate administrative burdens to allow European micro-enterprises to grow into big employers.

"While still protecting customers and maintaining fair competition, we must unlock the potential of these entrepreneurs and investors

as soon as possible The burden of regulation weighs much more heavily on smaller businesses than larger ones particularly since they don't have legal and human resources departments to deal with a growing burden of administrative costs. For small-scale entrepreneurs, every hour spent on paperwork is an hour not spent in developing and marketing their products and services.

"For an infant enterprise, that can be the difference between success and failure."

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