

Energy and materials prices endanger SMEs' recovery

SMEunited proposes a set of concrete measures ahead of the upcoming EU Council

Brussels, 19/10/2021 – Ahead of the European Council meeting on 21 October, SMEunited spotlights the repercussions of high energy and material prices for European SMEs. It calls for policy actions to mitigate the energy crisis for 22,5 mio SMEs, such as cost management and measures to improve energy markets.

Despite the progress achieved in the last months ([SME Barometer](#)), recovery seems to slow down for the manufacturing and construction sector. This is due to **high prices for energy and commodities and shortage of supply of important materials and transport services.**

In the light of the EU Summit, SMEunited favours a set of national measures, starting from reduction of **energy taxes and levies as well as reduce VAT on energy to the minimum rate.** Moreover, we recommend **income support for the most vulnerable, moratoria on penalties for delays in executing contracts, price indexation for public contracts and access to future markets for energy and raw materials for small businesses.**

Regarding measures at EU level, we urge the European Competition Authorities and market regulators to **investigate possible abuses by market participants**, for instance in the energy spot markets, ETS market, container shipping sector etc. In addition, the **electricity market should ensure efficient energy production and avoid windfall profits for specific market participants. Improving the mechanism for gas storage in Europe** and considering voluntary joint procurement of gas stocks is the best way forward. Finally, progress on EU's raw material strategy is essential to implement its open strategic autonomy and to strengthen the efforts to reduce energy dependencies.

“A further acceleration of the energy and raw material crisis endangers the current recovery from the pandemic. It also puts the green transition at risk”, warned President Maggiar. “We trust that the EU Council is fully aware of that and will cooperate with all actors to put in place the appropriate solutions”, he concluded.

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EDITORS' NOTES: SMEunited is the association of Crafts and SMEs in Europe with 65-member organisations from over 30 European countries. SMEunited represents national cross-sectoral Craft and SME federations, European SME branch organisations and associate members. Combined, we speak on behalf of the 22,5 million enterprises with around 82 million employees across Europe. SMEunited is a recognised employers' organisation and European Social Partner. SMEunited was formerly known as UEAPME.

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