

CIRCULAR N.º 63/09

Assunto: Comunicações apresentadas na Assembleia Geral do BIBM - Crise do Sector da Construção

Caros Associados,

No passado dia 5 de Junho decorreu em Bruxelas a Assembleia Geral do BIBM, na qual foi abordado o tema da crise económica que o sector atravessa. Enviamos duas comunicações, apresentadas na AG, que achamos pertinente para conhecimento dos nossos associados.

- J. Bitterlich & BIBM United Towards "Beyond National Frontier Approach" for Trade

(Joachim Bitterlich, former Foreign and Security Policy Advisor to Federal Chancellor Helmut Kohl and German Ambassador to NATO and then Spain, addressed the European Precast Concrete Industry gathered on Friday 5th June on the occasion of BIBM General Assembly)

- Discussion on possible ways to help SMEs in the present context: horizontal policies covering the SMEs (with specific accent on the Small Business Act and its relationship within the economic rescue plans), reduction of administrative burden, better access to finance.

(Emmanuel Berck (Deputy Head of unit "Horizontal aspects of SME policy", EU Commission, DG Enterprise), A. Rimoldi)

Com os melhores cumprimentos,



Ana Luísa Soares Pereira (Eng.ª)

Lisboa, 18 de Junho de 2009



Press release

J. Bitterlich & BIBM United Towards "Beyond National Frontier Approach" for Trade

Joachim Bitterlich, former Foreign and Security Policy Advisor to Federal Chancellor Helmut Kohl and German Ambassador to NATO and then Spain, addressed the European Precast Concrete Industry gathered on Friday 5th June on the occasion of BIBM General Assembly.

Brussels 9 June 2009 - In this crucial time of European elections - the largest democratic election in the world -, Joachim Bitterlich encouraged participants to see Europe as their domestic arena of work, and not to limit themselves to national frontiers, using benchmarking when necessary to learn from best practices implemented by other countries. As businessmen, BIBM members have to play a significant role together with the European Union: we share the responsibility of setting the scene for both economic and political activities.

Mr Emmanuel Berck, Deputy Head of Unit SME Policy Development at the European Commission, introduced the political lines followed by the European Commission in favour of SMEs, with a specific focus on this rough economic times (Small Business Act, late payment Directive, and current exceptional measures implemented by Member States in favour of SMEs). The precast concrete industry is particularly concerned by those measures as SMEs represent 95% of precast companies. Those preliminary discussions therefore led the way to an internal debate about the role of BIBM in those economic circumstances.

BIBM will then continue coordinating the messages the precast concrete industry wants to pass on at national and European levels concerning the importance of the construction sector for the European economy (representing more than 10% of the total EU GDP, 7% of the total EU workforce) and the benefits precast concrete elements offer. Their cost efficiency and versatility allow them to adapt rapidly to the demand. Thanks to their ease of application and rapidity of execution, they speed up recovery times, saving time, energy and resources. The precast concrete industry must therefore be considered as a real partner to a faster and more sustainable recovery.

BIBM calls for a European coordinated action following those main lines: favour new buildings for greater energy efficiency of the building stock, reduce delays of payment, speed up the realisation of construction projects, restore access to credit and finance and improve the accountancy system, allow the re-evaluation of assets, and promote measures that favour local employment.

ABOUT BIBM:

BIBM is the European association representing the Precast Concrete industry, involved in the supply of sustainable solutions for the built environment. The sector employs more than 210.000 people in 8.000 production plants around Europe, generating more than 35 billion Euros of turnover.

CONTACT:

Laetitia Dévant – Public Relations Manager

T: +32-2-738.74.32

F: +32-2-735.60.69

E: ld@bibm.org

W: www.bibm.eu



MEETING REPORT

Date: 05 May 2009

Venue: BXL

Author : AR

Date PV : 05 May 2009

Main subjects: Discussion on possible ways to help SMEs in the present context: horizontal policies covering the SMEs (with specific accent on the Small Business Act and its relationship within the economic rescue plans), reduction of administrative burden, better access to finance.

Participants: Emmanuel Berck (Deputy Head of unit "Horizontal aspects of SME policy", EU Commission, DG Enterprise), A. Rimoldi

Points discussed

• **Rescue plans**

- *Commission:* economic crisis has shifted EU Commission priorities. The political will to support SMEs as job creators and innovation driver has increased (Deputy Director General of the DG enterprise, Françoise Le Bail, is appointed as SME envoy, dealing specifically with SMEs issues). Out of the ten points defined in the Small Business Act (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0394:FIN:EN:PDF>), three have received a major attention: facilitate SMEs access to finance, adapt public policy tools (including facilitating the access to public tenders) to SME needs and make public administrations more responsive to SME needs. EU Commission cannot play a coordination role in the present framework of rescue plans because of competency problems; the first assessment of the rescue plan at the EU level will be prepared at the end of 2009 only.
- *BIBM:* I convey the message that this could be too late for many businesses. We think that construction should play a major role in the recovery as source of welfare for people and activity for local business. Draw the attention on the fact that, if not controlled, only few (big) players could take profit from the money invested by national authorities.

• **Access to finance**

- *Commission:* EU instruments to improve access to finance are: the European Investment Bank (that granted specific loans to SMEs); the European Central Bank; the Regional development fund (especially under the Regional Competitiveness and Employment objective).
- *BIBM:* Access to finance is still a major problem for precast concrete manufacturers. Measures taken by EU and members states looks "filtered" by the financial-banking system, not ready to lend money as easily as it receives it.

• **Late payment directive**

- *BIBM:* revision of the Late Payment Directive could have a strong impact on our sector, which is confronted with big suppliers (cement, admixtures...) and big customers (building material merchant, big construction companies...) and, consequently, different delays (short for suppliers, long for clients). *PS:* a meeting with the Director of the unit in charge of the revision of this directive is scheduled on 13 May.
- *Commission:* there is political agreement (EU and MS) to speed up the payment for public financed works (no more than 30 days). EU is committed to going further: when a project is co-financed by EU and local money, the EU money will be provided within a short time frame, even if the local one is still not available for bureaucratic reasons.

• **Changing in accountancy standards**

- *BIBM:* critics about the international financial reporting standards (IFRS) in a period of high volatility like the end of 2008 for the evaluation of the assets at "fair value". Evoking the possibility to re-evaluate the assets of a company with reduced/no taxes for the relative capital gain.
- *Commission:* there are presently discussions concerning the accountancy standards in the EU. The Unit F3 – Financial reporting policy of DG Internal market and services is currently tackling the issue.

• **Reducing administrative burden for SME**

- *BIBM:* what is the preferred route of the Commission: a legislation which applies to all the actors in a determined sector irrespective of the size or special provisions for SMEs-microenterprises (like in the CPR)?
- *Commission:* the objective is the "Think small first", i.e. a legislation that could apply to SMEs directly and, therefore, to bigger players at the same time. But in practice this is not possible in many cases, especially when there is an existing legislation (it is easier with new pieces of legislation).

- **State aids and cartels**

- *BIBM*: can these issues be envisaged as alternative ways of financing the economy in very special occasions and within defined procedures?
- *Commission*: this is mainly an issue for DG Competition. State aid procedures have been recently softened in order to speed up their availability (the notification to the EU has been suppressed in very particular cases). All these state aids would in principle profit to all the economy and not to one sector in particular (which is still illegal). For cartels this would be more difficult because it is against the Treaty dealing with the free competition. Maybe Member States can play a role and address the Commission on this topic?

- **Sub contracting**

- *Commission*: a report on sub contracting is under preparation, setting the scene for future actions. The Commission is assessing the importance of sub contracts in the European economy, especially in the perspective of big companies sub-contracting to small ones. The assessment would be ready by the end of the year.

- **BIBM June General Assembly**

- *BIBM*: presentation of the June General Assembly as the place for addressing the issue of the economic crisis in the precast concrete sector (with the intervention of Joachim Bitterlich). I extend the invitation to the Commission to be there and participate in the debate.
- *Commission*: favourable in principle. First choice would be Ms Le Bail (Deputy Director General and in charge of the SME), second choice Ms Woersdoerfer (head of unit on "Horizontal aspects of SME policy"), third choice M. Berck itself.