

The impact on SMEs

European Chemical Social Partners' Second Workshop on
"On the Road to Climate Neutrality 2050"

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SMEUnited

- Employers' organisation representing the interests at European level of Crafts, trades and Small and Medium-Sized Enterprises.
- 67 member organisations (national cross-sectoral associations and European trade federations).
- Represents 22,5 million enterprises in EU which employ nearly 82,4 million people.
- Recognised European Social Partner.

SMEUnited in Croatia

- Udruga Glas poduzetnika
- Hrvatska Obrtnička Komora
- Hrvatska Udruga Poslodavaca

SMEs in Europe

- European definition ≤ 250 employees
- EU: 22,5 mio enterprises – 99.8% SME
- 2/3 of all employment, close to 55% of added value
- Average: 5 employees
- 90% = micro-enterprises < 10 employees
- 50% one-person companies

SMEs - a heterogeneous group

- In new techs, there are
 - “front-runners” developing new technologies and
 - those which “follow” and have to adapt to new technologies.
 - SMEs are heterogeneous also in terms of internal capacity and resources, ranging from microenterprises to medium sized companies.
- Challenges are different and SMEs need **different support measures according to the level of technisation/digitalisation and size.**

Support measures

- Front-runners: Need the right environment and incentives in order not to hamper the development of new technology
- Followers: New tech should not be seen as an imposition or an end in itself, but instead as a tool to help the daily work and boost productivity.

Support measures

- Skills development
- Capacity building / access to knowhow
- Apply “Think Small First”
- Access to data
- Financial support
- Ensure the appropriate infrastructure
- Standardisation - Small Business Standards (SBS)
- Comprehensive and coherent approach among all the initiatives and also Commission’s services

Some views on the “Fit for 55”

- Foster production of any kind of renewable energy, also by simplifying the permit procedures;
- Meaningful energy and climate diplomacy to ensure a manifold source of renewable energy from neighbouring countries where climate conditions are more favourable
- Establish a worldwide level playing field, but CBAM won't ensure this
- Develop interconnections, transmission, distribution networks and as storage possibilities

Some views on the “Fit for 55”

- Sector/system integration is effectively enabled
- Massive investments in research, development and innovation for breakthrough technologies increasing the production, distribution and storage of all kinds of renewable energy sources
- A sustainable and competitive level playing field by applying the principle of technological neutrality

Some views on the “Fit for 55”

- SME impact assessment for any new legislation
- Simplification of measures and reduction of red tape, e.g. by applying the one-in-one-out principle
- Better access to finance for investments in technologies, change of production processes and new product ranges
- Supply of information and technical assistance at local level
- Specific incentives, e.g. tax rebates to stimulate investments in new green tech and equipment
- Upskilling and reskilling

Example f-gases

- Proposal for a new f-gas regulation was published recently and it will require:
 - More skilled workforce for intensified tasks like more leakage detection.
 - Better skilled workforce to develop low-GWP systems.
 - Differently skilled workforce to install and maintain new low-GWP systems.
 - Faster and different permit procedures.

Example f-gases

- That's the situation now for SMEs:
 - Lack of skilled workforce already now (without the new regulation).
 - New skills required, e.g. flammable cooling agents.
 - Permit procedures in MS are very slow and focus on the wrong things, e.g.:
 - permit for new installations and /or upgrades to the new legal requirements takes ages,
 - permits for new cooling agents are different, e.g. because of flammability.

Some views on the CSS

- Crisis-proof supply and re-industrialisation of the EU
- More chemicals will be banned / stricter regulated
- Chemicals legislation won't get simpler, while already being too complex for SMEs.
- More focus missing on
 - planability and investment cycles,
 - innovation and
 - situation of SME
- Support of ecofriendly innovation (e.g. SSbD)
- Market surveillance and global context

Examples, what we are doing

- SMEunited is member of
 - the Coordination Group of the European Circular Economy Stakeholder Platform,
 - the Expert Group on the Financing of Circular Economy set up by DG Research.
 - the High-Level Roundtable of the CSS
 - in the Transition Pathway for Chemicals
- EU projects, e.g.
 - EREK (European Resource Efficiency Knowledge Network), includes chemicals
 - R2PI, analyzing the take-off circular economy in 6 sectors (construction, electronics, food, plastics, textile, water management)

Examples, what we are doing

- Supporting and advocating for:
 - quality vocational education and training,
 - the further development of work-based learning,
 - education of young people,
 - better skills forecasting in cooperation with companies,
 - promoting apprenticeships,
- Quality training = education structured with a multidisciplinary/transversal approach to the green transition and sustainable development at different levels.

Examples, what we are doing

- SMEs:
 - are main providers of apprenticeships in Europe,
 - contribute largely to work-based learning for well-prepared workforce,
 - key for skilling for the green transition.

- Are often also the beginning of a supply/production chain
- Can't just rely on "sustainable" products of their large suppliers to become sustainable.

REMEMBER: Support measures

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It was a pleasure talking to you.

Now I am curious about your views.