



**DG Enterprise and Industry**

**Deputy Director General: Antti PELTOMAKI**

***SPEAKING NOTE FOR THE CLOSING OF THE  
CONFERENCE***

**High Level Conference: The Path to Growth: For a Business  
Friendly Public Administration'**

**Charlemagne, Tuesday 29 October 2013, 16:30 – 17:00**

**DRAFT - CHECK AGAINST DELIVERY**

Dear colleagues,

We have had a very fruitful day of discussions.

I would like to **thank our speakers** for their contributions today, President Barroso, distinguished Ministers, and other government and industry representatives, as well as, my own Commissioner, Vice-President Tajani.

I would like to now provide some **general conclusions**, which we have drawn from today's discussions.

In the morning, we heard some good examples from Ministers on what Member States are doing to address inefficient and costly public administration practices in their countries. While there is still some way to go, it is good to note that **Governments are taking up the challenge of improving their public administration**. They are working on improving efficiency and finding better ways of working to help the business community. As Vice President Tajani noted earlier, it is important that Governments evolve to ensure **an efficient, cost-effective, stable and high quality public service**.

I believe the discussions today have proven without a doubt the importance of high quality public administrations for a country's **competitiveness** and that of its companies.

One way to achieve fit for purpose public administrations is to learn from each other. By **observing best practice in Member States** on implementing change in the public sector we can adapt. Sharing best practice was in fact **one of the main goals of this conference**.

In this morning's second panel **businesses** presented their views on how they would like to see public administrations improved. Businesses deal with the public sector on a daily basis and their viewpoints provide **crucial feedback to policy makers**.

With respect to the various workshops held in the afternoon, I do not need to repeat the conclusions presented by my colleagues. We have drawn lessons on: 1) Reducing administrative burdens,

2) Exploiting the significant potential of ICT in reforming the public sector, and,

3) The importance of strategic management in Government.

It is good to note, however, that the **field of public administration is very broad**. We organised three workshops focusing on different aspects of public administration but in fact, we could have had many more on other relevant issues.

For example, we need to work towards a more efficient and predictable judicial system. Business needs legal stability and acceptable timeframes for legal procedures.

I would like to take this opportunity to mention a few examples of what the Commission is doing to improve the business environment.

Firstly, with respect to **SMEs**, we all know that **SMEs are the backbone of the European economy**. European SMEs number approximately 20 million, they generate 58% of the EU's gross value added and 67% of total employment.

Unfortunately, **European SMEs continue to bear the burden of the crisis** – registering a decline in output and a loss of jobs.

In light of all that has been said today, we must keep **the needs of SMEs at the forefront of our policies** and reduce their administrative burden to increase competitiveness. We

need to provide an environment where small businesses can thrive, grow and create jobs.

To achieve this, we are trying to establish this mind-set in Europe. Through the Small Business Act (SBA) we have tried to identify a complete set of SME friendly policies. We are now monitoring their implementation in the Member States through the SME Performance review. The results of this review will be published at the SME Assembly taking place in Vilnius, Lithuania next month<sup>1</sup>.

Moreover, the principle of “**Think Small First**” is a core principle of the Small Business Act (SBA). In practice, this principle means that **SMEs’ needs should be taken into account when designing legislation, administrative rules and procedures**. We need to make legislation simpler and more user-friendly.

The impact of new legislative proposals on small businesses should always be assessed. In this way we can ensure a level playing field where smaller businesses are not disproportionately affected. The Commission uses the **so-called SME Test** to test the impact of new legislation.

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<sup>1</sup> SME Assembly, Vilnius, 25-26 November.

I invite all Member States to “Think Small First”. And to ensure that their legislation is SME friendly by applying an SME test to national legislation.

Secondly, I would like to mention the problem of late payments. **Late payments constitute a major obstacle to the free movement of goods and services** in the single market. SMEs are particularly vulnerable in this regard.

Late payment by the public sector remains a widespread trend in the EU. In several Member States, more than 90% of companies have indicated that they want increased legislative support to get paid on time.

**It is time to put an end to the culture of late payments!** The Late Payments Directive, adopted by the Commission in 2011, needs to be better enforced. Correct implementation of the Directive – that is, **requiring public authorities to pay within 30 days** for purchased goods and services - **will unlock the much needed cash flow** for European enterprises. Thus helping them to overcome this unprecedented economic crisis.

According to our calculations, paying on time could **provide additional liquidity to businesses amounting to a total of 180 billion euros**. The task ahead of us is ambitious, but it

is essential to enhance the competitiveness of European businesses.

Transposition of the Directive into national law was due by March 2013. The Commission is currently analysing all the transposition measures. Given the importance of correct implementation and enforcement of this Directive, **the Commission launched a Late Payment Information Campaign which will cover all the EU Member States.** The aim is to increase awareness among European stakeholders about the new rights conferred by the Late Payments Directive.

Finally, we remain fully committed to improving our own legislative environment in order to simplify the life of businesses. To this end, we have:

1. Firstly, identified the **top 10 regulatory burdens for businesses,**
2. Secondly, integrated **competitiveness proofing** in the Commission's impact assessments, and
3. Thirdly, are **conducting cumulative cost assessments** for a number of sectors.

On 2 October 2013 the Commission published a new Communication setting out where further action will be taken to simplify, revise, withdraw or evaluate EU laws.

We have **significant challenges ahead**. However, we can, and must do more. This conference has shown that while there are obvious leaders in the area of efficient public administration there is room for improvement **across all Member States and also in the Commission**.

I would like to thank you all for your presence and for your very useful contributions in today's discussions. We look forward to using today's input to help guide policy action on public administration in the future.