

Limits of the change of ownership for SME`s given by EEC Law

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Improper Coordination of failures of the market

- Minimum Capital requirements
 - Reversed Version released
 - More or less withdrawal of banks from financing SME`s representing certain sectors
 - Implementation casting shadows over long period

Improper Coordination of failures of the market

- Minimum Capital requirements
 - No substitutes in the market
 - Application by all banks
 - Total different banking system than in the US
 - McCreevy attempt to cut into the continental system

State Aid rules

- Strict limits of the Commission
 - Change of the system
 - New MS only provided net figures without any considering tax effects
 - Strong competition in neighbouring areas
 - Austria highly affected

State aid rules

- No further development of guarantee funds
 - Commissions argument to much lacking of transparency
 - More focusing on venture capital funds
 - To much relying on “AngloSaxon” approach
 - Problem of calculating the intensity
 - Frame limits to 80%

Comparison with the US

- Two tier system
 - Federal: Small Business Authority
 - Centralizing the concerns of SME`s
 - Strong systems of guarantees
 - More than 20 Billions of dollars
 - Programs up to 2 mill \$
 - To the extent of 90% of the investment

US System

- Smart Bond of the States
 - Up to 90% guarantee
 - Up to 90%
 - Additionality
 - Ownership changes eligible

The destiny of SME`s

- More than 19 Million in Europe
- Everybody talk about them
- Nobody cares about them
- Just subject of political gossip
- We need more coordination
- Skip bureaucratic burdens
- Fix a proper financing environment