



# EUROPEAN BUILDERS CONFEDERATION

*The Voice of Construction Crafts and SMEs in Europe*

PRESS

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For immediate release

## LATE PAYMENTS DIRECTIVE:

**Construction SMEs now ask the Council  
to put into practice the Small Business Act**

Brussels, 28 April 2010

Today a strong majority of the members of the Internal Market Committee (IMCO) of the European parliament voted for the adoption of **MEP Barbara WEILER's report** on the recast of the **late payments directive**. European Builders Confederation **EBC** – the voice of construction crafts and SMEs in Europe – strongly welcomes this vote since it shows a strong position by the European Parliament on the need to protect SMEs from unfair late payments by public administration and other businesses. EBC calls now on the Member States to take into account the IMCO Committee's position by implementing and putting into real practice the Think Small First principle as enshrined in the Small Business Act which they themselves have adopted.

The EBC president, Andrea Marconi, declared: **“This is an important step for SMEs and a strong warning for the European Council. The Parliament's committee decided to put into practice the principles and the commitments of the Small Business Act and of the Recovery Plan. It is now to the Member States to live up to their engagement and adopt an improved late payments directive. It is important to note that MEPs decided to send a signal to public administrations, which must have less derogatory powers in payments of public procurement contracts. Recent surveys among EBC members show that SMEs' access to public procurement is strongly limited by the high possibility of late payment and this – in a time of crisis where companies are still under great financial pressure – is unacceptable.”**

The MEPs also voted in favour of tougher provisions for transactions between private enterprises stating that contractual payment conditions shall not exceed 60 days unless it is agreed and does not damage any of the party. President Andre Marconi also reminded that **“most of all in subcontracting chains, big enterprises impose all sorts of unfair payment conditions to crafts and SMEs, without respecting any real principle of contractual freedom.”**

EBC strongly regrets and denounces the suppression of the provisions on additional penalties in case of late payments. The Parliament must reconsider this position and take into account the positive discussions about gradual sanctions up to 3% instead of a flat rate 5%.

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Established in 1990, the European Builders Confederation - E.B.C. - is a European professional organisation representing national associations of Craftsmen and SMEs working in the construction sector. Through its national members, E.B.C. represents 2 million micro, small and medium sized enterprises from the construction sector.

The construction sector is of vital importance to the European Economy. With 3 million enterprises, an annual turnover of almost € 1300 billion, a total direct workforce of almost 14 million, the construction sector contributes about 10% to the GDP of the European Union.

The European construction sector is composed at about 99% of Small and Medium-sized Enterprises (SMEs), who produce 80% of the construction industries output. The small enterprises (less than 50 employees) ensure 60% of the production and employ 70% of the sectors working population.

**Information to the press:**

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