





Mr Olivér Várhelyi European Commissioner for Neighbourhood and Enlargement

> Brussels, 08/07/2022 Group I Secretariat(2022)D/2009

Dear Commissioner,

The EU has shown historic unity and determination since the beginning of Russia's brutal invasion of Ukraine, but it needs to be backed up by immediate actions. **Ukrainian businesses, and especially SMEs, need to be saved now to be able to act as the driver of reconstruction after the war.**

As mentioned in the European Commission's Communication on *Ukraine relief and reconstruction*, the impact of the war on Ukraine's economy is immense and a major pillar of Ukraine's reconstruction has to be the support for "the recovery of Ukraine's economy and society by promoting sustainable and inclusive economic competitiveness, sustainable trade, and private sector development, while contributing to the green and digital transition of the country".

However, waiting for the end of the war to support Ukrainian companies, especially SMEs, will be too late. SMEs presented 99.9% of Ukrainian enterprises in 2019 and accounted for 55% of the country's gross domestic product. This vital sector of Ukraine's economy and society needs to be kept alive to act as the basis for Ukraine's future economic development. SMEs that close down now will be lost forever.

On this, we note and welcome the measures already taken at EU level to support Ukrainian companies, for instance the temporary trade liberalisation and other trade concessions with regard to certain Ukrainian products, or the EU-Ukraine Solidarity Lanes Business Matchmaking Platform. These are positive efforts which are going in the right direction.

Having said this, in its resolution <u>Ukraine – from relief to reconstruction – proposals by the European civil society</u>, the EESC called for efforts "to provide emergency funding for SMEs in Ukraine, which should go first towards preserving these SMEs and then helping them to grow."

Whilst welcoming the support measures with which the European Union responded to the war in Ukraine so far, we are urgently calling for targeted support to specifically assist Ukrainian SMEs during this period of war. Such help should set up and further develop following initiatives:

- Helping SMEs to open offices/production facilities in safer parts of the country and to open temporary offices/production facilities in neighbouring EU countries,
- Granting comprehensive assistance, including legal support and advice, on conducting business in the EU,
- Creating a broad B2B matchmaking platform including all sectors,
- Facilitating access to information about export opportunities for Ukrainian companies,
- Ensuring decent infrastructure and logistics to help those SMEs that continue to stay in Ukraine to move their materials and products,

- Providing access to finance,
- Facilitating the participation of Ukrainian SMEs in various programmes and grants,
- Supporting Ukrainian SMEs with the digital transition which will facilitate their access to markets outside of Ukraine too,
- Granting preferential conditions at trade exhibitions for SME representatives from Ukraine and
 providing free space for stands as well as organising business tours for Ukrainian company leaders
 abroad to share experience with foreign companies.

Ukrainian SMEs need to survive now, in order to be the backbone of the Ukrainian reconstruction tomorrow.

We consider it vital for any assistance and support for SMEs, and the issue of reconstruction, to extend to all regions of Ukraine, taking into account the regional characteristics and needs of each region.

Moreover, it is crucial for the Ukrainian SME community that Ukrainian business organisations will be able to keep on providing support and advice to Ukrainian SMEs. In this respect, support should also be targeted to the SME and business organisations in Ukraine.

The EESC Employers' Group and its Ukrainian partners, the Ukrainian Chamber of Commerce and Industry and the European Business Association in Ukraine, are convinced that the future of Ukraine needs to be strongly based on a thriving economy that can generate prosperity for all Ukrainians and that helps Ukraine on its way to EU membership, now as a candidate country.

In addition to the indicated urgent support, and with an eye to the period immediately after the war, we are therefore jointly calling for a strong focus on the reconstruction of a positive business environment for SMEs also in the scope of the Ukraine reconstruction platform as well as the deployment of necessary funds, including for educational programmes and training courses for employees and managers.

Dear Commissioner, we trust that you understand the urgent nature of our request. We are looking forward to your reply and are ready to contribute with our contacts in Ukraine and SME expertise.

Yours sincerely,

Stefano Mallia
President of the EESC
Employers' Group

Gennadiy Chyzhykov
President of the Ukrainian
Chamber of Commerce and
Industry

Anna Derevyanko
Executive Director of the
European Business Association,
Ukraine