

EFB launches “the Brussels process” whose aim is to recognize the crucial role of Mid-Caps* in the EU economy and to better address their needs and challenges (*Businesses between 250 and 4,999 employees)

EFB held a debate today at the headquarters of the Parliament in Brussels, under the sponsorship of Ms Nicola Beer, MEP and Vice-President of the European Parliament.

Were also present:

- **MEP Josianne Cutajar** - Group of the Progressive Alliance of Socialists and Democrats in the European Parliament, ITRE
- **MEP Pilar del Castillo Vera** - Group of the European People's Party (Christian Democrats), ITRE
- **MEP Enikő Győr** - Non-attached members, ECON
- **MEP Eero Heinäluoma**- Group of the Progressive Alliance of Socialists and Democrats in the European Parliament, Treasurer -ECON
- **MEP Johan Van Overtveldt** - European Conservatives and Reformists Group, Member of the Bureau- ECON
- **Hubert Gambs** - Deputy Director-General DG GROW - Internal Market, Industry, Entrepreneurship and SMEs

EFB presented a study together with KPMG showing how Mid-Caps are critical for the EU economy.

Bridging the “Mid-Cap gap”

Both SMEs and large businesses have specific EU regulations as well as tailor made support policies to foster their growth and development. It is essential indeed to have specific EU public policies in place depending on the size of the enterprise. **However, a specific category for EU Mid-Cap businesses does not exist and yet they are critical to the EU economy:**

- An essential source of employment across the EU
- The backbones of our local and regional economies
- Mostly industrial, exports oriented and therefore a key actor in Europe's sovereignty and power
- Largely family-owned and therefore driven by long-term investment
- Catalysts for social responsibility and entrepreneurial values across the EU

The lack of a recognized Mid-Cap category at European level has left these companies to comply with rules and regulations that are typically designed for very large and complex companies. Moreover, Mid-Caps do not benefit from the support that is available to SMEs.

Therefore, we believe that EU Institutions should explore the creation of a Mid-Cap category which will ensure a targeted and more efficient policy.

The meeting today is a first step in this direction, and we will be engaging with other EU policymakers and member states in the coming months in order to finally bridge the Mid-Cap gap.

“In order to become globally competitive, mid-cap companies must continuously invest their time and financial resources in research and development. In Europe, there are special tools to support SME investments in R&D. However, this support is not always accessible to medium-sized businesses in all member states. Creating a European category for mid-caps would ensure that R&D funds are easily accessible since, as the Commission rightfully states, “Investments in high-growth, research and innovation-driven SMEs and midcaps are critical for the post-pandemic recovery”. **Udo VETTER, President of European Family Businesses**

“Mid-Caps are the backbones of our local and regional economies. These companies have the size and ability to go internationally, and they play a key role in EU’s foreign trade. Our goal with EFB is to help European policy makers understand the nature of these companies, as well as their growth potential. The creation of the Mid-Cap category (ETI) in France in 2008 was pivotal as it clearly helped Mid-Caps and policy makers to better understand each other. This was the pre-condition for the adoption of successful Mid-Cap policies over the last few years”. **Arnaud VAISSIÉ, Board Member of European Family Businesses and Board Member of the Meti (Mouvement des Entreprises de Taille Intermédiaire)**

European Family Businesses (EFB) is a federation of national family businesses associations. Our aim is to make political decision makers aware of the contribution of family businesses to society at large and to promote policies that are conducive to long term entrepreneurship. Our members represent turnover in excess of one trillion Euro, 10% of European GDP.