



HEADLINES

EU / supply chain security: EU Institutions discuss far-reaching draft regulation

The European Commission's draft regulation on enhancing supply chain security will be discussed in the Council of Ministers this autumn and is on the European Parliament's agenda early next year. The proposal is intended to protect freight transport by road, rail and inland waterways from terrorist attacks through the creation of a 'secure operator' scheme.

The scheme could however lead to costs of € 55 billion for SMEs. Costs would include an audit, costing about € 800 per business per day. In addition, firms would face a one-off start-up fee of € 135,000 and additional annual costs of € 131,000. The regulation would apply to goods coming from abroad, those traveling within the EU, and those traveling within a country. Moreover, businesses across all sectors would be affected.

Whilst the small business community fully supports the struggle against terrorism, ESBA regards the proposed measures as an unenforceable standard which may even mask security weaknesses in the supply chain. The high costs to SMEs are unsustainable and would endanger jobs and growth ESBA calls for a rejection of the proposal and urges the EU to work more closely with the business sector in order to face the serious challenges posed by terrorism.

To see the Commission's proposal, please go to:

http://ec.europa.eu/dgs/energy_transport/security/intermodal/index_en.htm

To see ESBA President Tina Sommer's letter on this issue, please go to:

D626E/News/Press_Releases/30_Aug_2006_-_ESBA_opposes_the_EC_s_proposal_on_ESCS.aspx

EU / Education: New Qualifications Framework

On 5 September 2006, the European Commission released its latest working document in the "Education and Training 2010" programme. The text, "Towards a European Qualifications Framework for Lifelong Learning", in conjunction with a stakeholder consultation, aims to facilitate greater transparency and accessibility in the education and training systems.

Education and Training Commissioner, Jan Figel, said that there were too many obstacles in the path of those who wished to move from one country to another. The proposed European Qualification Framework EQF is intended to clarify the existing systems, using an 8-level scale. Each level will look at what a learner knows, understands and is able to do.

This new model emphasises 'learning outcomes', rather than length of study or place of study. It is hoped that this model will provide a better match between the needs of the labour market and education/training provisions and help validate non-formal modes of learning. Adoption is expected before the end of 2007 with member states relating their national qualification systems to the EQF by 2009.

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To read the Commission's Communication, go to:

http://ec.europa.eu/education/policies/educ/eqf/com_2006_0479_en.pdf

IN BRIEF

EU / gold plating: Federation of Small Business releases report on gold plating

The Federation of Small Businesses, member of ESBA, has published a report into the practice of 'gold plating' EU regulations in association with the Foreign Policy Centre. The report, including detailed analysis of specific laws and case studies into the impact of gold plating, is the first major piece of research into the detail of the subject as well as the final report before the publication of the Government's Davidson Review on the matter.

To see the full report, please go to:

<http://www.fsb.org.uk/documentstore/filedetails.asp?id=366>

EU / state aid : risk-capital investment promoted in revised state-aid guidelines

On 19 July 2006, the Commission released its 'guidelines on state aid to promote risk-capital investments'. These guidelines, which replace a 2001 communication, call for the 'light assessment' approach, which accommodates yearly joint state and private funding packages of up to € 1.5 million for SMEs. This represents an increase of 50 % over the amount allowed previously. State aid must include a 70 % quota for equity instruments rather than debt instruments and at least 50 % must come from private investors. Any state-aid risk-capital measure which does not meet these requirements must be supported by proof of market failure.

To see the Commission guidelines in full, please go to:

http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/c_194/c_19420060818en00020021.pdf

EU / Services: Council adopts common position on services

On 24 July, 2006, the Council adopted its common position on the services directive, which seeks to create a single market for service. The development follows the political agreement reached by the Competitiveness Council on 29 May 2006. The common position closely follows the first reading opinion of the Parliament and the Commission's amended proposal. It will now go to second reading in Parliament, possibly before the end of the year.

To see the press release on the common position, please go to:

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/misc/90635.pdf

EU/ Intellectual capital: Commission issues high-level expert group

A report by a European Commission high-level expert group made up of specialists from all over Europe entitled 'Reporting intellectual capital to augment research, development and innovation in SMEs' (RICARDIS), has asserted that a greater recognition of intellectual capital by companies could lead to financial gains for research-intensive SMEs. The report also includes recommendations on Commission actions that may help Member States carry out reporting of intellectual capital in annual reports.

To see the report, please go to:

http://ec.europa.eu/invest-in-research/pdf/download_en/2006-2977_web1.pdf

EU / R&D: Barroso calls for Greater Investment and Cooperation

At the French business Union MEDEF on 29th August, Commission President Barroso spoke on the challenges of globalisation. Investment in people, research and life-long learning comprised the key

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areas of his approach to stimulate business and the proposed European Institute of Technology will provide the practical model through which this can translate to the marketplace. Other key areas to be addressed include; labour market flexibility, job security, consideration of the global market at all levels of governance and respecting diversity within the EU.

To see the Commission press release, please go to:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=SPEECH/06/479&format=HTML&aged=0&language=FR&guiLanguage=fr>

EU / internal market: Commissioner Verheugen reviews progress in common market

On 14 September 2006, Günter Verheugen, Vice-President for the Commission responsible for Enterprise and Industry, held an exchange of views with the Parliament's internal market and consumer protection committee. He welcomed improved growth within the EU, but cited the reduction of bureaucracy as one of the primary areas which required further work. To this end, the New Approach will be important, whereby business self-regulates in all areas which are not linked to protection of the consumer and the public. Moreover, it is vital that Member States implement EU regulation correctly, without creating additional burdens for business through 'gold plating'.

For more information regarding the policies of DG Enterprise, please go to:

http://ec.europa.eu/enterprise/policy_en.htm

EU/ Economy: Reports indicate eurozone creating jobs faster than US

According to Holger Schmieding, European economist at the Bank of America, the Eurozone is now creating jobs at a faster rate than America. France and Germany have been enjoying particular success in terms of their unemployment rates, with the former recording 0.3 percent improvement in figures on the previous quarter. EU figures show that the Eurozone had experienced its biggest economic growth in six years. However, analysts question the longevity of this trend, with the Commission predicting a slowing in the immediate months. This trend is also reflected in a recent OECD report indicating eurozone growth of 2.7 % this year, higher than at any point since 2000. However, growth is expected to slow to around 2 % at the end of the year.

To see the Eurostat study for the second quarter, please go to:

http://epp.eurostat.ec.europa.eu/pls/portal/docs/PAGE/PGP_PRD_CAT_PREREL/PGE_CAT_PREREL_YEAR_2006/PGE_CAT_PREREL_YEAR_2006_MONTH_09/2-01092006-EN-AP.PDF

To see the OECD report, please go to:

<http://www.oecd.org/dataoecd/3/51/37357106.pdf>

EU / Economy: EU becoming more attractive for business – World Bank report

According to a recent World Bank Report, a majority of the EU-25 rank in the top-40 countries worldwide for doing business. The report assessed 10 areas of business regulation, the improvement of which is crucial to meet the EU's Lisbon Agenda Goals. The survey did however highlight large disparities and warned regulatory reforms must continue in the face of competition from Asia.

To see the report overview, please click here:

http://www.doingbusiness.org/documents/DoingBusiness2007_Overview.pdf

EU / Lisbon Strategy: EU Miss Interim Target on Jobs

Eurostat figures reveal that the EU is falling short of its target to increase the number of people aged 15-64 with a job. The target which was to offset the rising pension and social costs of an ageing population is part of the wider Lisbon strategy. It now also looks that the 2010 goal of a 70 per cent employment rate will also not be met. Wide disparities exist throughout the Union with Denmark

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and Netherlands leading the way with over 70 percent whilst Poland and Malta lag at 52.8 and 53.9 respectively.

To see the Eurostat report, please go to:

http://epp.eurostat.ec.europa.eu/pls/portal/docs/PAGE/PGP_PRD_CAT_PREREL/PGE_CAT_PREREL_YEAR_2006/PGE_CAT_PREREL_YEAR_2006_MONTH_09/3-11092006-EN-AP.PDF

PUBLICATIONS

Federation of Small Business: Burdened by Brussels or the UK? Improving the Implementation of EU Directives

The Federation of Small Businesses, in association with the Foreign Policy Centre, has published a report into the practice of 'gold plating' EU regulations.

To download report:

<http://www.fsb.org.uk/documentstore/filedetails.asp?id=366>

OECD Labour Force Statistics: 1985 - 2005, 2006 Edition

This annual publication provides detailed statistics on population, labour force, employment and unemployment, broken down by gender, as well as unemployment duration, employment status, employment by sector of activity and part-time employment.

To obtain publication, please go to:

http://www.oecd.org/document/46/0,2340,en_2649_201185_2023214_1_1_1_1,00.html

CONSULTATIONS

No relevant consultations currently open

COMING UP

EU Institutions: Important Dates

25-28 September European Parliament Plenary Session (Strasbourg)

11-12 September European Parliament Mini-plenary Session (Brussels)

23-28 September European Parliament Plenary Session (Strasbourg)

SME related Events

22 September 2006 First European-wide Job Fair, part of the EU's European Year of Workers' Mobility (EYWM); for more info: http://ec.europa.eu/employment_social/workersmobility_2006/index.cfm?language=EN

26 September 2006 Forum on Investing in Innovation and Competitiveness; organised by CORDIS; more info:

http://www.forum-financement.com/paris/sommaire_uk.php3

28-29 September 2006 EU Mediterranean SME Conference; taking place in Malta; organised by SME Union; more info: <http://www.sizm.org/smemed.asp>

22-23 September 2006 3rd International Conference ENTIME 2006, theme - Enterprises in Modern Economy: Opportunities and Threats. More info: www.entime.org

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4 October 2006 Conference on development of EU company law; organised by the Finnish Presidency; more info:

http://www.eu2006.fi/calendar/vko40/en_GB/1152608986355/?calYear=2006&calMonth=9

9-12 October 2006 European week of regions and cities: public and private partnerships for growth and jobs; organised by the Committee of the Regions; more info:

http://ec.europa.eu/regional_policy/conferences/od2006/index.cfm

17-18 October 2006 UNICE Day 2006: Why do companies care about Europe?; more info:

<http://www.unice.org/Content/Default.asp?>

31 Oct-2 Nov 2006 '29th ISBE Conference – International Entrepreneurship – from local to global enterprise creation and development'; organised by ISBE; taking place in Cardiff. More info:

<http://www.isba.co.uk/>

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