



### HEADLINES

#### **ESBA Opinion / ESBA Activities 2006-2007: ESBA releases its new Annual Publication**

**ESBA has released its new 'ESBA Activities 2006-2007: The Way Forward For Small Businesses in Europe' publication in Brussels.** This annual publication represents an innovative approach to communication for business organisations as it combines reflection on past activities with the presentation of future objectives.

ESBA differs from other SME groups in Brussels, in that it only represents fully independent small business advocacy and benefits organisations, which are based on free membership. Although relatively unknown by EU Officials, the views of SMEs expressed by independent organisations and statutory membership groups can differ. Distinctions exist, for instance, on issues such as access to professions, tax harmonisation and the use of public funding for enterprise policy. On all these issues and others, ESBA has and will continue to engage in open dialogue with policy-makers and all business stakeholders.

Commenting on the release of the publication, ESBA President, Tina Sommer, said, "ESBA is keen to make a contribution to one of the most important objectives of the Feira Charter for small businesses by seeking to improve the representation of SMEs in Europe. We are committed to making sure that independent, free membership SME organisations have access to EU dialogues shaping the business environment in the Union, which is on a par with other types of organisations in Brussels. The new ESBA publication will seek to demonstrate that our objective is first and foremost to strive for results."

To read the new 'ESBA Activities 2006-2007' publication, please go to:  
[CAF91/NEW\\_annual\\_ESBA\\_Publication\\_is\\_here\\_.aspx](http://CAF91/NEW_annual_ESBA_Publication_is_here_.aspx)

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#### **EU / REACH: Environment Committee vote on the second reading of REACH**

On 10 October 2006, the European Parliament's Environment Committee adopted its second reading report on REACH, the controversial chemicals legislation. Several aspects of the resulting report are harmful to SMEs. MEPs voted to support data sharing the 'One Substance One Registration' (OSOR) principle, which is vital if SMEs are to compete with multinationals. However, MEPs refused to exempt substances produced in quantities of under 10 tonnes from chemical safety assessments. This development will cause additional red tape which is particularly burdensome for SMEs. Bureaucracy will be increased further by the Committee's vote against a simplified procedure for registering substances with the Agency. This failure to limit the proliferation of bureaucracy undermines any attempts to pursue Better Regulation.

Another regrettable aspect of the vote was that there will not be an independent evaluation of opt-outs from the OSOR principle, increasing the ability of large-scale industry to avoid making data available to SMEs. Moreover, in a development which will be harmful to industry as a whole, the mandatory substitution principle is prevalent in the version of REACH adopted by the Committee.

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This is unworkable for many product types and will place demands on producers which will be particularly harmful to SMEs.

ESBA understands the need for an EU-wide chemicals policy, and appreciates support for SMEs on certain issues. However, ESBA regrets the decision by the Parliament to ignore the concerns of SMEs on numerous key points. ESBA urges MEPs to take these points into account when voting in Plenary in November. Failure to do so will lead to SMEs having to remove their products from the market. Moreover, the present version will harm the ability of European companies to innovate, and the EU will fall behind its global competitors.

To see the Council's Common Position on REACH, please go to:

[http://www.europarl.europa.eu/meetdocs/2004\\_2009/documents/pr/606/606611/606611en.pdf](http://www.europarl.europa.eu/meetdocs/2004_2009/documents/pr/606/606611/606611en.pdf)

For more information on REACH, please go to:

[http://ec.europa.eu/environment/chemicals/reach/reach\\_intro.htm](http://ec.europa.eu/environment/chemicals/reach/reach_intro.htm)

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### IN BRIEF

#### **EU / Intellectual Property: MEPs vote to postpone decision on patent decision**

On 12 October 2006, the European Parliament voted to postpone a decision on whether to consent to the EU's accession to the European Patent Litigation Agreement (EPLA). While Internal Market Commissioner Charlie McCreevy is calling for the EU to join the EPLA, MEPs are concerned over the lack of democratic control over patent granting procedures. MEPs requested that the Commission renew the idea of a Community Patent – a single European patent system which would harmonize the manner in which patents are granted and regulated.

For the Commission website on the Community Patent, please go to:

[http://ec.europa.eu/internal\\_market/indprop/patent/index\\_en.htm](http://ec.europa.eu/internal_market/indprop/patent/index_en.htm)

For the official draft agreement on the establishment of a European patent litigation system:

[http://www.european-patent-office.org/epo/epla/pdf/agreement\\_draft.pdf](http://www.european-patent-office.org/epo/epla/pdf/agreement_draft.pdf)

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#### **EU / Standardisation: Commission calls for a new 'handshake' with SMEs**

At a conference to mark World Standards Day on 16 September, Heinz Zourek, Director General of DG Enterprise and Industry called for 'a new handshake between standardisation and SMEs in Europe'. Barriers to access, notably a lack of simplification and the perception that standardisation is the preserve of large companies, have often prevented SMEs applying standards and drafting new norms. Delegates' discussions and the publication of 'Good Practice' studies at the conference sought to encourage SMEs to improve their competitiveness through standardisation and urged Member States to do more to help at the national level.

To read the 'Good Practice' study, please go to:

<http://www.eim.nl/index.cfm/4,713,c,html/SMEs%20and%20Standardisation%20in%20Europe.pdf>

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#### **EU / funding: New SME Funding to be based on 'think small first' principle**

At the launch of the new round of funding programmes, EU Commissioners have been emphasizing the importance of SMEs for the future. Commissioner Verheugen stated that "particular attention" has been paid to "SMEs when designing the new EU programmes for supporting entrepreneurship, innovation and research in line with the 'think small first' principle". The impact of this will be increased funding, more inclusive programmes and overall making it easier for SMEs to participate in European research.

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For more information on FP7:

[http://cordis.europa.eu/fetch?caller=PROGLINK\\_FP6&action=D&rcn=837&doc=1&cat=PROG&query=1161334873797](http://cordis.europa.eu/fetch?caller=PROGLINK_FP6&action=D&rcn=837&doc=1&cat=PROG&query=1161334873797)

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### **EU / PPPs: Commission to push for private solution to public funding crisis**

Danuta Hübner, Commissioner for Regional Policy, this week announced that new solutions are needed to solve the public sector funding crises, identifying private capital as the way forward. She stated that, apart from providing financial assistance, Public-Private Partnerships (PPP) also provide more efficient and cost effective services due to their expertise. Internal Market Commissioner; Charlie Mc Creevey, hinted that a legislative initiative is required and one may be on the cards in early 2007.

For more information on Commissioner Hübner's Speech

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=SPEECH/06/582&format=HTML&aged=0&language=EN&guiLanguage=en>

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### **EU / growth and jobs: New European Solution to Growth and Labour Reforms**

December will see the launch of new proposals designed to tackle Europe's current situation in respect to labour market reforms, social inclusion and economic growth. The triumvirate behind the proposal, Poul Nyrup Rasmussen (PES president), Jacques Delors (former Commission President) and Anna Maria Rodriguez (academic professor) are all key figures in this sector. They describe the proposal as "a revival of Lisbon" with a more balanced approach which will make it "more acceptable to national governments."

For more information on Mr Rasmussen' Speech:

[http://www.pes.org/downloads/PNR\\_Social\\_Europe\\_EN\\_11-10-05.pdf](http://www.pes.org/downloads/PNR_Social_Europe_EN_11-10-05.pdf)

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### **EU / competitiveness: EU falls behind on Lisbon targets.**

The London School of Economics published a report on 10 October which predicts that without policy reforms, the EU will not reach its 2010 competitiveness goals. The study shows that the US is winning hands down in the competitiveness stakes, due to several factors, including amongst others, lack of investment in research, an ill-conceived budget and the brain drain phenomena whereby highly qualified scientists are attracted to carry out research and work in the US rather than the EU.

### **EU / better regulation: Red tape unlikely to be brought under control by the end of 2006.**

Enterprise and Industry Commissioner Günter Verheugen has accused Commission officials of not adapting to the 'new political culture' of better regulation. It is unlikely that the 54 laws that were due to be simplified by the end of the year will be modified by the due date, which means that businesses will have to shoulder the burden of the estimated 640 billion euros that EU legislation costs them. There is hope, however, as simplification of legislation is one of the key issues that the German Presidency aims to tackle.

The Commission's policies on better regulation can be found via the following link:

[http://www.ec.europa.eu/enterprise/regulation/better\\_regulation/simplification.htm](http://www.ec.europa.eu/enterprise/regulation/better_regulation/simplification.htm)

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### **EU / single market: Study raises concerns over failure of single market policies**

Economic think tank Bruegel has published a study which shows that Europeans have a tendency to stick to their home countries when dealing in the goods and services markets and in equity investment, thus disappointing the goals of the internal market. According to the research, Belgium and Austria are the most integrated economies, while Spain and Greece the least. Whereas large industries have taken advantage of the Single Market legislation that was introduced twenty years

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ago, individuals have preferred to consume and invest on home ground. The study warns that Europe's single currency could be in danger in the long term if these trends continue. The suggested remedy is a recommendation that internal market policies are revised to adjust to a more service-oriented economy.

The report can be accessed via this link: [http://www.bruegel.org/doc\\_pdf\\_496](http://www.bruegel.org/doc_pdf_496)

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### PUBLICATIONS

#### **Key figures on European Business - with a special feature section on SMEs - Data 1995-2005**

This publication summarises the main features of European business and its different activities in a concise and simple manner. It includes a special feature section on SMEs, which presents an analysis of the different characteristics of micro, small, medium and large enterprises.

To obtain publication, please go to: [http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-DH-06-001/EN/KS-DH-06-001-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-DH-06-001/EN/KS-DH-06-001-EN.PDF)

### CONSULTATIONS

**No relevant consultations currently open**

### COMING UP

#### **EU Institutions: Important Dates**

23-24 October 2006 European Parliament Plenary session

13-16 November 2006 European Parliament Plenary session

29-30 November 2006 European Parliament Mini-Plenary session

#### **SME related Events**

26-27 October 2006 Entrepreneurship through education in Europe; organised by the European Commission and the Norwegian government; taking place in Oslo; more info: <http://www.oslo.technopole.no/cgi/wbch3.exe?ce=7910>

27 October 2006 'Lisbon Relunched: What has changed? Is it working better?'; organised by CEPS; more info and to register: [http://www.ceps.be/Event.php?event\\_id=199&cat\\_id=&month=&search=&year=&](http://www.ceps.be/Event.php?event_id=199&cat_id=&month=&search=&year=&)

31 Oct-2 Nov 2006 '29<sup>th</sup> 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/>

7 November 2006 Perspectives for taxation policy in the EU from the Finnish Presidency's point of view – breakfast debate; organised by the Kangaroo Group; taking place in Brussels; more info: [http://www.kangaroorgroup.org/E/049\\_registration\\_form\\_F.lasso?ref=13539](http://www.kangaroorgroup.org/E/049_registration_form_F.lasso?ref=13539)

16-17 November 2006 Supporting High-Growth Potential Firms: The Policy Challenge of Building Tomorrow's Winners; organized by HiGroSME; for more info: [www.higrosme.org/public/conference](http://www.higrosme.org/public/conference)

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21 November 2006 High Growth International SMEs – new patterns of need & support; organised by Ashcroft International Business School; for registration form go to: <http://www.eastofengland.be/documents/ashcroft.pdf>

14-15 December 2006 Sixth European Meeting of Employee Ownership; organised by the European Federation of Employee Share Ownership; taking place in Brussels; for more info: <http://www.efesonline.org/TOP%20100/TOP%20100%20EN.htm>

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