



### HEADLINES

#### **ESBA opinion / EU Services: Parliament adopts Council's Services Directive proposal**

On 15 November 2006, the Parliament approved the version of the Services Directive proposed by the Council with just minor changes. MEPs voted against all amendments proposed ahead of the vote. The proposed Directive, which appeared to be on the brink of collapse during the first reading in February, is set to enter into force in 2007.

The final version of the Directive replaces the 'country of origin principle' with the 'freedom to provide services'. Whereas the former sought to allow providers to operate inside any Member State, whilst still being subject to domestic laws, the latter obliges Member States to allow service providers access to their markets. The scope of the Directive has also been limited over time, with services such as non-economic services of general interest (e.g. health services) not being covered. In addition, there are a greater number of reasons for which States can restrict services.

However, several significant benefits from the original text remain for service providers, including the fact they will no longer be required to open an office in a country in order to access its market. Moreover, providers will no longer be required to register with a professional body within a host State. In a further important development, the text seeks to harmonise the legislation for the provision of services five years after the Directive comes into force.

ESBA welcomes MEPs' decision to adopt the Council position. Regrettably, certain positive points of the original proposal, such as the 'country of origin principle', have been omitted. However, the Services Directive will be of great benefit to service providers and Europe's overall economy. Liberalising the market for services is vital for achieving a true single market.

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

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52006PC0160:EN:NOT>

To see Rapporteur Evelyne Gebhardt's draft recommendation for second reading, please go to:

[http://www.europarl.europa.eu/meetdocs/2004\\_2009/documents/pr/629/629484/629484en.pdf](http://www.europarl.europa.eu/meetdocs/2004_2009/documents/pr/629/629484/629484en.pdf)

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#### **ESBA opinion / Labour Law: Current developments unclear in problematic Labour Law reform**

On 22 November 2006, the Commission finally presented its Green Paper on Labour law under the title - "Modernising labour law to meet the challenges of the 21st century". As reported previously in the ESBA Bulletin, the release of the document had been delayed due to a press leak of the original draft on 5 October. The final version goes some way to address the unbalanced nature of the original draft.

The original paper in effect undermined the purpose of the consultation by identifying problems to be addressed before stakeholders had the opportunity to give their view. Moreover, it failed to adequately take account of the problems faced by employers and SMEs. Although the final Green Paper still focuses too much on protecting employment at the expense of ensuring a flexible labour market, it is a significant improvement on the one-sided initial draft.

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## ESBA's opinion on employment law:

- ESBA urges the EU to limit employment regulation, as SMEs are already struggling under existing red tape. The legislative burden is enhanced for SMEs, with recent Federation of Small Business research indicating that small businesses' regulatory costs are, on average, five times higher per employee than is the case for larger companies.
- ESBA rejects the notion of a 'one size fits all' approach to labour law, as SMEs face peculiar difficulties in comparison with large companies.
- ESBA supports the notion of balanced employment legislation, which places equal importance on the rights of employers and employees. Currently, the excessive emphasis on job security stifles SMEs' willingness to recruit.
- We now urge ESBA members to provide ESBA with relevant information for the ensuing consultation by downloading and responding to the questionnaire on our website.

To see the ESBA questionnaire on the Green Paper, please go to:

[12A4C/Public\\_Consultation\\_on\\_Labour\\_Law\\_GP.aspx](http://ec.europa.eu/employment_social/labour_law/green_paper_en.htm)

To see the relevant Commission website, and to access the Green Paper, please go to:

[http://ec.europa.eu/employment\\_social/labour\\_law/green\\_paper\\_en.htm](http://ec.europa.eu/employment_social/labour_law/green_paper_en.htm)

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## IN BRIEF

### **EU / Better Regulation: EU announces shift in approach to law making**

A European Commission shift in law making is set to mean a slash in Member States' administrative burden to the tune of 25% by 2012. SMEs are particularly hard hit by excessive EU bureaucracy, which is estimated to cost the bloc somewhere in the region of €350 billion annually. However the simplification of the laws seems to be making only slow progress, with just 15 of the targeted 54 laws having been reviewed so far. The targeted cut in red tape, which is one of the Better Regulation goals of the renewed Lisbon Strategy, is intended to lead to more investment for growth and new jobs amounting to €150 billion.

For the Better Regulation page of the European Commission, please go to:

[http://ec.europa.eu/enterprise/regulation/better\\_regulation/index\\_en.htm](http://ec.europa.eu/enterprise/regulation/better_regulation/index_en.htm)

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### **EU / E-services: The European Commission selects 30 new eTEN projects**

The European Commission will invest €45 million in thirty new eTEN projects over the next three years. eTEN is a Programme aimed at deploying e-services throughout Europe for the good of the public, and funds projects in six key areas: eGovernment, eHealth, eInclusion, eLearning, Services for SMEs and Trust and Security. These will be the last of the projects funded under the eTEN Programme, as subsequent projects in electronic services will be funded by the ICT Policy Support Programme.

For news from the projects, please go to:

[http://ec.europa.eu/information\\_society/activities/eten/newsroom/projects/index\\_en.htm](http://ec.europa.eu/information_society/activities/eten/newsroom/projects/index_en.htm)

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### **EU / Finance: EU moves closer to single fund market**

The European Commission is set to propose changes to 20-year old legislation for the EU investment fund market, the UCITS Directive. The improvements as set out in the White Paper will mean that the industry as a whole will be able to achieve cost savings and benefit from specialization across the single market. It is estimated UCITS represents 75% of the investment funds market in Europe. These changes are planned for autumn 2007 and will be in the form of amendments to the existing UCITS Directive.

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For the the White Paper, please go to:

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

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### **EU / Trade: Commissioner Mandelson hopeful of restart to Doha**

European Trade Commissioner Peter Mandelson has expressed hope that in the wake of the US mid-term elections there can be a restart to the negotiations on global trade. The WTO Director-General has already called for informal meetings of ambassadors in Geneva to discuss the Doha Development Round negotiations. This has been hailed as the political impetus needed to re-launch the stalled discussions. The EU Commissioner has also highlighted the German Chancellor, Angela Merkel's comments that there should be moves towards greater regulatory convergence with the US rather than a Transatlantic Free Trade Area, signalling that this is a move in the right direction.

For more information on the EU's position, please go to:

[http://ec.europa.eu/trade/issues/newround/doha\\_da/index\\_en.htm](http://ec.europa.eu/trade/issues/newround/doha_da/index_en.htm)

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### **EU / FP7: Norway launches Seventh Framework Programme**

Norway nationally launched the Seventh Framework Programme this month. As the first country to launch the programme Norway has been eager to highlight its commitment to research and development. Currently 1.75 of the GDP is spent on R&D and a 2004 white paper on research illustrates their priorities for 2005-10 with a strong emphasis on internationalisation, research and innovation. As a country whose companies are predominantly made up of SMEs the government is actively investigating how best to promote more business investment and involvement in FP7 has been central in this approach.

For more information on the EU's FP7, please go to:

[http://ec.europa.eu/research/future/index\\_en.cfm](http://ec.europa.eu/research/future/index_en.cfm)

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### **EU / Internal Market: Single European Payments Area (SEPA) for Cards**

This week, the ECB reported on the expected impact of SEPA. Contrary to industry opinions, the ECB has predicted increased costs for consumers. The plan will be to establish a single economic area for payments across the EU making it easier and quicker for citizens and businesses. However the ECB has raised concerns over implementation, in particular that increases in card fees will not benefit citizens. The next stage will be a discussion of the report with the relevant stakeholders.

For the text of the ECB's report, please go to:

<http://www.ecb.int/pub/pdf/other/eurosystemviewsepacardsen.pdf>

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### **EU / Supply Chain Security: ESBA's Working Group meets to discuss common key concerns**

On 16 November 2006, ESBA organised a Working Group on the Commission's Proposal for a Regulation on Enhancing Supply Chain Security. The proposal is intended to protect freight transport from terrorist attacks through a 'secure operator' scheme. As reported in previous Bulletins, ESBA is concerned about the proposal's impact on SMEs. The Group therefore provided a platform for sectoral and cross-sectoral groups, whose members would be affected by the Commission's proposal, to discuss common key concerns, a potential workable or alternative solution and potential next steps. A report on the constructive meeting is available on request.

For more detailed information about the Working Group, please go to:

[1A18A/Working\\_Group\\_on\\_Enhancing\\_Supply\\_Chain\\_Security\\_16/11.aspx](1A18A/Working_Group_on_Enhancing_Supply_Chain_Security_16/11.aspx)

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## PUBLICATIONS

### OECD Economic Outlook 2007 and 2008 - Preliminary version

The OECD *Economic Outlook*, analyses the major economic trends that will mark the years 2007 and 2008, providing in-depth coverage of main economic policy issues and policy challenges.

To view the publication, please go to:

[http://www.oecd.org/document/18/0,2340,en\\_2649\\_201185\\_20347538\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/18/0,2340,en_2649_201185_20347538_1_1_1_1,00.html)

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## CONSULTATIONS

### The EU's Market Access Strategy in a changing global economy

The Review of the EU's Market Access Strategy intends to increase its effectiveness in a rapidly changing global economy. This paper asks for your views on ways in which it might be improved.

You will find information and the questionnaire at the following link:

[http://ec.europa.eu/trade/issues/sectoral/mk\\_access/cs101106\\_en.htm](http://ec.europa.eu/trade/issues/sectoral/mk_access/cs101106_en.htm)

*Closes 12 January 2007*

### Green Paper: "Modernising labour law to meet the challenges of the 21st century"

As part of the Commission's drive to modernise Labour Law, both companies and workers are invited to participate in the debate and to put forward their views. See the ESBA Opinion above.

You will find information and the questionnaire at the following link:

<http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=labourlaw&lang=en>

*Closes 31 March 2007*

## COMING UP

### EU Institutions: Important Dates

11 - 14 December 2006 European Parliament Plenary Session, Strasbourg

18-21 December 2006 Committees

15-18 January 2007 European Parliament Plenary Session, Strasbourg

### SME related Events

7 December 2006 European Enterprise Awards 2006; **organised** by the European Commission, the Committee of the Regions and the Finnish Presidency; **Brussels**; more info:

[http://ec.europa.eu/enterprise/entrepreneurship/smes/awards/index\\_en.htm](http://ec.europa.eu/enterprise/entrepreneurship/smes/awards/index_en.htm)

7 December 2006 BCC Business Luncheon with Bola Olabisi, CEO Global Women Inventors & Innovators Network (GWIIN); organised by BritCham; Brussels/ more info [www.britcham.be/](http://www.britcham.be/)

14-15 December 2006 Sixth European Meeting of Employee Ownership; organised by the European Federation of Employee Share Ownership; Brussels: more info:

<http://www.efesonline.org/TOP%20100/TOP%20100%20EN.htm>

19 December 2006 The Priorities of the German Presidency of the EU with H.E. Willem SCHÖNFELDER, Permanent Representative of Germany to the EU; organised by CEPS; Brussels; more info <http://www.ceps.be/Events.php>

To subscribe / unsubscribe: email [secretariat@esba-europe.org](mailto:secretariat@esba-europe.org)

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