



HEADLINES

EU / REACH: Debate in Environment Committee

Mr. Guido Sacconi MEP (Socialist, Italy) rapporteur on REACH, presented his views to the Committee on Environment, Public Health and Food Safety on 3 February, in the first debate on REACH since the major hearing last month.

In his presentation to the committee he outlined a possible decision-making timetable that would allow the UK presidency to seal a ministerial accord on REACH by the end of the year. He confirmed that he opposes industry demands to simplify the registration phase by prioritising substances by risk, however, he concedes that there could be a review of different prioritisation methods once enough experience has been gained. He also stated that he finds the UK and Hungarian “one substance, one registration” (OSOR) proposal “interesting”, but that the parliament should wait to discuss it until they have the outcome of the Council.

The rapporteur has recently published a working paper setting out his views on the key aspects of REACH, in which he says, “I stand by my overall assessment of the Commission proposal...the balance must not be upset, but rather consolidated and improved”. Mr. Sacconi will table detailed amendments later this month.

Mr. Sacconi's working paper:

http://www.europarl.eu.int/meetdocs/2004_2009/documents/DT/553/553079/553079en.pdf

EU / Services: Plans for an ad hoc Working Group

On 1 February, Ms. Evelyne Gebhardt MEP (Socialist, Germany) rapporteur for Services in the internal market presented an outline work plan for an ad hoc Working Group to the Committee on the Internal Market and Consumer Protection. The Working Group is to meet four/five times by the end of April to explore the contentious issues surrounding the proposal, such as areas of application and the “country of origin” principle.

The Working Group will be open to all MEPs who are interested in contributing to the discussions, as well as the rapporteurs for opinion. The Commission and Council will also be invited to participate and provide information. Ms. Gebhardt wants the meetings to be conducted in public so to bring clarity and transparency to the process. The exact dates of the meetings have still not been agreed, but will be announced as quickly as possible.

Ms. Gebhardt hopes to be able to submit her report for translation by the middle/end of March and hold a debate on the subject in the first IMCO meeting in April (18 April). She plans for the first reading to occur at the June plenary session.

The services directive has also been associated with more controversy this week, with both France and Germany calling for the proposal to go “back to the drawing board”. However, speaking on

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behalf of the European Commission on 4 February, spokeswoman Françoise Le Bail insisted that it will not withdraw plans to open Europe's services sector to cross-border competition.

Proposal for a Directive of the European Parliament and of the Council on Services in the Internal Market: http://europa.eu.int/eur-lex/en/com/pdf/2004/com2004_0002en03.pdf

EU / Lisbon Strategy: Re-launched by Commission

On 2 February the Commission presented its recommendations for the Mid-Term Review of the Lisbon Agenda. The new strategy to create more growth and jobs aims to revitalise the ambitious proposal which hoped to make the EU “the most competitive, dynamic, knowledge-based economy in the World by 2010”, however, five years after its launch the Lisbon Agenda is not on track to deliver the expected results. President Barroso claimed that the “overall Lisbon goals were right, but the implementation was poor”.

To move forward the Commission believes a renewed drive and focus on fewer, more achievable targets are necessary. Some of the key areas it has centred on are:

- Completing the internal market
- Creating open and competitive markets inside and outside of Europe
- Improved European and national regulation to reduce the administrative burden
- Expanding and improving European infrastructure
- Develop innovation poles linking regional centres, universities and businesses
- Improve labour market flexibility by removing obstacles to labour mobility
- Reform the Structural and Cohesion fund to invest more in human capital through better education and skills
- Appointment of a Mr/Mrs. Lisbon in every member state

If implemented the Commission claims that the new strategy would boost the EU's GDP by 3% by 2010 and create six million jobs.

For more information see: http://europa.eu.int/growthandjobs/index_en.htm

Communication to the Spring European Council – “Working Together For Growth and Jobs - A New Start For The Lisbon Strategy”: http://europa.eu.int/growthandjobs/pdf/COM2005_024_en.pdf

EU / Commission: Work plan for 2005 & Strategic objectives for 2005-09 jointly announced

On 26 January European Commission President José Manuel Barroso presented both the Commission's work plan for 2005 and the strategic objectives for 2005-09 to the European Parliament at the mini-plenary session in Brussels. Presenting the Commission's work plan, President Barroso declared that 2005 will be a pivotal year for the EU and gave particular significance to: economic growth, the ratification of the Constitution, the negotiations on the financial perspectives and the proper functioning of the newly enlarged Union.

According to the Commission's work programme, the following is a selection of relevant documents that are expected in the first half 2005:

- Proposal to establish 2006 as the European Year of Mobility for workers (February)

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- Commission communication to the Parliament and Council on how to better legislate to enhance competitiveness (March)
- Commission communication/recommendation on “Home State Taxation” (March)
- Framework programme for competitiveness and innovation (April)
- Communication on health and consumer policy (April)
- Plan of action for innovation (June)

President Barroso also announced the Commission’s Strategic Objectives 2005-2009. Presented in a document entitled “Europe 2010: A Partnership for European Renewal”, the priority areas are based around three main pillars: prosperity, solidarity, and security and freedom.

1) Prosperity: Focuses on the issues of growth and job creation. The Commission wants to create a friendly business environment inside a genuine Europe-wide regime, with better regulation and sound competition rules to break down barriers and open up markets for goods and services. Services is recognised as a sector that has huge potential for growth.

2) Solidarity: Deals with sustainable development, the aim to meet the needs of the present without compromising the ability of future generations to meet their own needs.

3) Security and Freedom: Addresses concerns regarding crime and terrorism, as well as dangers from natural disasters, health and the environment.

The Commission hopes that an agreement on these strategic objectives can be reached by the end of the Luxembourg Presidency and that they will offer a stable framework for the institutions to work together in pursuit of common targets.

Access the Commission’s work plan for 2005:

http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2005/com2005_0015en01.pdf

The Commission’s Strategic objectives for 2005-09:

http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2005/com2005_0012en01.pdf

IN BRIEF

EU / Unfair commercial practices: Unanimously adopted by Parliament

The Committee on the Internal Market and Consumer Protection unanimously adopted the report by Mercedes Bresso MEP (Socialist, Italy) on Unfair Commercial Practices in their meeting on 2 February. Its objectives are: to outlaw such practices as set out in the directive; create common rules at EU level and to improve the protection of consumers considered to be “vulnerable”.

The “blacklist” attached to the directive has been substantially amended by MEPs. Under the amended text it is unambiguously prohibited to use advertising as a direct means of inciting children to buy a product or persuade their parents to do so. MEPs are also in favour of tackling traders who pose as consumers of their own product to boost sales. In addition, MEPs have improved the definition and protection of “vulnerable” consumers. Member states will have 24 months from the entry into force of the directive to adopt and publish the necessary national rules.

To avoid going to conciliation, MEPs reached a compromise on some of their initial proposals and withdrew others. The Council, which had agreed to the majority of the 58 amendments made at the

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first reading, refused to accept the resubmitted proposal with regard to the “common market” clause and would not re-introduce the “country of origin” principle.

MEPs hope to further debate the issue and hold a vote on the report in the February plenary session.

Draft Recommendation by Ms. Bresso:

http://www.europarl.eu.int/meetdocs/2004_2009/documents/PR/548/548520/548520en.pdf

EU / Social Model: New agenda announced

On 9 February the European Commission presented its new Social Agenda for modernising Europe’s social model under the revamped Lisbon Agenda. The new programme has two key priorities:

- 1) Employment (Including, creating a new labour market; getting more people into better jobs; updating labour law)
- 2) Fighting poverty and promoting equal opportunities (Including, analysis of the impact of ageing populations; supporting pension and health care reform in member states; clarifying the role of social services)

Vladimir Spidla, Commissioner for Employment Social Affairs and Equal Opportunities, said “This dynamic new agenda will provide what citizens most want: decent jobs and social justice” He went on to explain that the agenda is designed to preserve and modernise the valued European social model, but at the same time provide pathways for modernising welfare systems and combating poverty.

For more information see:

http://www.europa.eu.int/comm/employment_social/social_policy_agenda/social_pol_ag_en.html

EU / Social Dialogue: New Website launched

DG Employment, Social Affairs and Equal Opportunities launched a new social dialogue website on 1 February. The website, hoped to be a huge asset for stakeholders and researchers, will contain a database of all the agreements and joint texts reached between management and labour under the process of social dialogue at European level.

The website will also have other valuable resources including, the Commission’s Industrial Relations reports, studies, information about enlargement and calls for proposals.

Visit the website: http://europa.eu.int/comm/employment_social/social_dialogue/

CONSULTATIONS

- **Requirements regarding contents of packages**

Taking up a recommendation of the SLIM exercise (Simpler Legislation for the Internal Market), the Commission seeks to streamline the various existing laws into a single directive (currently two), at the same time sweeping away some 25 different national rules in this area. The public consultation hopes to solicit the views of producers and citizens on its plans for simplifying current legislation and aligning it with the international standards formulated by the OIML (Organisation Internationale de Métrologie Légale).

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Closes 15 March 2005

Further information: http://europa.eu.int/comm/enterprise/prepack/index_en.htm

- **VAT and the Place of Supply of Services supplied to non-taxable persons**

The goal of this paper is to describe the problem areas the Commission has identified in Article 9 of the Sixth VAT Directive (Directive 77/388/EEC of 17 May 1977) when dealing with services supplied to non-taxable persons (B2C supplies). The document also provides an overview of possible modifications to the rules governing the place of supply and seeks reactions and input on the proposed framework and related issues. By considering the contributions of all stakeholders, the Commission will be in a better position to consider how best to progress the possible review of these rules.

Closes 4 April 2005

Further information: http://europa.eu.int/comm/taxation_customs/common/consultations/tax/article_1704_en.htm

COMING UP

EU Institutions: Important Dates

17 February	Economics and Financial Affairs Council, Brussels
21 February	General Affairs and External Relations Council, Brussels
21-24 February	European Parliament Plenary Session, Strasbourg
3-4 March	Employment, Social Policy, Health and Consumer Affairs Council
7-8 March	Competitiveness Council
7-10 March	European Parliament Plenary Session, Strasbourg

Other SME related Events

17 February	SMEs & Internet Economy” Boosting Entrepreneurship for a Competitive Europe 12.30-14.00, Restaurant des Députés, European Parliament, Brussels Organised by SME Union & Ebay Programme: http://www.insme.info/documenti/eBay%20Draft%20Invitation.pdf Register by 14/02/2005 by email: sme@sme-union.org
23-25 February	Forum on Practical Intellectual Property Issues for SMEs Support and Financial Institutions, including Technology and Business Incubators, Geneva, Switzerland - Organised by WIPO- WASME Further information: http://www.wipo.int/sme/en/activities/meetings/forthcoming_events/index.htm
13-15 April	International Co-operation to Seize innovation Opportunities for SMEs, Barcelona, Spain - Organised by INSME

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Further information: www.annualmeeting2005.insme.org