



HEADLINES

EU / Social Affairs: Plenary vote on working time will affect EU labour market flexibility

On Tuesday 10 May the European Parliament followed the opinion of the Employment Committee and voted to remove the opt-out from the 48 hour working week, three years after the directive enters into force. The report by A. Cercas (Socialist, Spain) was adopted by 345 votes to 264 against, with 43 abstentions after 18 months of heated debate.

MEPs also endorsed the views of its Employment Committee regarding on-call time, which is to be regarded as working time (including the inactive part of on-call time). Other amendments relate to the annualisation of the reference period (12 months instead of 4), life-long learning, and the balance between working life and family life.

The Parliament thus disagreed with the Commission's proposal to keep the opt-out while making its use stricter. Commissioner Spidla stated after the vote that Commission would not accept the changes made by Parliament, especially regarding the opt.

The proposal still needs further discussion at Council level, where the UK hopes for a blocking minority, thanks to the support of eastern member states including Poland and Slovakia.

This vote would hit small business first as it slays flexibility, without which small businesses and the self employed cannot grow or even survive. It will therefore affect EU competitiveness as a whole, and could lead to more delocalisation and black market.

See Cercas' report :

<http://www2.europarl.eu.int/omk/sipade2?PUBREF=-//EP//NONSGML+REPORT+A6-2005-0105+0+DOC+WORD+V0//EN&L=EN&LEVEL=2&NAV=S&LSTDOC=Y>

EU / Environment: New studies on REACH minimise impact on business but not on SMEs

The results of the REACH sectorial impact studies published on 27 April by industry (KPMG) and the European Commission (CCR/IPTS Study), as well as the analysis carried out by the REACH high-level working group, nuance earlier alarmist scenarios.

The KPMG study (commissioned by UNICE and CEFIC) that registration costs and tests for the companies could rise up to 20% of annual turn-over in the worst-case scenario. Also, registration costs would be significantly diluted or fully absorbed in the supply chain, and it is unlikely that companies would be forced to stop producing substances which are crucially important and produced or imported in large amounts (over 100 tonnes).

The CCR/IPTS study, ordered by the Commission's Joint Research Centre / Institute for Prospective Technological Studies, sketches out a profile of the Chemical sector in the 10 new Member States, reviews the potential problems for the chemical industry in these countries, and concludes that the

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impact from registration and evaluation costs on the competitiveness of individual businesses should be limited.

The two studies mention that businesses are still concerned with REACH but would see commercial advantages to be drawn from better information on the properties of substances, as well as an improvement in dealing with risks. However both studies also acknowledge that SMEs could be adversely hit by REACH.

The Council workshop on REACH held on 10-11 May in Luxembourg confirmed that REACH should be more an asset than an obstacle to competitiveness in the EU.

Read more on the KPMG and IPTS Studies:

<http://europa.eu.int/comm/enterprise/reach/eia.htm>

See the press release on the REACH Council Workshop:

<http://www.eu2005.lu/en/calendrier/2005/05/10reach/index.html>

EU / Internal Market : Adoption of Zappala report on on recognition of professional qualifications to boost skill's mobility in the EU

On 11 May the European Parliament adopted, in second reading, the report by Stefano Zappala (EPP-ED, Italy) on the recognition of professional qualifications.

This directive aims at consolidating 15 existing directives in the field of regulated professions. It covers salaried and liberal professions, the provision of temporary services and “regulated” professions, such as doctors, nurses and architects but excludes professions linked to the exercise of public authority. The report stresses the role of the mutual recognition principle, as well as the principle of control by the host country. Regarding regulated professions, EU citizens should be subject to the same conditions as nationals of the host country. MEPs voted for amendments aimed at creating a single committee for the recognition of professional qualification that would replace the existing bodies.

Charlie Mc Creavy, Commissioner for Internal Market and Services, welcomed the vote as a step forward for professionals migrating within the Internal Market especially regarding the facilitation of temporary services. The voted text is a result of a compromise with the Council. It still needs to be formally endorsed by the Council but will not go to conciliation.

See Zappala's report:

<http://www2.europarl.eu.int/omk/sipade2?PUBREF=-//EP//NONSGML+REPORT+A6-2005-0119+0+DOC+WORD+V0//EN&L=EN&LEVEL=2&NAV=S&LSTDOC=Y>

IN BRIEF

EU / Internal Market: Parliament supports simplification of EU cross-border mergers

The European Parliament adopted on 10 May a report by KH. Lehne (EPP-ED, Germany) on a proposal for a directive on cross-border mergers of companies with share capital. The aims of the directive are to increase transparency and legal certainty, by approximating cross-border merger procedures with domestic ones. In future, national law should apply in mergers between companies of different Member States. Also, MEPs adopted amendments aiming to protect employees' rights to information, consultation and participation.

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The Commission has recently launched a consultation on cross-border mergers in the financial services sector (see last ESBA Bulletin, and below under EU/ Consultations).

See Lehne's report:

<http://www2.europarl.eu.int/omk/sipade2?PUBREF=-//EP//NONSGML+REPORT+A6-2005-0089+0+DOC+WORD+V0//EN&L=EN&LEVEL=2&NAV=S&LSTDOC=Y>

EU / Internal Market: SOLVIT network more and more useful, according to last report

A recent report issued by the Commission highlights the success of the SOLVIT network launched in July 2002 to deal with misapplications of EU law. Businesses and citizen can contact the SOLVIT centre of the Member States when encountering difficulties to have their single market rights respected. SOLVIT dealt with 289 cases in 2004, which represents an increase of 72 percent compared to 2003. A great majority of these cases involved citizen or businesses of the new Member States.

Access the SOLVIT website: <http://europa.eu.int/solvit/>

EU/ Legal Affairs : Software patents debated in Legal Affairs Committee

On 21 April the European Parliament Committee on Legal Affairs debated the controversial proposal on software patents in second reading. The rapporteur Michel Rocard MEP (Socialist, France) seeks to obtain more clarity on definitions such as "computer implemented invention" (to be replaced by computer controlled inventions"), "inventive activity" and a better description of the claims on computer controlled inventions. Also, the rapporteur wants to ensure interoperability, an issue of concern for the shadow rapporteur Pia Noora Kauppi (EPP-ED, Finland).

A plenary vote is scheduled for July 2005. Meanwhile, the Committee will debate the issue during a debate to be held on 23 May, ahead of the vote in Committee on 20 June.

Read more on software patents:

http://europa.eu.int/comm/internal_market/en/indprop/comp/

CONSULTATIONS

- **EU / Consultation on cross border mergers and acquisitions**

A new survey has been launched by the Commission to find out why there is little cross-border consolidation in the financial sector and what the obstacles are to EU cross-border mergers and acquisitions. The consultation is open to all interested stakeholders in the financial sector. The results will serve as an input for a report expected from the Commission in September.

One line questionnaire : <http://europa.eu.int/yourvoice/forms/dispatch?form=405>

Closes 15 Junes 2005

Q&A :

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=MEMO/05/131&format=HTML&aged=0&language=en&guiLanguage=en>

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COMING UP

EU Institutions: Important Dates

23 May	General Affairs & External Relations Council
23-24 May	Education, Youth & Culture Council
25-26 May	European Parliament Mini-Plenary Session, Brussels
2-3 June	Employment, Social Policy, Health & Consumer Affairs Council
2-3 June	Justice & Home Affairs Council
6-7 June	Competitiveness Council
6-9 June	European Parliament Plenary Session, Strasbourg
7 June	Economic & Financial Affairs Council (ECOFIN)
24 June	Environment Council
1 July	UK Presidency Starts

Other SME related Events

- 18 May Entrepreneurship & Economic Growth - Perspectives from EU and USA” – organized by FSF, ITPS and NUTEK – Brussels - More info and register: helena.ericsson@fsf.se
- 19-20 May e-Learning Conference “Towards a Learning Society?” - Brussels, Belgium
Organised by DG Enterprise - Pre-registration open until 14 March - Further information & to register: <http://www.elearningconference.org>
- 23 May Hearing on Computer Implemented Inventions – Brussels – European Parliament – More info: http://www.db.europarl.eu.int/ep/owa/p_calag.oj?ipid=0&imn=5004254&ilg=EN&iorig=home
- 24 May Working Breakfast on “Competitiveness & Innovation for SMEs: Discussion of the new Competitiveness & Innovation Programme (CIP)”
More info & register: www.sme-union.org
- 26-27 May European Conference on Innovation and e-Business - Brussels, Belgium
Organised by DG Enterprise - Further information: http://europa.eu.int/comm/enterprise/innovation/e-business_en.htm#practical_information
- 29-31 May 12th Annual Conference on the role of Banks, Financial and Economics Institutions in the promotion of Small and Medium Enterprises - Amman, Jordan – Organised by the Arab Academy for Banking and Financial Sciences (AABFS) - For further information email: conferences@aabfs.org
- 31 May – 3 June Green Week Conference 2005 – “Get to Grips with Climate Change”
Brussels, Belgium - Organised by DG Environment

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For further information & to register to participate:

http://europa.eu.int/comm/environment/greenweek/index_en.htm

- 30-31 May Gate2Growth Event on Stimulating Innovative Entrepreneurship - Sophia Antipolis, France. More info & register: <http://www.e-unlimited.com/Gate2Growth/Event/Nice2005/Register.asp>
- 15-16 June Annual Conference on the European Charter for Small Enterprises Luxembourg - Organised by the European Commission & Luxembourg Presidency – Register by 13/05/05
http://europa.eu.int/comm/enterprise/events/charter/conf_2005.htm
- 23-24 June ESBA Annual Event – Brussels, Belgium – More information to come soon

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