



HEADLINES

EU / Entrepreneurship : Progress Report on Action Plan published on 6 June

DG Enterprise has published its progress report on Phase I key actions of the Entrepreneurship Action Plan, launched in February 2004. Among the 38 sub-actions to be carried out, around one quarter has been completed, including the good practice booklet “helping to create an entrepreneurial culture”; the creation of the Women’s entrepreneurship portal; Commission conferences on Basel II or the Commission proposal for a VAT One-Stop-Shop System.

Also, the 2005 Implementation Report on the European Charter for Small Enterprises in the Member States contains a detailed assessment on entrepreneurship education policy and on bankruptcy laws in EU25.

According to DG Enterprise, the remaining sub-actions will be finalised within the next 12 months. Phase II key actions of the Action Plan is currently being prepared for launch in 2006.

Please click here to access the Progress report

http://europa.eu.int/comm/enterprise/entrepreneurship/action_plan/doc/sec2005_768_en.pdf

and here to access the Action Plan:

http://europa.eu.int/comm/enterprise/entrepreneurship/action_plan.htm

EU / Internal Market: Council agrees to move forward on REACH

During the Competitiveness Council on 6 June, Ministers agreed that the EU should move forward and make the necessary political decisions to make REACH a reality.

Chair of the meeting, Jeannot Krecké, said that with 50 impact studies the majority of the Ministers agreed that time had come for the Council to conclude the issue. Such a conclusion is expected during the British presidency commencing on 1 July. He said that the EU has probably never carried out so many impact studies - therefore, both consumers and enterprises should find themselves at ease in the REACH regulation.

Consequently, the Council emphasised its intention to advance the REACH proposal with a view to reaching a political agreement following the assent of the European Parliament. Mr Krecké said this agreement should fully take account of the impact that the new legislation will have on SMEs, on the producers/importers of low-volume substances and on the competitiveness of European industry. However, Sweden and Estonia expressed concerns about the ease at which SMEs would be able to communicate with the European Chemicals Agency.

A report of the Presidency served as a basis for the orientation debate with the Council’s objective being to provide policy orientations on the work to be undertaken under future Presidencies. The next Environment Council, which will be held in Luxembourg on 24 June, will focus on questions concerning the authorisation of chemical products.

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In the European Parliament there is a busy schedule of REACH activities. The Industry Committee (ITRE) will consider amendments 21 June while it will vote on 13 July. The Parliament's plenary vote is due to take place during the second October plenary.

Provisional conclusions of the Competitiveness Council:

<http://www.eu2005.lu/en/actualites/conseil/2005/06/06compet02/07compet01.pdf>

EU / Programmes: FP7 to boost participation and innovative capacity of SMEs

With the European Commission's new Framework Programme (or FP7) SMEs could find it easier to access EU Research funds.

The Commission hopes that an increased budget together with simplified procedures and a broader approach will ensure a higher participation of SMEs in the EU research programmes and simultaneously make them more innovative. It is often difficult for SMEs to get a grip on the framework programmes and too costly to go through the required formalities. The new approach proposed under FP7 aims to offer more flexibility and to take into account the potential and needs of SMEs. The new Competitiveness and Innovation framework Programme (CIP) will support capital risk and innovation in general.

At a recent roundtable 'boost your business with innovation', hosted by CORDIS, the participants emphasised that an SME has a greater chance of success if it anticipates projects without waiting for them to be published by DG Research. Another factor influencing success is if core partners get together and start working on the project concept well before the proposal submission.

Meanwhile the European Parliament's rapporteur on FP7, former Polish Prime Minister Jerzy Buzek (EPP-ED), has said that SME participation is one of the areas of the proposals he feels will generate the greatest amount of debate within the parliament.

Read more on FP7 on the CORDIS website:

<http://www.cordis.lu/fp7/home.html>

IN BRIEF

EU / Employment and social affairs: UK claims it is winning working time clash

Following the EU Employment Council on 1 June the UK claimed that it has won the first stage of the fight to maintain its "opt-out" from the European Working Time Directive. EU employment ministers were to make a decision on removing the clause, after the European Parliament in May voted to remove the opt-out by 2012. According to reports, however, enough ministers opposed the plan to prevent the vote from taking place. There are currently seven countries that will not accept the proposal unless it includes the phasing out of the opt-out. These are Sweden, Hungary, France, Finland, Greece, Spain and Belgium.

Tension on this issue has intensified by the French No vote on the EU constitution, when many voters protested against what they saw as Europe's drive for "ultra-liberal" economic reform. The issue can only return to parliament once ministers have voted and the question is likely to drag into 2006, with the upcoming British EU presidency hardly likely to speed up the process.

Provisional conclusions of the Employment Council:

<http://www.eu2005.lu/en/actualites/conseil/2005/06/02epsco/conclepscojuin.pdf>

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EU / Programmes: Improving competitiveness by making life easier for SMEs

The Parliament's committee on industry, research and energy (ITRE) is aiming to boost competitiveness by making life easier on small businesses and by increasing funding for entrepreneurs. In a report by MEP Dominique Vlasto, adopted on 9 June, the committee is calling for a new approach in industrial policy in order to boost employment and competitiveness. By focusing on the effects of industrial change on policy the report pays special attention to the role of SMEs. It suggests measures such as streamlining the regulatory framework, simplifying access to sources of finance and maintaining existing aid for research, development and training. Further, it demands statistical and economic studies and analyses about SMEs in all EU-countries, particularly those engaged in craft trades. The Committee has also voted in favour of a one-year extension to the Commission's multiannual programme for enterprise and entrepreneurship (2001-2005), in order to bridge the gap between the existing programme and the new Competitiveness and Innovation Framework Programme (CIP) which runs from 2007-2013 (see news item on FP7 above).

The report, entitled 'Strengthening European competitiveness - the effects of industrial change on policy and the role of SME' is to be found on:

<http://www2.europarl.eu.int/omk/sipade2?L=EN&OBJID=95981&LEVEL=3&MODE=SIP&NAV=X&LSTDOC=N>

EU / Trade : EU tables new and ambitious WTO offer

The European Commission on 2 June released its revised services offer in the Doha Development Agenda (DDA) negotiations. It offers to grant access for foreign professionals to do business within its markets but demanded similar market openings in return as part of its latest offer for WTO talks. The proposal implies that non-EU architects, engineers and accountants would be granted better access the EU market. Freelance lawyers as well as contracted foreign lawyers will also be able to work in the EU. Moreover, it expands new market access in sectors such as legal and professional services, computer, management consulting and other business services; telecommunication, postal and courier services; construction; distribution; energy and environmental services; financial services; tourism; maritime transport and beauty and well-being services.

Only about half of the WTO members have said how far they will open their services markets, and existing offers fall short of what the EU wants, officials said.

Read the Commission press release:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/654&format=HTML&aged=0&language=en&guiLanguage=en>

EU / Internal Market: Business groups vow to press for reforms following referendum setbacks

Both the European and the French business lobbies stressed the need for continued economic reforms following the French voters' rejection of the European Constitution. UNICE said that the vote constituted a serious setback, but urged the European Union to push ahead with economic reforms nonetheless. Meanwhile, the head of the French employers' federation (Medef), Ernest-Antoine Seilliere, called for an urgent programme of reform to boost the economy and safeguard social welfare.

CONSULTATION

- **Improving the EU business environment**

Unnecessary rules and red tape stand in the way of sustainable growth deter business investment and hinder job creation. In mid-March, the Commission announced further steps in its

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Communication on “Better Regulation for Growth and Jobs”. This includes the launch of a major new simplification programme by October, 2005. In order to ensure that the programme responds to real concerns, the European Commission is keen to hear from businesses and other interested parties which rules need to be simplified.

The European Commission has now launched a public online consultation to ask business how they feel the business environment in the EU can be improved and the administrative burden reduced. Through an online questionnaire, the Commission asks companies and other interested parties to identify particularly burdensome rules and make suggestions as to how best to simplify them. The information gathered will be compiled and examined in the Commission’s ‘Red Tape Observatory’ and individually analysed by the responsible Commission services.

Closes 31 December 2005

The online form entitled ‘Ten minutes to improve the business environment in the EU’ is to be found on: <http://europa.eu.int/yourvoice/forms/dispatch?form=418&lang=EN>

- **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>

Q&A :

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

- **Consultation on application of financial instruments market directive**

Stakeholders will be asked to comment on a technical report by the Committee of European Securities regulators (CESR) on application measures of Directive 2004/39/EC. The consultation is the second part of a four part-process.

Closes 17 July 2005

COMING UP

EU Institutions: Important Dates

16 and 17 June	European Council
24 June	Environment Council
1 July	UK Presidency Starts

EU / ESBA annual Event : ESBA Policy Review – Seminar on Retention of profits

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The ESBA Annual event 2005 will be held in Brussels on Thursday 23rd June and Friday 24th June.

The ESBA Policy Review (Thursday 23 June from 14.00) will look focus on the Competitiveness and Innovation Programme (CIP); the progress on the Services Directives and the impact of the REACH proposal on small businesses.

The Seminar on Friday 24th will focus on “Retention of profits to finance SMEs”.
The venue will be the County House Hotel in Brussels (Uccle).

For more details & registration:

http://www.esba-europe.org/fgNbz5Wl639KIFN9guWY97Hg/EN/ESBA_Annual_Event_2005_23-25_June_2005.aspx

Other SME related Events

- 14 June Conference on CSR & SMEs “Competitive, Small, Responsible” Brussels – Residence Palace – More info and registration: http://crmgarage.com/mail.asp?h=8608059017qlv6m7x&e=secretariat--dnz_at-esba-europe.org&mid=4lkex81j_64
- 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
- 16 June “Finance & SMEs: Basel II, late payments and special SME ratings”, working breakfast, Salon des Députés, European Parliament, Brussels – More info: <http://www.sme-union.org/event/index.php?LAN=en&ID=6>
- 17 June “Enlargement and Globalisation: Location and Competitiveness of Firms in Europe” to be held at the European Economic and Social Committee, Brussels – More info and registration: http://www.ifri.org/frontDispatcher/ifri/manifestations/interventions_text_rieur_1042052171194/publi_P_manif_eco_d_localisations_1109071098640
- 27 June “Patents: the Bigger Picture”, working lunch, Salon des Députées at the European parliament, Brussels – More info: <http://www.european-enterprise.org/items/futureevents/>

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