



HEADLINES

EU / REACH: Parliamentary compromise on REACH subject to Council agreement

As the European Parliament voted on REACH in its plenary session on 17 November, it took a significant step towards overall political agreement on the controversial chemicals regulation. The Parliament adopted the compromise package which had been put together by Environment Committee rapporteur Sacconi (PES, Italy) and Internal Market Committee rapporteur Nassauer (EPP, Germany). However, the final adoption of the agreement depends on a favourable outcome in the extraordinary Competitiveness Council meeting scheduled on 13 December 2005.

With regards to the registration of chemicals, the compromise reduces the requirements for lower risk substances imported in quantities of 1 to 10 tonnes. Within this range, registration for existing substances, in use before 1981, will only be required for chemicals of high concern. Rules governing substances produced or imported in quantities of 10 to 100 tons will also be less stringent. Waivers to limit the necessity to undertake testing would be granted to companies which can justify the related risk. Moreover, the 'One Substance, One Registration' (OSOR) proposal for mandatory data sharing would become more flexible, as companies would be able to opt-out from data sharing if they could prove valid concerns regarding issues such as confidentiality.

The compromise included amendments intended to assist SMEs, such as assistance in conducting the necessary tests for collecting information. Moreover, SME downstream users who intend to use a substance in a different way from that set out in the data sheet provided by the supplier will be exempt from sending proposals for additional testing.

[Click here to access the results of the vote](#)

EU / Internal Market: Internal Market Committee support freedom to provide services

On 22 November 2005, the European Parliament's Internal Market and Consumer Protection Committee (IMCO) adopted a draft report by Evelyne Gebhardt (Socialists, Germany) amending the Commission's draft proposal on the Services Directive. The Directive is intended to remove barriers to EU-wide trade in services, and will, according to the Commission, boost European competitiveness in a sector which provides 70% of jobs in the EU.

The Committee adopted a key amendment remodelling the 'country of origin' principle of article 16 towards the freedom to provide services. The Committee also adopted key amendments to ensure that employment, security, information and environmental standards will not be compromised. Moreover, public authorities at local and national level will keep a key role in supervising services and dealing with public health and safety issues.

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Malcolm Harbour MEP, EPP-ED spokesperson in IMCO and shadow rapporteur on the directive, welcomed the vote, which means a step towards greater freedom for companies including small businesses to provide services. The vote in plenary is foreseen in January 2006.

[Click here to see the draft report on the services directive](#)

[Click here to find out about consolidated amendments](#)

EU / FP7: Provisional Competitiveness Council agreement on FP7 emphasizes SMEs

The Competitiveness Council meeting of 28 November 2005 led to an agreement on the basis for future discussions regarding the Seventh Framework Programme (FP7), and assigned central importance to support for SMEs. The Council, which consists of research ministers from the Member States, approved of a 'partial general approach' by a large majority. Along with the structure of the European Research Council (ERC), the support for SMEs was one of the two main focuses of the discussions.

Although the meeting did not address funding issues, the resulting agreement has paved the way for upcoming negotiations on financial perspectives. This agreement is based on the doubling of the research budget to a figure of € 72.73 billion, as recommended by the Commission.

Science and Research Commissioner Janez Potocnik welcomed the position reached by the Council. He also announced plans to expedite European research by setting up a group dedicated to identifying ways in which to stimulate research, chaired by the former Finnish Prime Minister, Esko Aho.

[Click here to view the provisional Competitiveness Council Conclusions.](#)

IN BRIEF

EU / SME & Finance: New survey underlines difficulty to get a bank loan

A survey conducted on behalf of the European Commission's DG Enterprise and Industry underlined the role of banks in SME finance as "extremely important". However, their views about the ease of obtaining bank loans diverged significantly, with 47% of interviewees saying they were hard to obtain, while 46% felt the opposite. Discrepancies are also big between EU countries surveyed: 95% of Finnish managers said loans were easy to obtain, while in Germany 80% said they were difficult.

One of the most significant findings is that a substantial proportion (42%) of managers said it was now harder to get a bank loan than it was a few years ago. Moreover, it became clear that venture capital is rarely used for financing SMEs in Europe and that this situation will not likely change soon.

The results of the Flash Eurobarometer survey on Access to Finance - October 2005 are [available here](#)

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EU / SME Charter: Vlasto report adopted in Industry Committee

On 29 November the Committee on Industry, Research and Energy of the European Parliament unanimously adopted a report by Dominique Vlasto (EPP-ED, France) on the Small Business Charter, endorsed in Feira in 2000. It will go to plenary in January 2006.

The report calls for better implementation of the Charter by member states and the European Commission. It suggests exemptions for small business from certain burdensome EU regulatory requirements. Regarding SME financing, it urges for strengthening the system of mutual guaranties, and suggests that European subsidies for small businesses should be exempt from corporation tax. Mrs Vlasto also urges for a better participation of small businesses in the European Social Dialogue.

[Access Mrs Vlasto's report :](#)

EU / Standardisation: Commission celebrates 20 years of the 'New Approach'

The European Commission marked the 20th anniversary of the 'New Approach' with a conference in Brussels, held on 30 November 2005. The 'New Approach' established the product legislation which facilitated the harmonization of EU product safety standards. It also saw the introduction of the CE marking, born by products covered by this legislation. Commission Vice President Günter Verheugen commented the New Approach as a 'role model' for better regulations and a functioning single market. June 2006 will see the Commission propose a review of the New Approach. Ultimately, the Commission hopes to broaden the implementation of the New Approach.

[To see the Commission press release, please go to:](#)

[To read about the role and significance of the CE marking, go to:](#)

EU / State Aid: ECON Committee considers draft report on State Aid reform

On 29 November 2005, the European Parliament's Committee on Economic and Monetary Affairs discussed a draft report written by Gunnar Hökmark MEP (EPP-ED, Sweden). In the report, Mr. Hökmark calls for less, better targeted state aid. He stated that innovations often stemmed from work conducted in somebody's 'garage', rather than from big industrial players backed by government funding. He emphasized the need to invest in an environment conducive to innovation, rather than individual innovators. A shift towards focusing state aid on SMEs is a major part of the Commission's new approach to state aid, as outlined by Competition Commissioner Nellie Kroes on 22 September.

[To see Mr. Hökmark's report, please go to:](#)

[To see Commissioner Kroes' speech of 22 September, please go to:](#)

[To see the Commission's state aid action plan:](#)

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EU / Public Procurement : “Small Business Act” to ease SME access to public procurement

An online petition in support of a “European Small Business Act” is currently being conducted by SUN&SUP, a group of 20 European high-tech start-up companies advising the European Commission. The objective is to ensure that European SMEs get equal rights in the new 10-year WTO treaty that is currently being renegotiated in Geneva for the period 2005-2015. The idea is to encourage public authorities to boost the growth potential of the best innovative SMEs through helping them participate in public procurements contracts. Indeed, government have a role to play against discrimination in public procurement (based on size, “newcomer statute”; lack of information, oversized contracts, etc) if they want small business to be the real drivers for growth and create jobs. Annual public procurement in Europe amounts to € 1500 Billion.

[For more information and to access the petition](#)

EU / Environment: Environment Committee discusses implementation of EU environmental law

On 21 October 2005, the environment committee of the European Parliament engaged in an exchange of views regarding the ‘implementation of EU environmental law in Member States’. Issues under discussion included the implementation of the Water Framework Directive (WFD) and the Emissions Trading Directive (ETD). Although the discussion centred on implementation at the Member State level, these issues have ramifications for individual companies. Vice-Chairman of the committee, Johannes Blokland (IND/DEM, Netherlands) suggested that an opt-out from the ETD should exist for smaller companies, producing only a few tonnes of emissions.

[Click here to see the ENVI Committee questions](#)

COMING UP

EU Institutions: Important Dates

- 13 December Special Competitiveness Council (REACH)
- 16-18 December EU delegation attends Trade Ministerial Conference Hong Kong www.wto.org
- 15-16 December EU Summit – Brussels
- 12-15 Dec European Parliament Plenary Session, Strasbourg.
- 1 Jan 2006 Austrian Presidency starts
- 16-19 January European Parliament Plenary Session, Strasbourg.

Other SME related Events

- 6 December **15th Annual Summit "EntrepreneurShip - The Winds of Change"**, organised by **the** The European Confederation of Young Entrepreneurs. More information: www.yes.be
- 6 December The European Ombudsman: 10 years, 20,000 complaints - too many? too few? – Public Workshop - Reading Room of the International Press Centre, Résidence Palace, 155 Rue de la Loi, Brussels.16h00 – 18h00
- 7 December Regional Changes – A challenge - FSF, ITPS and NUTEK Entrepreneurship event. Seminar in Brussels - For more information and registration please contact helena.ericsson@fsf.se

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- 7 December European Enterprise Institute : Education and Entrepreneurship Conference, Brussels. [Click here for further information](#)
- 7 December Public hearing on the 7th Framework Programme for Research and Technological Development European Parliament, Building ASP, room 5E2, 15.00-18.30 , organized by the ALDE group.
- 8 December Raghuram Rajan, chief economist of the International Monetary Fund, delivers the 2005 Ludwig Erhard Lecture to the Lisbon Council Board of Economists, Brussels. More info : info@lisboncouncil.net
- 14 December "Stimulating investment in research and innovation through public procurement"
- The event is part of the Commission's activities to raise awareness of the benefits of re-orienting public procurement towards stimulating research and innovation and the scope for such action under Community public procurement law. [To register](#)

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