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European Small Business Alliance

bulletin

Quote of the Week

Slow down and enjoy life. It's not only the scenery you miss by going too fast - you also miss the sense of where you are going and why.

Eddie Cantor (1892 - 1964)

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HEADLINES

EU / Internal Market: New Proposal to boost Internal Market in Services

The European Commission has published on 13th January a proposal for a Directive to create a "genuine Internal Market in services". The aim of the proposal is to establish a legal framework for the removal of obstacles to the freedom of establishment of services providers and the free movement of services between Member States;

First, it seeks to make it easier to establish a service business in another Member State, via the removal of unnecessary barriers and red tape which prevent operators to set up a business in a new country. Secondly, it will address the provision of services across borders through, among others things, a better implementation of the "country of origin" principle (whereby a service provider operating legally in one Member State should not have to comply with further rules to to market its services in another Member State) and the elimination of discrimination against consumers. Thirdly, and consequently, it is aimed to encourage cross-border activity and new business opportunity, hence create jobs and boost competitiveness. The proposed Directive includes all services provided to consumers and businesses, except services provided by public authorities for no remuneration and sectors that are already covered by EU laws. It covers activities such as construction, advertising, car rental; leisure activities, employment agencies, healthcare services, etc... The proposal follows the publication of a report on the State of the Internal Market of Services (July 2002) including a catalogue of barriers. Also, an impact assessment of the proposed directive has been published. The Proposal will now be forwarded to the European Parliament and the Council.

European Commissioner F. Bolkestein expects the proposal will take effect in 2007.

ESBA welcomes the proposal as it can help SMEs grow, conquer new markets and create jobs. SMEs are the most disadvantaged by the shortcomings of the Internal Market, and mostly dissuaded from cross-border expansion. Given that the services covered by the directive represent around 50% of the EU Economic activity, the gains for SMEs, which are mainly involved in the services sector, are theoretically huge.

In terms of approach, ESBA supports the idea of dismantling first barriers that can be easily dismantled, such as discriminatory requirements based on nationality or burdensome authorisation procedures. For the other barriers, for which a longer process is foreseen(i.e. evaluation; consultation and complementary measures of harmonisation) ESBA fears that the results will be too slow. ESBA therefore hopes that the declarations made by the Irish Presidency (i.e. it is "something (they) want to push") will be followed by concrete progress.

More info :
http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/04/37|0|RAPID&lg=EN&display=

EU / Internal Market : New „made in EU" label : what is it for? What is in it?

A report assessing the benefits and disadvantages of introducing a "made in Europe" label is expected to be published by the end of February by the European Commission. There is no such rule at present time in the EU. Neither does a uniform practice exist concerning the use of an EU label or mark of origin within the Union.

According to a spokesman of DG Trade, the advantages of an origin marking scheme at the EU level would include a greater homogeneity across the Internal Market, providing accurate information to consumers; consolidating the image and visibility of the EU etc... The system would have nothing to do with current system of geographic indications of origins (food). However , there are also many possible disadvantages, such as practical provisions for implementing the concept, costs to enterprises, the cost of administrative controls, etc... The main options for this "made in EU" label include a) an EU-wide regulation on a voluntary basis of origin marking for both imported goods and EU goods; b) a compulsory origin marking for imported goods and voluntary EU origin marking for EU products; adn C) compulsory origin marking for both EU and non-EU products.

In spite of the fact that, at this stage, there is no proposal as such in the pipeline, just a report analysing the question, ESBA is sceptical about the rationales behind the proposal. From a theoretical point of views, too much harmonisation has always played against fair competition and innovation. Now, taking into account the reality of the Internal Market, it is highly questionable whether a specific "made in EU" label would have more commercial value than a geographic indication or any other quality marling. This will need to be thoroughly assessed. If it can be demonstrated that an EU origin marking could boost trade and benefit SMEs, we believe that this could only be on a purely voluntary basis. Otherwise it is very likely that it will represent another burden for SMEs.

IN BRIEF

EU / Research : Basic research should be more encouraged

On presenting the EU blueprint on basic research, the Communication on "Europe and fundamental research", European Research Commissioner stressed the need for promoting basic research, which has been overshadowed by other priorities over the past decades, such as market oriented research.

The communication provides an overview of basic research in the EU as compared to other regions, including the US and Japan.

More info :

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/04/48|0|RAPID&lg=EN&display=

EU / Internal Market : Implementation deficit needs to be tackled

According to the latest figures available, 131 Directives have still not been implemented into national law in every Member State. However, whereas Member States such as Denmark, Spain, Finland, Irland and the UK, have a good record of implementation (i.e. with an implementation deficit below 1.5 %), others, such as France, Germany, Luxembourg, Greece and Italy, have persistently had a deficit of more than double the target. Ireland now also meets the 1.5 % target after more than halving its deficit since May 2003. The Commission will issue an updated set of figures in its next "Internal Market Scoreboard" in July.

More info:

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/04/33|0|RAPID&lg=EN&display=