



Quote of the Week

"The way to get things done is not to mind who gets the credit for doing them."

Benjamin Jowett (1817-1893)

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HEADLINES

EU / Entrepreneurship: Competitiveness Council calls for concrete results on enterprise policy

At its meeting of 11th March, the Competitiveness Council adopted conclusions on "Stimulating Entrepreneurship", in response to the Commission's recent Action Plan on Entrepreneurship. The Council welcomed the Commission's efforts in identifying areas in which the environment for entrepreneurship needed to be improved and in implementing the European Charter for Small Businesses. However, the Council stressed the need for concrete results and called on the Commission to adopt a more ambitious timetable and for Member States to exploit best practice wherever possible.

While accepting the Commission's integrated approach, the Council further called upon the Commission and Member States to intensify efforts on particular policy priorities, namely improving education and training for entrepreneurship, improving the regulatory environment and supporting and facilitating access to finance for entrepreneurs. The importance of effective dialogue between entrepreneurs and policy makers was also stressed.

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The results of the Competitiveness Council will be considered at the next European Council meeting, taking place on the 25th-26th March in Brussels. Progress towards the Lisbon objectives is high on the agenda.

The call for greater prioritisation and for concrete results is a welcome addition to the Commission's Action Plan, which contains many good ideas but lacks focus. ESBA urges Member States to take responsibility for the achievement of the Lisbon objectives, complementing initiatives at the European level with national measures designed to promote entrepreneurship through the provision of finance, education and the creation of an environment favourable to the development of SMEs.

[More info...](#)

EU / Research: Commissioner Busquin reports on progress towards research targets

On 17th March, Commissioner for Research Philippe Busquin delivered the first report on progress towards the Barcelona European Council objective of increasing investment in research to 3% of GDP by 2010, with two thirds financed by the private sector. The report suggests that progress to date has been positive but too slow. Public research budgets will have grown by little more than 2% in 2003/2004, considerably less than the 6.5% required to meet the target.

To supplement national government measures, the Commission is proposing to more than double the Community's funding of research in the next multi-annual programme and to improve the framework conditions for investing in research.

Of particular importance to SMEs is the modification of competition rules to expedite the granting of research aids to SMEs. >From 19th March, national governments will be able to simplify and speed up the introduction of research aid programmes and the granting of individual research aids for SMEs without having to inform the Commission in advance. Mr Busquin also cited Austria and the UK as examples of how the tax system could be used to promote research investment by SMEs.

More info: http://www.europa.eu.int/comm/research/era/3pct/index_en.html

EU / Unfair Commercial Practices: Legal Affairs Committee Adopts Report

The Committee on Legal Affairs and the Internal Market adopted a first-reading report on the proposed Unfair Commercial Practices Directive, drafted by Fiorella Ghilardotti (PES, Italy), during its meeting on 17th March.

The Commission's proposals, designed to remove internal market barriers and distortions of competition arising from unfair business-to-consumer commercial practices, were significantly amended by the Committee. In particular, the Committee emphasised the cross-border nature of the transactions covered, insisted that the approach aim for full harmonisation rather than the mere approximation of Member State laws and sought to increase the protection for vulnerable economic groups, such as those disadvantaged by age, disability or illiteracy.

The report will now be presented for adoption at a future plenary session of the European Parliament.

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ESBA welcomes moves to eliminate unfair business-consumer commercial practices and is in favour of an approach based on the identification of unfair practices as opposed to a prescriptive approach. However, the adoption of amendments advocating full harmonisation is likely to prove highly controversial, particularly for Member States that already provide a high level of consumer protection.

Whilst this proposal applies only to business-consumer transactions, small businesses are also at risk from unfair commercial practices and as such ESBA believes that the extension of these principles to business-business transactions should be considered in future legislative proposals.

[More info...](#)

IN BRIEF

EU / Commission: Stavros Dimas appointed as new Commissioner for Employment and Social Affairs

Following the election of Anna Diamantopoulou to the Greek Parliament, her role as Commissioner for Employment and Social Affairs has been filled by Stavros Dimas, the former Greek Minister for Agriculture and for Industry, Energy and Technology. Mr Dimas is a trained lawyer and economist and also has prior experience in the private sector. He will assume responsibility for several key dossiers, including the Commission review of the UK opt-out from the Working Time Directive and the Temporary Agency Worker's Directive.

[More info...](#)

EU / Competitiveness: European Competitiveness Index reveals lack of competitiveness and cohesion

With the discussion of the Lisbon strategy in the European Council rapidly approaching, a report from a British economics consultancy and think-tank reveals that Europe suffers from both low competitiveness and a lack of cohesion. According to the report, there is a growing 'competitiveness gap' between 'super-regions', such as Helsinki, Brussels and Ile de France, and lagging regions. Low levels of knowledge and human capital formation leave poor performing regions at risk of being overtaken by dynamic regions in the new EU Member States.

More info: <http://www.hugginsassociates.com/>

EU / Internal Market: Commissioner Bolkestein seeks to enforce implementation of measures on taxation and financial services

Commissioner for the Internal Market, Frits Bolkestein, addressed the Economic and Monetary Affairs Committee of the European Parliament last week, presenting his deadlines for the adoption of the latest proposals.

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He called for the use of a reinforced cooperation mechanism for agreement on a common tax base for company taxation, which faces opposition from the UK and Ireland. He also stated that the Commission would produce recommendations before the summer on pilot schemes to allow SMEs to calculate taxable profits according to the rules of the country of origin.

In addition, the Basel Committee is expected to report on the update of rules on the prudential supervision of financial institutions before the summer, following which the Commission will make a proposal to adapt the agreement to European law. A report by PriceWaterhouseCoopers on the impact of the future Basel agreements on SMEs has not yet been published.

Other topics discussed included the reform of indirect taxation, taxation on savings and progress towards new international accounting standards.

More info: http://www.europa.eu.int/comm/internal_market/en/index.htm

EU / Lisbon Strategy: European Business Summit

The European Business Summit, an annual gathering of business leaders, civil servants, academics and NGOs, met on the 11th-12th March in Brussels.

The summit focused on strategies for European research and innovation, however the discussions were wide-ranging and addressed the broader issues of the slow progress towards the achievement of the Lisbon and Barcelona objectives and the impact of legislation such as REACH and the Kyoto Protocol on the competitiveness of European industry.

Calls were also heard for institutional reforms to support the Lisbon agenda, including the creation of a Commission Vice-President for Economic Reform and for a dedicated Competition Committee within the European Parliament.

More info: <http://www.ebsummit.org/>

EU / SMEs: Parliamentary Committee hears SME concerns on burden of REACH

The Economic and Monetary Affairs Committee of the European Parliament held a hearing on the proposed Regulation establishing REACH and a European Chemicals Agency, chaired by the Rapporteur for Opinion, Werner Langen (EPP, Germany).

Whilst all speakers were sympathetic to the principles of the Commission's proposal, strong concerns were expressed about the administrative and financial burden of REACH on SMEs, the differential impact on industrial sectors, the impact on the competitiveness of the EU chemicals industry and the confidentiality and protection of intellectual property. Calls were made for a more comprehensive impact assessment to address these issues.

The Economic and Monetary Affairs Committee is due to deliver an Opinion on the proposed Regulation, which will be considered by the Environment Committee in their adoption of the Report. Since the first reading in plenary will not take place during this Parliament, it is likely that the issues of regulatory burden and cost will be raised by newly elected MEPs from the accession countries.

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