



Quote of the Week

I can't understand why people are frightened of new ideas. I'm frightened of the old ones. John Cage (1912 - 1992)

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HEADLINES

EU / European Council: Member States 'determined and confident'

The European Council met in Brussels on 25-26 March for the annual Spring Summit to review progress towards the objectives of the Lisbon Agenda and to discuss international issues, such as measures to combat terrorism. The Council acknowledged that progress on the Lisbon Agenda has been 'mixed' but reaffirmed their commitment to the process with 'determination and confidence'. The importance of rapid reform at Member State level was emphasised, along with improved implementation of existing commitments.

The Council focused in particular on two policy objectives: sustainable growth and more and better jobs. Competitiveness, innovation and the promotion of an entrepreneurial culture were identified as the defining conditions for growth, with particular reference to the SME sector. To this end, the Council outlined four priorities to enhance European competitiveness:

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Completing the Internal Market; not least in the areas of electronic communications, services and financial services;

Better Regulation, at national and EU level, through refinement of the impact assessment process and improved measurement of the administrative burden on businesses;

Reaching the R&D Target, by encouraging investment by business, strengthening the EU science and research capacity and making the European R&D Framework Programme more user-friendly for SMEs; and

Effective Institutional Arrangements, including consideration of how to support competitiveness under the new Commission structure.

These measures, in conjunction with the promotion of favourable macroeconomic conditions, job creation, environmental measures and social cohesion, are considered vital to bringing the Lisbon Agenda back on track. The mid term review will take place in 2005 and the European Council has called upon the Commission to set up a road map to enforce the strategy and to form a high level group to conduct an independent review.

For more information, see:
<http://ue.eu.int/newsroom/eu-council/ireland/index.asp?lang=EN>

EU / SMEs: €43m to be returned to EU budget following failure of SME programme

On 6 April, the Industry Committee of the European Parliament voted to adopt a report by Paul Rübiger MEP (EPP, Germany) endorsing the Commission's intention to phase out the Joint European Venture ('JEV') programme for SMEs. This will result in the return of around €43m in unspent funds to the EU budget.

The JEV programme, established in 1998, sought to stimulate the creation of transnational joint ventures between SMEs within the European Economic Area to help them to internationalise their activities and to take full advantage of the Single Market. However, the programme has largely failed in its objectives. It is costly, slow and complicated to administer, demand has been low and substantial modifications would entail the loss of the unused committed budget of €43m.

The Committee stressed that successful SME programmes need to focus on correcting market failures in the access of SMEs to risk capital, through the participation of private and public actors. The adopted report, which also incorporates a call for the Commission to present an annual report on the implementation of the multiannual programme for SMEs, will now be considered at the forthcoming plenary session in Strasbourg.

A public consultation on the new multiannual plan, for the period 2006-2010, is currently being held. For more information, see
http://europa.eu.int/comm/enterprise/enterprise_policy/spec/index.htm.

EU / Chemicals: Impact of REACH on SMEs fuels debate

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The European Commission's proposal for a Regulation establishing the REACH system of registration, evaluation, authorisation and restriction of chemicals, as well as a European Chemicals Agency, has been the subject of several debates in Brussels this week. In each case, the burden of compliance on SMEs has been highlighted as a key deficiency of the proposal, with potentially serious consequences for the competitiveness of the European economy.

Debates in the Employment, Environment and Legal Affairs Committees of the European Parliament all addressed the cost of the proposed system and criticised the framework for a lack of prioritisation. Additionally, the European Economic and Social Committee adopted its Opinion on the proposal on 31 March. Whilst broadly supportive of the proposed system, the Opinion called for the strengthening of the European Chemicals Agency, simplification and cost reduction and for a support plan for SMEs to be drawn up.

In response to industry concerns, the Commission has agreed to conduct an additional impact assessment, addressing the indirect economic impact on downstream users, the impact on innovation of product withdrawal and the impact in accession states. This consultation is due to be completed by the end of the year, hence it is unlikely that the first reading in plenary will take place before 2005.

For more information:
<http://europa.eu.int/comm/environment/chemicals/reach.htm>

EU / Research: Commission targeting innovative SMEs

On 26 March, Commissioner for Research Philippe Busquin, presented the EU-funded DETECT-IT project, aimed at helping SMEs to overcome the difficulties in setting up and financing research activities. Approximately €2.2bn of the funding attached to the 6th Framework Programme will be allocated to SMEs, representing around 15% of the total budget.

The DETECT-IT programme will be coordinated by the European Business Network, making use of the Commission's Business Innovation Centre incubators to target more than 1000 SMEs across Europe, grouped into three target industries - Information Society Technology, food quality and safety, and environment and energy. SMEs will be directed towards appropriate EU research funding opportunities and will be encouraged to develop transnational joint ventures and innovation and knowledge transfers.

Mr Busquin stressed that he was seeking to promote the involvement of both high- and low-tech SMEs in research-based activities. He conceded that 95% of SMEs have no significant research capacity on their own or in collaboration but sees this as all the more reason to encourage SME participation through programmes like DETECT-IT.

For more information, see:
http://europa.eu.int/comm/research/fp6/sme/index_en.html

IN BRIEF

EU / Research: European Science Congress

The European Science Congress was held in the European Parliament on the 6-7 April, with the aim of supporting the Barcelona target of raising total European research spending to 3% of GDP by 2010.

The success of Ireland and Finland in promoting R&D was recognised, although the average level of research spending across the EU is still only 1.9%. European Commission President, Romano Prodi, outlined three concepts for meeting the Barcelona challenge, namely the mobility of researchers within the European Research Area, exchanges with the world of production and the setting up of centres of excellence.

In his conclusions to the conference, Rolf Linkohr MEP stressed the importance of SMEs in the achievement of this goal, therefore research support for SMEs should be a priority for the EU and the Member States.

For more information, see
http://www.europarl.eu.int/conferences/2004_science/default_en.htm

EU / Enterprise: Training a new generation of entrepreneurs

A new report from a team of national experts from 26 European countries has concluded that teaching entrepreneurship will greatly improve Europe's competitiveness in the long run. The report, entitled "Education for Entrepreneurship", coordinated by the European Commission, calls for the incorporation of entrepreneurship education into an all-round policy strategy involving national and local authorities.

The report looks specifically at ways of teaching entrepreneurship in primary and secondary schools and at providing incentive and support measures to capitalise on the considerable autonomy enjoyed by many schools and teachers. These include assistance from international networks and NGOs, especially by means of programmes that offer students hands-on experience of enterprise.

In its aim of fostering an entrepreneurial culture in Europe, the report and its conclusions mirror many of the priorities identified by the recently published Entrepreneurship Action Plan.

http://europa.eu.int/comm/enterprise/entrepreneurship/support_measures/training_education/index.htm

EU / Environmental Liability: Parliament adopts report in plenary

The Parliament adopted in third reading on 31 March the compromise reached by conciliation on the proposal for a directive on environmental liability. Toine Manders (ELDR, The Netherlands, Rapporteur) expressed his satisfaction with the legislation, which will enshrine into Community law the 'polluter-pays principle', with a view to guaranteeing the prevention of environmental damage and the repair by the polluter responsible for damage.

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The Commission will issue a review of the new instrument six years after its implementation, with the aim of assessing the necessity of introducing obligatory financial insurance, which was left out of the proposal.

The EU Council of Ministers will vote on the directive on 28-29 June. Member States will then have three years to implement the Directive.

For more information:
<http://europa.eu.int/comm/environment/liability/>

EU / SME Benchmarking: 2003 Observatory of European SMEs Reports Published

Three reports from the 2003 research of the Observatory of European SMEs are now available. The reports are based on a Survey conducted among over 7800 SMEs in Europe, carried out by ENSR (the European Network for SME Research).

2003/1 Competence Development in SMEs: This report provides an analysis of how European SMEs develop their in-house competence and acquire external expertise. It also focuses on the main attitudes, on the benefits and barriers that SMEs face in this activity

2003/2 SMEs and Access to Finance: This report focuses on the situation of European SMEs' debt financing. The report coverage, which includes financing through overdrafts, bank loans, leasing and factoring, does not include equity financing. A view on trade credit and guarantee schemes is also offered

2003/3 SMEs and the Liberalisation of Network Industries This report focuses on the deregulation and privatisation process implemented within the EU from an SMEs' perspective. Specifically the report identifies the impact of the liberalisation process on SMEs as consumers of services provided by public utilities (especially telecommunication and electricity)

The Observatory of European SMEs was established by the Commission in December 1992 in order to improve the monitoring of the economic performance of SMEs in Europe. Its task is to provide information on SMEs to policy-makers, researchers, economists and to SMEs themselves.

Further information:
http://europa.eu.int/comm/enterprise/enterprise_policy/analysis/observatory.htm

EU / Financial Services: Forum to give SMEs and consumers a stronger voice

A new expert forum on financial services, FIN-USE, has been established to provide policy input to the European Commission on financial services issues, from the point of view of users, namely consumers and SMEs. The group consists of 12 national experts, representing consumer associations, SME associations and the academic world. The first meeting took place on 4 April.

http://www.europa.eu.int/comm/internal_market/finservices-retail/finuse_en.htm

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EU/ e - Business: Optimising the online environment for SMEs

The forthcoming Fifth e-Business Support Network (eBSN) workshop, taking place in Barcelona on 13 May, will focus on how SMEs can integrate e-business into their business processes and how policy makers can facilitate this process.

The eBSN exists to facilitate the sharing of experience and good practice in support of e-business for SMEs. It consists of e-business experts from public administrations in EU Member States, the EU acceding and candidate countries, the EEA countries and the European Commission and representatives of European, national and regional initiatives, which provide support to SMEs with regards to the take-up of ICT and e-business.

For more information, see <http://www.e-bsn.org/en/about.html>

CONSULTATIONS

DG Enterprise - Multiannual Programme for SMEs

Closing Date: 10 May 2004

http://europa.eu.int/comm/enterprise/enterprise_policy/spec/index.htm

DG Enterprise - A new Action Plan for innovation

Closing Date: 31 May 2004

<http://europa.eu.int/comm/enterprise/innovation/consultation/index.htm>

COMING UP

EU / Institutions: Changes following enlargement

The enlargement of the European Union on 1 May will lead to significant changes in all EU institutions. The following table summarises the changes to the European Commission, the Council of Ministers and the European Parliament.

European Commission

Until 1 May 2004: existing Commissioners and approval of new Commissioners by European Parliament.

1 May 2004 – 31 October 2004: expands to 30 members, with new members from accession countries shadowing portfolios of existing Commissioners.

1 November 2004 – 31 October 2009: New 25 member Commission takes office, with one member per Member State.

Council of Ministers

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Until 1 May 2004: Existing system: 15 members, 87 votes, 62 votes for qualified majority. Accession countries participate as observers.

1 May 2004– 31 October 2004: Accession countries join: 25 members, 124 votes, 88 for qualified majority.

1 November 2004 – 31 October 2009: New voting system: 321 votes, 232 votes for qualified majority, representing at least 62% of EU population (verified at Member State request).

European Parliament

Until 1 May 2004 Existing system with observers from accession countries.

1 May 2004 – 31 October 2009: Representatives of accession countries to be appointed by national parliaments for the transition period prior to elections on 10-13 June. Total number of seats will rise to 732, with seats allocated as specified in the Treaty of Nice.

The details are subject to adjustment in the event of agreement on a constitutional treaty, for which a deadline of June was set during the recent European Council meeting.

EU / Important Dates

April 19-22 European Parliament Plenary Session, Strasbourg

May 1 EU Enlargement

June 10-13 European Parliament elections

June 17-19 ESBA Annual Event, Brussels