



HEADLINES

EU / Competitiveness: Commission announces framework for industrial policy

Following the concerns expressed by the European Council, the Commission issued a Communication on 20 April outlining the framework for industrial policy in an enlarged European Union. The Commission recognises that the European economy is underperforming in the vital areas of productivity, innovation and research spending and furthermore that whilst there is no general trend towards deindustrialisation in Europe, the adjustment costs associated with industrial restructuring are considerable.

In response to these challenges, the Communication highlights three major areas for EU action:

- Improving the regulatory environment, through the 'Better Lawmaking' Action Plan. In particular, there is a need to consider the impact on competitiveness of all legislative proposals and the sector-specific effects
- Better mobilising Community policies to support competitiveness
- Responses to sector-specific problems, such as in the pharmaceutical, aerospace, shipbuilding, business services and textiles industries

The Communication also discusses how competition policy must be streamlined and used to reduce the administrative burden on businesses, in particular SMEs.

http://www.europa.eu.int/comm/enterprise/enterprise_policy/industry/doc/com274_2004_en.pdf

EU / Consumer Credit: European Parliament adopts advocates 'optimum harmonisation'

During the plenary session in Strasbourg on 20 April, the Parliament voted to adopt the report by Joachim Wuermeling (EPP-ED, Germany) on the proposal for a Directive on Consumer Credit. The report contains significant amendments to the Commission's proposal, which the Rapporteur had argued to be insufficiently prepared and ill suited to the reality of consumer credit markets.

The legislative proposal addresses the harmonisation of laws, regulations and administrative provisions concerning agreements granting credit to consumers. The adopted report stresses that the objective of the Directive should be to enhance consumer protection, to avoid over-indebtedness and to provide optimum harmonisation of the laws of the Member States. Since full harmonisation would lower the standard of consumer protection in many countries, the aim of the Directive should instead be to provide a minimum standard whilst granting Member States the right to retain higher standards if they wish. Nevertheless, full harmonisation in some areas, is seen as essential to the development of the internal market in consumer credit. This includes the provision of standardised information about credit offers, so as to facilitate Europe-wide comparisons.

Other features of the adopted report include the exclusion of certain types of loan from the directive, the timing of information provision, rules governing cross-border credit and joint and several liability

ESBA Bulletin of 23 April 2004 – Volume 6 – Number 9

The proposal will now be considered by the Council in May.

http://www.europa.eu.int/comm/consumers/cons_int/fina_serv/cons_directive/index_en.htm

EU / Unfair Commercial Practices: Parliament votes for greater cross-border protection

The European Parliament voted to adopt a report by Fiorella Ghilardotti (PES, Italy) on the Commission's proposal for a Directive concerning unfair business-to-consumer commercial practices.

The House supported the approach taken by the Commission, which focuses on identifying whether a commercial practice is unfair rather than creating a positive obligation on traders to show that they are trading fairly. The approach also calls for standardisation in order to remove internal market barriers caused by differing national legislation.

The adopted report refines the Commission's proposal in several ways. The scope is extended to include transactional decisions even when they do not result in a contract between the consumer and the trader. In addition, a number of misleading practices are added to the Commission's 'black list', such as the practice of using artificially high reference prices as the basis for discounts, supplying goods or services to consumers who have not requested them and advertising in such a way as to disguise commercial intent. The amendments also address the definition of a 'particular group of consumers' to address those with distinct characteristics such as vulnerability due to age, disability or other physical or mental conditions.

The report will now be submitted for the Council to agree on a Common Position, as the next step in the codecision procedure.

http://www.europa.eu.int/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm

EU / Budgetary Affairs: European Parliament discharges Commission accounts for 2002

The European Parliament voted on 21 April by a large majority to discharge the European Commission's accounts for 2002. The budget report by MEP Juan Jose Bayona de Perogordo is highly critical of the management of agricultural and structural funds but much of the blame is apportioned to Member States rather than the Commission. However, a resolution was adopted stating that the Commission has not reacted appropriately to the Eurostat affair and has failed to accept responsibility for the matter, either individually or collectively.

Meanwhile, it has been reported that the 'club of six' Member State governments campaigning for a cap on total contributions at 1% of total Gross National Product has expanded to eight members. According to French diplomats, Denmark and Finland have joined France, Germany, Sweden, the Netherlands and Austria in calling for tighter limits on EU spending.

Discussions on the size of the future EU budgets will be conducted this summer.

EU / Commission: New Commissioner for Enterprise endorsed by European Parliament

The hearings of 10 new Commissioners, due to be twinned with existing Commissioners following the enlargement of the European Union on 1 May, took place in the European Parliament on 13-15 April.

Commissioner for Enterprise and the Information Society, Erkki Liikanen, will be joined by the Slovakian nominee, Ján Figel'. Mr. Figel acted as chief negotiator for the Slovak Republic during the

ESBA Bulletin of 23 April 2004 – Volume 6 – Number 9

accession negotiations and was formerly a research and development scientist prior to his political career.

During a hearing chaired by Joseph Daul (EPP, France), Luis Berenguer Fuster (PES, Spain), chair of the Industry Committee, and Caroline Jackson (EPP-ED, UK), chair of the Environment Committee, Mr. Figel answered questions on subjects including the proposed chemicals legislation, SME policy and the role of impact assessments. In their summary of his performance, the chairs expressed concern that his responses 'were very general in nature and lacked depth'. Nevertheless, the Conference of Presidents recommended that Parliament should approve all nominees during the next Plenary session.

http://europa.eu.int/comm/commissioners/10comm_en.htm

IN BRIEF

EU / Enlargement: Report highlights division between old and new Member States

A report by the Confederation of Swedish Enterprise has illustrated how far behind many accession countries are in progress towards the Lisbon objectives. However, the report claims that a difference in attitudes may allow accession countries to overtake their more established neighbours by 2010.

Measures such as the level of employment in high tech manufacturing and the number of patent applications provide support for the existence of an old/new divide. Nevertheless, such a categorisation is shown to be overly simplistic by the strong performance of Hungary in high tech engineering and the relatively weak performance of Spain, Greece and Portugal.

The report recognises the obstacles created by poor public administration, the legacy of old industrial investments and environmental damage but argues that the relatively high educational level will help to enhance the competitiveness of the accession countries.

http://www.svensktnaringsliv.se/index_english.asp

EU / Lisbon Agenda: Commission appoints High Level Group to revitalise Lisbon Strategy

In response to the call from the European Council in March, the Commission has announced the composition of the High Level Group on the mid-term review of the Lisbon Strategy in 2005. The purpose of the group is to make proposals to the Commission to give 'renewed stimulus' to the Lisbon Strategy and to improve actual delivery.

The Group will be chaired by former Dutch Prime Minister, Wim Kok, and will consist of 13 'independent figures', selected to represent the major interested parties. Business interests will be represented by Niall Ferguson, Chairman of Unilever. The Group is due to report by 1 November.

EU / SMEs: Conference on the European Charter for Small Businesses announced

The Irish Presidency and DG Enterprise have announced that a conference on the European Charter on Small Businesses will be held in Dublin on 29-30 June. The programme includes two major themes: the exchange of good practices identified in the latest Charter Implementation Reports; and the discussion of experiences with the Charter process and the presentation of priority areas for the 2004 reporting exercise. The conference will include workshops on many issues of direct concern to

ESBA Bulletin of 23 April 2004 – Volume 6 – Number 9

SMEs, including access to finance, innovation and technology transfer, consultation of small businesses and other Charter areas.

The Conference will be addressed by representatives of the Presidency, national ministries, industry and DG Enterprise, including the Commission's SME Envoy, Timo Summa.

For more information, see

<http://www.europa.eu.int/comm/enterprise/events/charter/index.htm>.

EU / e-Business: Digital divide smaller than expected

A survey by e-Business W@tch, a monitoring organisation funded by the European Commission, has shown that businesses in the accession countries have acted quickly in implementing new electronic business technologies.

The conclusion from the survey of 10,000 companies in 26 countries revealed that the digital divide between the Member States and the accession countries is much narrower than previously thought, with countries such as Estonia comparable to the UK, Germany and France in the proportion of companies with broadband access. These results will inform future EU enterprise policies, with the likely outcome that policies in this area will be more sectorally than regionally differentiated.

<http://www.ebusiness-watch.org/>

EU / SMEs: Parliament calls for end of Joint European Venture programme

MEPs have adopted a legislative resolution that supports the Commission proposal for the phasing out of the Joint European Venture (JEV) programme for SMEs as soon as possible and the return of the unspent funds (around €43m) to the EU budget.

The JEV initiative, created in 1998 as part of the multiannual programme for SMEs, aimed to stimulate the creation of transnational joint ventures between SMEs within the European Economic Area to help them to internationalise their activities and take full advantage of the Single Market. The joint venture had to be created between at least two SMEs from two different states. However, the programme has proved to be slow, expensive and demand has remained low.

The Commission and Council are both in agreement with the adopted report and the Decision will now be formally taken in Council.

EU / Enterprise: 'Pink Book' of Enterprise Legislation Updated

The list of European legislation under the management of DG Enterprise has been updated to include 497 pieces of legislation, including both legally binding measures and implementing arrangements.

http://europa.eu.int/comm/dgs/enterprise/acquis_en.htm

ESBA Bulletin of 23 April 2004 – Volume 6 – Number 9

CONSULTATIONS

DG Enterprise - Multiannual Programme for SMEs

Closing Date: 10 May 2004

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

The purpose of this consultation is to invite stakeholders to present their views for the possible successor programme to the Multiannual Programme (MAP) for Enterprise and Entrepreneurship, and in particular for small and medium-sized enterprises, due to expire by the 31st December 2005.

DG Enterprise - A new Action Plan for innovation

Closing Date: 31 May 2004

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

An Action Plan is being developed to address the main issues that currently hamper innovation in European enterprises. It will concentrate on key-issues relevant for the innovation process in enterprises, placing the enterprise at the centre of innovation policy. Those key issues include the regulatory environment, the market in knowledge, and the financial and human resources that help or hinder innovation.

DG Employment - European Works Council Directive

Closing Date: n/a

http://www.europa.eu.int/comm/employment_social/news/2004/apr/ewc_consultation_en.pdf

The European Commission is consulting workers' and employers' representatives on how European Works Councils can best respond to the challenges of a changing economic and social environment.

DG Internal Market - Services in the Internal Market

Closing Date: 20 June 2004

http://www.europa.eu.int/comm/internal_market/services/transparency/consultation_en.htm

In order to address a number of serious obstacles to the freedom to provide services and the freedom of establishment in the internal market, the Commission is proposing to amend the existing Directive 98/34/EC to incorporate a broader range of services. The public consultation will form the basis for the impact assessment of a future proposal to this effect.

COMING UP

EU / Important Dates

May 1 EU Enlargement

ESBA Bulletin of 23 April 2004 – Volume 6 – Number 9

- June 10-13** European Parliament elections
- June 17-19** ESBA Annual Event, Brussels
- June 29-30** Conference on the European Charter for Small Enterprises