



## HEADLINES

### **EU / Competitiveness: Informal Competitiveness Council identifies measures to improve productivity and competitiveness**

Ministers from 31 countries, 3 Commissioners and representatives of industry, science and innovation met at Dromoland Castle, Ireland on 26 April to discuss the competitiveness challenges facing the European Union, in particular with regard to weak productivity growth and the threat of competition from developing countries.

Two particular problems were identified: the burden of excessive regulation and the lack of effective competition in many industries; and the failure to provide attractive conditions for research and innovation in Europe. In response to these challenges, the Irish Presidency outlined the priorities that will be pursued by the next three Presidencies (Netherlands, Luxembourg and the United Kingdom) to enhance the competitive and regulatory environment.

- Better EU Regulation – in particular through improved impact assessments
- More Competition – through the continuing removal of barriers, not least in trade in services
- Stimulating Research Excellence – including simplifying procedures for SMEs to access EU research initiatives
- Stimulating Innovation and Entrepreneurship

The conclusions will contribute to the formal Competitiveness Council to be held on the 17-18 May.

*Whilst ESBA welcomes the continued focus on improving the regulatory environment for SMEs, there remains a need for concrete measures in addition to broad policy pronouncements. Not only is “better regulation” needed, but also simply less regulation to allow for a level playing field for all businesses.*

For more information, see:

[http://www.eu2004.ie/templates/news.asp?sNavlocator=66&list\\_id=618](http://www.eu2004.ie/templates/news.asp?sNavlocator=66&list_id=618)

### **EU / SMEs: MEP questions Commission’s commitment to SMEs**

Paul Rübzig MEP, the Rapporteur for the new multiannual programme for enterprise and entrepreneurship (MAP), has criticised the lack of commitment to assessing the impact of the forthcoming Basel II framework on SMEs.

His chief concern is that the new framework may have a detrimental impact on the ability of SMEs to access risk capital, hence jeopardising the success of the measures contained in the new MAP to improve access to capital. Mr. Rübzig called for early publication of an extended impact assessment on the implications of Basel II for SME capital.

**ESBA strongly supports the initiative of publishing an extended impact assessment on the impact of Basel II on SMEs but however regrets that such an impact assessment has not been carried out**

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early enough in the process of designing the Basel II framework. SMEs are likely to be hard hit by the new law if nothing is done to lighten the guarantee conditions set for SMEs to access finance.

For more information on the MAP, see

[http://europa.eu.int/comm/enterprise/enterprise\\_policy/spec/index.htm](http://europa.eu.int/comm/enterprise/enterprise_policy/spec/index.htm)

### **EU / European Commission: New Commissioners welcomed**

Following the celebrations marking the accession of ten new Member States to the European Union, the expanded European Parliament met in Strasbourg on 5 May to approve the new College of Commissioners.

The Parliament voted by a large majority to approve the new 30-member Commission, which includes ten members from the new Member States (who are to share portfolios with existing Commissioners), as well as Jacques Barrot and Joaquin Almunia, to replace the departing Michel Barnier and Pedro Solbes respectively.

The new Commission will serve for 6 months. In October, the selection process will recommence to install a new 25 member Commission in November, to serve for 5 years.

For more information on the new Commissioners, see:

[http://www.europa.eu.int/comm/commissioners/10comm\\_en.htm](http://www.europa.eu.int/comm/commissioners/10comm_en.htm)

### **EU / European Commission: Enterprise Commissioner Liikanen to return to Finland**

Commissioner for Enterprise and the Information Society, Erkki Liikanen, has been appointed Governor of the Bank of Finland and is to step down as the EU's enterprise guru.

Mr. Liikanen was due to conclude his term as Commissioner at the end of October. However, he is now scheduled to begin his duties in Helsinki on the 12 July. The Finnish government have not yet appointed a successor and are not expected to do so until after the European elections. Two candidates have been named: former Social Democrat Prime Minister Paavo Lipponen and Centre Party politician Olli Rehn.

Mr. Liikanen has become the fourth member to leave the current Commission, following the departures of Anna Diamantopoulou, Michel Barnier and Pedro Solbes.

[More info](#)

## **IN BRIEF**

### **EU / e-Business: Commission launches Best Practice Exchange for SMEs**

DG Enterprise has launched a call for proposals to encourage the exchange of best practice among SMEs. The call is addressed to members of eBSN, a collaborative network for national and regional e-business policy initiatives, which aims to promote e-business for SMEs and share practical experience and information.

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The aim is to foster cooperation between e-business policy initiatives based in different regions or countries and representing different stages in the development of e-business. Results will be used to launch joint actions using partnership arrangements with SMEs in new Member States and candidate countries.

The deadline for the submission of proposals is 4 June 2004.

[More info](#)

### **EU / Competitiveness: Four EU countries in competitiveness top ten**

IMD, a Swiss Business school, has just released its annual World Competitiveness Yearbook. The yearbook compiles data on 60 countries and forms a ranking based on over 300 criteria. Denmark, Finland, Luxembourg and Ireland feature in the top ten of a list headed by the US.

The criteria for the ranking are divided into four categories: a macro-economic evaluation of the domestic economy; the extent to which government policies are conducive to competitiveness; the extent to which enterprises are performing in an innovative, profitable and responsible manner; and the extent to which basic technological, scientific and human resources meet the needs of businesses.

For more information: <http://www01.imd.ch/wcy/>

### **EU / Information Technology: EU lagging behind the US**

A report by the Economist Intelligence Unit (EIU) has revealed that European economies are lagging behind the US due to their failure to develop IT skills, innovation and research and development. EU-wide investment in information and communication technology (ICT) amounts to approximately €1.9 trillion but the report claims that this has not led to a discernable improvement in productivity or economic growth. According to the report, this poor performance relative to the US is attributable not to lack of investment but to deficiencies in European policies and business practices.

For more information: [More info](#)

### **EU / Regional Policy: Third Cohesion Forum to be held on 10/11 May**

Following the publication of the Third Report on Economic and Social Cohesion on 18 February, setting out a new vision for cohesion policy for the enlarged European Union for the period beginning in 2007, the European Commission is organising the Third Cohesion Forum on 10 / 11 May at the European Parliament. All Member States will be represented, as well as the EU institutions, including Commissioners Prodi, Barrot, Monti, Dimas and Balázs. Two round-table discussions will address the following subjects: "Setting a new agenda: future priorities for cohesion policy" and "Reforming the delivery system: simplification and decentralisation" which refer to the proposals made by the Commission in the conclusions of the Third Cohesion report.

For the full programme, see: [More info](#)

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### CONSULTATIONS

#### **DG Enterprise - Multiannual Programme for SMEs**

*Closing Date: 10 May 2004*

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.

[More info](#)

#### **DG Enterprise - A new Action Plan for innovation**

*Closing Date: 31 May 2004*

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.

[More info](#)

#### **DG Employment - European Works Council Directive**

*Closing Date: Not Announced*

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.

[More info](#)

#### **DG Internal Market - Role of Independent Directors**

*Closing Date: 4 June 2004*

The European Commission has launched a consultation on the role in listed companies of non-executive or supervisory directors, focusing in particular on those who may be considered as independent. Responses will be taken into account in the preparation of the Commission's forthcoming Recommendation to Member States on this issue, scheduled for autumn 2004. The consultation document covers, inter alia, the composition, role, operation and transparency of board committees, and the criteria according to which directors can be regarded as independent. The deadline for responses is 4 June 2004.

[More info](#)

#### **DG Internal Market - Services in the Internal Market**

*Closing Date: 20 June 2004*

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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.

[More info](#)

### **DG Internal Market - Public Procurement**

*Closing Date: 30 July 2004*

On the basis of a Green Paper, the European Commission has launched a debate on the desirability of adapting the Community rules on public procurement and concessions to accommodate the development of public-private partnerships (PPPs). The main objective is to see whether it is necessary to improve the current rules in order to ensure that economic operators have access to PPPs under conditions of legal clarity and real competition.

[More info](#)

### **DG Competition - UK Enterprise Capital Fund**

*Closing Date: Not Announced*

The United Kingdom proposes to establish a funding mechanism to improve capital funding for small and medium-sized enterprises (SMEs) throughout the UK the Enterprise Capital Funds scheme. SMEs seeking to raise initial equity funding of between £ 250,000 (EUR 357,000) and £ 2 million (EUR 2.9 million) will approach licensed Enterprise Capital Funds (ECFs) to be set up under the scheme. Before assessing the scheme under the applicable State aid rules, the Commission wishes to collect information from other interested parties, notably from potential providers of risk capital to SMEs in the United Kingdom. It is only with the help of such observations that the Commission can decide whether such aid is necessary and does not adversely affect trading conditions to an extent contrary to the common interest.

[More info](#)

## **COMING UP**

### **EU / Important Dates**

- |            |  |
|------------|--|
| May 10–11  | Third Cohesion Forum                                     |
| May 17-18  | Competitiveness Council                                  |
| June 10-13 | European Parliament elections                            |
| June 17-19 | ESBA Annual Event, Brussels                              |
| June 29-30 | Conference on the European Charter for Small Enterprises |