



HEADLINES

EU / SMEs: Irish Minister emphasises key role of SMEs in European Economy

At an EU Presidency conference on Research, Innovation and European SMEs, held in Dublin on 3 June, Minister Michael Ahern underlined the vital contribution of SMEs to the achievement of both the Lisbon objectives and the Barcelona target of increasing expenditure on R&D to 3% of EU GDP by 2010. However, he stressed that this is all the more reason to be concerned that SME participation in the current EU Framework Programme for Research ('FP6') has been less than had been anticipated. This is in part due to the excessive bureaucracy and costs associated with FP6 participation, particularly for SMEs.

The current Framework Programme is due to expire in 2006 and Minister Ahern stressed the need to learn from the weaknesses of the current system and to look for ways to facilitate technological innovation in SMEs in future EU research programmes

For more details of the FP6 programme, [click here](#).

EU / Industrial Policy: Liikanen: EU should not be frightened to 'back winners'

Industrial policy has re-emerged on the EU policy agenda, following a recent Communication from DG Enterprise on Industrial Policy in an enlarged Europe. At a conference held in Brussels on 27 May, Enterprise Commissioner Erkki Liikanen outlined his vision for a modern industrial policy, focused on providing the conditions for strong firms to succeed rather than providing state aid to uncompetitive firms.

Faced with the challenges of increased global competition, inadequate research and development performance and slow productivity growth, Liikanen described three priorities for the future of EU industrial policy: ensuring that industry is not overburdened with regulation; making sure that all EU policies support competitiveness; and developing the sectoral dimension.

Liikanen's comments carried an extra resonance following the recent negotiations between Competition Commissioner Mario Monti and French Economy Minister Nicolas Sarkozy over the French government's proposed rescue of ailing engineering giant Alstom.

See the Commission communication [here](#).

EU / Lisbon Agenda: Siim Kallas delivers his vision of an enlarged Europe

Former Estonian Prime Minister and recently appointed Commissioner for Economic and Monetary Affairs, Siim Kallas, recently outlined his vision for 'modernising the EU economy', defined in terms of making progress towards the Lisbon objectives of creating the world's most competitive and dynamic knowledge-based economy by 2010. Referring to the severe 'implementation gap' which has emerged both with respect to the Lisbon goals and the policies adopted, Kallas identified four priorities for action: continued strengthening and promotion of the single market; avoid over-

ESBA Bulletin of 4 June 2004 – Volume 6 – Number 12

regulation and reduce business start-up costs without sacrificing the stability of the area; increase labour market flexibility; and finally the development of tools for European level pro-growth economic governance.

Finally, Kallas argues that such modernisation will not be achieved by 'centralised harmonisation on top of shaky compliance' but rather by Member State action within a framework of reinforced cooperation. To this end, the Commission, following the request of the Spring European Council, is currently developing a Road Map to reinforce the Lisbon Agenda and to close the implementation gap.

For more information, see [click here](#).

EU / Internal Market: Ministerial opposition to Gender Equality Directive

The Council of Ministers held a first debate on the proposed Directive on equal treatment between women and men in the access to and supply of goods and services in Luxembourg on 1 June. The Commissions proposal, approved by the European Parliament on 30 March, sought to prohibit the use of gender as an 'actuarial factor' in the pricing of goods and services, with the well-publicised effect of eliminating cheaper car insurance for women and higher pension premiums for women based on their greater longevity.

The proposal met with strong resistance from several delegations, including the UK, Ireland and France, with several others calling for further investigations and impact assessments. Given the requirement for unanimity in this area, the onus will now be on the Presidency to find a compromise proposal acceptable to all Member States.

For details of proposal, [click here](#).

EU / ESBA: Annual Event to be held on 17-18 June

The ESBA Annual event will be held on the 17-18 June at the Best Western County House Hotel in Brussels. This will be the first SME event to take place after the European elections of 10-13 June and will therefore represent a unique opportunity to contact newly elected MEPs to make sure small business will matter in the next Parliament.

The event will be organised around three major themes:

1. The New Parliament and small business
2. ESBA annual regulatory review: The aim will be to assess what is good or bad for business amongst the latest and pending EU regulatory initiatives
3. Small Business representation in Europe, with the aim of identifying key success factors for small business representation

For more information, please see our website, <http://www.esba-europe.org> or contact the ESBA Brussels Office.

IN BRIEF

EU / Entrepreneurship: Liikanen tackles barriers to entrepreneurship

In a speech delivered to the employers' group of the European Economic and Social Committee, Enterprise Commissioner Erkki Liikanen outlined the steps required to remove the barriers to entrepreneurship in the EU, drawn from the recently published Entrepreneurship Action Plan. He emphasised three areas: the provision of social security schemes for entrepreneurs; the promotion of entrepreneurship in schools to create the requisite 'mindset' and the need for a change in attitudes towards failed entrepreneurs.

For more details on the Action Plan, [click here](#).

EU / IGC: Ahern completes his pre-European Council tour of capitals

Irish Taoiseach Bertie Ahern, the current President of the European Council, has completed his series of meetings with European leaders to prepare for the forthcoming European Council meeting in Brussels on 17-18 June. Ahern has previously expressed his desire to reach agreement on the Constitutional Treaty by the end of the meeting, however it is clear that many unresolved issues remain, not least over voting weights in the Council of Ministers. As Ahern has repeatedly emphasised, compromise will be critical if the constitutional treaty is to be agreed

In addition, the meetings have been used to discuss the nominations for the next President of the European Commission, due to take office in November. No clear favourite has emerged, although the front-runners are believed to include Belgian Prime Minister Guy Verhofstadt and EU foreign policy chief Javier Solana.

The Irish Presidency will now draft a 'package' of proposals on the Constitution and the Commission Presidency to serve as a basis for the negotiations at the summit later this month.

For more details, see the Irish Presidency site: <http://www.eu2004.ie/>

EU / SMEs: Commission announces Microcredit conference

The Microcredit European Conference (MEC) is being organised by the Enterprise Directorate General in Brussels on 21 September 2004 in order to disseminate the lessons learned and share good practices in providing access to microfinance for small enterprises, defined as amounts below €25,000. Three round tables will cover the obstacles and possible solutions for the development of microcredit.

This major issue particularly affects business creators who are unemployed, women or people who form part of an ethnic minority. Supporting micro-loan supply is therefore not only an issue of entrepreneurship and economic growth, but also of social inclusion, in particular in the new Member States.

For more details, [click here](#).

EU / e-Business: E-Business Watch report reveals strength of e-commerce in tourism sector

The latest E-Business Watch report has found that tourism has the highest volume of e-commerce transactions in the business-to-consumer market. The findings, based on a survey covering 10

ESBA Bulletin of 4 June 2004 – Volume 6 – Number 12

different sectors in 25 European countries, showed that e-business is no longer exclusively the domain of telecom and computer-services companies.

e-Business W@tch is an observatory of the European Commission, DG Enterprise, which has been monitoring and assessing the economic implications of electronic business for sectors of the EU economy since 2001.

For further details, [click here](#).

CONSULTATIONS

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 details.](#)

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 details.](#)

DG Internal Market - Services in the Internal Market

Closing Date: 20 June 2004

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 details.](#)

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.

ESBA Bulletin of 4 June 2004 – Volume 6 – Number 12

[More details.](#)

DG Taxation and Customs Union - VAT One-Stop-Shop project

Closing Date: 31 July 2004

The European Commission has launched a wide consultation of European enterprises on the VAT One-Stop-Shop project. According to the present rules indeed, the place of supply of an operation determines the Member State where tax obligations (declaration, payment...) have to be fulfilled. A taxable person having activities in several Member States may therefore be confronted with tax obligations in several countries. The Commission considers that a one-stop-shop could, in many cases, simplify tax obligations of Community traders having cross-border activities. The aim of the present document is therefore to explain the different aspects of a one-stop-shop mechanism and to collect feedback from interested parties, in view of making a legislative proposal in the autumn.

[More details.](#)

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 details.](#)

DG Employment - Equality and non-discrimination

Closing Date: 31 August 2004

This Green Paper sets out the European Commission's analysis of the progress that has been made so far. It seeks views about how the EU can continue and reinforce its efforts to combat discrimination and to promote equal treatment. In so doing, it responds to calls from the European Parliament and others to organise a public consultation on the future development of policy in this area.

[More details.](#)

COMING UP

EU / Important Dates

- June 10-13 European Parliament elections
- June 16-17 European Council
- June 17-19 ESBA Annual Event, Brussels

ESBA Bulletin of 4 June 2004 – Volume 6 – Number 12

June 28-29 Environment Council

June 29-30 Conference on the European Charter for Small Enterprises