



HEADLINES

EU/ SMEs: New definition of micro, small and medium-sized enterprises applicable from 01.01.2005

Further to the two rounds of public consultation in 2001 and 2002, the Commission has adopted a new recommendation on the definition of micro, small, medium-sized enterprises that will clarify the current typology and introduce a calculation method for the thresholds. Whereas the staff number threshold will remain the same, financial ceilings will be raised to reflect inflation and productivity growth. The main objectives are to improve entrepreneurship, investment and innovation through reducing administrative burdens, facilitating access to venture capital, promoting clusters of independent SMEs and preventing circumvention.

The definition currently used in EU law is set out in Commission Recommendation 96/280 EC.

More info:

http://europa.eu.int/comm/enterprise/enterprise_policy/sme_definition/index_en.htm

EU/ Internal Market: New Strategy for 2003-2006 to eliminate red-tape and boost business

The Commission has unveiled on 7th May its new Internal Market Strategy for 2003-2006, which is designed to take account of the challenge of enlargement and to speed up the EU's efforts to become the world's most competitive economy. The three main goals are to strengthen implementation of EU Single Market rules, integrate the EU's services' market, and improve the free movement of goods.

According to a hard-hitting report published in 2002, at least 92 barriers impede businesses to provide services in another member states, and this often starts at the establishment stage of a business (for example the various local and national authorities' requests for authorizations).

The law will also include provisions on mutual recognition of professional qualifications. Also, the strategy suggests that a better co-operation between the Commission and Member States should allow simpler resolutions and avoid a systematic recourse to infringement procedures. A detailed proposal, to be published later this year, could come into force in the next few years.

More info:

http://www.europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/645|0|RAPID&lg=EN

EU/ Internal Market: Implementation of EU law going worse, Internal Market Scoreboard says

According to the last Internal Market Scoreboard, the average implementation deficit for Internal Market Directives is of 2.4% in average per Member State (against 1,8% a year ago), with only five member states (Denmark, Sweden, Finland, Spain, UK) meeting the target set by the European

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Council of 1.5% deficit. Italy, Portugal and Ireland have the worst records. Also, the number of open infringement cases has significantly risen since the last scoreboard of November 2002 (1598 against 1505), with France and Italy accounting for 30% of all cases (France:220, Italy : 200).

The use of SOLVIT, the “problem solving tool” for Internal Market misapplication, which has been in operation since July 2002, is very uneven. Whereas Germany, Portugal and Netherlands have made the most extensive use of SOLVIT (respectively 21, 17 and 9 cases), a majority of EY countries use it in less than 5 cases.

More info:

http://www.europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/621|0|RAPID&lg=EN&display=

EU/ Internal Market: Price level in new Member States 50 percent below EU average

The last Internal Market Scoreboard also shows data on the gap between EU’s and new Member States average prices. Five among the new member states have a price level of 50% below the EU15 level. The main reason behind this gap lies in the difference in wages and rents. Indeed, the difference is more significant for products that have a high input of local labour.

It is useful to bear in mind that the differences in prices when Spain and Portugal joined in 1985 were respectively of 60% and 72% of the EU12 average. It is very likely that the gap in aggregated price will be narrowing as a result of market integration. However it is too early to say how long and at which pace this price convergence will happen. Another element is the convergence of living standards (i.e. wages and incomes); which will again spill over into prices. Nevertheless, prices can also be reduced in some sectors as a result of gains in productivity and competitive pressure following the enlargement.

More info:

http://www.europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/621|0|RAPID&lg=EN&display=

EU/ Trade: EU’s improved offer on services market should not jeopardize public sector

The Commission presented on 29th April new proposals on improved opening for services market before the WTO. The underlying idea is to open services markets in sectors such as telecommunication and tourism, without however exposing public services in the EU. Indeed, the offer excludes the sectors of health, education and audiovisual services. Other sectors in the list for future market opening are insurance, banking, construction, distribution, news agencies, and environmental services.

The proposals are aimed to improve market access for third countries, and to take account of requests by these countries to allow foreign staff of supplying companies to enter the EU temporarily.

As part of the Doha Round of trade liberalisation talks, the proposals should have been presented before the WTO by the end of March 2003. But it was only possible to finalise the compromise between the EU15 Member States at the end of April.

More info:

http://www.europa.eu.int/comm/trade/services/index_en.htm

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EU/ R&D & SMEs: New regulation favouring R&D aid for SMEs in the pipeline

In a proposition for a new regulation on State aid for research and development, the Commission has for the first time put forward the idea of block exemption of State aid for SMEs. The scheme would allow Member States to grant aid for R&D without having to apply for clearance from the Commission.

Member states could cover up to 100% of expenses for basic research or market orientated research, 60% for industrial research, and 35% for pre-market research. Also, technical feasibility studies, patenting costs, and aid schemes would be exempted.

This exemption regulation is aimed to improve research conditions through the elimination of administrative burdens, and increase R&D spending up to 3% of GDP by 2010. The Commission will launch a consultation with the Member States on the issue.

More info:

http://www.europa.eu.int/comm/competition/state_aid/legislation/aid3.html

EU/ Legislation: Communication on New Approach aims to boost innovation

On 7th May, the Commission adopted the Communication “Enhancing the Implementation of the New Approach Directives”. “New approach” directives cover more than 20 industrial sectors, including building materials, toys, medical devices, gas fires, pleasure boats, machinery, and radio-telecom equipments. According to the New Approach technique, only mandatory essential requirements of products are defined to ensure the best level of public protection, whereas the choice of technical solution is left up to interested parties. This “co-regulatory” method is a proven means to boost both competitiveness and free movement of goods within the Internal Market.

The Communication addresses horizontal aspects common to all new approach directives and makes several recommendations, including improving the control of 'notified bodies'; facilitating the exchange of information between 'notified bodies' so that they provide a common level of service, especially to SMEs; increasing transparency between Member States (notification for conformity assessment testing, market surveillance, collective withdrawal of non-conforming products from the market etc.); and promoting the understanding of the CE marking.

More info:

http://www.europa.eu.int/rapid/start/cgi/guesten.ksh?p_action=gettxt=gt&doc=IP/03/643|0|RAPID&lg=EN&display=

IN BRIEF

EU/ Postal Services: VAT for national postal services in the pipeline

The Commission announced on 6th May its plan to impose VAT on state postal services. The decision to bring to an end the exemption that dates back to the 1970s - when state postal services had a monopoly - is aimed to eliminate competitive distortion and ensure a “level playing field” between all operators. Indeed, the growing number of private firms operating in the postal services field are not exempted from TVA. The decision was strongly criticised by consumer organisations and MEPs of various political parties.

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More info:

http://www.europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/633|0|RAPID&lg=EN&display=

EU/ Chemicals: Reform plans of EU Chemical law raise fear from businesses

The proposed reform of EU laws on chemicals, unveiled on 7 May by the Commission, is designed to enhance the protection of health and the environment. It will replace 40 pieces of current legislation. The reform would introduce a new system, REACH (Registration, Evaluation, Authorization of Chemicals) that is supposed to boost enterprise competitiveness as well as product innovation. Also, the proposal would require industrials to provide information on the chemicals they use or import and on the risks associated with their use. However firms are worried about the expected costs of this scheme, and the proposal already faces strong opposition from the industry. An internet consultation will allow interested parties to express their views before the finalisation by the Commission.

More info:

http://www.europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/646|0|RAPID&lg=EN&display=

EU/ Research and Innovation: New “innovations-report” portal

The “innovation-report” portal has recently been revamped to ensure a more user-friendly access to its 18.000 pages on new technologies, research results and innovative practices. With more than 1200 content providers worldwide, the “innovations-report” provides a quick access to information on innovation in 14 fields.

More info: <http://www.innovations-report.com/>

EU/ E-commerce: Workshop on B2B Internet trading platforms – Brussels 10 June

A workshop on B2B Internet trading platforms will discuss, on the basis of the draft report of an Expert Group established by DG General Enterprise, the current state of play of B2B Internet trading platforms, with the aim of addressing the specific problems encountered by SMEs when they participate in these new electronic forms of trading between enterprises.

The workshop will be held on Brussels on 6th June.

More info:

<http://www.europa.eu.int/comm/enterprise/ict/policy/b2b/wshop/index.htm>