



### HEADLINES

#### **EU/ Employment: Employment report 2003 underlines the need for more skilled and mobile workforce.**

According to the latest Commission's report "Employment in Europe 2003", increasing productivity and employment rates will depend on the EU capacity to have an adaptable skilled workforce that will benefit from access to training, career development, job mobility and a "sense of job security".

A consequence of the general economic slowdown in 2002 was a decline of EU employment growth from 0.5% to 0.2% between the first and the second quarter of 2002. The performance of EU countries are nevertheless mixed, with +3.2% in Luxembourg against -0.7% in Denmark. By the first quarter of 2003 the unemployment rate had increased in the EU by 0.7%. It reached 8.1% by July 2003; again with high differences between Member States.

The report stresses that pro-active labour market policies such as unemployment insurance and investment in human capital and mobility are important to compensate for job insecurity. Increasing flexibility and skills are obviously good for tackling unemployment, especially among older workers, young people and women. It would however not be superfluous to also stress in the same way that incentives to reduce tax burden are good measures to help small and medium-sized enterprises create jobs. The 18 million of SMEs active in Europe account for over 99% of EU enterprises and employ 55% of the workforce.

More information :

[http://europa.eu.int/rapid/start/cgi/guesten.ksh?p\\_action.gettxt=gt&doc=IP/03/1357|0|RAPID&lg=EN&display=](http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/1357|0|RAPID&lg=EN&display=)

#### **EU/ Social, Health and safety: New legislation to protect workers exposed to electromagnetic fields, progress on co-ordination of social security systems, consensus on European Health Card**

At their meeting on 20<sup>th</sup> October, the EU employment ministers reached a political agreement on a new legislation to protect workers exposed to electromagnetic fields. The directive is applicable to electricity generation, radio and TV broadcasting antennae, mobile phone antennae or radar installations. It requires preventative measures and risks assessments from employers against risks posed to their employees from electro-magnetic fields. Maximum levels for exposure are set out as well as levels at which preventative measures need to be taken by employers.

The Employment and Social Affairs Council also approved two chapters of the regulation on coordination of social security systems, on early retirement and family benefit. The chapter on unemployment will be on the agenda of the Council of 1st and 2<sup>nd</sup> December. Regarding the European Health insurance card, a consensus was reached on the text submitted, which will go now to the European Parliament in first reading (co-decision procedure).

More info:

[http://europa.eu.int/rapid/start/cgi/guesten.ksh?p\\_action.gettxt=gt&doc=IP/03/1416|0|RAPID&lg=EN&display=](http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/1416|0|RAPID&lg=EN&display=)

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More info: <http://ue.eu.int/newsroom/newmain.asp?LANG=1>

### **EU / Lisbon strategy: Re-looking the Lisbon agenda's priorities would help tackle problems more efficiently**

According to a draft report by an internal Commission group chaired by Mr Monti (Commissioner for Competition), the Lisbon Agenda would urgently need revision because it is ambitious but too vague and lacks implementation deadlines.

The Lisbon agenda, adopted at the June 2000 Summit of Lisbon, sets out the goals of making Europe the "most competitive and dynamic knowledge based economy in the world", supported by full employment and an average growth rate of 3%. It seems however that the EU will not be able to reach this ambition, neither to outperform the US by 2010. The informal group therefore would call for more specific goals, incentives and deadlines. In particular, more efforts should be put in adapting pensions systems to the European ageing population, keeping people at work longer, encouraging women to work, and reducing the decline in biodiversity by 50% in 2010. One of the measures would be to increase the use of financial incentives to boost long-term modernisation.

More info: [http://europa.eu.int/comm/lisbon\\_strategy/index\\_en.html](http://europa.eu.int/comm/lisbon_strategy/index_en.html)

### **IN BRIEF**

#### **EU/ European Council : EU 15 concentrate on growth at European Council in Brussels**

At their meeting in Brussels on 16/17 October 2003, the EU 15 heads of States and government debated on how to relaunch the EU economy. The principle of the Initiative for Growth and the Interim report presented at the ECOFIN meeting were endorsed. The main actions foreseen to boost the EU economy include investing in transport infrastructures, energy and telecommunication networks, and in human capital. A "quick-start programme" should be launched very soon.

More info:

[http://europa.eu.int/rapid/start/cgi/guesten.ksh?p\\_action.gettxt=gt&doc=DOC/03/4|0|RAPID&lg=EN&display=](http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=DOC/03/4|0|RAPID&lg=EN&display=)

#### **EU/ VAT : Call for reduced VAT on musical products**

The music industry is mobilising against high VAT rates on recorded music. A petition signed by over 14 000 consumers was presented by Jean Michel Jarre at a public hearing organised by the Economic Affairs Committee (chaired by S. Randzio Plath, PES, Germany) on 7<sup>th</sup> October, calling for the inclusion of music into the proposed list for reduced VAT. Indeed, music has been excluded from the list presented by the Commission in July 2003.

More info: <http://www2.europarl.eu.int/omk/sipade2?PUBREF=-//EP//TEXT+PRESS+NR-20031008-1+0+DOC+XML+V0//EN&LEVEL=2&NAV=S>

#### **EU/ Internal Market : 12 Member States formally reminded to implement directives on qualifications and insurance**

The European Commission will send a "reasoned opinions" to France, Ireland, Italy, Luxembourg and the United Kingdom to implement a 2001 Directive simplifying the rules for the recognition of

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professional qualifications. Also, the Commission will send formal requests to Belgium, France, Finland, Germany, Greece, Luxembourg, the Netherlands, Spain, Sweden and the UK in order to see a 2001 Directive on the winding up of insurance companies translated into national law. Member States have two months to respond to the Commission.

[http://europa.eu.int/rapid/start/cgi/guesten.ksh?p\\_action.gettxt=gt&doc=IP/03/1406|0|RAPID&lg=EN&display=](http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/1406|0|RAPID&lg=EN&display=)

### **EU/ Budget: Reform of EU budget rebate supported by the UK**

According to the British Prime Minister Tony Blair, Britain is ready to discuss a reform of the system of EU finance in which it would have to share a budget rebate with other countries, such as the Netherlands and Germany. In 2002, Britain received around 5 billion euros out of gross contributions of about 10.5 billion euros. The British rebate had been agreed in 1984 after heated discussion at the Fontainebleau summit. In October 2002, Prime Minister Blair said the rebate was not renegotiable, responding to the claim made by President Chirac that the cost of enlargement should be more equitable.

The rebate will be discussed by one of the 6 workings groups currently preparing the next spending round 2007-13, which should be negotiated at the European Summit of December 2005.

More info:

[http://europa.eu.int/rapid/start/cgi/guesten.ksh?p\\_action.gettxt=gt&doc=SPEECH/03/470|0|RAPID&lg=EN&display=](http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=SPEECH/03/470|0|RAPID&lg=EN&display=)

### **EU/ Legislation: New Pinkbook 7<sup>th</sup> edition**

The 7<sup>th</sup> 'Pink Book' is available. The list includes over 499 directives managed by DG Enterprise. The hard copy version will be available in November. The Pink Book covers both "hard" law (legally binding) and "soft" law (implementing arrangements). Where a hard law has been amended, adapted to technical progress, or has had implementing measures added, all the changes are shown.

More info:

[http://europa.eu.int/comm/dgs/enterprise/acquis\\_en.htm](http://europa.eu.int/comm/dgs/enterprise/acquis_en.htm)

### **EU/ Chemicals: new Impact Assessment would reduce costs of REACH**

According to a recent impact assessment, the costs of the Registration, Evaluation and Authorisation of Chemicals (REACH) to the chemicals industry would amount a total of some € 2.3 billion over 11 years. This is a reduction of over € 10 billion compared to the first draft posted for Internet consultation earlier this year, mainly due to reduced testing requirements and simplified registration procedures for low volume chemicals, and a major reduction in downstream user requirements. However, SMEs still fear that they will have to bear a disproportionate burden to comply with REACH.

More info

[http://europa.eu.int/rapid/start/cgi/guesten.ksh?p\\_action.gettxt=gt&doc=MEMO/03/202|0|RAPID&lg=EN](http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=MEMO/03/202|0|RAPID&lg=EN)

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### **EU/ Standards and services : More standards for business services**

The European Commission recently asked European standards bodies to work on common standards for business services in order to improve their compatibility and comparability. The services sector offers around 70% of all jobs across the EU. The European Committee for Standardisation, European Committee for Electrotechnical Standardisation, and European Telecommunications Standards Institute - have also been asked to consider whether standardisation work could help to improve the safety of services for consumers

More info:

<http://www.cenorm.be/cenorm/businessdomains/businessdomains/services/index.asp>

### **EU/ Environment : Communication on green standards expected for the end of 2003-10-2**

The results from the European Commission's open consultation of July-Sept 2003 on how technical standards can promote sustainable development are now available. A Communication (expected for the end of 2003) will incorporate these results under an “extended impact assessment”. Amongst the key findings, the need to differentiate clearly between standards (voluntary) and legislation (mandatory), as well as the participation of all stakeholders, were underlined.

See more :

[http://europa.eu.int/comm/enterprise/standards\\_policy/environment\\_standardisation/stakeholder\\_meeting/2003/consultation\\_stakeholders.htm](http://europa.eu.int/comm/enterprise/standards_policy/environment_standardisation/stakeholder_meeting/2003/consultation_stakeholders.htm)

### **EU/ Taxation: New survey on taxation of European Company (SE)**

A survey of EU Member State tax rules governing the creation of a European Company (Societas Europea - SE ) is available on the DG Taxation and Customs Union web pages. It focuses on the fiscal treatment of losses preceding the creation of an SE and of the transfer of SE registered offices to another EU Member State. From 2004, with minimum capital requirement is €120,000, it will be possible to create an SE by a merger or conversion of a company with establishments in more than one Member State.

More info: [http://europa.eu.int/comm/taxation\\_customs/whatsnew.htm](http://europa.eu.int/comm/taxation_customs/whatsnew.htm)