



HEADLINES

EU / Entrepreneurship : Commission Action Plan urged by MEPs by end of year

On 23rd October the European Parliament adopted a resolution based on the own initiative report drafted by Werner Langen (EPP-ED, Germany) on entrepreneurship in Europe. The resolution calls on the European Commission to issue an Action Plan on entrepreneurship before the end of 2003, which should take account of the various positions expressed as a response to the Green Paper on Entrepreneurship. The Green Paper was launched in January 2003 to assess the progress made on the implementation of the Charter for small enterprises and outline the necessary steps to create a more favourable environment for small businesses.

Parliament welcomed the Green Paper as a good “starting point” for discussing entrepreneurship in Europe. However, bearing in mind that very small businesses and craft trades account for more than 90% of European undertakings, MEPs regretted that the Green paper only takes partially into account the recommendations made in the European Charter for SMEs; and focuses almost exclusively on starts-ups and high growth enterprises, and therefore seems to neglect enterprises of the traditional sectors as well as cottage industries and family enterprises.

In line with its position paper of June 2003, ESBA supports the call expressed in Lange’s report for taking concrete actions to create an SMEs friendly business environment. These actions should be completed within a binding time-frame and measures to observe its implementation. ESBA also would like to remind the Commission to “think small first” and maintain an open consultation for the drafting of this Action Plan. ESBA’s main concerns include reducing administrative and tax burden for SMEs, improving the access to finance for all types of entrepreneurs, and putting this emphasis on entrepreneurial education and the mobility of skills.

More info:

<http://www2.europarl.eu.int/omk/sipade2?L=EN&OBJID=31057&LEVEL=3&MODE=SIP&NAV=X&LSTDOC=N#Content575c78>

EU/ Internal Market : Commission guide to boost free movement of goods within the Internal Market

The concept of “mutual recognition” needs to be clarified to allow businesses to take full advantage of it. This has been addressed in a recent communication of the European Commission. The principle, enshrined in Articles 28 and 30 of the EC Treaty, is crucial to the functioning of the Internal market as it covers all the sectors where there is no “harmonised rules” to allow for the free movement of these products. However it has been badly implemented or simply neglected. The damages not only consumers but also businesses that feel impeded to sell their goods and make business in other Member States, and are therefore deprived of one of key benefits of the Internal Market.

Indeed, if there are no harmonised rule for a certain type of product, there can be fifteen rules governing composition, quality, dimensions or labelling of certain products. Although mutual

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recognition should allow a product to circulate throughout the EU without any further complication, difficulties often arise because Member States of destination refuse to allow an unknown product to be placed on the market, even if it is safe and of appropriate quality. According to estimations gathered by the DG Markt and communicated to ESBA, a successful application of the principle of mutual recognition could raise the EU GDP by 1.8 % (however it is extremely difficult to get comprehensive data on this issue).

The Communication sets out practical guidelines on how to cut national red tape and reduce the burden of complying with different national rules. It makes clear that Member States must allow the placing on their markets of any product lawfully manufactured and/or marketed in another Member State, unless a Member State has technical or scientific proof that the product constitutes a risk for human health, safety, the environment or other imperative reasons in the general interest. Also, the rules governing the burden of proof and the possible restriction to the free movement of goods are clarified. A consultation exercise with Member States, industry and consumer organisations is expected to follow. An “ad hoc” legislative proposal may also be presented by the Commission.

More info:

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/1470|0|RAPID&lg=EN&display=

See also the Frequently Asked Questions

IN BRIEF

EU/ Chemicals : REACH Proposal adopted by the Commission

On 29th October the Commission presented its long awaited proposal for a new EU regulatory framework for chemicals, which aims at improving the protection of human health and limiting the negative effect of chemical products for the environment. The new system called REACH (Registration, Evaluation and Authorisation of CHEmicals) will require enterprises that manufacture or import more than one tonne of a chemical substance per year to register it in a central database. Also, industry will bear more responsibility in managing the risks from the chemical and providing to consumer information on safety of the substances. The proposed Regulation would replace over 40 existing directives and regulations

The text will be forwarded to the European Parliament and to the Council (co-decision procedure). Industry, in particular small businesses, fear disproportionate cost and administrative burden.

More info:

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/1477|0|RAPID&lg=EN&display=

And

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=MEMO/03/213|0|RAPID&lg=EN&display=

EU / Industrial Policy : Starting again to speak about industrial policy

The European Parliament adopted on 23rd October in Strasbourg the report by Olga Zrihen (PES, Belgium) on the Commission communication on industrial policy in the enlarged Europe. The report underlines the need for urgent action on various issues including 1) simplifying administration for all companies and simplifying the formalities required to allow EC-based companies to be set up (i.e. by

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introducing a single EC document); 2) facilitating access to finance for new companies; 3) harmonising national systems of taxation that adversely impact the single market, 4) strengthening the link between research and enterprise. An amendment by W. Langen MEP (EPP-ED, Germany) stresses the need for Europe to encourage companies not only to keep their industrial HQs in the EU, but also their activities and production centres.

More info:

http://www.wdb.europarl.eu.int/oeil/oeil_ViewDNL.ProcedureView?lang=2&procid=6961

EU / Public Procurement : Consultation on how rejected bidders can challenge decisions

Businesses often encounter legal and practical problems when challenging decisions made by public authorities awarding contracts. In order to get a sound view on what has been achieved so far in the operation of national review procedure and on what could be improved in this field, an 8-weeks internet Consultation has been launched, with a view to revise the Public Procurement Directives in 2004. The consultation is open to business associations, chambers of commerce, Bar Associations and Law Societies and other interested parties until 15th December.

More info:

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/1455|0|RAPID&lg=EN&display=

EU / VAT: Follow-up report on improving the operation of the EU VAT system

A follow-up report has been presented by the Commission on its strategic programme adopted in 2000 for the improvement of the VAT system. The reports outlines the progress made since 2000, forthcoming VAT proposals and ideas for a VAT system that would be suitable for an enlarged Internal Market of 25 Member States.

One of the key concepts outlined in the report is the “one-stop shop” system (a trader could fulfil all his obligations for his EU-wide activities only in the Member State in which he is established). Also, the concept of taxation at the place of destination is seen as becoming increasingly necessary in order to prevent distortions of competition and to ensure that VAT continues to accrue to the Member State where consumption takes place.

More info:

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/1447|0|RAPID&lg=EN&display=

EU / Environment : New directive on Energy Taxation adopted

On 27th October the Environment Council adopted a directive on Energy Taxation that will enter into force on 01/01/2004. The new law will widen the scope of the EU's minimum rate system, previously limited to mineral oils, to all energy products including coal, natural gas and electricity. The Directive's main aim is to reduce distortions of competition caused by that divergent tax rates as well as distortions between mineral oils and the other energy products. Also, it should increase the incentive to use energy more efficiently and allow Member States to offer companies tax incentives in return for specific undertakings to reduce emissions. Transitional arrangements for new Member States are foreseen.

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More info:

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt& doc=IP/03/1456|0|RAPID&lg=EN& display=

EU / International Trade : EU-China summit in Beijing stresses the importance of strategic ties

At the 6th annual EU – China meeting in Beijing on 23rd October, European and Chinese leaders acknowledged the importance of the Sino-EU ties and agreed to develop greater economic cooperation.

The EU stance was to stress the importance of full and timely implementation of WTO obligations, and this aspect was included in the joint statement. Also, China and Europe signed a deal to allow China to join the EU's Galileo satellite navigation system, and a tourist agreement aimed at facilitating the travel of Chinese group tours to Europe

More info:

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt& doc=SPEECH/03/503|0|RAPID&lg=EN& display=