



HEADLINES

EU / Brussels Summit: No agreement on EU Constitution

The EU 15 heads of States and government failed to give Europe a new Constitution. In spite of intense last-minute efforts to resolve outstanding divergences, the issue of voting rights in the Council remained unsolved. Prime Minister Silvio Berlusconi, who holds the EU Presidency until the end of 2003, could not bridge the gap between the positions of Germany and France on the one hand, and Poland and Spain on the other. Spain and Poland want to retain the Nice voting system, where they are given each 27 votes or 54 together. France and Germany consider that this system would give them disproportionate voting powers (together they could outvote Germany, which has 27 votes).

The attempts made by French President Chirac to push forward closer cooperation between an inner core of member States including the six founding members did not receive enough supports from its counterparts. The forthcoming EU Irish Presidency is left with the task of finalising an agreement on the Constitution. However it will first have to motivate the EU leaders to find the political will for doing this.

ESBA is disappointed with the final results of the summit as it seems EU leaders are more concerned with their own image and power when than with the future of the EU. However it is better to have no compromise than a bad constitution. Also, ESBA would like to see this crisis as a catalyst for a genuine thinking over the goals of an enlarged Europe and the actors that will help to achieve it.

It is important to have well functioning institutions, but only successful businesses can generate revenues, growth and employment for EU citizens. Businesses are deeply concerned with the absence of any reference to entrepreneurship in the various draft constitutions that have circulated since the beginning of the Convention's work, as if enterprises were not key players in the EU. Similarly, one will fail finding any word about small enterprises, which make 60% of the EU GDP, represent 66.2% of the employment in the EU, and not least, are the most active actors in the accession countries.

More info:

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/1728|0|RAPID&lg=EN&display=

EU / Environment : MEPs back « polluter pays » principle. Huge costs for business expected

On 17th December, the European Parliament adopted a legislative Resolution on the proposal for a Directive on environmental liability for damages to biodiversity, water pollution and land contamination that threatens human health. With this vote, the MEPs backed the principle of “polluteur pays”, meaning that businesses that cause environmental damages will be held financially liable for any measures needed to clean up the damages. This long-awaited vote did however not

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confirm many of the amendments adopted by the Legal Affairs Committee earlier this month, which would have made rules governing environmental liability more stringent.

However the full House backed an amendment that will oblige the Commission to report to the European Parliament and the Council on the Member States' efforts to develop appropriate financial security instruments or markets. If necessary (i.e. if governments have failed to introduce the appropriate mechanisms) the Commission would have to submit proposals on a harmonised compulsory financial guarantee for water and soil damage. Also, the MEPs supported an amendment that will oblige ship operators to take responsibility for damage caused to coastlines by oil spills or other accidents.

The Directive now needs to be approved by the member States. However, given the amendments on compulsory insurance and shipowners' liability, the proposal may go to a conciliation procedure.

ESBA is deeply concerned over the fact that the directive can lead to enormous costs for some small businesses. SMEs will have to find insurance for risks that are mostly non-quantifiable. Given that the insurance market is not ready to cover those risks, and lacks the experience to assess them, small firms will find it extremely burdensome to have access to financial security. This will be aggravated by the fact that no limit has been put to the claims that can be brought. Therefore ESBA urges the Member States to support a realistic and practicable voluntary insurance scheme for the benefits of environment and businesses.

More info:

<http://www2.europarl.eu.int/omk/sipade2? PUBREF=-//EP//TEXT+PRESS+TW-20031215-S+0+DOC+XML+V0//EN& L=EN&LEVEL=2& NAV=X&LSTDOC=N#SECTION17>

EU / Vat : Reduced VAT on labour intensives services to be extended for two years

Nine member States currently using the reduced VAT rates for certain specified labour-intensive services, such as renovation of private dwellings, hairdressing, window-cleaning, small repairs and home care services, will be allowed to apply it for two additional years (i.e. until 31 December 2005). These States are Belgium, Luxembourg, the Netherlands, Greece, Italy, France, Spain, Portugal and the UK.

Responding to requests from the European Parliament and the Council, the Commission decided on 10th December to prolongate the application of Directive 1999/85/EC, which allowed those Member States that so chose to apply a reduction of VAT on certain services for an experimental period from 01/01/2000 to 31/12/2002 (later extended to end 2003). The aim was to assess the impact of such a reduction in terms of job creation and of combating the black economy.

The Commission's proposal follows the lack of agreement among Member states on a Commission's proposal (June 2003) to simplify and harmonize the rules for reduced VAT rates. The proposal is expected to be published soon.

More info:

http://europa.eu.int/rapid/start/cgi/guesten.ksh? p_action.gettxt=gt& doc=IP/03/1693|0|RAPID&lg=EN& display=

IN BRIEF

EU / Environment: Packaging waste agreement endorsed by EP and Council

The European Parliament and Council conciliation committee reached an agreement over the packaging waste directive on 8th December. The agreement foresees to increase the minimum recycling targets for packaging waste from 25 to 55% by 2008. It also permits Member States to count incineration for recovery targets, which was one of the most controversial issues (the minimum recovery rate is of 60% by December 2008). The deadline dates for Portugal, Greece and Ireland to meet the proposed targets. Transitional measures for accession countries have to be further discussed.

The agreement by the conciliation committee now must be confirmed in third reading by Council and Parliament. The new Directive is likely to enter into force in early spring 2004 and will need to be transposed into national legislation by autumn 2005. Also, the Commission is currently carrying out two studies whose results will be presented in a report by 2005, covering on the one hand social, economic and environmental impact of the packaging waste Directive, and on the other on the impact of the Directive on the internal market by the DGs Enterprise and Internal Market.

More info:

http://europa.eu.int/rapid/start/cgi/guesten.ksh? p_action.gettxt=gt& doc=IP/03/1671|0|RAPID& lg=EN& display=

EU / Globalisation: Human capital is key to success, says Commission to G8

The message of the European Commission to the G8 meeting of Labour and Employment Ministers (Stuttgart 14 to 16 December) was to stress the role of human capital, in response to globalisation. Themes for the meeting included 'globalisation and structural change', 'improving labour market efficiency' and 'closer international cooperation in the field of employment policies'. The G8 is an informal group of 8 countries (France, USA, UK, Russia, Germany, Japan, Italy and Canada) which discusses major international economic and political issues. The Commission is an integral part of G8 deliberations, but never holds the chairmanship.

More info:

http://europa.eu.int/rapid/start/cgi/guesten.ksh? p_action.gettxt=gt& doc=SPEECH/03/596|0|RAPID& lg=EN& display=

EU / Public Opinion : Declining trend of confidence in EU institutions

According to the latest Eurobarometer opinion poll published on 9th December, public confidence in the EU has declined since the previous survey (spring 2003). Whereas concerns about the economic and employment outlook for next year has been growing, confidence in public institutions in general, and more specifically towards the EU institutions, seems to be declining.

More info:

http://europa.eu.int/rapid/start/cgi/guesten.ksh? p_action.gettxt=gt& doc=IP/03/1680|0|RAPID& lg=EN& display=

EU / Consumers: Consumer Liaison Officer appointed

Juan Riviere y Marti will hold the newly created function of Consumer Liaison Officer within the Commission's Competition Directorate General. The post is designed to ensure a permanent dialogue with European consumers, whose welfare is the primary concern of a competition policy, but whose voice is not sufficiently heard when handling individual cases or discussing policy issues.

More info:

http://europa.eu.int/rapid/start/cgi/guesten.ksh? p_action.gettxt=gt& doc=IP/03/1679|0|RAPID&lg=EN& display=

EU / Health and Safety at work : 2004 priorities

Ms Christa Schweng, newly elected as the European Agency for Health and Safety at Work's chairperson, approved the Agency's work programme for 2004. Important initiatives for 2004 will include: a Europe-wide information campaign targeting Europe's construction sector, the collection and dissemination of good safety and health practice in the agriculture sector, a study of the effectiveness of economic incentives, such as tax breaks, as tools to encourage improvements in safety and health and the preparation for an information campaign in 2005 on the dangers of excessive noise at work.

More info:

http://agency.osha.eu.int/news/press_releases/en/17_12_2003/index.htm