



HEADLINES

EU/ President Prodi's office presents its 2003 work programme in the European Parliament

President Romano Prodi presented the Commission 2003 work programme to the European Parliament (see weblink for full details). The European Commission indicated that it would make monthly statements on progress of legislative initiatives. Most political parties welcomed this work programme. The most important remarks to be noted were made by Nick Clegg (ELDR) who stated that his group was in favour of more independent impact assessments across the whole duration of the legislative process.

ESBA HAS BEEN SUPPORTING FOR MANY YEARS THE IDEA OF CREATING AN INDEPENDENT LEGISLATIVE AUDIT COMMITTEE. WE CALL ON THE COMMISSION AND THE EUROPEAN PARLIAMENT TO CARRY OUT A FEASIBILITY STUDY FOR THE CREATION OF SUCH A BODY IN THE COURSE OF 2003. ESBA REGRETS THAT ONCE MORE THE COMMISSION HAS FAILED TO CONSULT WITH SME ORGANISATIONS TO ESTABLISH THE LIST OF EU REGULATORY INITIATIVES TO BE CHECKED BY THE NEW EXTENDED IMPACT ASSESSMENT.

more info:

<http://europa.eu.int/eur-lex/en/com/cnc/2002/act0590en02/1.pdf>

EU/International trade: EU set to apply new convention to simplify customs

The European Union is likely to apply soon a revised international Convention aimed at simplifying and harmonising customs procedures in order to boost trade. The European Commission tabled a draft Decision on November 14 for EU accession to a Protocol that revamps the 1974 Kyoto Convention (not related to the treaty on climate change of the same name). The Protocol was adopted in June 1999 to enable goods to clear customs procedures faster without compromising customs control standards. It contains some 600 standards, recommendations and practices. The main innovations are an increased use of information technology, risk assessment and audits. The main beneficiaries of the Protocol are supposed to be small and medium-sized enterprises, who should encounter less red tape and thus be encouraged to trade more internationally.

ESBA HAS WELCOMED THIS DECISION AND WILL CONTINUE TO PARTICIPATE IN EU CONSULTATIONS ON TRADE FACILITATION MATTERS. SMES HAVE A HUGE POTENTIAL FOR INTERNATIONAL TRADE WHICH IS NOT USED BECAUSE OF THE COMPLEXITY OF CARRYING OUT ALL THE PROCEDURES RELATED TO AN INTERNATIONAL BUSINESS DEAL (GOODS DELIVERY - PAYMENT).

More Info:

http://www.unece.org/trade/forums/forum02/presentations/session_iv/akomaz.pdf

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EU/taxation: EP approved extension of directive 99 VAT on labour intensive services

MEPs approved a proposal to extend a 1999 directive allowing the Member States to levy a reduced rate of VAT on labour intensive services such as hairdressers, with a view to creating jobs. Nine Member States have benefited from the legislation and are due to report on the impact of such measures by 31 December 2002. The report prepared by the European Parliament complained that so far no impact assessment reports had been received. The Commission is, therefore, proposing to extend the legislation for another year i.e. until 31 December 2003 and adopt a final recommendation when the assessment reports have been completed.

ESBA ASKS THE EUROPEAN COMMISSION AND THE EUROPEAN PARLIAMENT TO SET A DATE IN 2003 FOR DEBATING THE IMPACT ASSESSMENT OF THIS DIRECTIVE AND TO EXPLORE THE POSSIBILITY OF EXTENDING THIS DIRECTIVE TO OTHER LABOUR INTENSIVE SECTORS AFTER 2003.

More info:

<http://www2.europarl.eu.int/omk/sipade2?PUBREF=-//EP//NONSGML+REPORT+A5-2002-0366+0+DOC+PDF+V0//EN&L=EN&LEVEL=3&NAV=S&LSTDOC=Y>

EU/Financial Services: New Commission Working Paper on Basel II

The European Commission published a working paper on the new capital requirements framework for banks and investment firms. This also marks the start of a new enhanced dialogue between the European Commission and representative bodies and trade association until the end of January 2003. This working paper aims at presenting a regime that should be more appropriate for lending to SMEs. The first draft, heavily discussed last year, was rejected mainly because a majority of trade organisations, including banking associations, warned that this would drastically increase the cost of lending to SMEs

ESBA WILL LIAISE WITH ITS MEMBER ORGANISATIONS IN EUROPE TO PARTICIPATE IN THE NEW STRUCTURE DIALOGUE AND WILL REPORT BACK TO THE COMMISSION ONCE THE WORKING PAPER HAS BEEN REVIEWED INTERNALLY.

More info:

http://europa.eu.int/comm/internal_market/en/finances/capital_adequacy/index.htm

EU/enterprise policy: Commission plans approach based on quantitative targets

The Commission is set to seek permission from the November 26 Competition/Competitiveness Council for support for its approach based on quantitative targets in several areas of business policy. The Member States have pledged to achieve these targets. In its November 14 Communication on a Better Environment for Enterprises, the Commission proposes extending the range of targets decided upon and will adapt them if need be. It also recommends devising policies to ensure that the targets are achieved in the light of best practice, plus monitoring and reporting on the progress made.

ESBA HAS CONSTANTLY CALLED FOR QUANTITATIVE TARGETS TO BE APPLIED. THE GOALS SET UP IN THE LISBON STRATEGY WILL SIMPLY NOT BE ACHIEVED AS LONG AS MEMBER STATES' AUTHORITIES DO NOT TAKE MORE SERIOUSLY THE COMMITMENTS MADE BY HEADS OF GOVERNMENTS TO IMPROVE THE BUSINESS ENVIRONMENT IN EUROPE AND TO REDUCE RED TAPE AND TAX BURDENS STIFLING ENTREPRENEURSHIP IN EUROPE.

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More info:

http://europa.eu.int/comm/enterprise/enterprise_policy/better_environment/doc/better_environment_for_enterprises_annex1.pdf

EU/taxation: New consultation on "home state taxation for SMEs"

Further to the EU company tax conference organised in April 2002, the European Commission will organise a workshop in December 2002 to consider the possibilities and conditions for implementing an experimental pilot scheme which would provide for the application of "home state taxation" to SMEs. A consultation paper has been circulated.

ESBA WILL COLLECT SMALL BUSINESS ENTREPRENEURS' REACTIONS TO THE CONSULTATION PAPER AND WILL PARTICIPATE IN THE WORKSHOP.

IN BRIEF

EU/Consumer: Little interest in cross-border shopping in the EU.

Only 13% of EU consumers made a cross-border purchase in the last 12 months and most of these purchases were on shopping, holiday or business trips. This is the key conclusion of two major surveys on cross-border shopping in the EU, published by the European Commission on November 15.

More Info:

http://europa.eu.int/comm/consumers/policy/developments/fair_comm_pract/fair_comm_pract_index_en.html

EU/SME: New president for UEAPME, and Mr. Mueller re-appointed as Secretary General

On November 14, the UEAPME General Assembly elected Paul Reckinger, 66 as the new president of the organisation which represents small and medium-sized businesses and craftspeople in Europe. Mr Reckinger is also the president of the Luxembourg Craft Association.

EU/Trade: European operators face obstacles in a growing numbers of countries says EU study

The European Commission has financed a study identifying trade and investment barriers facing European enterprises in a growing number of countries where requirements as far as labelling and marks are concerned are becoming particularly complex and detailed if not unpredictable, mainly for textiles, food products, wines, shoes and cosmetics. These provisions, (set in place on a legal terrain that is still vague)?????, are increasingly linked to the aim of consumer protection in the food sector especially but, in some cases, labelling naturally serves as a non-customs barrier used for protectionist purposes.

EU/Environment: Insurers voice concerns over EU environmental proposals

INSURERS remain sceptical that environmental liabilities are insurable under proposals before the European Union (EU). The Comite Europeen des Assurances (CEA) has questioned the viability of two key parts of the plans. The organisation has argued that although insurers are willing to participate in a scheme to insure environmental risks in theory, as the directive stands they have no way of analysing the probability and severity of a potential loss. For example, the CEA has explained that

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damage to biodiversity is not at the moment measurable as set out by the draft directive, and therefore cannot be insured.

More info:

<http://www.cea.assur.org/cea/v1.1/posi/pdf/uk/position138.pdf>

EU/Community patent: Deadlock in negotiations.

The Competitiveness Council on November 14 in Brussels failed to make progress in negotiations on the introduction of the Community Patent. Ministers were called to agree on one of the key points of the draft Regulation, the future jurisdictional system for the proposed Community Patent.