



HEADLINES

EU / INNOVATION Brussels 01/10/2001: EU improves but still lags behind US and Japan

Although all Member States improved their innovation performance in general, and often single Member States are even world leaders in certain areas, the EU as a whole still lags behind the US and Japan. The EU is lagging behind especially in the areas of business R&D and high-tech patenting activity. Finland and Denmark continue their already strong performance, Greece and Spain are rapidly catching up, and the four largest EU economies are improving, but at rates below the EU average. These are the main conclusions of the 2001 European Innovation Scoreboard, published by the European Commission (as requested by the Lisbon European Council of March 2000), indicating strengths and weaknesses in the innovative capacity of each EU Member State, and the EU as a whole. The European Innovation Scoreboard measures national performance for in total 17 different indicators (for 10 indicators, comparable figures are available for the United States and for Japan) covering human resources, knowledge creation and application, and innovation finance (e.g. % of SMEs that develop product or process innovations themselves or in cooperation with other firms). The Scoreboard serves to raise awareness of innovation performance differences and should thereby promote cooperation and mutual learning (good practice) between Member States. The European Commission recommends Member States to focus in the future especially on: - investing in education and training; - improving performances in the high-tech sectors; - promoting entrepreneurship; - helping step up business R&D; and - promoting the use of new technologies in all sectors of the economy. Innovation is an important determinant of productivity and economic growth. Promoting entrepreneurship and innovation in Europe are therefore vital to boost our competitiveness. The Innovation Scoreboard should therefore also be seen as part of a wider benchmarking exercise on enterprise and entrepreneurship. Pro-innovation policies are particularly important for SMEs as most new cutting-edge companies start life as relatively modest operations.

More info: <http://trendchart.cordis.lu/Scoreboard/scoreboard.htm>
(recommended !) <http://www.cordis.lu/innovation-smes/scoreboard/home.html>

EU / INTERNAL MARKET Brussels 02/10/2001: Progress for European standardisation

The European Commission recently issued a report on the progress of standardisation of products and industrial processes in the Single Market. The report indicates that substantial progress has been made since 1999: over 2600 common standards were agreed over the past 18 months. This can be seen as a major achievement as standardisation is done by European standards bodies (CEN, CENELEC and ETSI), based on a voluntary consensus process amongst different economic actors (industry, SMEs, consumers, workers, public authorities, etc.). The report notably also stresses that on-line methods of work to produce standards have significantly improved the work of experts. It is now quicker to produce a standard, although it still requires 18 months on average. For small businesses, the report states that the Commission recently launched a call for tender with the aim of offering a stable service to SMEs in an effort to promote their position in European standardisation. European standards bodies have the task of drawing up the technical specifications (referred to as harmonised standards) meeting the essential requirements as defined by EC directives (e.g. protection of health and safety, that goods must meet when they are placed on the market). Compliance with harmonised standards provides presumption of conformity to the corresponding

ESBA Bulletin of 5 October 2001 – Volume 3 – Number 40

essential requirements of the EC directives (compliance is voluntary, as manufacturers are free to choose any other technical solution that provides compliance with the essential requirements). Common EU standards make it easier to do business, because goods manufactured to them must comply with single market directives, and so can be marketed anywhere in the EU. Another EC report addressed the issue of international standards as more and more EU standards are prepared in such a way that they seek to facilitate not only access to the Single Market but also to markets abroad by seeking compliance with international standards. Internationally traded goods require international standards, whenever possible according to the report, as they could further facilitate trade in goods, increase market access and promote and disseminate new technologies. The report sets out certain principles which should be respected when agreeing such international standards.

For more information : http://europa.eu.int/comm/enterprise/standards_policy/index.htm

EU / TRADE Brussels 02/10/2001: web site on trade-facilitation agreements with CEECs

The European Commission has published relevant information on its web site concerning the negotiations with all Central and Eastern European Countries (CEECs) on trade facilitation. The pages will be updated as negotiations with candidate countries proceed. ESBA has already reported on the matter extensively in previous issues (see ESBA Weekly - Vol 3 - N 13 & 33). The web site provides: - an overview; - information on the state of play in the negotiations; - the full text of those agreements already in force; and - lists of conformity assessment bodies. Agreements with Hungary and the Czech Republic have already been concluded and are in force since 1 June 2001, and 1 July 2001 respectively. Negotiations are also at different stages with Latvia, Lithuania, Estonia, Slovakia and Slovenia.

More info: <http://europa.eu.int/comm/enterprise/regulation/pecas/pecas.htm>

EU / ENTERPRISE Brussels 02/10/2001: Enterprise Europe magazine issue n. 5 available

The European Commission, DG Enterprise, issued a new issue of the Enterprise Europe magazine, including the following main articles: - Sustainable Development (within Enterprise policy); - Benchmarking and best practices via the BEST procedure; - Database on measures taken by EU to promote entrepreneurship and competitiveness; - Euro and SME preparations; - Access to finance; - European innovation scoreboard - Corporate Social Responsibility; - Standardisation; - Trade facilitation with CEECs; - Tourism; and - Business Impact Assessments.

More info (copy/paste full link): http://www.europa.eu.int/comm/enterprise/library/enterprise-europe/issue5/index_en.htm

EU / INTERNAL MARKET Brussels 03/10/2001: Barriers to cross-border sales promotions to be lifted?

The Commission has proposed a Regulation on sales promotions (to be adopted under the co-decision procedure), abolishing certain national restrictions on a series of general sales promotion practices (e.g. ban on sales below cost or free samples, and limits on sales discounts), and harmonising legislation in the EU on the protection of consumers (e.g. specific labelling and information requirements), aiming to remove barriers to cross-border sales promotions. The proposed Regulation, deriving from the 1996 Green Paper on Commercial Communications in the Internal Market, complements the Commission's Green Paper on Consumer Protection (see next article). The Regulation also envisages making all residual national restrictions subject to the principal of mutual recognition, allowing an operator lawfully established in a Member State to offer the service or sales promotion in the other Member States as well, provided it has been declared legal in

ESBA Bulletin of 5 October 2001 – Volume 3 – Number 40

its own Member State. Member States could thus maintain some existing sectoral restrictions (not general bans) but not apply them to sales promotions from other Member States. The draft Regulation should facilitate free movement in the internal market and will establish a level playing field for European businesses, especially innovative and international orientated SMEs. However, it will also impact SMEs on their local markets. These concerns have also to be taken into account. As this issue can have a high impact on SMEs from all over Europe (positive and negative), ESBA calls for an open hearing on this draft Regulation.

More info: http://europa.eu.int/comm/internal_market/comcom/unfair/reg-en.pdf

EU / CONSUMER PROTECTION Brussels 03/10/2001: Business-to-Consumer trading practices reviewed

Initially planned for April (see ESBA WEEKLY - Vol 3 - N 8), the EC finally presented a Green Paper on Consumer Protection, suggesting rules on how businesses should conduct when trading with consumers, and how these rules should be enforced. As the planned paper was highly disputed within the EC and among businesses, a Green Paper has finally been proposed offering different options to proceed: - further harmonisation and extending the current package of directives (e.g. directives covering advertising, market practices, payment and after-sales services); - complementing specific legislative measures with a EU framework directive, establishing EU-wide principles, as well as EU-wide self-regulation and co-regulation. An eventually proposed framework directive would not include rules concerning health and safety, decency, social policy aspects, or national contract law (dealt with already in the Green Paper on contract law, ESBA WEEKLY - Vol 3 - N 32). The concepts of "fair commercial practices" or "misleading and deceptive practices" will be a major issue of debate of an eventual framework Directive to ensure good practice. The consultation is open until 15 January 2002. The Commission intends to organise a public hearing and an intensive consultation process with relevant stakeholders on this Green Paper.

More info (copy/paste full link):
http://www.europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=MEMO/01/307|0|RAPID&lg=EN
http://europa.eu.int/comm/consumers/policy/developments/fair_comm_pract/fair_comm_greenpap_en.pdf

UPCOMING EVENTS Cardiff (UK) 11&12/10/2001: Forum on Top Class Business Support Services; Theme: Enterprise Policy, MAP 2001-2005, SMEs, Entrepreneurship, Best Procedure. Info: <http://www.cardiff2001.org> Brussels (B) 15/10/2001: For a Europe of entrepreneurs, start-up financing for SMEs; Theme: SMEs, Finance. Info: <http://www.sme-union.org/activities/sme15october.htm> Brussels (B) 16/10/2001: Interactive Policy Making - Listen and Respond to People's Needs; Theme: Consultation, Internal Market. Info: secretariat@esba-europe.org Brussels (B) 17/10/2001 The SMEs approach to a knowledge-based society; Theme: SMEs, Education. Info: <http://www.sme-union.org/activities/sme17october.htm> Louvain-la-Neuve (B) 24&25/10/2001: SMEs Finance; Theme: risk management, role public/private sector, attitude banking sector, revision of Basle agreement, obstacles to award loans, action plan on venture capital Info: <http://www.kubla2001.be/uk/colloque/colloque.htm>