



### HEADLINES

#### **EU / ENTERPRISE Brussels 01/12/2001: Internal market problem solving network fails**

The EU has established a few years ago Business Contact Points and Co-ordination Centres in all EU Member States to facilitate access and effective problem solving for companies and individuals when complaining about problems when executing their rights on the internal market. An evaluation by the Commission now indicates that this European network has dealt with only a very limited number of cases: about 250-300 on a yearly basis, of which less than one third had been resolved within 12 months after they had been opened. The Commission therefore proposes a new integrated approach called SOLVIT, more particularly the creation of an EU-wide on-line database, that will facilitate the monitoring and resolution of problems related to the misapplication of internal market rules by public authorities. The database should be operational by June 2002. By better and wider promotion of the new network and by setting clear principles on how to deal with cases, the problem solving should become more efficient and effective.

More info:

[http://www.europa.eu.int/eur-lex/en/com/pdf/2001/act0702en01/com2001\\_0702en01\\_1.pdf](http://www.europa.eu.int/eur-lex/en/com/pdf/2001/act0702en01/com2001_0702en01_1.pdf)

#### **EU / EMPLOYMENT Brussels 03/12/2001: Council adopts package and quality indicators**

The EU Employment and Social Policy Council adopted with few changes the proposed Employment Report 2001, the progress of implementation of the Employment Guidelines by the Member States, including recommendations to individual Member States, as well as the Employment Guidelines for 2002 (see ESBA Weekly - Vol 3 - N 37 & 44). Main changes: one recommendation has been dropped and the Member States did not accept the EC proposal to introduce national employment targets, aside the already existing Community-wide ones. The European Parliament complained that their views were totally ignored. The Council also approved a list of indicators of quality in work, further to the request of the Stockholm European Council (see also ESBA Weekly - Vol 3 - N 29). In total eight key indicators (e.g. accidents at work, % of working population participating in education and training, growth in labour productivity) are being recommended as well as 23 context indicators (e.g. work satisfaction, employment gap between men and women, trade union density). The key indicators should enable the EU to monitor and measure progress of the European Employment Strategy in the field of quality employment, aside job creation as such, by linking the indicators to the Employment Guidelines. The context indicators will be used to support the work of the making of the Employment Reports. Furthermore, the Council reached a political agreement on the proposal for a Directive protecting workers in case of insolvency of the employer. The European Parliament will assess the Council position now in its second reading. Also the quality and viability of pensions were discussed. An intermediary report was adopted by the Council inviting Member States to develop the policies aimed at reforming their pension systems and to present a first report by September 2002 on their national strategies, to be examined by the Commission.

More info on quality indicators): <http://register.consilium.eu.int/pdf/en/01/st14/142632en1.pdf>

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### **EU / ENTERPRISE Brussels 04/12/2001: Improving public business support services**

Following a Commission's "Best Procedure" benchmarking project, the EC published a paper reviewing good practice in the area of public business support services and providing fifteen tips for creating services that deliver top class business support. At the same time the EC has also launched a business support measures database, providing an overview of the most important business support measures in the 15 EU Member States, the EEA countries (Norway, Iceland, Liechtenstein), Switzerland and 6 candidate countries. The benchmarking project found that businesses that use support services do better, in terms of survival, sales growth, and creating sustainable jobs, than those that do not. Good public sector business support services does exist of course across Europe, but often the quality of provision is too variable. The paper and the database, in line with the European Charter for small enterprises, should help EU Member States and the EC itself (see first article in this bulletin) to upgrade their business support services to more permanent high quality levels. The key conclusions and tips of the paper are: - client-orientation has to be priority number one. - ensuring convenient access for enterprises to all the support services; - coherent support services need to be assured; - supplying better co-ordinating services, with a common methodology; - distinct packages of services for the different types of SMEs - suppliers to be properly equipped and skilled; - tailoring supplier staff recruitment, training and development structures; - implementing quality assurance systems; - creating an "evaluation culture"; - consistent and effective promotion of support services

More info: [http://europa.eu.int/comm/enterprise/entrepreneurship/support\\_measures/top-class/sec2001-1937\\_en.pdf](http://europa.eu.int/comm/enterprise/entrepreneurship/support_measures/top-class/sec2001-1937_en.pdf)  
[http://www.europa.eu.int/comm/enterprise/smie/good\\_practice/index.htm](http://www.europa.eu.int/comm/enterprise/smie/good_practice/index.htm)

### **EU / TAXATION Brussels 04/12/2001: Council agreement on invoicing rules for VAT**

The Council reached political agreement on a Directive intended to simplify, modernise and harmonise the rules for invoicing in respect of VAT within the Community (see also ESBA Weekly - Vol 3 - N 28). The new rules should cut the burden and cost of red tape for smaller firms in particular as companies will now only have to deal with a single, simplified set of rules on invoicing valid throughout the EU instead of fifteen different sets of legislation as is the case still currently. However, as the Directive is seriously flawed, it is not clear if there will be a clear benefit for business. For example, although Member States agreed to recognise electronic invoices, certain cost increasing measures were introduced again. The Directive has to be implemented in the Member States by 1 January 2004. Main elements of the Directive: - a list of ten items of information that must be included on every invoice (additional items can be required, creating again additional difficulties and costs for companies); - validation of electronic invoices (electronic signatures required, creating again additional difficulties and costs for companies); - simplified arrangements for SMEs and small-value invoices; - possibility of outsourcing invoicing operations to a third party; - cross-border electronic invoicing and electronic storage of invoices allowed; - free choice of the place and method of storage of invoices.

### **EU / E-COMMERCE Luxembourg 04/12/2001: New Internet portal for eBusiness**

The new multilingual internet portal aims to promote the development of eCommerce in Europe by providing entrepreneurs and businesses with information on the different legislative and regulatory systems across the EU which affect eCommerce. The information will be provided free of charge (compared to international legal advice which is expensive, especially for SMEs) and will become quickly and easy accessible. The service will also include the collection and publication of best practices. ESBA provided assistance in developing the detailed user requirements during the pilot stage of the portal. At the same time the European Commission has published a communication on

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"the impact of the e-Economy on European enterprises: economic analysis and policy implications". The communication reviews the current state-of-play in the e-Economy and highlights the next steps that will have to be taken to ensure that the benefits arising to European enterprises from the e-Economy are maximised (e.g. accelerating the construction of a clear and predictable framework for e-business, fostering of a culture of entrepreneurship and innovation, enhancing ICT skills levels, and raising the ability of European enterprises to compete in a modern global economy). The communication advocates systematically integrating the "e-dimension" into policies affecting enterprises.

More info: <http://www.eLexPortal.com>  
<http://europa.eu.int/comm/enterprise/ict/policy/e-economy.htm>

### **EU / INDUSTRY Brussels 05/12/2001: Council on finance, state aid and enterprise policy**

The Industry Council of 5 December 2001 addressed several SME relevant issues: -SME Finance: The Council discussions conclusions are partially based on the conclusions of the SME finance conference in October (see ESBA Weekly - Vol 3 - N 44) and the Commission report "Enterprises' access to finance" (see ESBA Weekly - Vol 3 - N 43). The Council calls on the EC to facilitate contacts between banks and SMEs in order to draw up a European code of conduct between the parties, determine good practices for reducing the complexity of the administrative procedures involved in financing or government guarantees, and to by 2003 an initial assessment of progress made in promoting SME access to capital. Furthermore, Member States are asked to give priority to initiatives related to access to finance, such as promoting entrepreneurship and appropriate tax regimes. The final Council conclusions were very much weakened compared to earlier draft versions. Earlier versions still indicated that the forthcoming new Basle capital accord would have a significant impact on SMEs' access to finance, whereas the final conclusions just speak of the possibility of an impact on SMEs. Furthermore, the EC would be asked to assess the impact of the Basle Committee's proposals concerning the funding of SMEs (not in final conclusions) and to initiate a round table between banks and SMEs (in stead of facilitating contacts). ESBA regrets that the conference conclusions on SME finance have not been fully taken into account by the Industry Council, but welcomes the reference that Member States' action is needed in the field of their tax regimes to facilitate SME access to finance. ESBA believes that especially fiscal incentives will help to resolve the SME financing problem (see ESBA position on this matter in ESBA Weekly - Vol 3 - N 43 or visit our website: <http://www.esba-europe.org>)

More info:  
<http://register.consilium.eu.int/pdf/en/01/st13/13352en1.pdf>  
<http://register.consilium.eu.int/pdf/en/01/st13/13352-r1en1.pdf>  
<http://register.consilium.eu.int/pdf/en/01/st13/13352-r2en1.pdf>

- State aid: The Council conclusions on this matter were in line with the earlier conclusions of the informal ministerial conference of 26 October 2001 (see ESBA Weekly - Vol 3 - N 44), reaffirming Member States' commitment to pursue their efforts to cut the overall level of state aid as a % of GDP by 2003 and the need to refocus aid on horizontal objectives of common interest. More info: <http://register.consilium.eu.int/pdf/en/01/st14/14563en1.pdf> - Enterprise policy: Following the debate on several reports published by the EC over the last few weeks (see ESBA Weekly - Vol 3 - N 48), the Council recognised that regulatory and administrative framework conditions were a real impediment to successful business creation and development, and therefore the Council suggested to prepare a regulatory reform action plan. Furthermore, as the EU is poorly performing in the rate of business R&D expenditures and European high-tech patenting, it was concluded that tax incentives should become a top priority to improve the European Research Area. Concerning the use of quantitative targets in enterprise policy, it was stated that the current project where Members States

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can chose on a set of indicators was well received by the delegations. However, following the Council results and intensive contacts with the EC, ESBA does not believe that much is to be expected in this field in the near future as most Member States are still too reluctant to commit themselves in this area unfortunately. For example Germany and Finland made the following declaration "These Council conclusions on the implementation of the Lisbon objectives in the area of enterprise policy do not mean that quantitative targets must be implemented by Member States, they are voluntary".

### **EU / FINANCE Brussels 05/12/2001: EIB support for Danish SMEs**

The European Investment Bank (EIB) has concluded a global loan for an amount up to DKK 400 million (eur 54 million) with Nykredit Bank in Denmark to support the activities of SMEs. The global will contribute to the efforts of the EU aimed at strengthening social and economic cohesion, improving competitiveness and growth prospects, as well as providing stable employment opportunities. The loan shall also promote investments leading to energy savings, support projects concerned with environmental protection and reduction of pollution and investments in health and education.

### **EU / DATA PROTECTION Brussels 06/12/2001: 'Opt in' for spamming and cookies education**

The Council reached a political agreement on the draft Directive on the processing of personal data and the protection of privacy in the electronic communications sector. In particular, they agreed upon a harmonised "opt-in" solution for unsolicited commercial e-mail (with an exception for existing customer relationships). This whereas the EP had recommended to leave the choice between an opt-in and an opt-out to the Member States (see ESBA Weekly - Vol 3 - N 45 & 46). European Parliament and the Council also still disagree on the cookies issue. The Council now wants that customers have to be informed about the use of cookies and are offered the possibility to refuse them. The Parliament preferred an even more restricted solution. The draft Directive will now go back to the European Parliament for second reading. The usefulness of the Directive is questionable as no clear distinction is made between illegal 'spamming' (the dispatch of non-targeted emails, generally considered tantamount to harassment as messages often promote pornographic sites or fraudulent practices) on one side and serious direct and interactive marketing on the other (mainly used by SMEs in their commercial communications strategy). SMEs in the EU need a clear, coherent and simple business environment to be able to compete on equal footing with its non-EU competitors. As e-mails originating from outside the EU are not falling under the scope of the proposals and as most authors of 'spamming' messages often themselves use false Internet addresses, the opt-in system is unlikely to reduce the volume of unsolicited emails and will only undermine business interests.

### **EU / SIMPLIFICATION Brussels 06/12/2001: EC committed to simplify and improve legislation**

In its communication on simplifying and improving the regulatory environment, the EC tends to send a strong political message to the Community institutions and the Member States about the way Community laws and regulatory instruments are prepared and applied. The Commission itself claims to take the lead and is aiming to reduce the volume of Community legislation by at least 25% before 2005. It has also decided to withdraw a hundred or so pending legislative proposals which it does not regard as being of topical interest. The other Community institutions as well as the Member States will also have to come up with firm political commitments themselves in order for the proposals to be effective. Therefore, the EC will now start a dialogue with the European Parliament and the Council and will draw up a detailed overall compassing plan of action by June 2002. To start with, the paper will be presented to the Laeken Summit of next weekend. Seen the limited results so far since 1992 (when the task of simplifying and improving the regulatory environment become a EU top priority for the first time), the EC has set out an initial of four priority areas: - Simplifying the

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Community (-25% ; - Improving the quality of legislation acquis (more consultations and better impact studies); - New culture within the institutions; - Better transposition.

More info: [http://www.europa.eu.int/eur-lex/en/com/cnc/2001/com2001\\_0726en01.pdf](http://www.europa.eu.int/eur-lex/en/com/cnc/2001/com2001_0726en01.pdf)