

ESBA Bulletin of January 2000 – Volume 2 – Number 1



HEADLINES

Foreword

Just in time with the first issue of 2000 to wish the ESBA Monthly Tracker readers all and only the best for 2000 and beyond.

With a New Year comes a new Monthly!! As we want it to be more effective as a tool for all ESBA members and stakeholders of entrepreneurship in Europe.

The general format will remain the same. We will also continue to send it to our growing mailing list on a monthly basis.

The new features can be found in the way EU information will be handled to the readers. ESBA Monthly will from now on take the form of a "tracker" which will keep readers informed of EU initiatives along the process. All recent news will be visible because in bold character.

Such a new format will help the readers monitoring EU developments on a permanent basis. Yours comments and suggestions will be very much welcomed.

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General EU News

Portuguese Presidency and Commission concur in large measure on the objectives of the next sixth months according to Prime Minister Antonio Guterres. The main objectives debated during the traditional meeting between the incoming EU Council Presidency and the European Commission, in Lisbon in January were the followings :

- Organisation of the extraordinary summit on employment and reforms
- Enlargement of the Union
- Preparation of the Intergovernmental conference on institutional reform
- Mediterranean Policy
- Taxation

By adopting the report of the Dutch Socialist Michiel van Hulten, the European Parliament called on the European Commission to implement recommendations of the second report of 'Committee of Independent Experts' but it rejects creation of a Committee responsible for studying its own functioning!! Commissioner Kinnock welcomed the Report of the European Parliament, precisng that several of the proposals that it contains were closed to those that he himself was going to make.

Mediterranean Affairs : EU senior officials for the Barcelona process met on 18th January to prepare the Euro-Mediterranean Committee on 9 and 10 February. They gave their agreement to the launching of MEDIS, an initiative aiming at promoting the Information Society in the region.

Economic & Financial Affairs

Announcement Of The Year 2000 Commission Objectives

Priority 1 : taking full advantage of EMU's potential

EU Member States will try to optimize the economic policy co-ordination by implementing. Implementation of the EURO still needs to be finalized in a number of areas (introduction of Euro notes ad coins). The enlargement of the Euro zone (to the so-called pre-in countries and acceding countries) will also be on the agenda.

Priority 2 : Reinforcing Europe's competitiveness

A certain number of structural changes are required to boost Europe's economy and lead it onto a higher growth and employment path (Employment Policies - Luxembourg process / Structural reforms - Cardiff Process / Lisbon Summit on employment and economic growth / Enhancing the integration of financial markets / Risk capital / Public Investments - TENs financing - Co-ordination with EIB & EIF).

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Priority 3 : Enlargement : Preparing tomorrow's Europe

The economic criterion constitutes one of the three key dimensions put forward by the European Council in Copenhagen as regards the Enlargement process. Activities such as economic assessment, financial support measures negotiations with the candidate countries will continue to develop to prepare enlargement of the EU

Priority 4 : External aspects : Europe's role in the wider world

The EU will seek to support reforms of the international monetary and financial system and its institutions (IMF - WB - EBRD) and to reinforce the common strategies between Member States on economic and financial aspects.

Taxation – Announcement Of The Year 2000 Commission Objectives

Priority 1 : Assuring fair business taxation in the Internal Market

The work will aim at creating a favourable tax environment for business. This announce new initiatives in the fields of combating some aspects of tax competition and securing a level tax playing field (Implementation of the tax package - Revision of the Code of Conduct on business taxation – Completion of the studies on Company taxation)

Priority 2 : Developing a strategy for VAT in the Internal Market

The Commission plan to rethink the current approach on VAT in the Union (Consolidation of the 6th framework directive - Proposals on VAT modernisation - Proposal for directive for VAT on e-commerce)

Modernising the system for excise duties in the Internal Market

Reports and proposals on mineral oils, tobacco and other goods

Other news

The European parliament failed to adopt a resolution to call on the commission to draw up a report on the Tobin tax and other possible measures to combat international speculation.

Nine member states will apply targeted vat reductions on services from 1st January. This possibility is made available for 3 years in order to verify the impact on employment. The five sectors are small repair services, renovation of private housing – window cleaning – home help services - hairdressing

Enterprise Affairs

Announcement of the year 2000 Commission objectives

Priority 1 : Outlining a revised enterprise policy for competitiveness, entrepreneurship and SMEs

The initiatives linked to this priority are the following :

- preparation of a green paper on a revised Enterprise policy for competitiveness and SMEs (Feb-March 2000)

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- Communication on the Multiannual programme for Enterprises (2001-2006) (Feb-March 2000)
- The Competitiveness report 2000
- Improve the impact of national enterprise policies through benchmarking

Priority 2 : Creating a favourable business environment for European enterprises

- First report of BEST action plan
- Reinforce the support and seed capital funds in Europe and develop business angels
- Benchmark the simplification of the regulatory framework in the EU
- Improve the Internal Market ; strengthening the CE marking system
- Implement RTTE (radion telecom terminal equipment) abolish 1000 pieces of national legislation

Priority 3 : Creating the right framework for innovation

- Develop a “trend chart” on innovation (benchmarking)
- Implementation of the “Innovation and SMEs” programme
- Mobilisation of the “Innovation Relay Centres” to stimulate transnational technology transfer

Priority 4 : Promoting a service and knowledge bases economy

- Policy paper on a competitiveness policy for the service sector
- promote the provision of support services to SMEs
- Implementation of the action plan of the White Paper on Commerce
- Awareness to promote e-commerce by SMEs
- Report on the tourism industry

Priority 5 : Ensuring coherence with related policy areas

- Follow-up of the White paper on food safety (possible creation of a Food agency)
- Policy paper on biotechnology
- Guidelines for application of the precautionary principle in the EU and at international level
- Proposal for a GMO free labelling schemes
- Co-ordination with industry of AEU’s offensive and defensive interests on tariff and non-tariff matters (Millennium Round)
- Realise the enlarged Single Market by concluding Protocols for European Conformity Assessment.

Other News

The European white paper on food safety adopted on 12 January proposed 80 legislative measures and creation of a food authority

Employment & Social Affairs

Announcement of the year 2000 Commission objectives

Priority 1 : Develop and monitor the European employment strategy

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The year 2000 will be the 3rd year of the employment strategy and the first year of the new ESF. The aim of the new ESF is to support the Member States in their implementation of the European employment strategy (Guidelines 2001 - Draft joint employment report 2000 - Recommendation to the Council for individual recommendations to the Member States - Draft Council Decision on employment incentive measures; art 129)

Priority 2 : Social action programme 2000

Communication on a Social Action programme

Priority 3 : Develop social protection and social inclusion

- Follow-up to 1999 communication on social protection
- Draft council decision establishing a programme on social inclusion (art. 137)

Single Market

Announcement of the year 2000 Commission objectives

Priority 1 : Completing the Internal Market

New legislative actions are expected for the following areas : financial services - electronic commerce - Community patent

Priority 2 : Modernising the Internal Market

The existing Internal Market is in need of a simplification or modernisation of the regulatory framework : Adoption of a legislative package amending procurement Directives - Adoption of the *Product Liability Directive* - *Review of the existing Directive on Postal Services*

Exploiting to the full the achievements of the Internal Market

Existing instruments such as the IM Scoreboard and the Dialogue with Citizens and Business should be reinforced and better applied.

International Trade

Announcement of the year 2000 Commission objectives

Priority 1 : Follow-up Seattle Conference

- Develop overall EC strategy and co-ordinate WTO Millennium Round Negotiations

Priority 2 : Market Access Policy

Elimination of priority barriers in third country markets, using the different available approaches such as WTO dispute settlement, implementation of bilateral agreements, new bilateral negotiations and consultations _

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Priority 3 : WTO Dispute settlement

Ensure a coherent community policy towards dispute settlement in the WTO; ensure an active EC contribution in the DSU review; bilateral activities (Bananas - Hormones)

Priority 4 : WTO accessions

Other News

Commissioner Lamy spoke revealed to the European parliament the main lines of a package for launching again the new round before the end of 2000. EU is still in favour of a broad agenda, but suggests to start with the functioning of the WTO and the commercial interests of developing countries

Electronic Commerce

Announcement of the year 2000 Commission objectives

Priority 1 : Bringing Europe fully into the digital age

- See the E-Europe initiative and further implementation measures

Priority 2 : Further liberalisation of electronic communications services in the EU

- The aim is to push further liberalisation and to enhance simplification of the regulatory framework. This process will have to be accompanied at global level (Global Business Dialogue; Millennium Round). The ongoing process of the proper implementation of the current regulatory framework will be pursued

Priority 3 : Strengthening Europe's technological potential in the Information Society

- Implementation of the 5th Framework programme

Other News

Euro mps will gather in Brussels on 22 February to launch the foundation for European network society to intensify dialogue on information society related issues

Competition Policy

Announcement of the year 2000 Commission objectives

Horizontal priorities

Anti-trust

- Proposal of new implementing regulation of Articles 81 and 82 for transmission to Council
- New Policy on vertical restraints for those companies which do not fall within the new Block Exemption regulation on vertical restraints
- Review of policy to be applied to Horizontal Agreements

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- Block Exemption for liner shipping consortia
- Report on the evaluation of the block exemption in the automobile sector
- 6th report on the implementation of the Telecom Directives
- Review of the Commission Communication on Voice on the Internet

Merger Control

- Report to the Council on the operation of the Merger Regulation
- Commission Notice setting out the Commission's policies on restrictions directly related and necessary to concentrations
- Commission notice on the concept of collective dominance under the Merger Regulation

State aid

- A number of block exemption needs to be adopted in 2000 (aids to SMEs - aids to vocational training - de minimis rules)
- Employment Aid Guidelines will be reviewed to define more precise criteria on the compatibility of employment aid
- Amendment of Transparency Directive to introduce separation of accounts for undertakings providing public services and activities open in competition
- Community framework on aid to the motor vehicle sector
- Guidelines on state aid to cinema and TV production
- Special guidance on state aid to the CEEC

Case Priorities

One of the main priorities will be to cope with the expected increasing number of merger and state aid cases