



### HEADLINES

#### **EU/REFIT: Commission intends to scrap draft Directive on Maternity Leave**

On 18 June, the European Commission announced the possibility of withdrawal of the draft maternity leave directive, in the context of the implementation of its Regulatory Fitness and Performance programme (REFIT). One of the main objectives of this proposal is the extension of the maternity leave to 20 weeks, at a full paid salary, as well as the protection of women's rights upon their return to work. The EU Parliament has adopted the draft directive in 2010, but it has never received the approval of the Council. For that reason, in light of its smart regulation agenda, the European Commission has decided to include the withdrawal of the maternity leave in the new initiatives for simplification of EU. However, this proposal of the EU Commission has still to be confirmed.

#### **ESBA Opinion**

ESBA welcomes the Commission's proposal under REFIT to scrap the draft Directive, as it has been stuck for years in the European Council, which did not view the report by the European Parliament as a realistic basis for discussion. The report carried a heavy FEMM committee stamp and failed to find a balance between the protection of women's rights and the burden this will put on small businesses. 92% of all European businesses are micro companies with less than 10 employees. In practice it often concerns 3 or 4 employees. One employee on maternity leave in these cases represents a considerable percentage of the total work force. Having to pay the full salary, as well as searching for temporary replacement puts the burden on the small business owner entirely. Moreover, the intended prolongation of maternity leave may in the end harm female workers as business owners may refrain from hiring women of a certain age category, which would be a very unwelcome development.

To learn more about the directive, please click [here](#).

### IN BRIEF

#### **EU/Trade: Overwhelming response to the European Commission consultation on the ISDS mechanism (TTIPP)**

On 13 July, the European Commission closed the public consultation on the ISDS mechanism, at a whopping 149,399 replies. On 21 January 2014, the European Commission said that it would postpone negotiations on ISDS within the framework of the Transatlantic Trade and Investment Partnership (TTIP) agreement. The Investor-to-state dispute settlement mechanism (ISDS) is an instrument, included in TTIP, this mechanism makes it possible for an investor to initiate dispute settlement against a host state. In Europe many people and civil organisations expressed concerns about this part of TTIP. "I know some people in Europe have genuine concerns about this part of the EU-US deal" said EU Trade Commissioner Karel de Gucht. As a result, the European Commission postponed trade negotiations with the US on the ISDS mechanism and decided to launch the public consultation to see whether the EU's proposed approach for TTIP achieves the right balance between protecting investors and safeguarding the EU's right to regulate in the public interest.

To learn more about the ISDS consultation, please click [here](#).

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To learn more about the TTIP in general, please click [here](#).

### **EU/Finance: EU SMEs instrument gives grants to 155 small firms**

On 24 July, The European Commission presented the first results of its €3 billion SME Instrument that was established under Horizon 2020. The aim of the instrument is to support SMEs by giving grants to develop their innovation strategy, spread across three phases. The first phase covers the assessment of technical feasibility and market potential of new ideas through an investment of €50000. Phase two covers R&I activities with a particular focus on demonstration and market replication activities. The last phase focuses on helping SMEs to bring their ideas from the lab to the market. The European Commission selected 155 SMEs out of 2,666 applications that will receive a grant of €50000 for the first phase of the instrument. Especially Spanish SMEs were successful in the first round with 39 selected proposals. The successful applicants will be notified by the Executive Agency for SMEs (EASME) in August.

To learn more about the SME instrument, please click [here](#).

### **EU/Investments: Commission presents the EU 2014-2020 Cohesion Policy**

On 23 July, the European Commission adopted the 6th Report on Economic, Social and Territorial Cohesion. In 2007-2013 the Cohesion Policy, in line with the EU 2020 Strategy growth goals, acted as an economic stabilizer, notably, by creating 600,000 new jobs, supporting 80,000 new businesses and helping 5.7 million jobseekers to find work. These trends are expected to continue in the 2014-2020 financial round, where European Commission investments will be boosted in those sectors that can positively affect the real economy. The new Cohesion Policy will focus on supporting SMEs competitiveness (33 billion of euros has been settled at this purpose), energy efficiency and renewables, social inclusion, employment and innovation.

To learn more about the EC Cohesion Report, please click [here](#).

### **EU/Competition: European Commission regulates unfair practice in the food supply chain**

On 15 July, the European Commission adopted a Communication in which it encourages Member States to enhance the protection of small food producers against unfair trading practices (UTPs) of stronger trading partners. The main problem is situated in the different level of bargaining power that the actors of the food supply chain have, when there is an intensification of the market. Although the differences are legit and common practice it can lead to UTPs including: the rejection of drafting contracts, terminating commercial contracts and orders with the intention to gain unfair advantages, unilateral changes of the cost or price of product or services and bringing risk to the contracting party by unfair transfers. The Communication therefore supports measures such as the Supply Chain Initiative, launched by 7 EU level associations, that aims to increase the fairness between players of the food supply chain, the establishment of EU-wide standards and an active implementation of standards at a national level.

To learn more about the Commission's communication, please click [here](#).

### **EU/TTIP: MEPs want more transparency in TTIP talks**

From 14-18 July, Brussels hosted the 6th Round of EU-US Trade Talks. On July 16th, during a debate between MEPs and EU Trade Commissioners, MEPs from all political parties said that European citizens must be better informed on the progress of the EU-US trade talks. Meanwhile MEPs from the biggest groups acknowledged that the EU could benefit in growth and jobs from TTIP. Others warned that TTIP could deteriorate the EU's health, social and environmental standards. Another complaint is that TTIP could erode the EU's right to regulate, by allowing investors to sue

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governments using an "Investor-State Dispute Settlement" clause (ISDS). Karel de Gucht reassured MEPs by stressing that TTIP was not about lowering the standards but "reducing the amount of red-tape".

To learn more about the 6th Round of EU-US Trade Talks, please click [here](#).

### **EU/Institutions: Jean-Claude Juncker presents the new agenda of the European Commission**

On 15 July, Jean-Claude Juncker, the new President of the European Commission (EC), presented his political guidelines for the new mandate. The leading priorities will focus on supporting job creation policies and measures. In this optic, the President Juncker called for a substantial reduction of the regulatory burden for SMEs, key drivers of European economic growth. Finally, closely connected to the economic priorities, the necessity to strength European energy independence, to redefine a talent-oriented immigration policy and to reinforce the social aspect of the European Union have been identified as important priorities of the new EC agenda.

To learn more about the EU Commission agenda, please click [here](#).

### **EU/State aid: Adopted the revised EU Commission guidelines for rescuing companies in difficulty**

On 1 August 2014, the revised European Commission guidelines on Member States' rescue measures for companies in difficulty will enter into force. The new guidelines concern only non-financial firms and aim to enforce two main principles of state aids: public funding should be provided only when it can genuinely saves jobs; a fair part firm's restructuring cost should be paid by the investors. Comparing to the 2004 guidelines, the revised version includes an allowance for temporary restructuring support for SMEs. These particular measures have been structured for addressing the urgent SMEs liquidity problem and they could be granted for at most 18 months.

To read about this topic, please click [here](#).

### **EU/labour market: France relaunches a plan for a EU minimum wage**

On 10 July, the reintroduced in the EU debate the creation of a European minimum salary, by presenting the report "Methods for the introduction of European norms for a minimum wage". The aim of this initiative is to push for a political commitment from Eurozone Member States, in favour of a EU-wide minimum wage, which could be calculated as 45% or 50% of the median income of each country. According to the report, securing income workers' salaries could resolve in important advantages for the EU economy, such as the boost of EU consumptions and so EU internal demand and growth. Moreover, the authors affirm that a minimum wage could prevent phenomena such as social dumping across Europe and, indeed, it could help in rebalancing Eurozone economic asymmetries.

To find more about the French Economic Affairs Ministry report, please click [here](#).

### **EU/Industry: EU-industry partnerships seek innovation boost with first €1 billion for projects**

On 9 July, around the first anniversary of the European Commission's Innovation Investment Package, an initial round of calls for projects and partners was launched under the umbrella of Horizon 2020 by public private partnerships, consisting of Member States, the private sector and the EU. Aiming to increase the EU's international competitiveness as well as a general improvement of citizen's lives, a first round of projects will be funded. Private sector parties will match the initial public sector funding, which will amount to a total of €2.26 billion. "Only if the best brains from academia, industry, SMEs, research institutes and other organisations come together can we successfully tackle the huge challenges that we are facing. This is what public-private partnerships are about, the

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joining of forces to make the lives of Europeans better, create jobs and boost our competitiveness" said José Manuel Barroso, President of the European Commission.

To access the Participant portal, please click [here](#).

### **EU/Trade: EU launches multilateral negotiations on environmental goods**

On 8 July, in the context of the Green Good Initiative, the EU together with 13 other WTO members started in Geneva the negotiations for liberalising trades on environmental goods and services. At this first stage of the negotiations, the main focus will concern the elimination of tariffs and duties, but in a second time, discussions on product convergences and non-tariff measures will be addressed. As highlighted by the EU Trade Commissioner Karel De Gucht, the main expected outcomes of these new multilateral negotiations are not just an overall positive impact on environmental issues such as the current challenge of climate changes, but also a big opportunity for EU growth and job creation.

To read more about the Green Good Initiative, please click [here](#).

### **EU/Modern Insolvency Rules: The Commission launches EU-wide interconnection of insolvency registers**

On 7 July, the European Commission launched a first EU-wide insolvency database through connecting registers from seven Member States (Germany, Estonia, Romania, Slovenia, Austria, Netherlands and Czech Republic). The database works as a one-stop shop for companies, creditors and possible investors in the EU. Entrepreneurs and business leaders will be able to perform the same controls as they would in their country of origin and can assist creditors in insolvency cases that occur in other Member States. Through the one stop shop, vital information on insolvency will be better accessible for businesses. The information will be available in all EU languages, in an understandable and easily digestible format, at no cost. Other Member States are expected to join the register at a later stage.

To consult the interconnected insolvency registers, please click [here](#).

## **PUBLICATIONS**

### **EU/FRA: Data protection**

On 29 July, the European Union Agency for Fundamental Rights published the 'Handbook on European data protection law'. This handbook is designed as a main point of reference for legal professionals who aren't specialised in the legal field of data protection.

To access this handbook, click [here](#).

### **EU/Eurostat: Public Finance**

On 23 July, Eurostat reported that in the first quarter of 2014, the seasonally adjusted general government deficit to GDP ratio stood at 2.7% in the euro area (EA18), nearly stable compared with the fourth quarter of 2013 (2.6%). In the EU28, the deficit to GDP ratio decreased from 3.1% of GDP in the fourth quarter of 2013 to 1.9% of GDP in the first quarter of 2014.

To access this publication, click [here](#).

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### EU/Eurostat: Government Debt

On 22 July, Eurostat reported that at the end of the first quarter of 2014, the government debt to GDP ratio in the euro area (EA18) stood at 93.9%, compared with 92.7% at the end of the fourth quarter of 2013. This increase comes after two consecutive quarters of decrease. In the EU28, the ratio increased from 87.2% to 88.0%. Compared with the first quarter of 2013, the government debt to GDP ratio rose in both the euro area (from 92.5% to 93.9%) and the EU28 (from 86.2% to 88.0%).

To access this publication, click [here](#).

### EU/Eurostat: Public Finance

On 18 July, Eurostat reported that the EU28 seasonally adjusted external current account recorded a surplus of €25.4 billion (0.8% of GDP) in the first quarter of 2014, down from a surplus of €32.7 bn (1.0% of GDP) in the fourth quarter of 2013 and from a surplus of €32.9 bn (1.0% of GDP) in the first quarter of 2013, according to a second estimate released by Eurostat, the statistical office of the European Union.

To access this publication, click [here](#).

### EU/Bruegel think tank: Tax harmonization

On 17 July, Bruegel think tank published the note 'Tax harmonization in Europe: moving forward'. With this note Bruegel think tank wants to contribute to the debate about the tax competition in the EU. In the note are some proposals for a more efficient tax policy.

To access this note, click [here](#).

### EU/Eurostat: Construction

On 17 July, Eurostat reported that in May 2014 compared with April 2014, seasonally adjusted production in the construction sector fell by 1.5% in the euro area (EA18) and by 1.6% in the EU28, according to first estimates from Eurostat, the statistical office of the European Union. In April 2014, production in construction rose by 0.4% and 0.3% respectively.

To access this publication, click [here](#).

### EU/Eurostat: Inflation

On 17 of July, Eurostat announced that the Euro area annual inflation was 0.5% in June 2014, stable compared with May. A year earlier the rate was 1.6%. Monthly inflation was 0.1% in June 2014.

To access this publication, click [here](#).

### EU/Eurostat: Current Account Balance

On 16 July, Eurostat reported that the first estimate for the euro area (EA18) trade in goods balance with the rest of the world in May 2014 gave a €15.4 billion surplus, compared with +€14.6 bn in May 2013. The April 2014 balance was also +€15.4 bn, compared with +€14.2 bn in April 2013. In May 2014 compared with April 2014, seasonally adjusted exports rose by 0.6% and imports by 0.5%.

To access this publication, click [here](#).

### EU/Eurostat: Indicators of Economic Globalisation

On 15 July, Eurostat stated that the globalisation of the world economy creates new needs for statistics. Therefore, Eurostat, the statistical office of the European Union, published a set of economic globalisation indicators. These identify five aspects of economic globalisation:

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international trade, foreign direct investment (FDI), employment and value added of multinational enterprises as well as internationalisation of technology. All in all, twelve indicators are included in this framework.

To access this publication, click [here](#).

### **EU/Eurostat: Industrial production**

On 14 July, Eurostat reported that in May 2014 compared with April 2014, seasonally adjusted industrial production fell by 1.1% in both the euro area (EA18) and the EU28, according to estimates from Eurostat, the statistical office of the European Union. In April 2014 industrial production rose by 0.7% in both zones.

To access this publication, click [here](#).

### **EU/Eurostat: House prices**

On 10 July, Eurostat reported that house prices, as measured by the House Price Index (HPI), fell by 0.3% in the euro area and rose by 1.0% in the EU in the first quarter of 2014 compared with the same quarter of the previous year.

To access this publication, click [here](#).

### **EU/Eurostat: Financial Instruments**

On 3 July, Eurostat reported that in 2013, in the EU28, 81% of government debt was financed by issuing securities (bills, bonds, etc. excluding shares and financial derivatives), 16% by loans and 4% by currency and deposits.

To access this publication, click [here](#).

### **EU/Eurostat: Retail Trade**

On 3 July, Eurostat reported that In May 2014 compared with April 2014, the seasonally adjusted volume of retail trade had remained stable in the euro area (EA18) and had fallen by 0.1% in the EU28. In April retail trade decreased by 0.2% in the euro area and rose by 0.2% in the EU28. In May 2014 compared with May 2013 the retail sales index increased by 0.7% in the euro area and by 1.2% in the EU28.

To access this publication please click [here](#).

### **OECD countries/OECD: policy challenges**

On 2 July, OECD published the OECD ECONOMIC POLICY PAPER No.9. In this paper 4 key economic developments are listed for the coming 50 years. These are:

- Global growth is set to slow down
- Trade integration is set to growth
- Earning inequalities are likely to increase
- Fiscal consolidation will require major efforts in several countries

To access this publication, please click [here](#).

### **EU/Eurostar: Industrial Producer Prices**

On 2 July, Eurostat reported that In May 2014, compared with April 2014, industrial producer prices had fallen by 0.1% in both the euro area (EA18) and the EU28. In April prices also decreased by 0.1%

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in both zones. In May 2014, compared with May 2013, industrial producer prices decreased by 1.0% in the euro area and by 0.9% in the EU28.

To access this publication please click [here](#).

### **EU/Eurostat: Unemployment**

On 1 July, Eurostat released its latest employment figures. The euro area (EA18) seasonally-adjusted unemployment rate was 11.6% in May 2014, stable compared with April 2014, but down from 12.0% in May 2013. The EU28 unemployment rate was 10.3% in May 2014, down from 10.4% in April 2014, and from 10.9% in May 2013. Eurostat estimates that 25.184 million men and women in the EU28, of whom 18.552 million were in the euro area, were unemployed in May 2014. Compared with April 2014, the number of persons unemployed decreased by 63 000 in the EU28 and by 28 000 in the euro area. Compared with May 2013, unemployment fell by 1.361 million in the EU28 and by 636 000 in the euro area.

To access this publication, please click [here](#).

## **CONSULTATIONS**

### **Consultation on transparency measures for nanomaterials on the market**

DEADLINE: 05/08/2014

This public consultation has the objective to obtain stakeholder views on available information on nanomaterials. The consultation is a part of the Communication on the Second Regulatory Review on Nanomaterials. There will be two separate consultations: one for industry stakeholders and one for all other interested stakeholders.

To access this consultation, please click [here](#).

### **Consultation on the European Commission's strategy on CSR 2011-2014**

DEADLINE: 15/08/2014

With this public consultation the European Commission seeks to gather feedback on the achievements, shortcomings and future challenges of the Commission's activities on Corporate Social Responsibility (CSR), as outlined in the Commission's 2011 Communication on "A renewed EU strategy 2011-14 for Corporate Social Responsibility".

To access this consultation, please click [here](#).

### **Consultation on Combined Transport**

DEADLINE: 15/08/2014

The European Commission is undertaking this public consultation to gather information about the implementation of the Combined Transport(CT) Directive. This is a Directive that seeks to promote Combined Transport operations. Using this information the European Commission will assess whether a revision of the CT Directive would be desirable and, if so, what possible enhancements could be made in future revisions of Combined Transport policy.

To access this consultation, please click [here](#).

### **Consultation on the EU aviation safety system**

DEADLINE: 15/08/2014

This online consultation aims to identify the strengths and weaknesses in the present EU aviation safety system as well as possibilities for improvement. The results will be matched with the challenges that the European Commission has identified to see if they are accurate. The outcome of this consultation will feed into the Commission impact assessment which will accompany the policy initiative on aviation safety and a possible revision of Regulation (EC) No 216/2008.

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To access this consultation, please click [here](#).

### **Consultation on the Europe 2020 strategy**

DEADLINE: 31/10/2014

The objective of this consultation is to inform on the review of the Europe 2020 strategy and to seek stakeholders' views on its further development. The Europe 2020 strategy is a growth strategy proposed by the European Commission in 2010 for the period of 2010-2020.

To access this consultation, please click [here](#).

### **COMING-UP**

#### **EU Institutions: important dates**

26th July - 31st August: European Parliament summer recess

29th July: Council of the EU meeting on Russia

30th August: Special Meeting of the European Council

25th - 26th September: competitiveness council

29th September: General Affairs Council Meeting

#### **Other SME-related events**

NEW

##### **IPR Protection for EU SMEs in the Healthcare Industry in China**

30 July 2014

Webinar

China is becoming a very significant player in the world economy. The Chinese healthcare industry grows together with its economy. This makes the industry an exciting opportunity for EU based SMEs to expand their business. The growing market does not only generate opportunities for EU SMEs, there are significant risks involved as well. These risks include issues concerning patent, trademark and Intellectual Property Rights (IPR) protection. In this webinar session, the China IPR SME Helpdesk expert, He Jing, will present the most relevant issues for companies in the healthcare industry doing business in China.

For more information on in this webinar, please click [here](#).

NEW

##### **Workshop on the safe use of chemicals by SMEs**

16 September 2014

Brussels

In this workshop are all organisations invited that need to know about CLP regulation (Classification, Labelling and Packaging of Hazardous Chemicals). The challenges faced by SMEs to comply with the new rules of the CLP regulation, will be addressed.

For more information on this workshop, please click [here](#).