



HEADLINES

EU / VAT: EU Ministers reach agreement on reduces VAT rates

On 10 March, EU finance ministers have reached agreement in the European Council on the reduction of VAT rates. Governments will be allowed to reduce taxes to a total percentage 5.5 percent in certain areas where, prior to the agreement, a bottom VAT rate of 15 percent was maintained. Much effort in favor of the reduction has been made by France, whereas other countries, notably Germany, have been fighting to prevent it. The major concerns amongst the opposing countries include a reduction of tax revenue and substantial price discrepancies throughout the EU. Service areas in which VAT rates already had been reduced, are allowed to discard the previously set 2010 deadline. Taxation commissioner Laszlo Kovacs emphasized the voluntary nature of the sales tax reductions.

ESBA OPINION

ESBA welcomes the agreement reached on the Commission's initiative on reduced VAT rates as a good step towards the normalisation of the currently distorted tax regime and urges all Member States, despite the voluntary nature of the reductions, to pull together on this very important issue. All sectors concerned are dominated by small and medium size enterprises. ESBA believes that the revision will have a major impact on the SME sector, enabling local businesses to improve their economic performance significantly.

To read more about the European Council decisions, please click [here](#)

IN BRIEF

EU / Single Market: Commission launches consultation on financial market supervision

On 25 February, the European Commission published a report of the High Level group on financial supervision in the EU chaired by Jacques de Larosière. The report provides advice on the future of European financial regulation and supervision. It lays out a framework for a new regulatory agenda, stronger coordinated supervision and effective crisis management procedures. In its Communication for the Spring European Council "Driving European Recovery" of 4 March 2009, the Commission calls on EU leaders to endorse the key principles set out by the expert group. Moreover, it invites all interested parties to submit their comments on the proposals on financial supervision stated in the Larosière report during the stakeholder consultation. Following the report and the consultation, the Commission will come forward with a Communication on the future financial supervision in the EU by Mai 2009. Specific legislative measures are expected by autumn this year.

To access the Larosière report, please click [here](#).

For more information on the consultation, please click [here](#).

To read the Commission Communication "Driving European Recover", please click [here](#).

EU / European Retail Forum:

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On 3 March, as a part of the Action Plan on Sustainable Consumption and Production and Sustainable Industrial Policy, the Retail Forum was launched. The Forum is collaboration between Directorate General (DG) Environment, DG Health and Consumers, EuroCommerce, and the European Retail Roundtable, and has as a key focus to create a better understanding of what needs to be done in promotion of sustainable consumption and production. The Forum is based on voluntary membership and is open to all retailers joining the Retailers' Environmental Action Plan (REAP). Participation however is open to all relevant stakeholders, including producers and suppliers, as well as consumers.

To read more about European Sustainable Consumption and Production Policies, please click [here](#)

EU / Research as key for economic growth:

On 5 and 6 March, at the Competitiveness Council meeting in Brussels, EU research ministers adopted more than 30 recommendations and strategic messages on Europe's response to the current financial crisis. The ministers were in agreement that investing in education as well as research and innovation are key in the long term economic growth of the EU. An investment of no less than 3% of the GDP should be invested in research and development and the role of cutting edge research should be more prevalent in the EU's economy. Another important point made was the need to focus on SMEs' needs in the field of research and development. The Recommendations will be subject to approval in the next European Council of 19 and 20 March.

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

EU / EP adopts SBA:

On 10 March, the European Parliament adopted by an overwhelming majority the Small Business Act, stressing the importance of the implementation of its principles by the Member States. MEPs call for mandatory introduction of the 'SME Test', an impact assessment focusing on SMEs, to accompany all proposed legislation affecting SMEs. Other important issues raised by the European Parliament are the creation of more favorable fiscal environment facilitating the transfer of businesses by Member State, the creation of a Harmonised and shortened time limit on late payments, and a call for agreement on a Community Patent, accompanied by a harmonized patent litigation system.

To read the text as adopted by the European Parliament, please click [here](#)

EU / Food labeling: Centre-Right MEPs propose to postpone vote on food labeling.

On 16 March, the European Parliament's environment committee is to decide whether the vote on a rather controversial draft Regulation on food labeling will be held at the end of this month, or postponed into the next term of the European Parliament. German centre-right MEP Renate Sommer (EPP-ED) believes that the sheer amount of proposed amendments to the Regulation call for postponement of the vote. Food packaging should, according to the Regulation, provide consumers with information of food-contents, stimulating them to make healthier choices. MEPs remain divided about the form in which the information should be provided.

To read more about food labeling, please click [here](#)

Publications

CEPS: "R&D in Europe: Expenditures across Sectors, Regions and Firm Sizes

The publication "R&D in Europe: Expenditures across Sectors, Regions and Firm Sizes", published by the Centre for European Policy Studies, offers explanations for Europe's relatively low spending on research and development (R&D) compared to the United States. According to the study, Europe's

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underinvestment in R&D is unevenly distributed across countries, regions and sectors. Results show that the service sector alone accounts for a substantial portion of the overall EU-US R&D gap.

To access the full CEPS publication, please click [here](#).

EUROSTAT: “Recession in EU 27: output measures”

The EUROSTAT publication “Recession in EU 27: output measures” assesses recent developments in a number of output measures across industrial, construction and services sectors of the European economy based on short-term business indicators. The results show a serious downward trend in output in a wide spectrum of activities across the EU. Per contra, the service sector defies the negative trend and shows continuous growth.

To download the publication, please click [here](#).

European Commission: “Report on cross-border e-commerce in the EU”

The European Commission report provides a detailed analysis of current trends in e-commerce across the EU. According to the study, online shopping becomes increasingly popular across the EU. Against this pattern, the extent of cross-border online shopping remains rather limited. Linguistic, practical and regulatory obstacles pose a barrier to a positive development in cross border online trade in the EU.

To download the Commission report, please click [here](#).

OECD: “Highlights from Education at a Glance 2008”

The OECD publication “Highlights from Education at a Glance 2008” provides a set of internationally comparable data on education and training. The study offers an analysis of education levels and student numbers, impacts on jobs and incomes, educational spending and the performance of educational systems (PISA).

To download the publication, please click [here](#).

OECD: “Economic Policy Reforms 2009 – Going for Growth”

The OECD publication “Economic Policy Reforms 2009 – Going for Growth” takes stock of structural policies in OECD countries in a time of financial crisis and offers a number of structural policy priorities for each OECD country which could potentially have a positive impact on the economic growth in the long run. The publication calls for reforms to educational systems, product market regulation, agricultural policies, tax and benefit systems, health care and labour market policies.

To download a summary of the publication, please click [here](#).

To purchase the full report, please click [here](#).

CONSULTATIONS

NEW:

Consultation on the future of financial markets supervision:

The European Commission is launching a consultation on the improvement of supervision for the financial services sector. Following the report of the high-level group on financial supervision in the EU chaired by Jacques de Larosière, published on 25 February 2009, the Commission has announced in its Communication of 4 March 2009 "Driving European Recovery" that it intends to come forward by the end of May 2009 with a Communication setting out its proposals on the future of the EU supervisory architecture followed by specific legislative measures in autumn 2009. Before doing so, it wishes to take into account the views of all interested parties.

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

Consultation on the Effectiveness of Innovation Support in Europe:

The European Commission has launched a consultation on the Effectiveness of Innovation Support in Europe. The main purpose of this public consultation is to get insights on how to best improve the effectiveness of public innovation support mechanisms in the EU, against the background of constantly evolving innovation patterns in enterprises.

To access the consultation, please [here](#)

COMING UP

EU Institutions: Important dates

20 March 2009 - European Council, Brussels

23-26 March 2009 - EP Plenary Session, Strasbourg

Other SME related events

17 March 2009 High Level Conference 'Industrial Competitiveness-Challenges, opportunities, and the role of policy in difficult times' organised by the European Commission, which is going to take place in Brussels.

To find out more about the event, please go to:

http://ec.europa.eu/enterprise/enterprise_policy/industry/industrial_competitiveness_conference.htm

19-20 March High Level Event on ICT for Energy Efficiency; being organised by the European Commission's Information Society and Media Directorate-General in cooperation with the EU Czech Presidency; taking place in Brussels.

For more information, please go to:

http://ec.europa.eu/information_society/events/ict4ee/2009/index_en.htm

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26-27 March 2009 7th European Business Summit organised by Business Europe and the Federation of Enterprises in Belgium (FEB). This event will have the help and support of European Commission and the EU Presidency; going to be taking place in Brussels.

To find out more about the event, please go to:

<http://www.ebsummit.eu/>

20-21 April 2009 Forum on 'Europe's Creative Regions and Cities'; going to take place in Brussels; organised together by the Committee of the Regions and the European Commission

To find out more about the event please go to:

http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?item_id=2021&tpa_id=201&lang=en

14-15 May 2009 The Conference 'The Small Business Act for Europe: Business Without Barriers' and the European Enterprise Awards Ceremony 2009 organised together by the European Commission, the Czech Presidency and the Committee of the Regions is going to take place in Prague; opening session on 14th May.

To find out more about the event, please go to:

<http://www.sme-conference-prague.eu/>