



### HEADLINES

#### **EU / E-Commerce: New consumer rules will damage online business**

ESBA's members have growing concerns regarding 'Rome I' - the European Commission's proposal to change the rules governing contractual obligations. In contrast to current arrangements, 'Rome I' implies that the law in the consumer's country of residence should be applied in all contractual disputes relating to online business. SMEs trading online must therefore be able to conform to 27 EU legal systems.

Beyond the vast financial burdens, 'Rome I' will limit growth and jobs. According to a survey of UK SMEs by the FSB, an ESBA member, 40% have considered but already been deterred from trading online. This statistic can only get worse. ESBA considers that the Commission's proposal would force many SMEs to take price and product information offline. This will disadvantage both individuals and small business entrepreneurs, who act as suppliers and consumers of services and goods.

Commenting on the proposal, ESBA President Tina Sommer said, "SMEs simply will not be able to afford the legal advice fees necessary to understand consumer laws in every member state. The costs of compliance will act as a deterrent to e-commerce ...Greater price and product transparency has revolutionised shopping for individuals and small businesses alike. This proposal would reverse those gains".

In the apparent absence of a genuine impact assessment at EU level, ESBA is currently carrying out a survey of its members to fully quantify the damaging impact of the proposal on them. It is hoped that this will convince policy makers to 'think small first.'

To see the ESBA press release, please go to:  
[0776F/News/Press\\_Releases/21\\_Feb\\_2007\\_-\\_New\\_consumer\\_rules\\_will\\_damage\\_online\\_business.aspx](http://0776F/News/Press_Releases/21_Feb_2007_-_New_consumer_rules_will_damage_online_business.aspx)

#### **EU / Energy: EU ministers meet to discuss Commission energy package**

EU ministers have held two meetings which have prepared the ground for the EU summit, to take place in Brussels on 8-9 March. They will be followed by a formal legislative proposal later in the year.

Ministers discussed the Commission's recent package on climate change and energy in the Energy Council meeting on 15 February and the Environment Council meeting on 20 February. Energy ministers called for rapid implementation of the Commission's energy-efficiency action plan, and accepted a binding target of 10% energy production from biofuels and called for a non-binding target of 20% energy from renewables by 2020. With regards to energy market liberalisation, ministers accepted the French and German position, that current legislation should be fully implemented before further measures are considered.

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Meanwhile, environment ministers met on 20 February to endorse the overall aim of a 20% emissions reduction by 2020, although they are yet to agree on how this commitment will be divided amongst individual Member States. Moreover, ministers agreed that this commitment should be increased to a 30% reduction, provided this is agreed by other developed countries.

ESBA endorses the emphasis placed on increased energy efficiency by the Energy Council, which could reduce energy consumption by 20% by 2020. In addition, the binding commitment to biofuels is a step in the right direction. However, ESBA regrets the decision to refrain from a binding target for renewable energy sources. Apart from being fundamental in the fight against climate change, biofuels and renewables offer a wealth of opportunities for SMEs to engage in research and development and become involved in energy supply.

For the Commission's climate and energy package, please go to:

[http://ec.europa.eu/energy/energy\\_policy/index\\_en.htm](http://ec.europa.eu/energy/energy_policy/index_en.htm)

For the Commission's action plan for energy efficiency, please go to:

[http://ec.europa.eu/energy/action\\_plan\\_energy\\_efficiency/index\\_en.htm](http://ec.europa.eu/energy/action_plan_energy_efficiency/index_en.htm)

### IN BRIEF

#### **EU / Trade: Commissioner Mandelson proposes trade stimulus for green goods**

In a speech on 9 February, 2007, Trade Commissioner Peter Mandelson suggested that tariffs on goods and technologies deemed to be environmentally sound should be abolished through a deal during the current 'Doha Round' of WTO negotiations. Although such a deal would present opportunities for European business, with the EU being a world leader in renewable energy technologies, difficulties arise over the legality of such discrimination under WTO rules, and over negotiators' inability to define products to be considered as 'environmental goods and services'. Mr. Mandelson also expressed reservations about a 'Kyoto tariff' on goods from developed countries which have not yet signed up to the Kyoto Protocol. He suggested that a confrontational approach would be counterproductive, while "public pressure, insurance bills and the incontrovertible science" are already bringing results.

To see Mr. Mandelson's speech in full, please go to:

<http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/07/73&format=HTML&aged=0&language=EN&guiLanguage=en>

#### **EU / internal market: Commission welcomes best ever internal market score**

In the latest 'internal market scoreboard', published by the Commission on 1 February, 2007, countries have obtained their highest ever score with regards to the transposition of internal market legislation. On average, Member States have not implemented 1.2% of Internal Market directives by the deadline, down from 1.9% in July 2006. This figure is lower than the 1.5% target deficit which the Member States agreed to in July 2001. Despite the improved overall performance, certain Member States are still lagging, with Italy having the worst transposition rate, with three times the average amount of infringement proceedings, with Spain, France, Greece, Germany, Portugal and Belgium also being 'high above the average'. Poland's performance is the worst of the new Member States. The best overall score was obtained by Denmark and Lithuania, which are just five directives away from a 0% deficit.

To see the internal market scoreboard, please go to:

[http://ec.europa.eu/internal\\_market/score/index\\_en.htm](http://ec.europa.eu/internal_market/score/index_en.htm)

To see the Commission press release, please go to:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/126&format=HTML&aged=0&language=EN&guiLanguage=en>

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### **EU / Economic reforms: OECD publishes recommendations in 2007 periodical**

On 13 February, the OECD published its periodical, 'economic policy reforms: going for growth 2007' (see publications section), which assesses progress made in implementing policy reforms, whilst identifying five priorities to lift growth for each OECD member. With regards to the EU, the publication identifies continued barriers to internal trade in the service sectors, despite the Services Directive. It calls for the regulatory burden to be eased by reducing obstacles to internal trade, improving the public procurement regime and adopting EU-wide standards. With regards to network industries, recommendations include using competition policy to increase liberalisation, liberalising ports and the postal sector, creating an EU-wide energy market, and pushing for implementation of directives in the telecommunications and energy industries. Finally, the report recommends further reductions of producer support for agriculture and improved market access for non-EU countries.

To see the European Union Country note of the periodical, please go to:

<http://www.oecd.org/dataoecd/48/19/38088845.pdf>

### **EU / EU10: Central and Eastern Member States' growth continues to quicken**

The rate of growth of the 'EU8+2' Member States from Central and Eastern Europe increased during 2006, but will probably slow somewhat during 2007, according to a World Bank report released in January. The triennial indicates that growth was not impeded by an appreciation of several of the region's currencies against the euro and the dollar. It is predicted that a reduced rate of growth will result as economies approach full capacity and the euro area slows.

To see the report, please go to:

[http://siteresources.worldbank.org/INTECA/Resources/EU8+2RER\\_MainReport.pdf](http://siteresources.worldbank.org/INTECA/Resources/EU8+2RER_MainReport.pdf)

### **EU / Economic growth improves: Euro area growth has increased by 0.9% to 3.3-3.4%**

According to the latest Eurostat figures, Euro area growth increased by 0.9% during the fourth quarter of 2006, with growth rates being 0.5, representing year-on-year growth of 3.3% in the euro area and 3.4% in the EU 25. Over the whole year, Euro area growth was 2.7%, while EU25 growth was 2.9%, a marked improvement over 1.4% and 1.7% respectively in 2005. However, this is still significantly lower than the GDP growth of 3.4% as recorded in the US during the year.

To see the Eurostat report, please go to:

[http://epp.eurostat.ec.europa.eu/pls/portal/docs/PAGE/PGP\\_PRD\\_CAT\\_PREREL/PGE\\_CAT\\_PREREL](http://epp.eurostat.ec.europa.eu/pls/portal/docs/PAGE/PGP_PRD_CAT_PREREL/PGE_CAT_PREREL)

## **PUBLICATIONS**

### **Dancing with Giants: China, India, and the Global Economy**

China is now the world's fourth largest economy and growing very fast. India's economic salience is also on the rise. Together these two countries will profoundly influence the pace and nature of global economic change. Drawing upon the latest research, this volume analyzes the influences on the rapid future development of these two countries and examines how their growth is likely to impinge upon other countries. It considers international trade, industrialization, foreign investment and capital flows, and the implications of their broadening environmental footprints. It also discusses how the two countries have tackled poverty, inequality and governance issues and whether progress in these areas will be a key to rapid and stable growth.

To purchase this book, please go to:

[http://publications.worldbank.org/ecommerce/catalog/product?item\\_id=5926350](http://publications.worldbank.org/ecommerce/catalog/product?item_id=5926350)

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### **Global Economic Prospects 2007: Managing the Next Wave of Globalization**

Over the next 25 years developing countries will move to center stage in the global economy. Global Economic Prospects 2007 analyzes the opportunities - and stresses - this will create. While rich and poor countries alike stand to benefit, the integration process will make more acute stresses already apparent today - in income inequality, in labor markets, and in the environment.

To purchase this book, please go to:  
[http://publications.worldbank.org/ecommerce/catalog/product?item\\_id=5824819](http://publications.worldbank.org/ecommerce/catalog/product?item_id=5824819)

### **Economic Policy Reforms: Going for Growth 2007**

*Going for Growth* is an OECD flagship publication alongside the [OECD Economic Outlook](#) and [OECD Economic Surveys](#). First published in 2005, this annual periodical provides an overview of structural policy developments in OECD countries from a comparative perspective. Based on a broad set of indicators of structural policies and performance, this edition takes stock of the recent progress made in implementing policy reforms and identifies, for each OECD country, five policy priorities to lift growth. It calls for reforms in areas such as product and labour market regulation, taxation, pension, income support, health and education to boost labour productivity and employment.

To download this document, please go to:  
[http://www.oecd.org/document/8/0,2340,en\\_2649\\_201185\\_37882632\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/8/0,2340,en_2649_201185_37882632_1_1_1_1,00.html)

## CONSULTATIONS

### **Capturing and storing CO2 underground – should we be concerned?**

*Closes 16 April 2007*

We wish to consult European citizens and other stakeholders on benefits and challenges of CCS, and how the technology relates to other energy and greenhouse gas mitigation options. Your views will help us to identify which issues to consider when preparing legislative proposals to regulate CCS for the end of 2007.

You will find more information and the questionnaire at the following link:  
[http://ec.europa.eu/environment/climat/ccs/consult\\_en.htm](http://ec.europa.eu/environment/climat/ccs/consult_en.htm)

### **Public consultation on the revision of the EU Ecolabel Regulation EC No 1980/2000**

*Closes 2 March 2007*

The Commission wants to ensure that the label really does result in consumers getting a wider choice of environmentally superior products. It also wants to make the Ecolabel a tool which in practice will actively give support to other environmental measures operated by the Commission and Member States. This consultation is an opportunity to help identify how these aims could be achieved.

You will find more information and the questionnaire at the following link:  
[http://ec.europa.eu/environment/ecolabel/consultation\\_en.htm](http://ec.europa.eu/environment/ecolabel/consultation_en.htm)

### **Green Paper: "Modernising labour law to meet the challenges of the 21st century"**

*Closes 31 March 2007*

As part of the Commission's drive to modernise Labour Law, both companies and workers are invited to participate in the debate and to put forward their views. See the ESBA Opinion above.

You will find information and the questionnaire at the following link:  
<http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=labourlaw&lang=en>

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## COMING UP

### **EU Institutions: Important Dates**

19-23 Feb 2007 Constituency week  
26 Feb-1 March 2007 Committees  
5-9 March 2007 Group week  
12-16 March 2007 Plenary session (Strasbourg)  
19-23 March 2007 Committees

### **SME related Events**

27 February 2007 'Roaming tariffs & SMEs: for an improved common market'; arranged by SME Union and SME Global; taking place in Brussels; to register, please contact Markus Ploberger at [sme@sme-union.org](mailto:sme@sme-union.org)

27 February 2007 'The 2007 Growth and Jobs Summit – sustaining the momentum, building on success', organised by the Lisbon Council, taking place in Brussels, for more information, please email: [rsvp@lisboncouncil.net](mailto:rsvp@lisboncouncil.net)

28 February 2007 5<sup>th</sup> Interdisciplinary European Conference on Entrepreneurship Research; arranged by ISBE; taking place in Montpellier, France; to register, please go to: [www.iecer.org](http://www.iecer.org)

2 March 2007 'Flexicurity: myth or reality? – How to move to a more adaptive labour market'; arranged by the European Foundation; taking place in Brussels; to register, please send an email to: [sja@eurofound.europa.eu](mailto:sja@eurofound.europa.eu)

5 March 2007 'Can Self-Regulation Cut Through Europe's Red Tape?'; organised by Friends of Europe; taking place in Brussels; for more information and to register, please go to: <http://www.friendsofeurope.org/>

29-30 March 2007 'Small and Medium Sized Enterprises in the Internal Market'; organised by the Academy of European Law; taking place in Brussels; for more information and the register, please go to: [http://www.era.int/web/en/html/nodes\\_main/4\\_2127\\_474/conferences\\_0000\\_Date/5\\_1796\\_3168.htm](http://www.era.int/web/en/html/nodes_main/4_2127_474/conferences_0000_Date/5_1796_3168.htm)