



HEADLINES

EU / Employment: Commission consultation on labour law closes

ESBA has participated in the Commission's consultation on EU labour law, which closed on 31 March, 2007. The consultation follows the release of a Commission Green Paper on the subject, and will form the basis of a Commission communication on the subject of flexicurity, to be published in June 2007.

The concept of flexicurity is based on the social model found in several Scandinavian countries, including Denmark. The model combines high taxation with a flexible labour market, by channelling public funds towards training for the unemployed to allow them quick re-entry into the labour market.

ESBA believes that any labour law reform must be applied extremely carefully. Firstly, the 'think small first' principle must be incorporated into any initiative. The dynamic between employer and employee is very different for SMEs than it is for large companies. It is vital to recognise that regulations designed for large companies can present a severe and unnecessary burden for SMEs. Moreover, it is not advisable to adopt an EU-wide 'one size fits all' approach to labour law. Economies which have developed around highly flexible labour markets and low taxation are not suited to this model, as the increased tax burden and disincentive to work will provide an insurmountable challenge for many SMEs.

For the Commission green paper on labour law, please go to:

http://ec.europa.eu/employment_social/labour_law/green_paper_en.htm

EU / E-commerce: MEPs discuss the controversial Rome I proposal as SMEs' opposition continues

Prior to a discussion in the European Parliament on 19/04/2007, ESBA President Tina Sommer wrote to Members of the Legal Affairs Committee to express ESBA's continuing concern regarding the European Commission's draft proposal for a Regulation on the law applicable to contractual obligations in civil and commercial matters.

As reported in the last Bulletin, Article 5 of Rome I implies that, in contrast to the existing 1980 Rome Convention, the law in the consumer's country of residence should be applied in all contractual disputes relating to online business. ESBA considers that the potential costs of compliance with 27 EU legal systems will act as a deterrent to SMEs to engage in e-commerce, thus limiting growth and jobs. The proposal would also force many small businesses to take price and product information offline. Both individuals and SMEs will be disadvantaged.

During the discussions, MEPs acknowledged the growing controversy surrounding the proposed Regulation. Whilst amendments, which retain the status quo and limit the proposal's scope, have been tabled, Rapporteur Cristian Dumitrescu MEP (RO, PSE) expressed optimism that a compromise agreement might be reached within the timetable of the German Presidency. The Proposal will now be voted on in Plenary before the summer.

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ESBA is alarmed by the implications of Rome I for SMEs, which represent 99% of all EU enterprises and account for 80% of employment in certain sectors. The Alliance will continue to carry out activities to communicate its concerns to EU policy makers.

To see the Commission's proposal, please go to:

<http://www.europarl.europa.eu/oeil/file.jsp?id=5301232>

To view ESBA's Rome I campaign page, please go to:

80725/EU_Advocacy/Current_Campaigns.aspx

EU / Energy: Commission stands up to energy giants by calling for unbundling

In a meeting with the Economic and Monetary Affairs Committee of the European Parliament on 20 March, 2007, Competition Commissioner Neelie Kroes asserted that the 'unbundling' of the ownership of networks for the production and sale of energy was the most effective way to combat a shortage of competition and investment in energy infrastructure. She stated that this would result in non-discrimination and would provide incentives for companies to reinforce their grids. Ms. Kroes stated that other methods of achieving this would require complex regulation, which would increase the burden on businesses. Although she said that the Commission would make use of competition cases, she also emphasised that it would be necessary to re-examine the legal framework.

This development is notable for the fact that it was not sanctioned by the 8-9 March Summit of the European Council. Member States had remained non-committal on this issue, with Germany and France, home to the giant energy companies E.ON and EDF, refusing to agree to full unbundling. It appears that the Commission will push ahead with plans in spite of this resistance.

ESBA believes that anything short of full unbundling is inadequate, as it will continue to allow giant energy companies to exclude SMEs from network-related activities, while simultaneously keeping the price of energy artificially high. To this end, we applaud Ms. Kroes' decision to push forward in the face of opposition from two of the EU's largest Member States.

To see the Parliament Press Service report of the meeting, please go to:

http://www.europarl.europa.eu/news/expert/infopress_page/049-4412-079-03-12-909-20070320IPR04411-20-03-2007-2007-false/default_en.htm

To see Commissioner Kroes' speech in full, please go to:

<http://www.europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/07/163&format=HTML&aged=0&language=EN&guiLanguage=fr>

IN BRIEF

EU / Business: Survey indicates business leaders give qualified support to EU

A survey conducted by Roland Berger Strategy Consultants, completed on 15 March, 2007, indicates that two thirds (67%) of the EU's CEOs would like to see a stronger Europe in order to support their company's success. The areas CEOs see as being most important to boosting growth and competitiveness are: market liberalization; development of transport infrastructure; liberalization of labour markets; reduced red tape; and the harmonization of the corporate tax base. However, business leaders perceive the EU's administration as 'technical, arrogant and condescending', and believe that the EU needs a 'mentality shift' if it is to develop an entrepreneurial spirit to compete with that in the US.

To see the report, please go to:

http://www.rolandberger.com/pdf/rb_press/public/RB_CEO_survey_20070321.pdf

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EU / Innovation: Companies from the UK, Sweden and Austria win top prize for ICT

The awards, which were originally launched in 1995, were handed out at a ceremony at the CeBIT technology trade fair in Hannover, Germany, on 19 March 2007. A total of 20 prizes were awarded, with 7 going to Germany, four to France, three to Austria, two to Sweden, and one each to Finland, Israel, Norway and the UK. The prizes comprised 17 of €5,000, and three top prizes of €200,000. The top prizes went to Transitive Corporation (UK), for a software ‘translator’; Telepo (Sweden), for a fixed-line phone service; and Treventus (Austria), for an automatic book scanner.

For more information, please go to:

<http://www.ict-prize.org/>

EU / internal market: Commissioner McCreevy emphasises importance of consumer issues

Speaking at the Internal Market Committee on 21 March 2007, Charlie McCreevy, Commissioner for the internal market, presented his priorities for the review of the Single Market Strategy, to be ready by autumn 2007. He outlined a focused strategy, which will emphasize the position of the consumer. The aims will be: to make cross-border activities between companies and individuals easier; to increase confidence in the quality of products and services; and to ensure effective competition which decreases prices.

To see Commissioner McCreevy’s speech, please go to:

<http://www.europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/07/215&format=HTML&aged=0&language=EN&guiLanguage=en>

EU / Better Regulation: Summit fails to match EU commitments with national targets

The EU summit on 9 March 2007 saw EU leaders commit to a 25% reduction in bureaucracy coming from the EU. However, in a remarkable failure by national governments to acknowledge that the problem of bureaucracy is not simply an EU-level issue, they balked at similar binding targets for reduced administrative burdens at the domestic level. At the same time, statements crediting steps to increase competitiveness for the recent upturn of the EU’s suggested a dangerous complacency may be building amongst Europe’s political leaders.

PUBLICATIONS

Towards Knowledge Economies: Advanced Strategies for Development

In many parts of the world, knowledge is being put to work to accelerate and deepen the development process, promoting innovation and helping to generate wealth and jobs. This book discusses advanced development strategies that take into account education, information and communication technology, infrastructure, innovation, and the prerequisite economic and institutional regimes.

To order this publication, please go to:

http://publications.worldbank.org/ecommerce/catalog/product?item_id=6361186

OECD Factbook 2007

The *OECD Factbook* is an essential tool providing a **global overview** of world economic, social and environmental trends. It brings together in a single publication **100 indicators** that are essential for evaluating the relative position of any OECD country, both at a given moment and over time.

To access this publication, please go to:

http://www.oecd.org/document/62/0,2340,en_21571361_34374092_34420734_1_1_1_1,00.html

CONSULTATIONS

Towards a European Strategic Energy Technology Plan

Closes 13 May 2007

Europe has entered a new energy era. Global demand for energy is increasing within a framework of high and unstable energy prices. Emissions of greenhouse gases are rising. Reserves of oil and gas are concentrated in a few supplier countries. Against this backdrop, it is clear that the European Union and the rest of the world have not reacted quickly enough to increase the use of low-carbon energy technologies or to improve energy efficiency. As a consequence, climate change has become a real threat and security of energy supply is worsening.

You will find more information at the following link:

http://ec.europa.eu/energy/res/consultation/setplan_en.htm

VAT - Possible introduction of a mechanism for eliminating double taxation in individual cases

Closes 31 May 2007

The European Commission has launched an online consultation to ascertain the views of the public and businesses on the possible introduction of a mechanism for eliminating double taxation in individual cases.

You will find more information at the following link:

http://ec.europa.eu/taxation_customs/common/consultations/tax/article_3316_en.htm

The Green Paper on Urban Transport

Closes 30 April 2007

The Green Paper on Urban Transport will be published in the second half of 2007. This internet consultation will support the preparation of the Green Paper, and is intended to collect views from interested parties on how best the EU may contribute to improving transport and mobility in urban areas.

You will find more information at the following link:

http://ec.europa.eu/transport/clean/green_paper_urban_transport/public_consultation_en.htm

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

COMING UP

EU Institutions: Important Dates

2-6 April 2007 Yellow week (no activities)

10-12 April 2007 Committees

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16-19 April 2007 Group week
23-24 April 2007 Plenary session (Strasbourg)
30 April-3 May 2007 Committees

SME related Events

20 April 2007 Workshop: Intellectual Property, Market Power, and the Public Interest; organised by the College of Europe; taking place in Bruges; for more information, please go to: <http://www.coleurop.be/events/593>

27-28 April 2007 Business Start-up Overseas Exhibition; organised by 'Business Startup'; taking place in London; for more information, please Email helmi.soosaar@britcham.be

2 May 2007 'Creating a business friendly EU', dinner with Commissioner Verheugen; organised by the British Chamber of Commerce; taking place in Brussels; for more information, please go to: <http://www.britcham.be/>

3 May 2007 4th Speed Networking Event & Members Cocktails; organised by the British Chamber of Commerce; Brussels; for more information, please contact Helmi Soosaar, helmi@britcham.be

15 May 2007 Dinner with Commissioner for Consumer Protection, Meglena Kuneva; Brussels; for more information, please go to: <http://www.britcham.be/>

26 June 2007 Energy Europe: Changing Our Energy Culture; organised by Friends of Europe; Brussels; for more information, please go to: <http://www.friendsofeurope.org/>

19-20 April 2007 Workshop: State Aid Procedures and Enforcement; organised by the European Institute of Public Administration; taking place in Maastricht; for more information: <http://www.eipa.eu/en/home/>

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