



### HEADLINES

#### **EU/Austrian Presidency: Presidency to focus on 'growth and jobs' and 'future of Europe'**

On 9 January in Brussels, the Austrian government discussed its plans for the Austrian Presidency of the European Union with representatives from the European Commission. In a press release following the meeting, the Austrian Chancellor outlined Austria's intention to focus on distinct areas in the first and second half of the Presidency. In order to 'give Europe fresh impetus', the three months up to the March Summit will be dedicated to creating growth and jobs. To this end, the Chancellor singled out the promotion of SMEs and attention to research and development as areas of primary importance.

The second half of the Austrian Presidency will concentrate on the debate surrounding the future of Europe. A highlight of this will be a broad public debate to take place on 9 May, which is Europe Day. The culmination of this period will be the June Summit. Issues of importance will include social cohesion and regional development.

Also on 9 January, Austrian finance minister and President of the ECOFIN Council, Karl-Heinz Grasser issued a statement concerning the implementation of national reform programmes, set up to enable member states to achieve the goals of the Lisbon Strategy. He asserted that the Austrian Presidency requests that the Commission provide specific 'tailor-made' recommendations for the implementation of these programmes

To see the Austrian Presidency press release regarding Chancellor Schüssel's statement, go to:  
[http://www.eu2006.at/en/News/Press\\_Releases/January/0901\\_ek\\_besuch.html](http://www.eu2006.at/en/News/Press_Releases/January/0901_ek_besuch.html)

#### **EU/Services Directive: Commission and Austrian Presidency expedite agreement on services directive**

On 14 February, the proposal for a services directive will be voted by the European Parliament in first reading. Following a meeting on 9 January in Vienna between Commission President Barroso and Austrian Chancellor Schüssel, Mr. Barroso announced that the Commission amended Commission proposal for consideration in the Council's first reading would be ready for the March Summit of the European Council. This would open the possibility for reaching political agreement on the Directive during the Austrian Presidency, which ends on 30 June.

Both Mr. Barroso and Chancellor Schüssel emphasised the importance of 'balance' in the revised proposal. While Mr. Barroso stressed the need to take into account the concerns of particular sectors and member states, Mr. Schüssel emphasised the need to involve the social partners in the process. The development was welcomed by the Austrian Minister for Economics, Martin Bartenstein, who asserted that the internal market for services was one of the few areas in which Europe could achieve growth purely through internal change.

To see the Austrian Presidency press release regarding Minister Bartensteing's statement, go to:

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[http://www.eu2006.at/en/News/Press\\_Releases/January/1001bartensteindienstleistungsrichtlinie.html](http://www.eu2006.at/en/News/Press_Releases/January/1001bartensteindienstleistungsrichtlinie.html)

## IN BRIEF

### **EU / Research and Development : Commission intends to simplify rules for participation in FP7**

The Commission has released a proposal to reduce the cost of participation in the Seventh Framework Programme for research and development. The proposal includes provisions regarding intellectual property, enabling participants to enter into a consortium agreement. In addition, three different types of grants will be made available to companies. These will cover eligible costs, lump sums, and flat-rate financing respectively. A maximum of 50% of eligible costs, not including receipts for research and demonstration activities, will be covered by Community funding. An additional 25% for research activities will be made available to certain organisations, including SMEs.

To see the Commission proposal, please go to:

[http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2005/com2005\\_0705en01.pdf](http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2005/com2005_0705en01.pdf)

To see the rapporteur's draft report, go to :

[http://www.europarl.eu.int/meetdocs/2004\\_2009/documents/pr/571/571052/571052en.pdf](http://www.europarl.eu.int/meetdocs/2004_2009/documents/pr/571/571052/571052en.pdf)

### **EU / Taxation: Commission announces 'home state' tax plans for SMEs**

On 10 January, the Commission announced plans to ease SMEs' administrative burdens by permitting companies to calculate their profits by using the tax rules of their country of origin. The initiative will not be based on EU legislation, as it would be based on voluntary agreements between member states to respect each other's tax systems. The Commission hopes that this will reduce the cost of tax compliance, which it estimates to be equivalent to 30% of the tax paid by SMEs, compared with 1.9% for large corporations. The scheme would run for five years, starting on 1 January 2007, after which time the Commission hopes to have instated a common corporate tax across the single market.

For detailed information regarding this proposal, please go to:

[http://europa.eu.int/rapid/pressReleasesAction.do?](http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/06/11&format=HTML&aged=0&language=EN&guiLanguage=en)

[reference=IP/06/11&format=HTML&aged=0&language=EN&guiLanguage=en](http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/06/11&format=HTML&aged=0&language=EN&guiLanguage=en)

### **EU / Economy: Business Climate Indicator shows marked improvement in euro area**

Following a drop in November 2005, the Business Climate Indicator (BCI) is nearing the high level which it was at one year ago. The positive outlook, which has been above the long term average since September 2005, is particularly strong for production. Although the assessment of stocks of finished products was subject to a less marked improvement, total order books, export order books and production expectations all pointed towards an upturn in the business outlook.

For full details regarding the Business Climate Indicator, please go to:

[http://europa.eu.int/comm/economy\\_finance/indicators/businessclimate\\_en.htm](http://europa.eu.int/comm/economy_finance/indicators/businessclimate_en.htm)

### **EU / Employment: Survey findings support flexible working time**

An EU-wide survey, conducted by the European Foundation for the Improvement of Living and Working Conditions, has found that both managers and employees have generally had favorable experiences when using flexible working time. Reported benefits included greater job satisfaction,

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better adaptation of work hours to the workload and fewer missed days of work. A report on the survey will be released in April 2006.

For more information, please go the Foundation website:

[www.eurofound.eu.int/areas/worklifebalance/eswtfindings.htm](http://www.eurofound.eu.int/areas/worklifebalance/eswtfindings.htm)

### **EU / SMEs: Commission releases results of SME statute study**

At a conference organised on 14 December 2005 the European Commission study released its findings regarding the feasibility of a voluntary statute for European companies, also referred to as the EU SME statute. This system would allow European companies to register under the EU statute, rather than having a legal status relating to one of the member states. The study predicts that this would be particularly beneficial for businesses operating in several member states. Initial responses from business organisations have been equivocal. The dossier will now be taken on by DG Enterprise as part of the impending consultation on the modernisation of company law and corporate governance.

The consultation document will be published at the following address:

[http://europa.eu.int/comm/internal\\_market/company/index\\_en.htm](http://europa.eu.int/comm/internal_market/company/index_en.htm)

## **COMING UP**

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

16-19 Jan. 06	European Parliament Plenary Session (Strasbourg) –
19-21 Jan. 06	Informal Employment and Social Affairs Council
13-16 Feb. 06	European Parliament Plenary Session (Strasbourg) - vote on the service directive
13-16 March 06	European Parliament Plenary Session (Strasbourg)

### **Other SME related Events**

18 January 2006	SME Intergroup Meeting on CIP, Strasbourg.
20-21 Jan. 06	Yes for Europea event in Vienna – More information and registration : <a href="mailto:secretariat@yes.be">secretariat@yes.be</a>
27 January 2006	“Hungarian SMEs and their Outlook after EU Accession”, Budapest – organised by SME Union.
22-24 February 2006	IECER 2006The Interdisciplinary European Conference on Entrepreneurship Research, Regensburg, Germany – organised by the University of Regensburg: <a href="http://www.iecer.de/">http://www.iecer.de/</a>
21 March 2006	Brussels - “MAP Project 2.7/2004 - Stigma of failure and early warning tools” Venue: Charlemagne Building - Conference organised by the Enterprise and Industry Directorate-General. More information will be soon available at: <a href="http://www.europa.eu.int/comm/enterprise/events/events.htm">http://www.europa.eu.int/comm/enterprise/events/events.htm</a>
13-14 June 2006	Vienna - “Conference on the European Charter for Small Enterprises” Conference organised by the Enterprise and Industry Directorate-General More information will be soon available DG Enterprise webpage.