



HEADLINES

EU / R&D: Aho report calls for renewed approach to research and development

A research panel chaired by former Finnish Prime Minister Esko Aho released the results of its three-month study on 20 January. The findings of the report indicate that the EU is underperforming significantly in research and innovation, fundamental for meeting the targets of the Lisbon Strategy. The panel outlined the following causes: anaemic productivity growth; inadequate application of information and computer technologies; significant shortfalls between the amount EU investment abroad compared with foreign investment in the EU; the persistence of outmoded traditional sectors combined with underinvestment in R&D.

The report suggests five separate remedies. Firstly, it calls for a harmonised EU-wide regulatory system to cut red tape. Second, it calls for the establishment of high standards for performance. Third, public procurement should be used to purchase innovative goods and services. Fourth, a competitive intellectual property framework would stimulate innovation. Finally, a cultural change is necessary to stimulate demand for innovative goods and services.

The report suggests a Pact for Research and Innovation to bring about these changes. This pact would be signed by European political, business and social leaders. Key markets which the Aho report prioritises for this new approach are e-health, pharmaceuticals, energy, environment, transport and logistics; security; and digital content.

To see the report, please go to:

<http://europa.eu.int/invest-in-research/pdf/060119Aho%20report%20final.pdf>

EU / Lisbon Strategy: Commission's Annual Progress Report on growth and jobs released

On 25 January 2006, the Commission published its annual progress report on the Lisbon Strategy. The report analyses the 25 National Reform Programmes which the Member States tabled in October 2005. It outlines the strengths of the programmes, as well as identifying areas of concern.

The report goes on to suggest actions to deal with shortcomings in progress towards the Lisbon Strategy objectives. Action areas centre on: investment in education; research and innovation; employment policies; guaranteeing energy security and sustainability; and liberating SMEs. Recommendations for the latter include cutting the time for setting up a business by half by the end of 2007; setting up a 'one-stop shop' for entrepreneurs' administrative duties; and the teaching of entrepreneurship at school. In addition, Member States should set up systems to monitor administrative burdens.

A separate report on the Lisbon targets conducted by the Netherlands Bureau for Economic Policy Analysis (CPB) has given credence to the Lisbon Strategy as a whole. Its findings suggest that the reforms envisaged by the Strategy could lead to GDP increases of 12% to 23% and employment increases of 11% if fully implemented.

ESBA Bulletin of 27 January 2006 – Volume 8 – Number 2

To see the progress report in full, please to the following website:

http://europa.eu.int/growthandjobs/annual-report_en.htm

To see the National Reform Programmes of each Member State, please go to:

http://europa.eu.int/growthandjobs/pdf/nrp_2005_en.pdf

To see the CPB study, please go to:

http://europa.eu.int/comm/enterprise/enterprise_policy/competitiveness/doc/industrial_policy_and_economic_reforms_papers_1.pdf

IN BRIEF

EU / Science and Technology: Commissioner Potocnik calls for greater role for ‘Science and Society’

In a speech on 20 January 2006 at the Austrian Academy of Science, Science and Research Commissioner Janez Potocnik proposed a drive to improve the standing of science amongst the public. He emphasised the importance of public support if investment in research is to bring about new marketable technologies. The Commission will attempt to improve the communication of science to the public through closer links with the press and audio-visual media.

To read Mr. Potocnik’s speech, please go to:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=SPEECH/06/21&format=PDF&aged=0&language=EN&guiLanguage=en>

EU / Innovation: Commission’s state aid report adopted by Economic Affairs Committee

The non-legislative report on state aid reform 2005-2009, drafted by Gunnar Hökmark MEP (EPP-ED, Sweden), was unanimously adopted by the Economic Affairs Committee on 24 January. "State aid within the European Union will be more focused. There will be less aid and stricter rules" said the rapporteur. The report is due for adoption in plenary in February.

Representatives of business broadly agree that state aid may perform a positive function if used sparingly. However, state aid should not be a substitute for a good business environment or a well-functioning market.

To see the report, please go to:

http://www.europarl.eu.int/meetdocs/2004_2009/documents/pr/585/585614/585614en.pdf

EU / Entrepreneurship: Verheugen seeks to involve schools in drive for entrepreneurship

Günter Verheugen, Commissioner for Enterprise and Industry, has identified the lack of an entrepreneurial culture as a prime threat to the EU economy. While entrepreneurs are regarded as role models in the US, Verheugen believes that the negative image of the business man as an exploitative rich man is ingrained in European society. The Commissioner wants schools to start actively teaching entrepreneurial skills and spirit.

See the entrepreneurship webpages on DG Enterprise website :

http://www.europa.eu.int/comm/enterprise/entrepreneurship/index_en.htm

EU / Better regulation: Employment Committee discusses report on ‘minimising administrative costs imposed by legislation’

On 26 January 2006, the European Parliament’s committee on employment and social affairs discussed amendments to an opinion by Ole Christensen MEP (Socialist, Denmark) on ‘minimising administrative costs imposed by legislation’. Members of the employment committee stressed that

ESBA Bulletin of 27 January 2006 – Volume 8 – Number 2

better regulation should be about transparency, and that the principle of subsidiarity must be employed. The main report (non-legislative) by Jan Mulder MEP (Liberals, Netherlands), of the committee for budgetary control, is expected to be finalised by the end of March. The report will be voted on in Plenary in July.

The draft opinion and the amendments to Christiansen's report are available at:

http://www.europarl.eu.int/meetdocs/2004_2009/organes/empl/empl_20060125_1500.htm

EU / Economy: Euro area economic outlook broadly positive

Euro area GDP growth picked up in 2005, with second quarter increases at 0.4%, while third quarter growth increased to 0.6%. Trends are set to continue, with 1.9% growth expected for 2006, compared to 1.3% growth in 2005. This has been augmented by strong performance in the industrial sector, with 1.3% growth in industrial production. Employment is also growing, with a 0.3% increase in the third quarter of 2005. In addition, annual inflation fell to 2.2% in December. However, 2005 saw the appearance of a significant trade deficit, with the balance in November 2005 being € -2.3 bn, compared with a € 2.6 bn surplus in November 2004.

More info on EU economy: http://epp.eurostat.cec.eu.int/portal/page?_pageid=0,1136173,0_45570698&_dad=portal&_schema=PORTAL

CONSULTATIONS

Improving the EU business environment

The European Commission has now launched a public online consultation to ask business how they feel the business environment in the EU can be improved and the administrative burden reduced. Through an online questionnaire, the Commission asks companies and other interested parties to identify particularly burdensome rules and make suggestions as to how best to simplify them. The information gathered will be compiled and examined in the Commission's 'Red Tape Observatory' and individually analyzed by the responsible Commission services.

Closes 31 January 2006

The online form entitled 'Ten minutes to improve the business environment in the EU' is to be found on:

<http://europa.eu.int/yourvoice/forms/dispatch?form=418&lang=E>

Future patent policy

The Commission has launched a consultation designed to identify ways in which an EU-wide system of protection through patent policy can be devised to take account of stakeholders' needs. Although the Lisbon European Council in March 2000 envisaged a Community Patent to be available by the end of 2001, the proposal has been blocked consistently. The main obstacle has been concern that the costs of enforcing patents and translating them into several EU languages would be too high. The consultation is open to all interested stakeholders, whether representing industry or individuals.

Closes 31 March 2006

The online form can be found at: http://europa.eu.int/comm/internal_market/indprop/patent/consultation_en.htm

Company law and corporate governance

ESBA Bulletin of 27 January 2006 – Volume 8 – Number 2

The Commission has launched a public consultation in order to assess future priorities for the Action Plan on 'Modernising Company Law and Enhancing Corporate Governance in the EU'. All interested parties are asked to reply. The consultation will be followed by a report summarizing the answers received.

The online reply form can be found at:

http://europa.eu.int/comm/internal_market/company/consultation/index_en.htm

COMING UP

EU Institutions: Important Dates

31 Jan. 06	General Affairs Council of Ministers
14 Feb. 06	ECOFIN Council of Ministers
13-16 Feb. 06	European Parliament Plenary Session (Strasbourg) - vote on the service directive
10 March 06	Employment and Social Affairs Council
13-16 March 06	European Parliament Plenary Session (Strasbourg)
13 March	Competitiveness Council of Ministers
14 March 06	ECOFIN Council of Ministers
23-24 March	European Summit, Brussels
3-6 April 06	European Parliament Plenary Session (Strasbourg)

Other SME related Events

27 January 2006 "Hungarian SMEs and their Outlook after EU Accession", Budapest – organised by SME Union.

22-24 February 2006 IECER 2006 The Interdisciplinary European Conference on Entrepreneurship Research, Regensburg, Germany – organised by the University of Regensburg:
<http://www.iecer.de/>

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: <http://www.europa.eu.int/comm/enterprise/events/events.htm>

23-25 March 2006 Federation of Small Businesses, UK - Annual Conference – More info: www.fsb.org.uk/conference2006.

2-3 May 2006 ESBA Annual Event, Brussels – More information to come soon

13-14 June 2006 Vienna - "Conference on the European Charter for Small Enterprises" Conference organised by the Enterprise and Industry DG - More information will be soon available DG Enterprise webpage.