



HEADLINES

EU / R&D: Commissioner Potocnik calls for quick adoption of FP7

Science and Research Commissioner Janez Potocnik has expressed concern that time is running out for the adoption of the Seventh Framework Programme (FP7), if there is to be a smooth transition from FP6. He has called for an agreement to be reached in October 2006, in order to ensure that the Framework Programme can be implemented in early 2007.

Jerzy Buzel (EPP-ED, Poland), rapporteur for the Parliament's industry, research and energy committee (ITRE) has prepared a report, the draft of which was discussed on 16 and 25 January 2006. The adoption in ITRE is foreseen on 25 April, and the adoption in Plenary in June, provided no further delays occur.

In a related development, a petition launched by the European Renewable Energy Centres Agency (EUREC) and signed by over 50 senior figures from politics, industry and academia, was presented to the current President of the European Council, Austrian Chancellor Wolfgang Schüssel, on 31 January 2006. The petition calls for the Council to reassess the EU's budget for competitiveness and innovation, agreed in December 2005. It has been set up in order to challenge cuts of 28% for the EU's research programme for 2007-2013 and over half of the funding for the competitiveness programme.

To see the ITRE committee's draft report, please go to:

http://www.europarl.eu.int/meetdocs/2004_2009/documents/pr/571/571052/571052en.pdf

To see the petition, please go to:

<http://www.eurec.be/aboutEUREC/new.htm>

EU / Internal Market: Key vote will take place in Strasbourg on 16 February

Further to the vote in the Internal Market Committee in November, the plenary's first reading vote on the Services Directive will take place on 16 February 2006. The proposal, intended to open up the European services market, has sparked huge controversy between left and right as well as irrational fears of social dumping.

In an attempt to overcome the divergence between the two main parties, the rapporteur Evelyne Gebhardt MEP (Socialists, France), and the shadow rapporteur Malcolm Harbour MEP (EPP-ED, UK) worked on a compromise on the proposal, including article 16 and its most controversial aspects. In its new wording, the article would no longer mention the 'country of origin principle' which was the primary cause of concern for the socialists. However, according to Mr Harbour MEP, the "freedom to provide services" would be safeguarded.

The country of origin principle would make it much easier for small businesses to provide their services in another member state and would reduce the administrative burden significantly.

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However, small business still hopes that the text in its new version will deliver its promises and help service providers create jobs and growth within, rather than outside, the EU.

To see Ms. Gebhardt's report, please go to:

<http://www.europarl.eu.int/omk/sipade3?PUBREF=-//EP//NONSGML+REPORT+A6-2005-0409+0+DOC+PDF+V0//EN&L=EN&LEVEL=2&NAV=S&LSTDOC=Y>

To see the Commission's initial legislative document, please go to:

http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2004/com2004_0002en03.pdf

IN BRIEF

EU / Entrepreneurship : New communication on Teaching Entrepreneurship

On 13 February the European Commission presented a communication on entrepreneurship education as part of the EU's Lisbon partnership for Growth and Jobs. The text outlines a series of recommendations aimed to enhance the role of education in creating a more entrepreneurial culture in European societies. The main objective is to stimulate you people's awareness of entrepreneurship opportunities from a very early age, help them to develop the skills and creativity needed to launch a business. Also, entrepreneurship education should be part of universities curriculum.

For more information :

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/06/148&format=HTML&aged=0&language=EN&guiLanguage=en>

EU / Taxation: Czech Republic, Cyprus and Poland agree to VAT compromise

On 1 February, Poland agreed to the Council's compromise on reduced VAT rates. The development followed the consent given by the Czech Republic and Cyprus on 28 January. This brought into effect a political agreement, announced by President of the ECOFIN Council, Karl Heinz Grassler, on 24 January 2006, which prolongs the use of reduced rates for labour-intensive services until 31 December 2010. The Council has asked for a Commission report, to be presented by the end of June 2007, which provides impact assessment of reduced rates.

To see the ECOFIN Council press release of 1 February, please go to:

http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/misc/88237.pdf

EU / Growth & Jobs: EP meets national parliaments to discuss growth & jobs

On 1-2 February, the European parliament hosted a meeting with 150 national parliaments from 29 countries in order to discuss ways in which to stimulate growth and jobs. This was the second interparliamentary meeting on the Lisbon Strategy, with the first having taken place in March 2005. In an address to the Parliament, Commission President Barroso spoke of the national reform programmes which had been submitted by each member state. Although he acknowledged areas that needed further work, he welcomed the plans as a 'sound basis for progress'.

To see Commission President Barroso's speech, please go to:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=SPEECH/06/53&format=HTML&aged=0&language=EN&guiLanguage=en>

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EU / Economy: Business Climate Indicator remains higher than average

Following a marked upturn in December, the Business Climate Indicator has dipped slightly in January. However, it remains above averages and significantly higher than the trough experienced in the second quarter of 2005. The slight decrease was the result of reduction in industry managers' assessment of the production trend. However, the assessment of export order books remains stable, while that of total order books has improved. Moreover, production expectations for the coming months and the assessment of stocks of finished products have also grown.

To see the Business Climate Indicator in full, please go to:

http://europa.eu.int/comm/economy_finance/indicators/businessclimate_en.htm

US / Competitiveness: Bush launches competitiveness initiative

In his annual 'State of the Union' address, US President George W. Bush announced an American 'competitiveness initiative', which is designed to maintain the US' competitive edge. Key features of the initiative include the doubling of the federal funding for research in the physical sciences over the next ten years; making the R&D tax credit system permanent in order to encourage private sector research; and improving the teaching of maths and science.

To see President Bush's 'State of the Union' address, please go to:

<http://www.whitehouse.gov/stateoftheunion/2006/index.html>

CONSULTATIONS

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

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

Closes 31 March 2006

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COMING UP

EU Institutions: Important Dates

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

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/>

7 March 2006 Small Business I Europe Fifth Annual Event – “Is globalization an opportunity or a threat to Europe’s Social Cohesion?” – Brussels - More information: info@smallbusinesseurope.org

16-17 March 2006 4th European Business Summit – Building a Europe of Excellence – Turning knowledge into growth, Brussels. More info: www.ebsummit.org

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 on www.esba-europe.org

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.

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