



HEADLINES

EU / Spring Summit : Positive developments for SMEs, although Lisbon goals seem unlikely

The leaders of the EU-25 reconvened at the European Council summit on 23-24 March 2006. The summit sought to review the state of the renewed Lisbon strategy and identify 'specific areas for priority actions'. Notably, economic protectionism, a topic which had threatened to cause divisions between France on the one hand and Italy, the Netherlands and the UK on the other, was omitted from the discussions.

In order to achieve the goals of making Europe's economy the world's most competitive by 2010, the primary goal of the Lisbon Strategy, the EU leaders reiterated the importance of the national reform plans, which will be monitored and evaluated by the European Commission. Regarding priority actions, the Council restated its intention to reach a level of 3% of GDP invested in R&D by 2010. SMEs also featured strongly in the priority actions outlined in the Council conclusions. From 2007 onwards, measures such as one-stop shops for administrative arrangements will allow new businesses to be set up within one week. In addition, political leaders should adopt the 'think small first' principle by prioritising SMEs in public procurement.

The Austrian chancellor, Wolfgang Schussel, the current President of the European Council, stated that meeting the commitments of the Council would lead to two million new jobs per year from 2010. However, according to Antonio Missiroli, Chief Policy Analyst at the European Policy Centre, this would not in itself allow the EU to achieve its Lisbon goals.

To see the Presidency conclusions, please go to:

http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/ec/89013.pdf

EU/ Internal Market: Commission to release modified proposal for services directive

The European Commission is expected to release a revised draft proposal on the services directive during the first week of April. The revised proposal will be based on the compromise text adopted by the European Parliament in its first-reading vote on 16 February 2006.

The new draft proposal will contain stronger wording regarding the conditions under which member states can restrict foreign service providers from within the EU. Also, the Commission is working to make the wording of article 16 acceptable from a legal as well as economic point of view. The Commission will also publish guidelines for posted workers in order to address new member states concerns about the deletion of articles 24 and 25 from the bill. These had been designed to reduce barriers against short-term posted workers. However, according to Malcolm Harbour MEP (EPP-ED, UK), shadow rapporteur on the services directive, the new proposal will not significantly affect the Parliament's compromise.

The release of the proposal follows broad support of the European Parliament's compromise in the Council's summit on 23-24 March 2006. In the 'Presidency conclusions' the Council welcomed the

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Commission's intention to base its proposal on the compromise and called for the legislative process to be concluded swiftly.

To see the Presidency conclusions, please go to:

http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/ec/89013.pdf

IN BRIEF

EU / Environment: Dimas urges investment in green technologies at business summit

At the 4th European Business Summit, on 16 March 2006, environment Commissioner Stavros Dimas called for business to invest in green technologies in order to help Europe maintain its leadership in this area. He cited the 2004 Environmental Technologies Action Plan and the Competitiveness and Innovation Framework Programme (CIP) as means by which the EU and member states are seeking to boost such investment. Dr. Wolfgang Sachs, of the German Wuppertal Institute stated that the Commission is on the right track regarding eco-technologies, although more needs to be done to ensure that economic growth does not come at the expense of the environment.

For more information regarding the 4th European Business Summit, please go to:

[http://www.ebsummit.org/index.html?current=130&page=9&](http://www.ebsummit.org/index.html?current=130&page=9&page2=130&lang=en) [amp;](#) [amp;](#) [amp;](#) [amp;](#)

For more information about the Environmental Technologies Action Plan, please go to:

<http://europa.eu.int/comm/environment/etap/>

To find out about the CIP, please go to:

http://europa.eu.int/comm/enterprise/enterprise_policy/cip/index_en.htm

EU / Economic reform: CER names EU's economic 'heroes' and 'villains'

The London-based think-tank, the Centre for European Reform (CER), has published its sixth annual Lisbon scorecard, which assesses the progress made by member states in meeting the aims of the Lisbon Agenda. Denmark and Sweden again top the list, with Austria, the UK and the Netherlands making up the other top five. Poland has the 26th place on the list, due to factors such as its high long-term unemployment and the protectionist policies of the recently-elected right-wing populist government.

To order a copy of the CER's Lisbon Scorecard, please go to:

<http://www.cer.org.uk/>

EU / Lisbon Agenda: Member states outline their Lisbon priorities

At the 4th European Business Summit, on 16-17 March 2006, each EU member state outlined its priorities for meeting the challenges standing in the way of meeting the Lisbon agenda. A wide range of priorities reflected the differences in the challenges faced by the member states. With 4% of DGP invested in R&D, Sweden dedicates the largest proportion of its resources to innovation out of any European country. Its biggest concern is ensuring that enough qualified researchers and scientists are produced by Swedish universities. By contrast, the primary challenge for countries such as Estonia, which invests just 0.77% of GDP in R&D, is to increased private investment in innovation. However, the importance of knowledge-based investment in achieving the Lisbon agenda was acknowledged by all member states.

To see the Commission's latest press releases regarding growth and jobs, please go to:

http://europa.eu.int/growthandjobs/index_en.htm

To see each member state's national reform programmes, please go to:

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

EU / state aid: Commission releases state aid scoreboard for acceding and candidate countries

The European Commission has released its latest scoreboard recording the levels of state aid in the acceding countries Bulgaria and Romania. While Bulgaria awarded € 65 million per year (0.36% of GDP), Romania awarded € 981 million (1.35% of GDP), with a high proportion going towards distortive types of state aid due to a period of extensive reforms associated with transition to a market economy. In addition, the scoreboard provides analysis of state aid in the Western Balkans and Turkey.

For the DG Competition website on state aid, including links to the scoreboard, go to:

http://europa.eu.int/comm/competition/state_aid/scoreboard/

EU / Education: Council lends support to European Institute of Technology

The 'Presidency conclusions' of the European Council summit of 23-24 March 2006 express support for the European Institute of Technology (EIT), which is to produce a European rival to the Massachusetts Institute of Technology (MIT). The conclusions called for the Commission to present a proposal for further steps by mid June 2006. In a separate development, Jorgo Chatzmarkakis MEP (Liberal, Germany) claims that there is mounting support for locating the EIT in Strasbourg. The MEP, who chairs the relevant parliamentary intergroup, argues that this development could be compensation for moving the monthly plenaries to Brussels.

To see the Presidency conclusions, please go to:

http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/ec/89013.pdf

EU / Economy: Eurozone economic outlook remains positive

After slow growth at the end of 2005, the first quarter has seen an upturn in economic growth in the eurozone. Positive exports and healthy domestic demand, augmented by improved employment figures, cost competitiveness in the euro area and expanding world trade mean that economic growth is on track to reach 1.9% in 2006. The primary economic risk is the increased exposure of households to changes in house prices and economic shocks.

To see the Commission's quarterly report on the Euro area, please go to:

http://europa.eu.int/comm/economy_finance/publications/quarterly_report_on_the_euro_area_en.htm

PUBLICATIONS

OECD Taxing Wages report

According to an OECD study published on 30 March, Belgium, Germany and Hungary impose the highest taxes among OECD countries on the pay of a single person on average earnings, while Korea, Mexico and New Zealand take the least, according to the latest edition of the OECD's annual publication Taxing Wages

Access the report : http://www.oecd.org/document/38/0,2340,en_2649_201185_36371174_1_1_1_1,00.html

Clarifying VAT/GST application in cross-border trade

The OECD is launching a new project aimed at providing guidance for governments on applying Value Added Taxes, or VAT - also called Goods and Services Tax, or GST, in some countries -- to cross-border trade.

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For more information, please go to : http://www.oecd.org/document/42/0,2340,en_2649_201185_36180522_1_1_1_1,00.html

CONSULTATIONS

Consultation on the revision of the construction products directive

On 24 March the Directorate-General for Enterprise and Industry of the European Commission launched a public consultation on the revision of the construction products directive.

The objective is to make it more cost efficient and easier to understand for enterprises and authorities. As you are aware, the construction sector has been identified as a priority for simplification within the Commission's better regulation initiative, mainly because the application of the current rules & technical approvals for construction products is heavy and complicated. Also, the CDP has led to disparities in implementation between member states, and uncertainties regarding the role and meaning of the CE marking has caused distrust among users.

Closes 31 May 2006

You will find information and the questionnaire at the following link:
http://europa.eu.int/comm/enterprise/construction/cpdrevision/cpd_cons_en.htm

Improving the EU business environment

The European Commission has 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.

Ongoing

The online form 'Ten minutes to improve the business environment in the EU' is to be found on:
<http://europa.eu.int/yourvoice/forms/dispatch?form=418& amp;lang=E>

COMING UP

EU Institutions: Important Dates

3-6 April 06	European Parliament Plenary Session (Strasbourg)
21-22 April 06	Informal Competitiveness Council
15-18 May 06	European Parliament Plenary Session (Strasbourg)
29-30 May 06	Competitiveness Council
12-15 June 06	European Parliament Plenary Session (Strasbourg)
1 July 06	Finland takes over EU Presidency

SME related Events

26 April 2006 Financing European Enterprise - the challenge for capital Brussels, Wednesday 26 April 2006 – For more information please contact: Edward Wells ewells@londonstockexchange.com

2-3 May 2006 9th ESBA Annual Event - SMEs Go International - A Dialogue with EU & International Institutions and Best Practice Cases - Tuesday 2nd May 2006 – Hotel Leopold Brussels - For more information and register , please consult our website www.esba-europe.org

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3-4 May 2006 'European inventor of the year' conference and gala; venue: Parc du Cinquantenaire 11, Brussels; organized by DG Enterprise; more info: <http://www.european-inventor.org/>

11-13 May 2006 14th Nordic Conference on Small Business Research; Stockholm, Sweden; for more info, please contact helena.ericsson@fsf.se

18 May 2006 'Integrating Innovation and Entrepreneurship Policy – how to do it!'; for more info please contact helena.ericsson@fsf.se

30-31 May 2006 Workshop on Venture Capital Policy; Lund, Sweden; for more info, please contact helena.ericsson@fsf.se or

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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