



### HEADLINES

#### **ESBA / Annual event: 9<sup>th</sup> Annual Small Business Event: SMEs Go International, 2 May 2006**

On the 2<sup>nd</sup> May 2006 in Brussels, ESBA hosted its 9<sup>th</sup> Annual Small Business Event: SMEs Go International. The morning session entailed a lively dialogue between delegates and representatives of the EU Institutions. Keynote speakers included Maive Rute, Director of DG Enterprise and Industry, who addressed the issue of whether SMEs really are at the heart of the New Lisbon Strategy and colleagues, Ingrid Valentini-Wanka and Jonathan Claridge, from DG Trade.

Following a productive Lunch Meeting at the European Parliament, hosted by Edit Herczog MEP, Vice-Chairwoman of the Intergroup on SMEs, four entrepreneurs and a researcher presented interesting best practice cases of SMEs 'going international.' The event made an encouraging step towards better mutual understanding and provided a platform for future interaction between the SME Community and Policy Makers.

At the ESBA Board Meeting in Brussels on May 1<sup>st</sup> 2006 Tina Sommer was elected President. Following his retirement, Brian A. Prime became Honorary President. A dinner was held in honour of Brian A. Prime's work. The reception was attended by friends and former colleagues, including Dr Ingo Friedrich MEP, Philip Bushill-Matthews MEP, John Bowis MEP, Bruno Wattenberg, Director of the Agence Bruxelloise pour l'Entreprise, and Rob van der Horst, President of the EIM Institute. A full report on ESBA's 9<sup>th</sup> Annual Small Business Event will be available soon.

*ESBA position: ESBA promotes and supports the internationalisation of SMEs as well as the establishment of international business regulations based on the principle of "think small first".*

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#### **EU/ Research and Innovation: European Patent Office launches "European Inventor of the Year" award**

On 3-4 May 2006, the European Patent Office (EPO) organised, in collaboration with the European Commission, a ceremony to award the best European inventors. An international jury, chaired by former Netherlands Prime Minister Wim Kok, selected the first-ever winners from six different categories, on the basis of technical breakthroughs for which the European Patent Office granted a patent between 1991 and 2000.

The six awarded categories were: industry, SMEs, universities, new EU member states, non-European countries and life-time achievements. Regarding the SMEs category, the winner was Dr Stephen P.A. Fodor and his team of scientists, who invented a DNA chip enabling scientists to study gene expression by providing a snapshot of all the genes active in a cell at a particular time.

The purpose of the award was the promotion of IPR-culture throughout Europe. Several studies have shown that, on the one hand, there is an evident correlation between patenting efforts and the competitiveness of an economy, and, on the other hand, that there is an increasing gap between European and American patenting activity. To combat this, the Commission proposed the adoption

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of a common *Community Patent*, which would reduce the costs of patenting and would be simpler than the 25 national schemes currently in place. However, the proposal has not yet received sufficient political support from all member states.

To visit the European Inventor of the Year website, please go to:

<http://www.european-inventor.org/index.php>

To read the press release from the Commission, please go to:

[http://europa.eu.int/rapid/pressReleasesAction.do?](http://europa.eu.int/rapid/pressReleasesAction.do?reference=MEMO/06/180&format=HTML&aged=0&language=EN&guiLanguage=en)

[reference=MEMO/06/180&format=HTML&aged=0&language=EN&guiLanguage=en](http://europa.eu.int/rapid/pressReleasesAction.do?reference=MEMO/06/180&format=HTML&aged=0&language=EN&guiLanguage=en)

*ESBA position: ESBA supports a patent regime giving SMEs simple and accessible means to protect ideas and intellectual property. A system based on mutual recognition is favoured by most SMEs in Europe. ESBA also believes that much more effort is required to demonstrate that any future litigation system will take into account the particular features of SMEs.*

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### IN BRIEF

#### **EU / internal market: Commission pressures member states to implement internal market laws**

On 19 April 2006, the Commission announced its intention to take up infringement procedures against 19 member states which have been unable to transpose at least one of eight internal market directives. Examples of law which have not been adequately adopted include rules against market manipulation, laws intended to ease the raising of capital throughout the EU, and rules enhancing the mutual recognition of professional qualifications.

For the Commission press release on this issue, please go to:

[http://europa.eu.int/rapid/pressReleasesAction.do?](http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/06/503&type=HTML&aged=0&language=EN&guiLanguage=en)

[reference=IP/06/503&type=HTML&aged=0&language=EN&guiLanguage=en](http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/06/503&type=HTML&aged=0&language=EN&guiLanguage=en)

For detailed information regarding the application of Community law, please go to:

[http://europa.eu.int/comm/secretariat\\_general/sgb/droit\\_com/index\\_en.htm](http://europa.eu.int/comm/secretariat_general/sgb/droit_com/index_en.htm)

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#### **EU/ Research: European Research Council outlines launch strategy**

In April 2005, the European Commission proposed the creation of a European Research Council (ERC) through the 7<sup>th</sup> framework programme (expected to start next January), with the aim of supporting basic research in Europe. On 28 April 2006, the Scientific Council (ScC), which will be the scientific supervisor of the ERC, published its strategy for the launch of the ERC. In the start-up phase, high priority will be given to independent researchers through a specific grant scheme (*Starting Independent Research Grant Scheme*; 300-350 million a year). A second funding stream for researchers at all career stages will be established later on.

To read the strategy, please go to:

[http://europa.eu.int/erc/pdf/launch-strategy\\_en.pdf](http://europa.eu.int/erc/pdf/launch-strategy_en.pdf)

For more information on the ERC, please go to:

[http://europa.eu.int/comm/research/future/basic\\_research/index\\_en.html](http://europa.eu.int/comm/research/future/basic_research/index_en.html)

To visit the ScC's website, please click the following address:

[http://europa.eu.int/erc/index\\_en.cfm](http://europa.eu.int/erc/index_en.cfm)

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### **EU/ Court of Justice: Preliminary ruling by ECJ may allow multinationals to exploit low tax rates**

An opinion given on 2 May by the Advocate General of the European Court of Justice states that establishing a subsidiary in low-tax Countries (within the EU) does not necessarily represent tax avoidance. However, the opinion allows for a degree of uncertainty, as companies can only benefit from the current system if they are able to demonstrate that their arrangements are not “wholly artificial”, i.e. they do not intend to circumvent national anti-avoidance legislations.

To read the full opinion, please go to:

<http://curia.eu.int/jurisp/cgi-bin/form.pl?lang=EN&Submit=rechercher&numaff=C-196/04>

To read only the press release, please go to:

<http://curia.eu.int/en/actu/communiqués/cp06/aff/cp060037en.pdf>

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### **EU/ Research: Council discusses FP7 priorities**

On the 21 April 2006, an informal competitiveness council, which included the EU's science and research ministers, considered how to distribute funds of € 47 bn between the 7<sup>th</sup> framework programme's four individual sub-programmes: *co-operation*, *ideas, people* and *capacities*. *Contentious points include the amount to be dedicated to supporting research in SMEs*. According to the Commission's proposal, this programme should receive € 4.2 bn as a whole, but some member states have expressed their wish to see this figure raised. The next meeting of the science and research ministers will be on 29-30 May 2006.

To read Austrian presidency press release, please go to:

[http://www.eu2006.at/en/News/Press\\_Releases/April/2104gehrer.html](http://www.eu2006.at/en/News/Press_Releases/April/2104gehrer.html)

To read the Commission's proposal on the 7<sup>th</sup> FP, please go to:

[http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2005/com2005\\_0119en01.pdf](http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2005/com2005_0119en01.pdf)

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### **EU / tax: finance ministers meet to discuss contentious VAT issues**

The EU's finance ministers will convene on 5 May 2006 to discuss the European Commission's proposed €126.8 bn budget for 2007. A likely point of contention is a drive for increased VAT harmonisation. The VAT package under discussion would prohibit VAT from being charged at the rate of the country in which a service is supplied, rather than where it is received. This has allowed companies to take advantage of low VAT rates in some countries to sell cheap telecoms and internet services throughout the European Union. While most countries approve of the changes, Luxembourg, Portugal and Germany object to them.

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### **EU / economy: European finance ministers in bullish mood**

Eurozone finance ministers remain confident in the region's economic recovery despite rising oil prices. Following a monthly meeting of eurozone finance ministers on 5 May 2006, Economic and Financial Affairs Commissioner Joaquin Almunia pronounced that eurozone economies are growing close to their potential level. The meeting follows recent figures indicating that unemployment fell to 8.1% in March from 8.2% in February, and 8.8% in March 2005. The good news is tempered slightly by figures indicating a year-on-year drop in retail trade by 0.2% in the eurozone, although EU25 retail trade rose by 0.7%.

For figures regarding retail trade, please go to:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=STAT/06/56&format=HTML&aged=0&language=EN&guiLanguage=en>

For details regarding the economic and financial affairs council, please go to:

[http://www.eu2006.at/en/Meetings\\_Calendar/Dates/May/0505RatECOFIN.html](http://www.eu2006.at/en/Meetings_Calendar/Dates/May/0505RatECOFIN.html)

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## PUBLICATIONS

### **Innovation market failures and state aid: developing criteria**

This report is an independent analysis by Oxera on what is meant by innovation, when market failures might be expected to occur, and when state aid might be justified.

Access the report:

[http://www.europa.eu.int/comm/enterprise/library/competition/doc/innovation\\_market\\_failures\\_and\\_state\\_aid.pdf](http://www.europa.eu.int/comm/enterprise/library/competition/doc/innovation_market_failures_and_state_aid.pdf) lib-

OECD Factbook

The second edition of a statistical annual covering all OECD countries and most topics addressed by the OECD. Includes more than 100 indicators with definitions, time-series tables, and graphics showing key messages.

To purchase book:

<http://www.oecdbookshop.org/oecd/display.asp?K=5LGL7LKWP242&TAG=XVGMA8XX4X5999655S5IYF&CID=&LANG=EN> amp; amp;

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## 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](http://europa.eu.int/comm/enterprise/construction/cpdrevision/cpd_cons_en.htm)

## COMING UP

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

15-18 May 06	European Parliament Plenary Session (Strasbourg)
29-30 May 06	Competitiveness Council
12-15 June 06	European Parliament Plenary Session (Strasbourg)
15-16 June 06	European Council meeting (Brussels)
1 July 06	Finland takes over EU Presidency

### **SME related Events**

17 May 2006            The SME Charter: Communicating European SME Policy; Strasbourg; for more info please contact: [okaras@europarl.eu.int](mailto:okaras@europarl.eu.int)

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

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18-20 May 2006 Young Entrepreneur European Forum “ Building of a new Europe” - Gijón (Spain), organised by AJE - Confederacion in collaboration with AJE Principado de Asturias - More information : [secretariat@yes.be](mailto:secretariat@yes.be)

29 May 2006 EMCC Company Network Seminar; Berlin; for more info: <http://www.emcc.eurofound.eu.int/content/source/eu06006a.html>

30-31 May 2006 Workshop on Venture Capital Policy; Lund, Sweden; for more info, please contact [helena.ericsson@fsf.se](mailto:helena.ericsson@fsf.se)

30 May – 1 June 2006 18th International Mobility and International Trade show; for more info: <http://www.avenir-export.com/usgb/index.htm>

31 May 2006 Federation of Small Businesses Brussels office launch and presentation “What can Small Business do for Europe?”; Brussels; for more info, please contact Andrew Cave: [andrew.cave@fsb.org.uk](mailto:andrew.cave@fsb.org.uk)

1 June 2006 The European Business Awards for the Environment; Brussels; organised by DG Environment; more info: [http://europa.eu.int/comm/environment/awards/about\\_ceremony\\_en.htm](http://europa.eu.int/comm/environment/awards/about_ceremony_en.htm)

6 June 2006 SME Day; Brussels; organised by Europe’s 500 and Logos Public Affairs; more information: <http://www.smeday.eu/venue/default.aspx>

8 June 2006 Conference on Seasonality – causes for seasonal fluctuation and its effects on the tourism industry; please contact: [okaras@europarl.eu.int](mailto:okaras@europarl.eu.int)

13-14 June 2006 Vienna - “Conference on the European Charter for Small Enterprises” Conference organised by the Enterprise and Industry DG - More information: [http://europa.eu.int/comm/enterprise/enterprise\\_policy/charter/conf2006/index\\_en.htm](http://europa.eu.int/comm/enterprise/enterprise_policy/charter/conf2006/index_en.htm)

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