



HEADLINES

EU / Budget: Institutions end long-standing row over budget

The EU's main institutions have finally agreed on a budget totalling € 864.4 billion for 2007-2013, to enter force on 1 January 2007. Following an approval by the General Affairs Council on 15 May 2007, the Parliament voted in favour of the budget on 17 May 2007, with Austrian Chancellor and current EU President, Wolfgang Schäussel, signing the budget framework later that day.

The figure results from an agreement between the Council, and the European Parliament on 4 April 2006. The resulting agreement will mean that an additional € 4 billion will be made available compared with the deal agreed under the UK Presidency in the December 2005 Council summit.

The additional money will include €400 million for competitiveness and innovation, €800 for lifelong learning and €300 for research and technological development. In addition up to €500 million per year will be made available for a globalisation fund, intended to assist workers made redundant due to structural changes resulting from world trade.

To see the Council press release, please go to:

http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/misc/89576.pdf

To see the Austrian Presidency press release, please go to:

http://www.eu2006.at/en/News/Press_Releases/May/1705InterinstitutionelleVereinbarung.html

For a full break down, indicating how the additional funds will be spent, please go to:

http://www.europarl.eu.int/news/expert/infopress_page/ 034-7022-093-04-14-905-20060404IPR07021-03-04-2006-2006-false/default_en.htm

EU / Taxation: EU's overall taxation figures continue to fall according to Eurostat

Overall levels of taxation have declined in recent years according to the latest Eurostat report on EU taxation, which covers the period from 1995 to 2004. The overall tax ratio, covering taxes and social security contributions, were down to 39.3% of GDP in the EU25, down by 0.2% compared with the previous year. This largely reflects lower tax levels within euro area countries such as Germany and Italy. Across the EU, the new member states tend to have lower tax ratios than the original member states.

Likewise, top statutory personal income tax rates were found to be lower amongst new member states, with Slovakia having a rate of 19%, Estonia 23% and Latvia 25%, while the countries with the highest were Denmark, at 59%, Sweden 56% and the Netherlands 52%. However, top rates have exhibited a marked downward trend across the whole of the EU in recent years.

Corporate tax is also lowest in new member states, with Cyprus having just 10% and Latvia and Lithuania 15%. The exception is Ireland, which is one of the EU10, but has just 12.5% corporate tax. Corporate tax is highest in Germany, 38.6%, and Italy, 37.3%. Over recent years, top rates have exhibited a marked decline across the whole of the EU, especially in the corporate area.

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To see the Eurostat press release, please go to:

http://epp.eurostat.cec.eu.int/pls/portal/docs/PAGE/PGP_PRD_CAT_PREREL/PGE_CAT_PREREL_YEAR_2006/PGE_CAT_PREREL_YEAR_2006_MONTH_05/2-17052006-EN-BP.PDF

To obtain the Eurostat report in full, please go to:

http://epp.eurostat.cec.eu.int/portal/page?_pageid=1073,46587259&_dad=portal&_schema=PORTAL&p_product_code=KS-DU-06-001

IN BRIEF

EU / Economy: Eurozone inflation rises

The latest figures from Eurostat indicate a rise in year-on-year inflation within the eurozone from 2.2% to 2.4% between March and April 2006. In the EU25, annual inflation was 2.3% in April 2006, compared with 2.1% in March 2006. Monthly inflation was 0.7% for both the eurozone and the EU25. The lowest annual rates were in Poland and Finland, with 1.2% and 1.5% respectively, while the highest were in Latvia and Slovakia, with 6.1% and 4.4% respectively.

For the Eurostat report, please go to:

http://epp.eurostat.cec.eu.int/pls/portal/docs/PAGE/PGP_PRD_CAT_PREREL/PGE_CAT_PREREL_YEAR_2006/PGE_CAT_PREREL_YEAR_2006_MONTH_05/2-17052006-EN-AP.PDF

EU / Employment: Employment Week continues the EU's efforts to create more and better jobs

The 12th Employment Week, which ran from 16-18 May, reflected upon the prioritisation of more and better jobs in the EU. First enshrined in the 1993 Maastricht Treaty, the 2000 Lisbon Council established the precise target of 70% employment by 2010. The 2006 Employment Week gathered together more than 50 speakers to refocus the debate under the theme of "working together for growth and jobs".

To visit the Employment Week Website:

<http://www.employmentweek.com/index.asp? language=en>

To visit the European Commission's Website on Growth and Jobs:

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

EU / Migration: Survey finds non-nationals made-up 5.5% of total EU population in 2004

According to new estimates published by Eurostat, the total number of non-nationals - persons who are not citizens of the country in which they reside - living in the EU in 2004 was around 25 million. Luxembourg (38.6%) had the highest proportion of non-nationals, but in 12 of the 25 Member States non-nationals formed less than 5% of the population. The survey, found that the majority of non-nationals living in the EU was from non-EU countries and young adults (20-39) dominated the non-national population across the EU25.

To read Eurostat's Press Release:

http://epp.eurostat.cec.eu.int/pls/portal/docs/PAGE/PGP_PRD_CAT_PREREL/PGE_CAT_PREREL_YEAR_2006/PGE_CAT_PREREL_YEAR_2006_MONTH_05/3-19052006-EN-AP.PDF

To view the European Year of Workers' Mobility 2006 Website:

http://ec.europa.eu/employment_social/workersmobility_2006/index.cfm?language=en

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EU/ Legislation: Chancellor Angela Merkel solicits a reduction of European bureaucracy

On 11 May, during her first major speech on Europe to German Parliament, Chancellor Angela Merkel called for massive dismantling of "bureaucracy" in both Germany and the European Union. "It has to be possible to reduce the overall bureaucratic burden by 25 per cent", she said; in the Chancellor's view, reduction of bureaucracy should be considered a priority, as it represents both an obstacle to economic growth and one of the major causes of euro-scepticism.

To read the German Government's press release, please go to:

<http://www.bundesregierung.de/en/-,10001.1001365/artikel/ Europe-needs-a-new-philosophy.htm>

EU / Environment: Study calls for help for SMEs to adopt life-cycle thinking for greener products

Life-cycle thinking, which dictates that the environmental impact of a product must be considered from its production to the end of its life, is a cornerstone of the EU's Integrated Product Policy (IPP) adopted in 2003. A study carried out for the Commission has recommended that a network of expertise centres should be developed across the EU to increase awareness among SMEs, retailers and consumer associations about it. The study calls for a monitoring system to measure progress and assesses the costs of options for raising awareness of life-cycle thinking, including online forums, newsletters and workshops.

To read the report:

http://ec.europa.eu/comm/environment/ipp/pdf/study_final_clean_report.pdf

EU/ Research: European Commission recommends regions to get ready for the next framework programme

On 12 May, a conference on FP7 brought together representatives of Europe's major regions, to examine which actions can contribute to build up a regional dimension to European research. The current proposal for FP7 includes two actions specifically targeted at Europe's regions: *Regions of knowledge* and *Unlocking the research potential*. Within this framework, regions are asked to prepare and submit their operational strategies for FP7 as soon as possible. The Commission hopes to prepare regions to exploit European funds efficiently.

To read Commission's press release, please go to:

<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/06/196&format=HTML&aged=0&language=EN&guiLanguage=en>

To get some more information on the Seventh Framework programme proposals, please go to:

http://ec.europa.eu/research/future/index_en.cfm

EU / Competitions: European Enterprise awards deadline approaching

The deadline for applications for the European Enterprise Awards is set for 31 May 2006. The competition, which was launched in November 2005, is open to a range of applicants, including cities, regions, public-private partnerships, educational programmes and business organisations in and around Europe. It honours five categories of activities which support entrepreneurship.

For more information, please go to:

http://ec.europa.eu/enterprise/entrepreneurship/smes/awards/index_en.htm

PUBLICATIONS

Business creation in restructuring processes

This report examines the critical elements that positively and negatively affect business creation and entrepreneurship following company restructuring in Europe. It looks at different strategies

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developed by public and private actors to foster business creation. Six in-depth company cases studies from Spain, Poland, UK, the Netherlands, France and Germany provide first hand evidence of positive practices in managing restructuring.

To download report:

<http://www.eurofound.eu.int/publications/htmlfiles/ef0570.htm>

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

COMING UP

EU Institutions: Important Dates

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

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

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

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

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

6-9 June 2006 "Microfinance with a Mission: Learning Together"; organised by the European Microfinance Network and the Microfinance Center; for more info: <http://pg.mfc.org.pl/conference/main.htm>

8 June 2006 Conference on Seasonality – causes for seasonal fluctuation and its effects on the tourism industry; please contact: 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

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