MAY 2005



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Membre de l'Union des Éditeurs de la Presse Périodique

MESSAGE FROM SECRETARY GENERAL

Dear UNICE@news Readers,

We would vote yes!

would like to address a major challenge for Europe, namely ratification of the Constitutional Treaty. Let there be no mistake: this ratification is essential to create a strong Europe of 25 Member States, capable of defending the interests of its citizens and its companies on the international stage, and of pursuing the policies necessary to foster growth and jobs. It seems to me positive that it has stimulated a debate. What is less positive is that there has been some blurring, even untruths.

I take this opportunity to recall that, as a social partner, UNICE participated as an active observer in the work of the Convention that resulted in the signature by EU Member States of a Constitutional Treaty for the EU in Rome on 29 October 2004.

In the context of this debate surrounding these important national decisions, UNICE would like to highlight that the Constitutional Treaty provides a balanced basis for shaping EU policies in the future.

Article 3.3 of the Constitutional Treaty provides, amongst other principles, that:

"The Union shall work for sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and with a high level of protection and improvement of the quality of the environment. It shall promote scientific and technological advance..."

The Constitutional Treaty will allow better functioning of the enlarged European Union by adapting its decision-making process to its new membership. It clarifies national and European competences, simplifies legal instruments and the decision-making process. It reinforces the democratic aspect of the EU by giving enhanced power to the European Parliament and to national parliaments while preserving the Community method.

The Constitutional Treaty gives legal personality to the European Union and improves Europe's capacity to defend and promote European interests at international level.

Even if no human endeavour is ever perfect, together with the European Trade Union Confederation (ETUC) we have declared that we would vote yes if we had to participate in a referendum.

Philippe de Buck Secretary General

UNICE HIGHLIGHTS

TWO KEY PROGRAMMES FOR GROWTH AND JOBS

On 6 April the European Commission presented a proposal for the Seventh Research and Development Framework Programme (FP7) and a future Competitiveness and Innovation Framework Programme, both to cover the period 2007 to 2013.

The proposal for FP7 has been structured around four headings: cooperation, ideas, people and capacity (see April edition of UNICE@news).

The budget which the Commission is requesting is approximately € 10 billion per annum over the lifespan of the programme (2007-13). It is proposed that this is sub-divided cooperation (€ 39.267 billion), ideas (€ 1 0.483 billion), people (€ 11.620 billion) and capacity (€ 1.295 billion) and others (e.g. Joint Research Centre: € 1.617 billion, Euratom: € 2.8 billion). This is in line with the expected key contribution which research is intended to make to the Lisbon Strategy.

Of particular interest to industry is that the priority focus of FP7 is what the Commission has termed cooperation whereby support will be given to a range of broadly defined trans-national cooperative research activities carried out in selected (priority) areas:

- Health;
- Food, Agriculture and Biotechnology;
- Information and Communication Technologies;
- Nanosciences, Nanotechnologies, Materials and new Production Technologies;
- Energy;
- Environment (including Climate Change);
- Transport (including Aeronautics);
- Socio-economic Sciences and the Humanities;
- Security and Space Research.

Becoming successful' with the overall goal of Europe regaining leadership in areas where it has been lost is viewed as a key unspoken objective of the FP7 proposals for cooperation.

This FP7 proposal will enter the co-decision procedure (it is sent to the EP and Council for

adoption). Jerzy Buzek MEP (EPP/ED – PL) has been appointed the EP's rapporteur for the issue. Phillipe Busquin, the former Research Commissioner is the PES's shadow rapporteur. It is intended that the proposals will be adopted by autumn 2006 (without serious delays, this is possible).

For further information, CORDIS have launched a new service designed to follow the development of PF7: http://www.cordis.lu/fp7/home.html.

The Competitiveness and Innovation Framework Programme brings together in a single framework (with a budgetary envelope of over € 4 billion / based on constant prices 2007-2013) more than seven existing and planned Community programmes in fields that have been identified as most critical to boosting European productivity and sustainable growth. It will contain three subprogrammes on Entrepreneurship & Innovation, ICT Policy Support and Intelligent Energy-Europe. UNICE appreciates:

- this simplification of Community programmes as positive to refocusing visible and effective actions on growth and jobs;
- that competitiveness is taken as the overriding theme that must inspire and drive all the subprogrammes;
- that Community financial instruments focus on growth and innovative companies.

UNICE urges the Commission to live up to the "think small first" approach, taking into account entrepreneurs' and SMEs' views during conception and implementation of actions.

As the Seventh Framework Programme and the Competitiveness and Innovation Framework Programme are important parts of future Community expenditure under the "Competitiveness" heading of the Financial Perspectives 2007-2013, UNICE reiterates that a sufficient allocation of resources to competitiveness-enhancing programmes should be the priority objective.

For further information, please contact Vincent McGovern or David Coleman.

UNICE HIGHLIGHTS

ERNEST-ANTOINE SEILLIÈRE TO SUCCEED JÜRGEN STRUBE



I am pleased to announce that Ernest-Antoine Seillière, currently President of MEDEF, has agreed to take over from Jürgen Strube as UNICE's President, with effect from 1 July 2005.

Philippe de Buck, UNICE Secretary General

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ECONOMIC AND FINANCIAL AFFAIRS

INTEGRATED GUIDELINES: A STEP IN THE RIGHT DIRECTION

On 12 April 2005, the European Commission adopted the integrated guidelines for growth and jobs (2005-2008). This package including the Broad Economic Policy Guidelines (BEPG) and the Employment Guidelines (EG) is expected to be approved by the European Council in June.

UNICE welcomes the presentation of these documents in a single package and the cross-references made between the 15 guidelines of the BEPG and the 8 guidelines of the EG. In line with the Spring report 2005 recommendations, the integrated guidelines underline the need to focus on growth and jobs to preserve and enhance living standards in the EU.

UNICE is satisfied with the content of the integrated guidelines.

- The BEPG define a clear strategic vision covering macroeconomic and microeconomic issues and rightly emphasise the links between

- both aspects. Raising the EU's growth potential through reforms and maintaining sound macroeconomic policies are indeed complementary agendas.
- The new elements in the EG, notably regarding a life-cycle approach to work, sustainability of pension and health care systems, ensuring employment-friendly wages and reviewing the impact of non-wage labour costs on employment are welcome.

The integrated guidelines constitute a key step in the right direction to improve economic governance in the EU. The key issue is now the follow-up that will be given to these good intentions and recommendations in terms of implementation. Based on these guidelines, the National Action Plans and the Lisbon Community Programme will be the next steps to foster the national ownership of the Growth and Jobs Strategy.

For further information, please contact <u>Jean-François Maystadt</u> and <u>Lorena Ionita</u>.

UNICE IN THE BRUSSELS ECONOMIC FORUM

UNICE Secretary General, Mr de Buck, participated in the two-day conference organised by the European Commission, the annual "Brussels Economic Forum", on 21-22 April 2005. Mr de Buck shared, with a prominent panel of policymakers which included Ms Berès and Mr Rasmussen, members of the European Parliament, Mr Davignon, former Vice-President of the European Commission and Mr Monks, ETUC Secretary General, a policy panel to debate how to make the Lisbon Strategy move from principles to

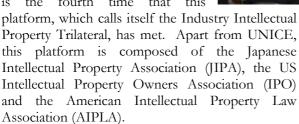
practice. Mr de Buck explained the European business viewpoint on how to bring the new strategy for growth and jobs back on track for a sustainable future. Europe must confront its problems of growth, productivity, investments and employment and focus its attention on the main areas in which reforms are needed: research and development, better and simpler regulation, labour market flexibility and the implementation of the internal market.

For further information, please contact María Soriano Sanchez.

LEGAL AFFAIRS

UNICE HOSTS INTERNATIONAL DISCUSSIONS ON PATENTS

On 11 April 2005, a group of European, American, Japanese industry representatives met in Brussels, at UNICE's headquarters, to discuss issues of common interest in the field of patents. This is the fourth time that this



Discussions held in a positive spirit focused on patent law harmonisation issues, with emphasis in particular on possible recommendations regarding a



common patent application format and patent searches conducted by the three largest patent offices (EPO, USPTO and JPO).

The objective of this meeting is to recommend proposals to the

above-mentioned patent offices with a view to reducing costs, promoting legal certainty, and reducing pendency.

UNICE also informed the American and Japanese industry representatives on the latest developments in Europe regarding the proposed directive on the patentability of computer-implemented inventions and UNICE's key actions.

For further information, please contact <u>Ilias Konteas</u>.

SECOND READING AT THE EP ON COMPUTER-IMPLEMENTED INVENTIONS

UNICE's task force on computerimplemented inventions met on 12 April 2005 to discuss the next steps in view of the second reading at the European Parliament and coordinate UNICE's action with the actions of its member federations and other sectoral organisations. The second reading at the European Parliament will begin in April 2005 and the EP will have three months to react to the Council's common position. A vote at the EP plenary is foreseen for July 2005. UNICE has expressed it support to the Council's common position. UNICE will focus its action during the second reading on communicating to MEPs its key messages in simple terms and bringing forward the positive aspects of the proposed directive, especially for SMEs, as well as clarifying misconceptions introduced in the debate by opponents of the proposed directive.

For further information, please contact <u>Ilias Konteas</u>.

UNICE VOICES TO COMMISSIONER KYPRIANOU THE BUSINESS VISION OF THE FUTURE EU AGENDA ON CONSUMER POLICY

On 7 April 2005, a UNICE delegation led by Philippe de Buck, UNICE Secretary General, met Commissioner Kyprianou in charge of Health and Consumer Protection.

This meeting was an opportunity for UNICE to express its views on the future EU Consumer Policy. UNICE stressed its commitment to promoting business and consumer dialogue and underlined the benefits of a balanced EU consumer policy which regards consumers and business as partners and contributes to better functioning of the internal market.

UNICE also reiterated its support to the global approach of the Commission to move towards full harmonization in consumer policy although assessment should made on a case-by-case basis.

UNICE recommended the Commission to give priority to:

- 1. Simplification of regulatory burden, including promotion of alternatives to legislation
- 2. Impact of regulation on business

3. Proper implementation and homogeneous enforcement of rules.

Mr Kyprianou agreed on the importance of a policy that enhances consumers' confidence and protects them adequately while at the same time taking business concerns into account. He also agreed with UNICE that better preparation of new legislation and improved impact assessments are important in the EU law-making process.

Among the areas where the Commission will focus on, Commissioner Kyprianou highlighted the work on EU contract law and the review of the existing EU acquis on consumer protection.

He confirmed that the necessary resources will be provided to ensure uniform implementation and enforcement of legislation in the field of consumer protection.

UNICE thanked Commissioner Kyprianou for good relations with UNICE and expressed its willingness to continue an open dialogue during his mandate.

For further information, please contact Carlos Almaraz.

BETTER REGULATION

UNICE has welcomed the Commission's Communication on better regulation for growth and jobs in the EU. UNICE is very pleased about the increasing emphasis which the Commission and Member States have over the past few years put on better regulation as a crucial tool for promoting competitiveness, and it supports reinforcing the way in which better regulation contributes to growth and jobs. UNICE welcomes the

Commission's proposals to strengthen the assessment of economic impacts, to extend the scope of impact assessments and to increase transparency. The Commission should take steps to enhance quality control of impact assessments and focus on the feasibility of the so-called Standard Cost Model as a common methodology for measuring administrative burdens.

For further information, please contact Erik Berggren.

PUBLIC PAPER RECENTLY ADOPTED

UNICE letter on EFRAG's draft endorsement advice letter on IFRIC 3: Emission rights

WORK IN PROGRESS

- UNICE letter on EFRAG draft letter on IFRIC D12-D14: services concessions arrangements
- UNICE letter on EFRAG draft endorsement advice on IAS 39: Fair value option
- UNICE reply to IASB questionnaire on recognition and measurement principles for SMEs
- UNICE letter on IASB draft MoU (memorandum of understanding) on the role of accounting standards setters and their relationship with the IASB

SOCIAL AFFAIRS

SOCIAL PARTNERS MEET INFORMAL SOCIAL AFFAIRS COUNCIL

On 7 April 2005, the traditional meeting between the European social partners and the Troika preceding the Informal Social Affairs meeting took place in Luxembourg. The aim of the meeting was to discuss the recent Commission Communication on restructuring.

UNICE stressed that restructuring is first and foremost a company issue and has to be dealt with by the management and workers concerned. Policy-makers can assist them in their efforts to seize new opportunities and minimise adjustment costs by providing a supportive environment, but they must avoid placing obstacles to pro-active adaptation to change. European employers also underlined the need to be extremely careful not to draw inaccurate macro conclusions from micro data. There are profitable companies in sectors of activity experiencing difficulties in Europe such as

textiles, just as there can be unprofitable activities in fast-growing sectors.

Social partners presented on the occasion of this meeting the lessons learnt from the examination of nine case studies on the functioning of European Works Councils. In this context, UNICE also recalled another important joint social partners' text relevant for the issue of restructuring: the orientations of reference on managing change and its social consequences transmitted to the Commission in October 2003.

UNICE expressed its committed to promote these two texts at both EU and national level and hoped to find the same commitment on the trade union side.

UNICE is currently preparing a position paper on the Commission communication on restructuring.

For further information, please contact Thérèse de Liedekerke.

UNICE LAUNCHES RESOURCE CENTRE WEBSITE FOR EMPLOYERS' ORGANISATIONS IN NEW MEMBER STATES

The employers' resource centre is part of a wider integrated programme of technical assistance to social partners in new Member States jointly developed by European social partners.

The resource centre is tailored to the needs of employer organisation members of UNICE, CEEP, and UEAPME in the new Member States and provides the following services:

- In-depth information on social dialogue issues
- Information on past and present activities of the European social partners
- Assistance with EU funding opportunities for projects
- Assistance with project tendering and management.

For further information, please contact Matthew Higham or visit the website.

WORK IN PROGRESS

- UNICE response to the Commission's Green Paper on economic migration
- UNICE position on the Commission proposals for integrated guidelines for growth and jobs
- UNICE position on the Commission green paper on demographic change

EXTERNAL RELATIONS

DDA: BUSINESS URGES CUT IN GOODS TARIFFS

UNICE participated in a joint "Fly-In" to the WTO with business partners from the US (National Association of Manufacturers), Japan (Keidanren), Canada (Canadian Manufacturers & Exporters), Australia (Australian Industry Group) and Korea (Korean International Trade Association) from 12-14 April 2005.

The objective of the joint initiative was to ring the alarm bell in the NAMA negotiations and to express strong business support for ambitious trade liberalisation for industrial goods and trade facilitation.



Gary Campkin, UNICE rapporteur for Globalisation issues, and Chilean Ambassador Alejandro Jara

The group met with several ambassadors from developed and developing countries to discuss the key issues at stake in the negotiations including such countries as Kenya, Mauritius, India, Brazil, Chile, Pakistan, New Zealand, among others.

For further information, please contact <u>Adrian van den Hoven</u> or consult the <u>joint statement</u> or the <u>"Fly-In" presentation</u>.

EXPORT CONTROLS: UNICE SUPPORTS OVERALL REFORM

A far-reaching reform of export controls is needed to cope with new developments in controls on dual-use goods such as the emergence of new threats, globalisation, or rapid technological change. This is one of the main messages of UNICE's comments. Reforms should be overarching and forward-looking, and defined in close liaison with the business community. Notably, they should be based on awareness-raising and responsibility by economic players, dissemination of information on

control lists and legislation, accompanied by assistance in practical implementation. Controls should be re-examined in a concertation structure bringing together public authorities and business to find workable measures for companies, suited to the new constraints. Moreover, UNICE believes that the European Commission should play a more active role in the field of export controls and thus extend its activities and resources appropriately in the area.

For further information, please contact Carlos Gonzalez-Finat.

PUBLIC PAPERS RECENTLY ADOPTED

- 14 April Global Manufacturers Statement on the WTO Doha Round
- 14 April Global Manufacturing Fly-In presentation

WORK IN PROGRESS

- UNICE statement on EU-Russia relations
- UNICE position on ACP EPA negotiations
- UNICE fiches: Update WTO DDA negotiations

INDUSTRIAL AFFAIRS

ENERGY: UNICE MEETS COMMISSIONER PIEBALGS

On 18 April, Mr de Buck, accompanied by Mr Hatry, Chairman of UNICE's Energy Working Group, met Commissioner Piebalgs with a view to taking stock of developments in EU energy policy. In line with its 2004 political manifesto, UNICE expressed the great importance it attaches to the progress reports that the Commission is due to present this year on implementation of the 2003 directives liberalising the gas and electricity markets. Although these directives have led to progress, national markets continue to dominate the energy scene, and competition is not yet

deploying its full effects. A strengthening of the Internal Market requires EU initiatives designed to upgrade cross-border interconnections. UNICE drew attention to the problems posed by the closure of nuclear power plants in some countries. Also raised in the discussion were preparation of the green paper on energy efficiency, the proposal for a directive on energy services and the report to be prepared this year by the Commission on directive EC/2001/77 (promotion of renewable energies).

For further information, please contact Daniel Cloquet.

PUBLIC PAPER RECENTLY ADOPTED

■ UNICE comments on the European Commission's green paper on defence procurement

WORK IN PROGRESS

- Drafting of amendments on REACH proposal
- Update of UNICE position on the Waste Framework directive
- UNICE contribution on a global "sector approach" to reduce greenhouse gas emissions
- UNICE position on EU policy regarding the use of renewables for the generation of electricity
- UNICE contribution on EU policy for energy efficiency
- UNICE comments on the review of the emissions trading directive (climate change)
- UNICE response to Commission proposals for market access to port services
- UNICE Opinion on the 7th RTD Framework Programme

ENTREPRENEURSHIP & SMEs

FACILITATING SME ACCESS TO EU GRANTS

UNICE's Philippe de Buck attended a Conference organised by the <u>SME Union</u> on 30 March in Brussels where Microsoft Corp., Intel Corp. and Hewlett-Packard announced a Small and Medium Enterprise (SME) Consortium to help more SMEs obtain government funding through Microsoft's <u>EU Grants Advisor programme</u>.

According to Microsoft, the EU alone has made an estimated € 117 billion available to SMEs for technology and related investment during the current budgetary period of 2000 to 2006.

Unfortunately, for various reasons only 45 per cent of SMEs in Europe are aware of the funds that are available to them and only 4 per cent actually apply for funding. Of those that apply, only one-quarter are successful in their application and receive grant money.

The consortium members will provide resources to deliver SME tools and services focused on EU structural funding opportunities. The EU Grants Advisor programme includes a dedicated SME website, and independent specialised consulting services offering information about available technology, employment and business start-up grants. In addition, the programme will offer SMEs help with the application process should they wish to apply for the grants for which they are eligible.

For further information, please contact <u>David Coleman</u>.

WORK IN PROGRESS

■ UNICE compendium voicing SME perspectives on EU policy

PIN BOARD / EVENTS

HIGH-LEVEL CHANGES IN MEMBER FEDERATIONS

The Belgian business federation FEB-VBO is proud to announce that *Mr Jean-Claude Daoust* succeeds Mr Luc Vansteenkiste as President as from 28 April 2005.

UNICE would also like to inform its readers that *Mr Emil Tedeschi* has been elected President of HUP, its member federation in Croatia, as from 16 March 2005

For further information, please contact FEB-VBO and HUP.

NEW ARRIVAL IN UNICE

We are happy to announce that *Ms Thuy Duong* joined UNICE's staff on 18 April 2005 in the position of secretary to the Communications Department. She can be reached at: thd@unice.be.

Your OPINION?

Your comments and/or suggestions are welcome.

Please do not hesitate to e-mail them to our Communication Department at mailto:news@unice.be.

For more information about UNICE and its member federations, consult UNICE's website at www.unice.org.