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Membre de l'Union des Éditeurs de la Presse Périodique

MESSAGE FROM SECRETARY GENERAL

Dear UNICE@news Readers,

The world will not wait for Europe to solve its problems



President Seillière made his positions as new UNICE President very clearly last week in an article published by the Financial Times and during a press conference. First and foremost, we must have modern and strong governance at European as well as at national level. It is unacceptable that governments and the Commission do not take any initiative to make some progress.

Second, we have to review existing legislation and actions to create better law-making. In this respect, we welcome President Barroso's initiative to take a scalpel to legislative proposals whose bureaucratic implications outweigh their potential utility. This is only a first step in what will be a long journey.

Third, EU governments must endeavour to reach agreement rapidly on the financial perspectives 2007-2013. Whatever envelope is finally decided, it is essential to focus on spending that enhances European competitiveness and therefore contributes to the growth and jobs strategy. The means devoted to this have to be doubled!

Last, social systems in Europe are in urgent need of overhaul, to ensure not only equity but also affordability into the future. President Seillière will take the opportunity to explain this vision to Prime Minister Tony Blair in a meeting on 6 October.

All these important issues will be discussed during the next Competitiveness Day on 20 October. The theme is "Crossing Frontiers", and we will examine the opportunities and challenges of globalisation. If you have not already done so, I warmly encourage you to register. You will find details below.

Philippe de Buck
Secretary General

UNICE HIGHLIGHTS

PRESIDENT SEILLIÈRE INFORMAL MEETING WITH PRESIDENT BARROSO

On 9 September 2005, UNICE President, Mr Ernest-Antoine Seillière had the opportunity to discuss with Mr Barroso, President of the European Commission, different issues of interest for European business. In an informal meeting the two Presidents talked about the current situation of the European Union and agreed on the need to restore European citizens' confidence, notably after the failures on the Constitutional Treaty. Furthermore, President Seillière confirmed to Mr

Barroso UNICE's interest in participating actively in the debate launched by Prime Minister Tony Blair on the European Social Model. Finally, the two Presidents had time to discuss briefly other dossiers as REACH, the services directive and financial perspectives. Next meeting will take place on 20 October when President Barroso will intervene as guest speaker at UNICE's 3rd Competitiveness Day devoted to the external dimension of competitiveness.

UNICE COMPETITIVENESS DAY: REGISTER NOW!



20 OCTOBER 2005, BRUSSELS

REGISTER NOW! WWW.UNICE.ORG

We have to inform you that the Security Service of the European Parliament may refuse entrance to those who are not registered in advance.

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20 YEARS OF NEW APPROACH

14 September 2005 marked 20 years since the introduction of the ‘New Approach to technical harmonisation and standards’.

Since 1987 some 25 Directives adopted on the basis of the New Approach have progressively come into force.

These Directives have the dual purpose of ensuring free movement of goods through technical harmonisation of entire product sectors, and of guaranteeing a high level of protection of public interest objectives referred to in Article 95 of the EC Treaty.

Features of the New Approach include definition of mandatory essential requirements, setting-up of appropriate conformity assessment procedures and introduction of CE marking, with industry and business given a wide choice as to how to meet their obligations.

It is therefore fitting that, after 20 more or less successful years facilitating trade in goods within the Internal Market, a general revision with a view

to enhancing implementation of the directives is being undertaken.

The revision aims at consolidating and updating the New Approach through strengthening the levels of confidence, transparency and administrative cooperation between Member States. In particular by:

- reinforcing and coordinating market surveillance systems;
- ensuring coherence of rules for the operation of Notified Bodies;
- ensuring that accreditation remains a public authority activity, and;
- making certain that CE marking is protected.

UNICE’s view of the New approach is straightforward. We support it, combined with the global Approach on conformity assessment, because it has proven to be a recipe for success for ensuring free movement of goods within the internal market. As such UNICE will be making its views on the proposed revision known to the Commission in due course.

For further information, please contact [Vincent McGovern](#).

Your OPINION?

Your comments and/or suggestions are welcome.

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

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

ECONOMIC AND FINANCIAL AFFAIRS

RECOVERY IN EUROPE AGAIN AT RISK

This summer, the OECD, IMF and ECB have reconsidered their assessment for euro-area growth in 2005, which is now estimated at around 1.3%. This is lower than the modest performance registered in 2004 and is less than a third of the estimated pace of world GDP growth.

Rampant oil prices are currently restraining growth, but Europe's fragile recovery is rooted in a longer-lasting underperformance.

Macroeconomic policies alone will not put Europe back on a track of stronger growth and confidence. Profligate fiscal policies during good times have left insufficient room to manoeuvre in the current period of slow growth, while the ECB's monetary policy is constrained by the risk, so far limited, of second-round effects of the oil shock.

In the current environment of rapid technological changes and globalisation, the cost of further delaying the necessary reforms is simply too high.

For further information, please contact [Marc Stocker](#).

European businesses are currently losing export market shares and have been unable to take more significant benefit from the remarkable upsurge in global growth and trade in recent years. Domestically, high structural unemployment and declining productivity growth have shaped an environment of low confidence and weak income growth. There is no time to waste.

The revised Lisbon Strategy is the right recipe for unleashing Europe's growth potential, by enhancing knowledge and innovation, making Europe a more attractive place for entrepreneurs and workers and creating more and better jobs. The overarching goals are now to restore ownership of the Lisbon Strategy at the national level and to make Community-level decisions consistent with the Lisbon objectives.

LEGAL AFFAIRS

STATE AID ACTION PLAN

UNICE has reacted to the Commission's state aid action plan: less and better targeted state aid – a roadmap for state aid reform 2005 – 2009. UNICE endorses the principle that Member States should redirect aid towards horizontal objectives of common interest and target it to identified market failures, whilst reducing the overall level of state

aid. UNICE also recognises the need for new rules for assessing state aid measures that are unlikely to cause major distortions of competition, thereby enabling the Commission to focus on important cases. However, it is essential that the proposed solutions will not harm transparent and effective state aid control in the common market.

For further information, please contact [Erik Berggren](#) or consult [UNICE comments](#).

8TH COMPANY LAW DIRECTIVE ON STATUTORY AUDIT: GIVING CREDIT WHERE IT IS DUE

UNICE@news readers may have read in the press reports about “Brussels dropping ‘onerous’ “plan to force companies to set up audit committees”. In this context, it is appropriate to highlight this positive development and give credit where it is due.

The initial plan, devised under the Prodi Commission, was a knee-jerk reaction to accounting scandals like Enron and Parmalat. It included provisions intended to make audit committees mandatory in the relevant EU companies and went on to provide details as to how the said committees should be composed and what they should do.

UNICE made several calls to the European institutions to refrain from pursuing such provisions that would be counter-productive. Member States have sets of audit rules that function well and respond to the needs of their companies: a prescriptive European approach would be a one-size-fits-all approach, ill suited to corporate governance in Europe.

For further information, please contact [David Coleman](#).

European business appreciates that the European Parliament, through MEP Mr Lambert Doorn, has resisted the original prescriptive European approach. We equally appreciate the pragmatic and realistic decision of the Council and Commissioner McCreevy to agree with the European Parliament.

Such pragmatism recognises the differences between the national corporate governance systems in Europe and rightly leaves it to the legislation of the Member States to determine the manner in which firms are to regulate and supervise their own internal reporting. The three European institutions thereby avoid imposing excessive burdens while preserving the original objective of the proposal to ensure that investors and other interested parties can rely fully on the accuracy of audited accounts.

On 28 September, the European Parliament adopted by a broad majority the directive as amended by the rapporteur. This is good news for business, and good news for Europe.

EUROPEAN COMMISSION UNVEILS PROPOSALS ON CRIMINAL SANCTIONS TO COMBAT COUNTERFEITING

The European Commission has recently adopted proposals for a directive and for a framework decision to combat infringements of intellectual property rights, by aligning national criminal measures and improving European cooperation.

The proposed measures apply to all types of infringements of intellectual property rights. Under the proposed directive, all intentional infringements of an intellectual property right on a commercial scale, and attempting, aiding or abetting and inciting such infringements are treated as criminal offences. The proposal is based on Article 251 of the EC Treaty, meaning that the co-decision procedure will be followed for its adoption, with the EP having equal rights as legislator with the Council.

For further information, please contact [Ilias Konteas](#).

The proposal for a framework decision sets a threshold for criminal penalties applicable to the perpetrators of these offences: at least four years' imprisonment if the offence involves a criminal organisation or if it jeopardises public health and safety. The applicable fine must be at least EUR 100,000 to EUR 300,000 for cases involving criminal organisations or posing a risk to public health and safety. The proposal allows Member States to apply tougher penalties. The proposal for a framework decision is based on Articles 31 and 34(2)(b) of the Treaty of the EU. The EP is consulted in the context of this procedure and gives an opinion without having equal rights with the Council.

UNICE will closely follow discussions on these proposals and will react in more detail once it has completed the consultation with its members.

PUBLIC PAPERS RECENTLY ADOPTED

- UNICE response to Commission second consultation on [fostering an appropriate regime for shareholder rights](#)
- UNICE letter to IASB (Sir David Tweedie) on [amendments to IFRS 3 and IAS37 – Business combinations](#)
- UNICE letter to IASB (Sir David Tweedie) on [UNICE Comments on IFRIC D12- D13 & D14](#)
- UNICE letter to IASB (Mr Tom Sedenstein) on IFRIC review of operations
- UNICE comment on the [State Aid Action Plan : less and better targeted state aid : a roadmap for state aid reform 2005 - 2009](#)
- UNICE statement on the [European Patent Litigation Agreement](#)

SOCIAL AFFAIRS

DIRECTIVE ON OPTICAL RADIATION SHOULD NOT COVER SUNLIGHT

■ On 7 September 2005, the European Parliament (EP) voted amendments to the Council Common position on a proposal for a directive on optical radiation. The Council common position sets limit values for exposure to artificial radiation sources and requires employers to undertake a risk assessment where workers are exposed to sunlight and implement measures to minimise risks.

UNICE believes that sunlight should not be included and therefore welcomes the EP amendment leaving it up to the Member States to decide whether they wish to deal with sunlight.

In the name of their commitment to simplification and better regulation at EU level, UNICE now calls on all EU institutions to be coherent and avoid over-prescriptive and unnecessary legislation on exposure to sunlight.

For further information, please contact [Natascha Waltke](#) or consult [UNICE position](#).

SEMINAR ON EU SOCIAL DIALOGUE

■ Recent years have witnessed important developments in the European social dialogue at cross-industry and sectoral levels. In order to discuss these developments and exchange views on employers' strategies, UNICE organised a seminar with sectoral employer organisations engaged in a social dialogue at EU level on 21 September 2005.

The objective of the seminar was to discuss two key questions for employers' activities in the EU social dialogue:

- How can we ensure that social partners' autonomy is respected?
- How can we improve the coordination and exchange of information amongst employer organisations?

After fruitful discussions, participants decided to continue their reflection on this important issue and agreed on a few concrete steps to be taken.

For further information, please contact [Jeanne Schmitt](#).

WORK IN PROGRESS

- UNICE position on the Commission amended proposal for the revision of the working time directive
- UNICE Position on the Commission framework strategy “Non-discrimination and equal opportunities for all”
- UNICE report on national social partners’ actions to promote the orientations of reference on managing change and its social consequences

INTERNATIONAL RELATIONS

EU-CHINA: HARMONISED DEVELOPMENT –SHARING PROSPERITY

In a joint statement adopted at the EU-China Business Summit (Beijing, 5 September), EU and Chinese business agreed to work together to facilitate bilateral trade and investment and to pursue cooperation towards a mutually beneficial relationship. They also expressed their strong support to the WTO multilateral trading system and called on their negotiators to move the DDA negotiations further forward. The declaration also included business recommendations to improve cooperation on financial services, CSR, internationalisation of companies, brand-building and IPR.

The Business Summit, organised with the support of UNICE, was held in parallel to the EU-China political summit and included participation of the Chinese and UK Prime Ministers, Messrs Wen Jiabao and Blair, and Mr Barroso, President of the European Commission.



Source: EU Chamber of Commerce in China

Speaking at the Summit, UNICE’s Secretary General Philippe de Buck underlined that China is a big opportunity for European business as it creates new chances for EU companies, but he also pointed out that there are still obstacles to trade and investment for business which should be fully addressed.

For further information, please consult [UNICE speech](#) or the [final declaration](#).

EU-INDIA: BUILDING STRATEGIC BUSINESS PARTNERSHIPS

Participating in the 6th EU-India Business Summit in New Delhi on 7 September, UNICE's Secretary General Philippe de Buck, underlined the scope for huge expansion of EU-India economic relations and the need to cooperate to further strengthen them, by rapidly implementing the new EU-India Joint Action Plan. Three months before the Hong Kong WTO Ministerial, cooperation is of particular importance in the DDA WTO negotiations to ensure a successful conference for the benefit of both India and the EU. Held back to back with the EU-India political summit, the meeting was attended by India and UK Prime Ministers, Messrs Singh and Blair, European Commission President Barroso, Indian and UK Ministers, EU Trade Commissioner Mr Mandelson, and hundreds of EU and Indian

business representatives. The Business Summit also provided for further debate on services, manufacturing, infrastructure and financial services.



Source: FICCI

For further information, please consult [UNICE's speech](#) or the [final declaration](#).

MARKET ACCESS SYMPOSIUM

UNICE President Ernest-Antoine Seillière participated in the EU Market Access Symposium on 19 September in a panel with Trade Commissioner Peter Mandelson and Erika Mann, Member of the European Parliament. President Seillière delivered a strong message on the need to adapt EU Trade and Investment Policy to the realities of global competition. He called for a much stronger focus on developing EU regulations that foster global competitiveness and to open the market of the future of EU business – especially in emerging countries like China, India or Brazil. At



the same time, UNICE's President clarified the European business position on the development aspects of trade policy – notably on the positive ways that trade policy can help developing countries boost export earnings and strengthen domestic competitiveness. Other UNICE representatives also participated in the afternoon panels devoted to trade and competitiveness, WTO DDA negotiations, bilateral free trade negotiations, regulatory cooperation and the recent accessions to the WTO.

For further information, please contact [Adrian van den Hoven](#) or consult [President Seillière's speech](#).

PUBLIC PAPERS RECENTLY ADOPTED

- Final declaration of the [EU-China Business Summit](#)
- Final declaration of the [EU-India Business Summit](#)

INDUSTRIAL AFFAIRS

REACH: RISK-BASED APPROACH, A STEP IN THE RIGHT DIRECTION

■ UNICE welcomes adoption of the compromise amendments which were supported by a large number of MEPs from different political groups in the EP's industry and internal market committees on 13 September. Although not as far-reaching as it could have been, this compromise follows to a significant extent the risk-based approach advocated by European companies.

This compromise is a positive example of cooperation between the main political groups working together to find a balanced and reasonable solution to problems and applying the principles of better regulation.

A risk-based approach will put a particular emphasis on substances of high concern and ensure their registration first, thereby leading to a more

efficient system that is more compatible with the capacities and resources of companies. In particular, this will help SMEs and downstream users in all sectors, while ensuring greater protection for human health and the environment.

UNICE also supports a risk-based approach to Authorisation and Substitution within REACH. To that end, UNICE and its members have developed a position paper outlining the main aspects that need to be addressed in the context of authorisation and substitution.

The compromise found in the internal market and industry committees have now to be translated into a workable solution and UNICE encourages the environment committee and, later, the plenary to follow this direction.

For further information, please contact [Nadine Toscani](#) or consult [UNICE position paper](#).

PUBLIC PAPER RECENTLY ADOPTED

- UNICE position paper on [Authorisation and Substitution within REACH](#)

WORK IN PROGRESS

- UNICE position on the 2006 review of the EU Emission Trading Scheme
- UNICE position paper on the Clean Development Mechanism (CDM)
- UNICE comments on the Commission's Green paper on Energy Efficiency
- UNICE contribution on the mid-term review of the EU 2001-2010 transport strategy
- Update of UNICE position on Integrated Product Policy

ENTREPRENEURSHIP & SMEs

COMMISSIONER VERHEUGEN CONSULTS ON FUTURE OF SME POLICY

■ On 19 September in Brussels, Commissioner Verheugen invited UNICE's Secretary General, Philippe de Buck to participate in a panel debate alongside entrepreneurs, MEPs and other SME representative organisations to discuss "the future of SME policy". The discussion was based on a consultation document issued beforehand which aims to serve as the basis for a future Commission Communication to be approved by end of October 2005. The intended Communication "aims at giving a fresh impetus to SME policy by setting out some of the major challenges SMEs are facing in their daily life, by reviewing the main Community policies affecting them and by proposing new actions to strengthen SMEs capacity to grow and to create jobs". Some of the action lines foreseen in the consultation document include: innovation, access to finance, entrepreneurship education, cutting red tape, improving access to markets, launching "European Enterprise Awards" to

identify and showcase successful policies, to promote entrepreneurship and SMEs.

UNICE welcomed the opportunity to voice loud and clear the importance of entrepreneurs and SMEs for growth and jobs, highlighting that a future Communication is a chance to keep SMEs and entrepreneurship high on the Commission AND Member States' political agendas. Mr de Buck highlighted that the business community counted on Commissioner Verheugen to ensure that entrepreneurship and SME policy is integrated into to the Commission's vision of a European Social model.

UNICE, through its Entrepreneurship & SME Committee, will contribute further to the future Communication and takes this opportunity to indicate that however important this political signal may be, business expects the sign to be followed by concrete actions.

For further information, please contact [David Coleman](#).

WORK IN PROGRESS

- UNICE seminar "SME access to finance: a better understanding" – 27 September 2005: see report in next edition of UNICE@news

PIN BOARD / EVENTS

UNICE: NEW ARRIVAL

■ Mr Marc Stocker joined UNICE on 1 September 2005, as an Adviser in the Economic and Financial Affairs Department, where he will be

in charge of macro-economic policy issues and UNICE Economic Outlook. You can contact him at: <mailto:ms@unice.be>.

UNICE AND THE WTO

With a view to the WTO Ministerial in Hong Kong on 13-18 December 2005, and for more visibility of UNICE's action vis-à-vis the World Trade Organisation, our web pages on UNICE and the WTO have been refreshed. For news, contacts, press releases and position papers, please visit our dedicated [web pages](#).



PATINNOVA'05 / EPIDOS'05

The European Commission and the European Patent Office (EPO) in collaboration with the Hungarian Patent and Trademark Office, are organising the PATINNOVA and EPO Patent Information Conferences, to be held in Budapest (Hungary) from 8 to 10 November 2005.



The event is a unique discussion forum for policy-makers, entrepreneurs and organisations involved in the research and innovation system. Conferences will focus on IP management as a business strategy for growth, latest developments and patent tools available on the market. SMEs' concerns will be particularly addressed.

For further information and online registration: www.patinnova.org.

ADVERTISING SELF-REGULATION IN EUROPE

EASA's Blue Book - officially Advertising self-regulation in Europe - is the only comprehensive guide to the self-regulatory structures governing advertising across Europe. With an introduction by Commissioner Kyprianou, the Blue Book provides a country-by-country analysis of advertising self-regulation, plus details of key laws, analysis of issues in advertising today, and a look at systems outside Europe.



To order your copy, please visit www.easa-alliance.org.

A NEW JOURNAL

Europe's World is a 188-page independent pan-European publication that offers policy-makers and opinion-formers across Europe a forum for new ideas and policy thinking. policy journal being launched by Friends of Europe on 4 October. Publishing three times yearly, it is a

For a free electronic version: www.europesworld.org.

"ACHIEVING GROWTH THROUGH STRATEGIC PARTNERSHIP"

Agoria, the Belgian multisector federation for the technology industry, and the MIT Industrial Liaison Program are jointly



organising a conference "[Achieving growth through strategic innovation](#)" on 13-15 November 2005 in Brussels.

For further information, please contact [Dirk De Moor](#) (Agoria) or [Marie-Teresa Vander Sande](#) (MIT/ILP).

THE VOICE OF BUSINESS IN EUROPE

Avenue de Cortenbergh 168 - B-1000 Brussels - Tel: +32(0)2 237 65 11 - Fax: +32(0)2 231 14 45 - main@unice.be