

(Please click on the subject you are interested in or scroll down to have a look to all the @news)

MESSAGE FROM SECRETARY GENERAL

→ Good news at last

UNICE HIGHLIGHTS

→ Hong Kong: positive progress, yet strong concerns
→ EU finally moving forward with an agreement reached on the financial perspectives 2007-13

INTERNAL MARKET

→ Decisive vote by the EU Parliament plenary on the services directive

ECONOMIC AND FINANCIAL AFFAIRS

→ UNICE expresses doubts about the ECB decision to raise interest rates
→ Outcome of the Competitiveness Council meeting on 28-29 November
→ Public papers recently adopted

LEGAL AFFAIRS

→ Discussions on criminal sanctions to fight counterfeiting postponed
→ Competition: UNICE message to Commissioner Kroes
→ Business tells the EU its priorities for company law
→ Public papers recently adopted
→ Work in progress

SOCIAL AFFAIRS

→ Social Affairs Council: no progress towards revision of the working time directive
→ Does Europe need an EQF?
→ Public papers recently adopted

INTERNATIONAL RELATIONS

→ Priorities of the Austrian Presidency of the EU: the international dimension
→ First EU-US Economic Ministerial
→ Work in progress

INDUSTRIAL AFFAIRS

→ Further international efforts needed after the climate conference in Montreal
→ REACH: Step towards a reasonable agreement
→ Public paper recently adopted
→ Work in progress

ENTREPRENEURSHIP & SMEs

→ A European company statute for SMEs: "it's feasible so let's do it!"
→ Public paper recently adopted

PIN BOARD/EVENTS

→ Key movements in UNICE staff
→ A new rapporteur for UNICE China Network



Membre de l'Union des Éditeurs de la Presse Périodique

MESSAGE FROM SECRETARY GENERAL

Dear UNICE@news Readers,

Good news at last



December has seen a number of important meetings: the United Nations Framework Conference on Climate Change in Montreal; the Doha Development Agenda negotiations in Hong Kong; and the European Union's December Council meeting in Brussels.

Among these, good news comes from Brussels, where Heads of State and Government managed to adopt a budget for the upcoming period. Among other things, this means that the new Member States will be able to plan modernisation projects with greater certainty.

2005 has been a very difficult year for the European Union, and the crisis in European governance induced by the French and Dutch "no" in the vote on the Constitutional Treaty is not yet behind us. I hope the agreement on the budget signals the end of this impasse and will mean that the debate on Europe's future can move forward.

With my and UNICE's best wishes for a Merry Christmas and a Happy New Year 2006!



Philippe de Buck
Secretary General

UNICE HIGHLIGHTS

HONG KONG: POSITIVE PROGRESS, YET STRONG CONCERNS



The Hong Kong Ministerial Conference moved the WTO negotiations forward towards concluding the Doha Development Round. Yet, despite positive progress on a development package for the world's poorest countries and on agriculture, strong concerns remain over the slow progress in negotiations on industrial tariffs and services. UNICE is especially disappointed with the absence of progress on a comprehensive formula for reducing industrial tariffs. To remedy this situation, business calls on the EU to focus more on its offensive interests in industry and services.

On industrial tariffs, UNICE demands that the EU pushes for an ambitious Swiss formula to reduce tariffs across the board for all products in OECD and emerging countries. Exceptions can be made for the least developed countries and for small developing countries but the emerging countries - China, India, Brazil - must cut their applied tariffs significantly.

On services, UNICE urges the EU to rapidly prepare proposals for plurilateral negotiations on key services sectors and to pursue the maximum level of ambition and country coverage.

For further information, please contact [Adrian van den Hoven](#) or consult the [UNICE-ESF joint reaction to the Hong Kong Ministerial](#).

EU FINALLY MOVING FORWARD WITH AN AGREEMENT REACHED ON THE FINANCIAL PERSPECTIVES 2007-13

■ An agreement on the next EU budget was strongly needed to rebuild confidence in European institutions and to give new Member States access to the full benefits of cohesion policy. This positive outcome of the EU Council summit sheds a more positive light on the state of governance in the Union, and could become the basis for a more constructive dynamic for European decision-making.

Regarding the substance of the agreement, the new budget will go some way in supporting

competitiveness objectives, particularly with an increase of research spending by 75% over the programming period. However, it is not the ambitious instrument for the growth and jobs strategy that UNICE had repeatedly called for. A more thorough discussion of expenditure and revenue structures will be needed in the next couple years to respond appropriately to the challenges of an increasingly global and knowledge-based environment.

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

INTERNAL MARKET

DECISIVE VOTE BY THE EU PARLIAMENT PLENARY ON THE SERVICES DIRECTIVE

After the important step taken on 22 November by the Internal Market Committee of the European Parliament, which endorsed the draft directive on services with some important changes, the plenary session of the Parliament is set to vote on the proposal in February 2006.

UNICE expressed its overall satisfaction about the Committee vote and the commitment therein to provide the directive with adequate means to genuinely facilitate provision of cross-border services and freedom of establishment throughout the EU.

UNICE welcomes the strong support for the horizontal approach and a broad scope of the directive. In this regard, it is important that services of general interest as defined by Member States are clearly excluded from the scope while

services of general economic interest remain included.

UNICE also welcomes application of the legislation of the country of establishment of the service provider as the main principle governing freedom to provide services while the possibility for public authorities to protect legitimate public interests remains untouched. Also to be welcomed are amendments strengthening cooperation between competent authorities and simplifying administrative procedures.

In view of the forthcoming plenary vote, UNICE has already urged Members of the Parliament to endorse the main thrust of the report adopted by the IMCO Committee and is in the process of preparing a more detailed message.

For further information, please contact [Carlos Almaraz](#).

ECONOMIC AND FINANCIAL AFFAIRS

UNICE EXPRESSES DOUBTS ABOUT THE ECB DECISION TO RAISE INTEREST RATES

On 1 December, the ECB raised its main refinancing rate by 25 basis points, to 2.25%. UNICE considers this decision to be premature. Domestic inflationary pressures remain contained, and the euro area economy is only in the early stage of a recovery.

This moderate interest rate hike will not significantly affect the economic outlook, but it sends a negative signal and creates an additional source of uncertainty for businesses and consumers. We urge the ECB to act carefully in coming months in order to avoid harming a fragile growth momentum.

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

OUTCOME OF THE COMPETITIVENESS COUNCIL MEETING ON 28-29 NOVEMBER

The UK Secretary of State for Trade and Industry, Alan Johnson, chaired on 28-29 November the last Competitiveness Council scheduled during the UK Presidency. Nevertheless, without an agreement on REACH - the chemical proposal - the Council decided to hold an extraordinary meeting on 13 December looking for a political agreement (please read a complete article on the issue in the Industrial Affairs section). Furthermore, the November Competitiveness Council discussed a heavy agenda. A partial general approach on the 7th Framework Programme was taken as a basis for more discussion after agreement on the European budget. Along the same lines, the Council took note of a progress report on the Competitiveness and Innovation Framework

Programme. In both cases, UNICE was looking forward to an agreement on the financial perspectives 2007-2013 which fully reflects the central role of research for the EU's future competitiveness. On the better regulation dossier, UNICE was very pleased with the Council conclusions concerning the Commission three-year simplification programme, the link to sectoral approach of industrial policy, the importance of impact assessment and of measuring administrative burdens. Also a positive assessment for the European business community was that the Council estimated the need to prioritise the Common Frame of Reference on European Contract Law.

For further information, please contact [María Soriano Sánchez](#) or consult [UNICE letter to the Competitiveness Council](#).

PUBLIC PAPERS RECENTLY ADOPTED

- [UNICE reaction to Marks & Spencer plc v David Halsey ruling](#)
- [European business rely on the ECB to act cautiously so as to avoid harming the fragile recovery](#)

LEGAL AFFAIRS

DISCUSSIONS ON CRIMINAL SANCTIONS TO FIGHT COUNTERFEITING POSTPONED

The EP Legal Affairs Committee decided to suspend its work on the Commission proposals regarding harmonisation of criminal sanctions to combat counterfeiting and piracy following the Commission's announcement that in light of the ECJ's decision in case C-176/03 (Commission vs. Council) it will withdraw the current proposals and present a new one in early 2006. The Commission indicated that the new proposal will not be substantially different from the existing ones but some of the provisions of the framework decision will be moved to a draft directive, based on Article 95 TEC.

The ECJ's judgement in case C-176/03 clarifies the distribution of powers in the first and third pillars on criminal law provisions.

During a hearing organised by the EP rapporteur Mr Zingaretti, there was broad agreement that patent disputes should be excluded from the scope of the proposals. Open source software and consumer organisations representatives expressed the view that the proposals should be withdrawn without the Commission presenting new proposals.

UNICE will continue to follow the issue and react to the new Commission proposal once it is presented.

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

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

COMPETITION: UNICE MESSAGE TO COMMISSIONER KROES

UNICE has written to Commissioner Kroes with respect to the planned review of the rules on abuse of market power as laid down in Article 82. UNICE supports reviewing enforcement of this provision which should focus on cases where the conduct of firms would have significant adverse effects on competition.

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

BUSINESS TELLS THE EU ITS PRIORITIES FOR COMPANY LAW

UNICE@News readers will recall from our latest edition that in the coming weeks the Commission will issue a consultation on what the future priorities should be in the area of Company Law and Corporate Governance. As the short term period of the Commission's 2003 Company Law and Corporate Governance Action Plan comes to an end, and after intense EU activity, UNICE has set out in its latest position paper European companies views on what should be the EU's future priorities in this area: ensure correct implementation of recently adopted or soon to be adopted EU legislation and concentrate on new initiatives that will provide optional means for companies to reap the benefits of the internal market and adapt their structures to suit their needs in a flexible manner.

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

PUBLIC PAPERS RECENTLY ADOPTED

- UNICE letter to [Commissioner Kroes on Article 82](#) (Competition)
- UNICE letter to [Commissioner Mandelson on TRIPs and biodiversity](#)
- UNICE preliminary remarks on [future of the Commission Company Law and Corporate Governance Action Plan](#)

WORK IN PROGRESS

- UNICE preliminary comments on harmonisation of criminal sanctions to combat counterfeiting
- UNICE comments on European Commission's questionnaire on the elaboration of an implementation report of directive 85/374 on liability for defective products

SOCIAL AFFAIRS COUNCIL: NO PROGRESS TOWARDS REVISION OF THE WORKING TIME DIRECTIVE

■ At the Social Affairs Council held on 8 December, the UK Presidency sought to reach a political agreement on how the working time directive should be revised and thereby finalise the first reading in the Council. Despite long discussions, this proved impossible.

The UK Presidency proposal aimed at addressing the situation created by the ECJ rulings with regard to on-call duty. At the same time, it made it possible to continue using the opt-out from the 48-hour working week rule. However, it also foresaw

that the 48-hours rule would apply to multiple contracts with different employers.

UNICE hopes that progress will be achieved towards an effective revision of the working time directive in order to deal with the ECJ ruling on on-call time while preserving overall working time flexibility. With respect to the issue of multiple contracts, interlinking of responsibilities between different employers would be impractical and unacceptable.

For further information, please contact [Lorena Ionita](#).

DOES EUROPE NEED AN EQF?

■ In July 2005, the Commission launched a consultation on a blueprint for a European Qualifications Framework (EQF). UNICE responded to that consultation in a position paper welcoming the broad lines of such a European voluntary tool but also highlighting areas where the framework needs to be further worked upon and clarified.

The aim of the future EQF is to be a reading grid for qualifications awarded in different countries. UNICE welcomes the fact that the EQF encompasses both higher education and vocational education and training in a lifelong learning perspective, and that the way in which the proposed

reference levels are designed takes into account the different learning pathways individuals can have. This can increase transparency of competences acquired by individuals, ease national and cross-border staff mobility and hence contribute to a better matching of supply and demand on European labour markets.

However, the EQF as it is currently designed is far too complex to serve as a tool to help recruitment managers in enterprises, even in large companies wishing to hire foreign staff. Unless the proposed instrument is simplified and amended, it will not have much direct added value for companies.

For further information, please contact [Jeanne Schmitt](#) or consult [UNICE reply](#).

PUBLIC PAPERS RECENTLY ADOPTED

- UNICE response to the Commission consultation on a [European Qualifications Framework](#)
- UNICE reply to the second consultation of social partners on [simplification of the provisions of health and safety at work directives concerning reports on their practical implementation](#)

WORK IN PROGRESS

- UNICE position on the proposal for a directive on supplementary pension schemes
- UNICE report on national social partners' actions to promote the orientations of reference on managing change and its social consequences

INTERNATIONAL RELATIONS

PRIORITIES OF THE AUSTRIAN PRESIDENCY OF THE EU: THE INTERNATIONAL DIMENSION

■ 2006 will be marked by the outcome of the WTO Hong Kong Ministerial in the field of international economic relations. The Austrian Presidency of the EU will have to deal with it and with important bilateral summits. Austria will host the next Transatlantic Summit to intensify the strategic dialogue with the US and to further strengthen the economic partnership. The EU-Latin America and Caribbean Summit will be held on 11-13 May in Vienna, with the EU-Mercosur FTA negotiations on the agenda. The EU and

Russia will continue working on the implementation of the Common Economic Space with a view to the next EU-Russia Summit in May. Closer cooperation on energy issues and Russia's accession to the WTO will also be discussed. Austria will also push for progress in the implementation of the European Neighbourhood Policy. In addition, UNICE will also focus on reinforcing the relationship with key countries such as China and India, considering the EU-Summits with these countries on the second half of 2006.

For further information, please contact UNICE's [International Relations team](#).

FIRST EU-US ECONOMIC MINISTERIAL

■ UNICE welcomes the EU-US economic ministerial on 30 November, and the recognition given to the role of business in the Transatlantic relationship. The meeting produced positive results with the adoption of a joint work programme to implement the outcome of the June 2005 Transatlantic Summit. For UNICE, the establishment of a high-level Regulatory Cooperation Forum and the launch of an IPR

enforcement cooperation strategy are results of particular importance. UNICE is a firm supporter of the creation of the Forum, as a key instrument to gain political guidance and visibility for regulatory cooperation. Now, UNICE would like to see rapid implementation of the proposals, leading to specific results in generating Transatlantic economic growth.

For further information, please contact [Carlos Gonzalez-Finat](#).

WORK IN PROGRESS

- UNICE Views on a WTO non-tariff barrier (NTB) arbitration/mediation mechanism
- UNICE reaction to the EU Green Paper on critical infrastructure protection

FURTHER INTERNATIONAL EFFORTS NEEDED AFTER THE CLIMATE CONFERENCE IN MONTREAL



Our readers will remember that UNICE organised a side event in connection with the 11th United Nations Framework Convention on Climate Change meeting in Montreal, December 2005, which was entitled “European Business in Action”. The event drew much attention and among the high-level participants were delegates from the European Commission, UK Presidency and a number of Member States, who were interested in hearing the views of industry representatives from BDI, NHO, VCI, EDF, Total and Toyota–Europe. All received a copy of UNICE folder “[Climate Protection: European business recommendations for EU and international policies](#)”.

One of the key decisions made in Montreal was to strengthen the CDM, which is warmly welcomed

by UNICE. The conference ended in Montreal on 10 December with a positive but small step towards putting in place a truly global approach to address climate change.

For UNICE, the dialogue that COP-11 has opened is a new opportunity for a truly global agreement. To keep it alive (an agreement must include not only the United States but also all fast growing emerging countries), it is urgent that the EU reconsiders its climate diplomacy and the way it addresses the post-2012 issues.

UNICE urges the EU not to continue on the track of unilateral commitments taken by some economic regions alone, but to change its own strategy in order to facilitate a multilateral solution.

For further information, please contact [Daniel Cloquet](#) or [Miriam Munnich](#).

REACH: STEP TOWARDS A REASONABLE AGREEMENT

On 13 December, the Council has achieved a political agreement on REACH which goes halfway towards the fully risk-based approach advocated by UNICE.

For registration, the Council – like the Parliament – has applied a risk-based approach only for information requirements for low-volume substances (i.e. produced or imported in the range of 1 to 10 tonnes). This will make REACH more cost-efficient for SMEs.

For authorisation of the use of the most dangerous substances, UNICE is of the view that appropriate

control of this use should be a sufficient condition for unlimited authorisation. However, the system adopted by the Council foresees systematic analysis of alternatives and review clauses even in these cases. This could be detrimental to industrial processes without any added value for health protection.

As a whole and taking into account the margin for improvement in the second reading, Council’s decision can be considered a step towards a reasonable agreement. UNICE will keep up its efforts, especially on authorisation/substitution issues, to make REACH workable.

For further information, please contact [Nadine Toscani](#).

PUBLIC PAPERS RECENTLY ADOPTED

- UNICE comments on [Commission Energy Efficiency Green Paper “Doing more with less”](#)

WORK IN PROGRESS

- Launch of an IPPC Task Force for the review of the IPPC Directive
- UNICE comments on the Commission report on progress in creating the internal gas and electricity market
- UNICE comments on the European Commission’s review of the 2001 Transport White Paper
- UNICE comments on the support of electricity from renewable energy sources (COM 2005-627)
- UNICE comments on the Commission biomass action plan (COM 2005-628)
- UNICE statement on the possible inclusion of the aviation sector in the EU Emission Trading Scheme (ETS)

ENTREPRENEURSHIP & SMEs

A EUROPEAN COMPANY STATUTE FOR SMEs: “IT’S FEASIBLE SO LET’S DO IT!”

■ At a [conference](#) on 13 December 2005, the European Commission presented the results of a feasibility study on a European legal statute for small and medium-sized enterprises.

The results of the feasibility study indicate the advantages and constraints of such a statute from a legal, fiscal and social point of view. When doing the economic analysis of introduction of such a statute, the study confirms that economic advantages are significant: such a statute will undoubtedly stimulate the spirit of enterprise in Europe and improve the efficiency and competitiveness of enterprises.

Participating in the Round Table of the conference UNICE pointed out that a specific statute for SMEs will increase their intra-community mobility, facilitate the opening of markets to dynamic SMEs and in essence act as a vehicle to “Let SMEs Grow!”.

Whilst we recognise that not ALL SMEs want to grow, those that want to should be given all the possible legal instruments to do so: a specific optional company statute for SMEs to operate cross-border would be one of those instruments and would be a significant contribution to growth and jobs in Europe.

Next steps: the European Commission (DG Internal Market) will issue a consultation in the coming weeks on the future priorities for the Commission in the area of Company Law and Corporate Governance. The European Private Company Statute will be part of this consultation and the Commission will determine whether to make the statute a reality depending on the results of the consultation.

As is mentioned in the above section on company law, UNICE has already delivered to the Commission what European business regards as [priority issues](#) for future action. The company statute for SMEs is one of them.

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

PUBLIC PAPERS RECENTLY ADOPTED

- UNICE comments on [SMEs and access to finance](#)

PIN BOARD / EVENTS

KEY MOVEMENTS IN UNICE STAFF

■ We are pleased to inform our readers that Mr **Adrian van den Hoven** has been appointed Director of the International Relations Department, with effect on 1 January 2006. Contact: avh@unice.be.

We would also like to inform you that Ms **Eva Maria Revilla** joins UNICE staff in the position of Adviser to the Ecofin Department on 2 January 2006. Contact: evr@unice.be.

Ms **Marie-Ghislaine de Behault**, who was a Secretary in the Legal Affairs Department, started working in the Ecofin Department on 1 December 2005. Contact: mgh@unice.be.

She is replaced in the Legal Affairs Department by Ms **Magali Janson**, who started on 1 December as well. Contact: mag@unice.be.

A NEW RAPPORTEUR FOR UNICE CHINA NETWORK

■ Mr **Michel Bricout** from ACEA (the European Automobile Manufacturers Association) has been appointed as new Rapporteur of UNICE China Network.

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.