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JEV



DIRECTORATE-GENERAL XXIII: THE BULLETIN OF ENTERPRISE POLICY

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EURO

**Important policy decisions by the
Industry Council (29 April 1999)**

**DG XXIII's package of initiatives
approved on:**

- ▼ **BEST action plan**
- ▼ **Appropriate measures for promoting commerce**
- ▼ **Agreement on combating late payment**
- ▼ **New impetus for tourism as a source of jobs**



EUROPEAN COMMISSION

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We hope that the reader will appreciate the new presentation of the magazine, which is the cause of the late publication.

In 'File of the Month', this issue highlights the important policy decisions adopted by the Council of Ministers for Industry on 29 April 1999, together with the approval of a package of initiatives promoted by Directorate-General XXIII.

In the case of BEST, it approved the action plan on promoting entrepreneurship and competitiveness, which is primarily aimed at promoting the business environment with a view to improving competitiveness and achieving sustainable growth. This important decision was in line with the BEST Task Force Report submitted to the Cardiff European Council.

The Council approved the White Paper on Commerce. Only three months after its adoption by the Commission, the Council of Ministers for Industry is now inviting the Commission to draw up, in agreement with the Member States, appropriate measures for implementing it. The expectations of SMEs in the retail sector have not been disappointed and we must therefore take action in order to draw the maximum benefit from the measures to be launched.

The Council also adopted a common position on the important subject of late payment, in the form of its political agreement, on the directive on combating late payment in commercial transactions.

Finally, tourism has been given fresh impetus in the form of encouragement for the Member States and the Commission to support this sector as a source of jobs in the Union.

The article on the (JEV) Joint European Venture in this issue takes stock of developments since this DG XXIII programme was launched. Twenty-five of the first 45 projects submitted to the Commission have been approved. Fourteen of these are described in the article demonstrating how European SMEs can, through the JEV project, seize additional opportunities and establish a better position for themselves, while contributing to economic growth.

On the back page of the cover, there is also an article on, PARTNERSHIP '99' an important conference to be held in Zaragoza (Spain) on 1 and 2 July 1999.



Euro-info is a concise information bulletin for SMEs and the craft sector.

It is sent to those who put in a written request. Euro-info is published 10 times a year.

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FILE OF THE MONTH

1 THE COUNCIL SUPPORTS PRACTICAL FOLLOW-UP TO THE BEST REPORT

INFORMATION

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On 29 April, the Council of Ministers for Industry approved the action plan on promoting entrepreneurship and competitiveness following the report by the BEST Task Force on simplifying administrative procedures.

At their meeting in Luxembourg on 29 April 1999, Industry Ministers approved the action plan on 'Promoting Entrepreneurship and Competitiveness' adopted by the Commission on 30 September 1998 in response to the recommendations by the BEST Task Force. At the Cardiff European Council in June 1998, the Member States had invited the Commission to act upon the recommendations made by the BEST Task Force. This plan has been adopted exactly one year after the BEST Task Force submitted its final report to the Commission.

For the first time, this action plan lists specific activities to be undertaken by both the Commission and the Member States in all policy areas affecting business, since it forms part of the implementation of various Community policies. It deals with questions of employment, which were the subject of important decisions at the Luxembourg European Council, and of structural reform of the financial, commodities and labour markets, following the Cardiff European Council.

The central idea is to promote business with a view to improving competitiveness and achieving sustainable growth. The plan focuses on certain areas that are particularly important for SMEs, such as education, training and the workplace, access to finance and innovation, and public administration. Since SMEs account for more than 99 % of all businesses in Europe, the measures set out in this action plan will also help to strengthen the competitiveness of the European economy as a whole.

Mr Christos Papoutsis, the Commissioner responsible for business policy, stressed that although much has already been achieved, the harder part was yet to come. At the Council meeting of the Ministers for Industry, he said that we must now put into practice what we have undertaken to do in the action plan by making all the necessary resources available. The Commission and the Member States must also discuss how to agree on performance indicators to be used to assess progress on improving the business environment. The establishment of these indicators should help to improve transparency and promote better services for businesses and improved performance from public administrations, in line with one of the key recommendations of the BEST Task Force.

The action plan contains a timetable for the various activities, but leaves the Member States some flexibility as regards the precise form the measures will take. This is in

order to take account of the fact that national policies for promoting entrepreneurship vary widely from one Member State to another. For example, the action plan suggests that the Member States should consider introducing systems that permit small amounts of capital to be injected into small businesses, or to simplify and speed up technology transfer procedures with a view to promoting innovation in SMEs.

Implementation of the action plan will call for a more consistent approach to promoting business in Europe, and the various national departments responsible for education, taxation, innovation and social policy will need to coordinate their work even more closely. This is more vital than ever if the Member States are to meet the challenge that they must take up together against today's background of globalisation.

2 A NEW COMMISSION STRATEGY FOR COMMERCE, IN PARTNERSHIP WITH THE MEMBER STATES AND THE SECTOR

INFORMATION

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 On Friday 29 April 1999, the Council of Ministers for Industry approved the White Paper on Commerce and invited the Commission to cooperate closely with the Member States on defining the appropriate measures for implementing it.

The Commission is pleased with this favourable reaction to the White Paper and will waste no time in taking the first steps toward implementing the action plan. The Commission's projects are already being launched in partnership with the Member States and the commercial sector itself.

Readers of Euro-info will no doubt be interested in the background to this action, which has been conducted painstakingly with a view to identifying the various areas in which the Commission can promote the development and competitiveness of the commercial sector while taking account of the objectives of the European Union – in particular the maintenance and development of employment, the quality of life and economic and social cohesion.

The Commission adopted the White Paper on 27 January 1999 as a follow-up to the Green Paper on Commerce adopted on 20 November 1996, which had in turn been a follow-up to a major action set out in the Commission Communication of 11 March 1991 entitled 'Towards a single market in distributive trade'.

The White Paper has been discussed and warmly welcomed by the trade organisations. It has also been discussed by a European Parliament committee and the Economic and Social Committee, which supported the Commission's proposals.

All the activities provided for in the White Paper come mainly under the general heading of business policy and are aimed at establishing a consistent strategy for promoting the sector in coming years.

There are four priority areas:

- improving commercial policy instruments;
- improving the administrative, legislative and financial environment;
- strengthening competitiveness and promoting entrepreneurship;
- encouraging a European and international approach.

The competitiveness of the commercial sector will be promoted by means of targeted but closely interdependent activities, and this is why the commercial sector needs a consistent strategy based on a set of coordinated activities.

Promoting the development of commercial businesses and helping them become more competitive and efficient are ambitious aims, but now, with the Council's approval, we know that the White Paper provides us with a solid foundation on which to base our work on improving the competitiveness of this important sector.

3

COUNCIL AGREEMENT ON THE DIRECTIVE COMBATING LATE PAYMENT

INFORMATION



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At its meeting of 29 April 1999, the Council reached a political agreement on the common position concerning the directive combating late payment in commercial transactions. This paves the way for a formal adoption of the common position at the end of June. The European Parliament will then consider the text in the autumn and the final adoption of the directive could take place in the spring of 2000.

The Commission had proposed this directive because it had found that most of the Member States had failed to heed its recommendation of 1995. Thus, there had not been any reduction of payment delays nor any improvement of the position of creditors vis-à-vis their debtors. The Commission therefore felt it was necessary to propose a directive in order to achieve a substantial and lasting improvement in the situation. The European Parliament supported this proposal and reinforced a number of its provisions. This was reflected in the Commission's amended proposal of October 1998 (Document COM(98) 615 final).

The economic rationale behind the Commission's proposal lies in the fact that one out of four insolvencies is due to late payment. This leads to the loss of 450 000 jobs per year thus adding to the high level of unemployment which confronts our society. In addition, receivables worth EUR 23 600 million are lost every year through the insolvencies caused by late payment. This explains why the Community had to act in order to prevent the European economies from incurring these losses any longer.

The SME dimension

SMEs are particularly hard hit by late payment. They are more vulnerable to variations in cash flow, they often rely on a limited number of customers, and they are frequently suppliers of large firms who are known to delay payments to a far greater extent than smaller customers do. A British survey shows that SMEs are owed twice as much trade credit as they themselves owe to larger businesses. The balance is an interest free loan, which SMEs grant – or rather are forced to grant – to larger businesses.

The internal market dimension

There is at present a gap between the free circulation of goods and services on the one hand and the timely receipt of the corresponding payments on the other. The existence of this gap is confirmed by a survey according to which 21 % of businesses would export more if payment delays were shorter. This indicates a serious malfunctioning of the internal market which the Commission was no longer prepared to tolerate. The Commission's proposal is designed to remedy the situation and to ensure that the sellers of goods and the providers of services will have a number of instruments at their disposal which permit them to obtain payment on time. Due to the close link with the free circulation of goods and services, the directive is based on Article 95 (ex-100a) of the EC Treaty.

The statutory right to interest

The main provisions deal with the consequences of late payment. In particular, the draft directive introduces a statutory right to interest, which should be sufficiently high to compensate the creditor for the loss incurred. The Commission originally proposed a level composed of the European Central Bank's rate for refinancing operations plus 8 percentage points, which would have resulted in a level of 10.5 %. However, a majority of Member States favoured a margin of 6 percentage points so that creditors will henceforth be able to claim 8.5 % interest on arrears. This should be considered an absolute minimum given that small enterprises still pay 12 to 15 % interest on their overdraft credit.

Interest will be due 30 calendar days after the receipt of the invoice unless otherwise specified in the contract. No reminder will be necessary in order to collect interest on arrears since late payment constitutes in itself a breach of contract that should be automatically sanctioned. For certain categories of contract, the Member States will be able to fix a period of 60 instead of 30 calendar days after which interest will become due. However, if they choose to do so, they will have to prevent the parties from exceeding this delay, i.e. it will take precedence over contractual payment periods. This has the advantage of permitting Member States to combat long contractual payment periods which are customary in certain sectors such as retail distribution where large supermarket chains try to impose payment periods of 90 to 150 days on their smaller suppliers.

Rapid recovery procedures

The speed with which debtors are prepared to pay depends to a large extent on the availability of rapid recovery procedures. Even if creditors may not have to use these in a majority of cases, their availability and efficiency will determine whether the debtor resorts to delaying tactics or pays on time. In fact, the provisions on a statutory right to interest would make little sense if they were not complemented by

provisions permitting speedy recovery. Any lack of efficient implementing procedures would particularly harm small enterprises who are often unable to pursue their claims through lengthy court proceedings simply because the cost of these proceedings exceed the value of their claim. This is why the Council agreed that the draft directive should contain a provision for recovery procedures for unchallenged claims that obliges Member States to ensure that the creditor can obtain an enforceable title within a period of 90 calendar days. This provision will considerably improve the creditor's ability to pursue the debtor throughout the Community and to collect the receivables with speed and efficiency.

4 NEW COMMISSION ACTION GIVING FRESH IMPETUS TO THE TOURISM SECTOR AS A CREATOR OF JOBS

INFORMATION



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Improved coordination, more effective cooperation and greater synergy at all levels in exploiting the enormous potential of tourism as a creator of jobs in Europe are the aims set out by the Commission in its communication adopted on 28 April and presented the following day by Mr Papoutsis at the Council meeting of the Ministers for Industry in Luxembourg. In this communication, the Commission describes its position regarding the follow-up to the report of the high-level working party on tourism and employment (October 1998), which was chaired by Dr Ralf Corsten.

In its communication, the Commission welcomes the results of the high-level working party, according to which an appropriate development policy and effective initiatives could, by the end of the next decade, facilitate the creation of between 2.2 million and 3.3 million jobs in addition to the 9 million already existing in the tourist sector. Achieving the higher figure would depend on the establishment of a favourable environment for investment and conditions in which all the partners, including employers and employees, could cooperate more effectively towards a common goal.

In the first chapter, the Commission discusses the preparatory work and the main results of the analysis by the high-level

working party set up by the Commission in 1998 in consultation with the Member States. This analysis and the working party's conclusions and recommendations are regarded as a valuable foundation on which to base future work by industry, the Community and the Member States in this sector.

The second chapter contains an account of the initial results of the consultation process advocated by the Commission after the publication of the working party's report, and highlights the main problems emerging from the overall assessment of the working party's recommendations. The conclusion is that an effective Community-level approach must be based on developing 'knowledge', in a context of consistent cooperation that would encourage businesses, public authorities and other interested parties to make better use of existing information, to acquire and develop know-how, to devise new processes and to familiarise themselves with best practice.

The third and fourth chapters concentrate on the main elements that could improve the contribution of tourism to Europe's growth and employment strategy, particularly in specific areas of activity that could be better exploited by facilitating access to the various Community programmes and initiatives, many of which make a substantial contribution to improving competitiveness in tourism.

Building on past experience and the evaluation of previous action, the fifth chapter highlights the need for a balanced approach that is compatible with the resources available and able to guarantee sound and efficient financial management centred on the development of effective cooperation with the Member States and the other interested parties.

In its final remarks, the Commission stresses the relevance of the working party's conclusions and the need for a better Community-level framework to increase the effectiveness of Community activities in the field of tourism.

The Commission's reaction to the report by the high-level working party is a positive message to industry, with a view to promoting a recognition of the key role of tourism in the creation of new jobs.

It is now up to the Council to play its part in the recognition of tourism at political level and to reach agreement on an improved Community framework for raising the quality and competitiveness of tourism in Europe.

The communication is already available in all the official languages of the EU.

JEV MEETS SMEs EXPECTATIONS

5 THE JEV PROGRAMME (JOINT EUROPEAN VENTURE): A NUMBER OF CONCRETE PRO- JECTS

INFORMATION



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The aim of the JEV programme is to encourage European SMEs to set up joint transnational businesses within the European Union and hence to help them take advantage of the opportunities afforded by the single market.

The programme is aimed at supporting projects leading to new activities that provide jobs. The EU's contribution is intended to cover some of the costs of setting up joint businesses. A maximum of EUR 100 000 per project may be provided as follows:

- The first instalment, of up to EUR 50 000, is to cover up to 50 % of eligible costs in the form of a reimbursable advance to finance feasibility studies. Eligible costs are those that are essential to the design and establishment of joint transnational businesses set up by European SMEs, such as the costs of market analysis, preparation of the legal framework and the business plan, analysis of the environmental impact, etc.
- The second instalment will cover up to 10 % of the total amount invested.

A network of specialised financial institutions (commercial banks, investment banks, venture-capital funds) selected by the Commission acts as an intermediary between the SMEs and the EC. The network currently comprises 85 institutions (a list is available on the Internet at: http://www.europa.eu.int/en/comm/dg23/guide_en/jev.pdf).

A number of SMEs are already benefiting from the programme: of the 45 or so projects submitted to the Commission, 25 have been accepted. The procedure allows decisions to be taken within five weeks. Small or medium-scale projects cover various sectors – from commerce, crafts and services to industry.

Here are some concrete examples of projects that have been adopted and are currently at the feasibility-study stage:

1) Italy–United Kingdom

An Italian company wants to set up a joint virtual-reality venture with a British company to produce VR driving simulators for scooters. The Italian company operates in the software services sector and the British company in the supply of VR-based PC software. The VR technology resulted from an

Esprit Community research programme and is the first trans-national commercial application.

2) France–United Kingdom

A French company wants to set up a joint venture with a British company to develop and market educational Internet services for children. The French company specialises in Internet development, while the British partner specialises in the marketing of Internet services. The joint venture will be set up in France.

3) Netherlands–Italy

A Dutch business wants to set up a joint venture with an Italian business to market telecommunications equipment

4) Germany–France

A German company wants to set up a joint venture with a French company in order to establish a production unit for equipment for cutting self-adhesive labels. The joint venture would be set up on the premises of the French partner. The two companies manufacture and sell self-adhesive labels and the idea of this joint venture stems from other successful cooperative projects in the past.

5) Spain–Austria

A Spanish company wants to set up a joint venture with an Austrian company to establish a 'roll-on-roll-off' business for trading between Barcelona and the Middle East.

6) France–Belgium

A French company wants to set up a joint venture with a Belgian company so that they can pool their resources and know-how in the design and manufacture of ventilators/respirators for use in anaesthesia and set up a support centre. The French partner specialises in the manufacture, import, marketing and sale of consumable supplies and small accessories for use in surgery, anaesthesia and intensive care, while the Belgian company manufactures respirators.

7) France–Italy

A French company wants to set up a joint venture with an Italian company for measuring the strength of floors and reinforcing them. This will involve the study of floors, measuring instruments and reinforcement techniques. The French partner specialises in motorway services areas, while the Italian partner is involved with measuring the strength of floors and reinforcement.

8) Finland–United Kingdom

A small Finnish business wants to set up a joint venture with a British partner to develop information technology in the field of international advertising.

9) Germany–United Kingdom

A German company wants to set up a joint venture with a British company in the United Kingdom to collect and compress waste and transport it to waste-treatment companies. The German partner provides, through franchise partners, possibilities for disposing of waste from vehicles and computers in an environmentally friendly fashion throughout Germany, while the British partner specialises in re-use and recycling of electrical and electronic equipment.

COORDINATION AND COOPERATION
BETWEEN DIRECTORATES-GENERAL

6

DIALOGUE WITH BUSINESS

INFORMATION



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With a view to constantly meeting the information requirements of SMEs as effectively as possible, the Commission has, as already announced in issue No 116 of our bulletin, launched a new Internet site entitled 'Dialogue with Business'.

This project came into being under the action plan for the internal market and forms part of the Europe Direct programme of DG X («Information, communication, culture and audiovisual media») along the lines of «Dialogue with Citizens».

The 'Dialogue with Business' site was set up by DG XV (Internal Market and Financial Services) and DG XXIII, as the initiator of the EIC network and a specialist in SME-support measures.

The article ends with a brief description of the contents of the site and two examples of concrete results already achieved.

The European Commission has launched an Internet site entitled 'Dialogue with Business' (<http://europa.eu.int/business>). This is a practical tool aimed at businesses wanting to find out about the possibilities afforded by the single market.

This new site is available free of charge in the 11 official languages of the European Union. It provides businesses with easy access to key information on EU legislation programmes and to European, national, regional and local advisory services.

Thanks to this site, businesses now have swift and easy access to information on Community matters such as public procurement, technical standards or access to finance, without having to work their way through the vast volume of data that are admittedly available on the Internet, but are often difficult to access.

The site also provides direct access to the Euro Info Centre (EIC) network, where businesses can obtain the advice and assistance they need on any Community questions. With centres in the 15 EU Member States, Norway, Iceland, the countries of central and eastern Europe and the Mediterranean area, the EIC network is the Community's largest advisory network for businesses.

10) United Kingdom-Italy

A British company wants to set up a joint venture with an Italian company to provide biological clean-up services and biotechnology products for the Italian market. The British partner supplies products and services for water-treatment, decontamination of the land and air-pollution control. The Italian partner manufactures water-treatment equipment and provides environmental services.

11) France-Germany

A French company wants to set up a joint venture with a German company to manufacture biodegradable and combustible products. The French partner specialises in the marketing of equipment for the chemical industry and sells biodegradable and combustible products. The German partner is an engineering consultant in the field of waste management and energy technologies.

12) Denmark-Sweden

A Danish company wants to set up a joint venture with a Swedish company to provide storage and logistical services. The Danish partner is a transport company operating in Sweden, Norway and Denmark. The Swedish company is also a transport company, specialising in road haulage.

13) France-Spain

A French company wants to set up a joint venture with a Spanish company to sell watches and clocks. The French partner manufactures and sells watches and clocks, while the Spanish partner specialises in marketing jewellery.

14) Portugal-Spain

A Portuguese company wants to set up a joint venture with a Spanish company to manufacture special agricultural products (fibre flax, cereals for drying and seeds). The Portuguese partner is a producer and distributor of agro-industrial products, while the Spanish partner markets products for agriculture – particularly seeds and fertilisers and other chemicals.

Since the JEV programme is still in its infancy, and would benefit from being better known, a promotion campaign has been adopted. In order to disseminate information on the JEV programme, the Commission has decided to contribute towards the financing of promotional activities – up to EUR 10 000 for the production and distribution of promotional material and up to EUR 20 000 for the organisation of events. The Commission's contribution will cover 50 % of costs. The beneficiaries may include any SME organisations (i.e. national and regional SME associations, chambers of commerce, the Euro Info Centres, business and innovation centres) but not professional organisers of conferences, seminars or trade fairs, etc.

The site is part of the Commission's service entitled 'Dialogue with Citizens and Business' set up under the action plan for the single market.

What does the site «Dialogue with Business» contain?»

- Single market rules – access to a wealth of information (Community and national legislation, case law, OJ, etc.) mainly from Community databases such as EUR-Lex.
- Key issues: information on specific subjects such as:
 - technical standards
 - public procurement (e.g. free access to invitations to tender published in the TED (Tenders Electronic Daily) database)
 - EU funding opportunities
 - intellectual property rights
- Advice: direct access to the Euro Info Centres (EIC) network, enabling businesses to obtain tailor-made assistance from the nearest EIC, to the Business Contact Points set up in the administrations of the Member States to help citizens and businesses solve problems in connection with the single market, to the 'letter box' on the Commission's Europa server and to other Community advisory services.
- Practical information : business news (free access to a wide range of newspapers and to 'Rapid', which contains the Commission's press releases), information on trade fairs, a business directory listing more than 500 000 businesses, a free translation service, etc.

Dialogue with Business – Concrete Results

A German training institution was seeking finance for a training scheme for the unemployed. By consulting the Dialogue with Business site, the person responsible discovered that the European Commission had introduced a whole series of instruments designed to improve access to finance for innovative businesses with job-creation potential. Wishing to obtain personalised advice, the institution sent an e-mail directly to one of the Euro Info Centres specialising in European financing.

An engineer working on the extension of the tram system in Oporto wanted to know about the European standards regarding the minimum permissible distances between light rail vehicles and buildings, pedestrian areas, etc. After consulting the part of the site devoted to technical standards, the engineer contacted an EIC specialising in standardisation.



INVITATIONS TO TENDER/CALLS FOR PROPOSALS**7 INVITATIONS/CALLS PUBLISHED**

DG XXIII has just published:

- Call for expressions of interest No 99/S 82-56646/EN – Call for expressions of Interest in the provision of assistance in the analysis of issues and the implementation of demonstration projects, relating to business support services arising from DG XXIII's concerted action with the Member States.

Ref.: OJ S 82, 28.4.1999, p. 38

- Promotional actions for the JEV programme.

Ref.: OJ C 113, 24.4.1999, p. 29

The texts of these calls are available at:

<http://europa.eu.int/en/comm/dg23/cftindex.htm>

RECENT PUBLICATIONS**8 TWO NEW DG XXIII AND EUROSTAT PUBLICATIONS****INFORMATION**

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Enterprises in Europe – Fifth Report

Because of their economic weight and considerable growth potential, SMEs are the main focus of many policies aimed at promoting competitiveness and employment. However, it is only on the basis of a careful analysis of their development and characteristics that it is possible to provide targeted support.

The paper publication entitled *Enterprises in Europe – Fifth Report* provides the statistics needed for enterprise policy. It contains several parts setting out the information collected by Eurostat. The various parts have been designed so that they are easy to read, enabling the main points to be quickly identified.

- The first part contains a general summary of the main data on businesses in Europe – such as their number,

their contribution to employment and total turnover, and their size – together with comparative figures for countries such as Canada, the United States and Japan, as well as a portrait of businesses in the countries of central and eastern Europe

- The second part deals specifically with four subjects:
 - The dynamism of European businesses, particularly SMEs. This dynamism is illustrated by means of the most recent of the demographic data that Eurostat has been collecting on businesses for some years now.
 - The specific features of SMEs as regards employment.
 - The first results of the longitudinal studies conducted by Eurostat as part of the SME project.
 - The regional aspects of the European economic fabric viewed from two angles: regional peculiarities in terms of the density and size of production units, and the trend in employment in manufacturing in the regions eligible for aid from the Structural Funds.
- The third and fourth parts contain analyses by sector and by country on the basis of detailed data on three variables: number of businesses, total employment and turnover.

The corresponding CD-ROM 'Enterprises in Europe – SME database' contains the database on small and medium-sized businesses, together with methodological notes. It permits comparisons between countries and a sectoral analysis of the structure of businesses by size and class. The economic indicators available are employment and turnover, and sometimes value added and labour costs, and in certain cases investment, total R & D expenditure and exports and imports. Comparability and the sectoral breakdowns may not always be entirely reliable. However, these figures are the only ones available and if they are analysed carefully they can provide worthwhile information. In order to facilitate analysis and improve harmonisation, Eurostat has supplemented certain figures where necessary, so as to have comparable tables for the Member States and the Community totals.

The paper publication and the CD-ROM are available in English, French and German from Eurostat's data shops and the normal sales outlets for Commission publications. The prices are EUR 44 for the publication and EUR 270 for the CD-ROM, or EUR 283 for the two together.

**Paper publication and CD-ROM
«Services in Europe»**

For some years now, the economic trend in Europe has been marked by a shift away from manufacturing and towards services. The tertiary sector currently accounts for more than 65 % of the wealth generated annually in the European Union.

There have also been developments in statistics on services: only 10 years ago no overall figures were available at European level. The introduction of the regulation on structural business statistics (SBS) has enabled Eurostat for the first time to provide a set of harmonised data for a large number of service activities.

NEWS

9

SEMINAR ON INTEGRATED QUALITY MANAGEMENT FOR TOURIST DESTINATIONS

A technical seminar was held in Brussels on 11 and 12 January 1999 to assess the provisional results of the studies launched by DG XXIII in 1998 on integrated quality management for coastal, urban and rural tourist destinations.

- The first chapter contains a general overview of the economy of the European Union compared with the United States and Japan in terms of employment in the services sector, value added of businesses in the tertiary sector and consumption of services.
- The second chapter contains a structural analysis of services, showing the position of each of the main service activities relative to the economy as a whole.
- The third chapter of analysis contains three thematic studies on labour market questions in the services sector. They examine labour costs and the flexibility of the labour market.
- The fourth chapter contains analyses of six specific sectors covering all the Member States.
- The fifth chapter contains analyses each of the 15 individual Member States. They examine the structure of the business environment, the performance of service activities and the role of SMEs and large businesses in the services sector.
- The final chapter identifies the sources of the data used in the five chapters of analysis.

The CD-ROM also contains the entire Mercure database – the structural data on services collected under the SBS regulation and highly detailed information on how each Member State collected the data. In future, structural business statistics for all sectors will be available under subject 4 (industry, commerce and services) of the SBS database.

The paper publication and the CD-ROM are available in English, French and German from Eurostat or the usual sales outlets for Commission publications. The prices are EUR 20 for the paper publication and EUR 120 for the CD-ROM, or EUR 130 for the two together.

These results were presented by the consultants in the form of draft publications containing good practice and recommendations, illustrated by case studies and addressed to public and private operators – particularly managers of tourist destinations.

Around 150 people took part, including representatives of the Member States, the Commission, the tourist industry, the destinations contacted for the case studies and experts who had contributed to the work on quality in tourism (at conferences or in working parties, studies, publications, etc.).

The representative of DG XXIII introduced the seminar by reminding the participants of its background, its aims and the results expected. Quality is a vital element in a strategy aimed at the lasting development of tourism in Europe. Tourist destinations need integrated management since quality depends on a variety of factors (such as information, transport, reception, accommodation, catering, attractions, local resources, etc.). Integrated quality management should make it possible to meet tourists' requirements while at the same time improving the situation of local businesses and populations and preserving the natural and cultural heritage on which tourism draws – and all in a context of sustainable development. This approach calls for close cooperation between the various operators. The Commission has stressed the importance of establishing and maintaining partnerships of this kind and it was with this in mind that it launched studies intended to result in recommendations and organised this seminar, which was open to a wide range of participants.

Discussions were held in three parallel workshops dedicated to coastal, urban and rural destinations respectively. The results were announced to everyone at a final plenary session. The participants were invited to make suggestions based on their own experience with a view to improving the quality of publications.

To sum up, the participants very much appreciated the fact that DG XXIII had made the effort to organise a seminar with a view to publishing recommendations to help public and private operators to improve the quality of tourist destinations. Their comments confirmed the need to base these recommendations on thoroughgoing analysis and to present them in a user-friendly and systematic manner in order to facilitate their application in practice.

The observations, suggestions and conclusions put forward at this seminar will be taken into account when the finishing touches are being put to these publications, which are scheduled for distribution in the summer of 1999, in the official languages of the European Union. (They can be ordered now from Pierre Godin, DG XXIII/D.3, e-mail: pierre.godin@dg23.cec.be. Please indicate the language version required)

**18 ALTERNATIVE FINANCING
STRATEGIES
FOR NGOs IN CENTRAL
AND EASTERN EUROPE**

INFORMATION

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The search for new sources of finance for non-profit-making organisations was the subject of the Forum organised by the NESt (Non-profit Enterprise and Self-sustainability Team) in Hungary from 21 to 23 January 1999.

The Forum primarily dealt with possible self-financing strategies for non-governmental organisations (NGOs). A study of some 20 cases in four countries (Hungary, Slovenia, the Czech Republic and Slovakia) revealed the difficulties and characteristics peculiar to each region and is already a step towards developing entrepreneurship in the NGOs in the countries of central and eastern Europe.

The other subjects discussed at the Forum were the viability and the role of self-financing, the capacity of these structures to adapt to change, planning of alliances of NGOs, financial alliances between NGOs, the establishment of regulations of alliances between NGOs, and social-audit methods.

However, the question of assisting NGOs in diversifying their resources by developing alternative self-financing strategies had already been raised in the Commission Communication on promoting the role of voluntary organisations and foundations in Europe (COM(97) 241 final) and at two meetings of experts on enlargement held in Brussels by the Cooperative Unit as a follow-up to that Communication (11-18 December 1998).

**11 EUROPEAN SEMINAR:
«MORE CITY,
MORE PARTICIPATION»**

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Representatives of local authorities and cooperatives from Barcelona, Bologna and Lille met in Barcelona from 28 to 30 January 1999 at a European seminar entitled «More City, More Participation».

The discussions concentrated on two areas: firstly, the contribution of the social economy to the running of large cities, particularly as regards solving problems such as exclusion, unemployment, urban violence, socialisation, the social development of districts and the economic development of cities and their catchment areas, and secondly, an analysis of the various means used by Barcelona, Bologna and Lille to increase the involvement of the population in the cities' decision-making and activities.

The main topics discussed were how to involve citizens in the running of the city, the links between associations and local authorities, the activities of cooperatives in the service of urban policy, the concept of subsidiarity at local level and the development of new jobs by social organisations in cities.

The three cities represented at the seminar hoped that these first contacts would result in a real and lasting partnership.

12 PARTNERSHIP '99

Partnership '99 («The role of SME support services in the context of Agenda 2000: interaction with local administrations and other community networks») will be held in Zaragoza (Spain) on 1 and 2 July 1999. 'Partnership' is an annual event organised by DG XXIII. It is attended by all the members of the BC-NET and BCC cooperation networks and the EICs, together with the organisers of events such as Europartenariat, Interprise and IBEX, and events concerned with subcontracting. The main institutions providing support for SMEs at European level are also invited, as well as many representatives of the Commission and VIPs from the host Member State or region.

The Partnership conferences aim on the one hand to give a general picture of the activities of DG XXIII, developments planned for the networks and events organised by DG XXIII; and on the other to encourage an exchange of opinions between the Commission, the members of the networks and the various institutions using the business support services managed by DG XXIII/B.

Partnership'99 will come at a crucial moment in the history of the European Union. Agenda 2000 sets out the new priorities as regards policies, the financial framework and the structures for the work of the institutions for the coming years. It will therefore concentrate on the interaction between these priorities and the SME support services (always taking account of the priorities and interests of SMEs and the organisations representing them).

In Zaragoza, the accent will be on territorial development in the Union (in other words territorial diversity in the light of enlargement and the principle of subsidiarity) and its influence on SMEs.

The importance of interaction and complementarity between DG XXIII's SME support services and other Commission networks (particularly those of Directorates-General XIII and XVI) will be stressed..

The discussions (in 10 consecutive seminars) will focus on three main subjects: 'Agenda 2000: The effects of enlargement on business in Europe'; 'Business support services and territorial diversity: customer satisfaction' and 'Network connection at EU level: aspects with an added value for the development of SMEs'.

Partnership '99 donnera ainsi aux participants une opportunité unique de comprendre Partnership '99 will therefore give its participants a unique opportunity to understand the new scenario for the European Union in coming years and will examine the new situation in the light of the qualified opinions of parties directly involved in the development of SMEs in the field (local and regional development authorities and professional organisations representing or supporting SMEs). It will also highlight the possibility of coordinating the networks from which SMEs can benefit, at both Community (DGs XIII, XVI and XXIII) and local level.