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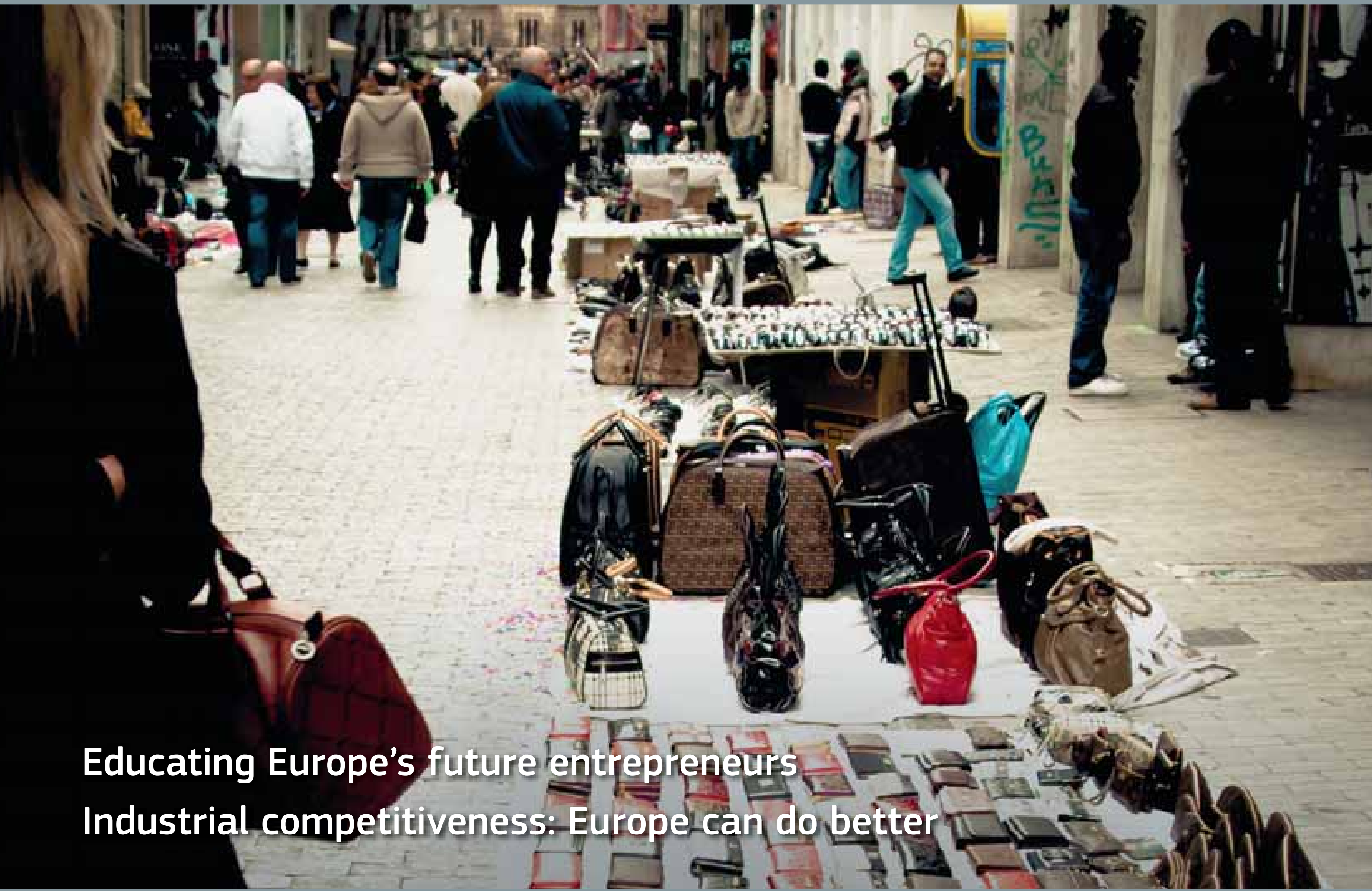
Enterprise & Industry



Educating Europe's future entrepreneurs

Industrial competitiveness: Europe can do better

Tajani: Fake products damage EU industry

Enterprise and Industry

Contents

Enterprise & Industry Magazine

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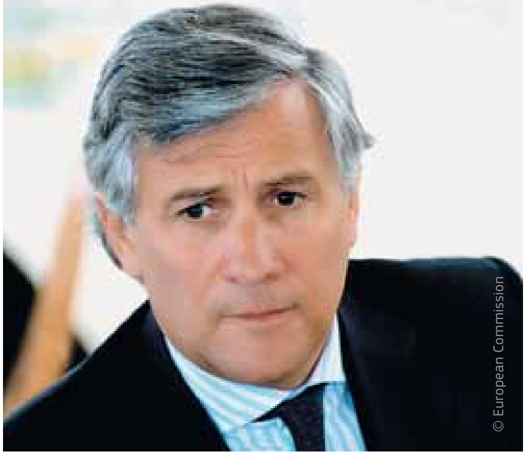

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Supporting small and medium-sized enterprises

As the European Commission continues to support Europe's real economy, it is simultaneously fighting to erase the EU's fake economy: counterfeit products. Fake goods threaten jobs and hinder innovation, thereby jeopardising the hard work done to promote economic growth across numerous sectors. In this edition of E&I Magazine, we outline the perils of counterfeit products and discuss how the **'Stop Fakes' initiative** will help to weed out counterfeits.

This magazine also discusses tourism, an industry in which Europe continues to thrive. We highlight measures being taken to keep us on the right track, be it with **accessible tourism** or the creation of new tourism markets thanks to European **Cultural Routes.**

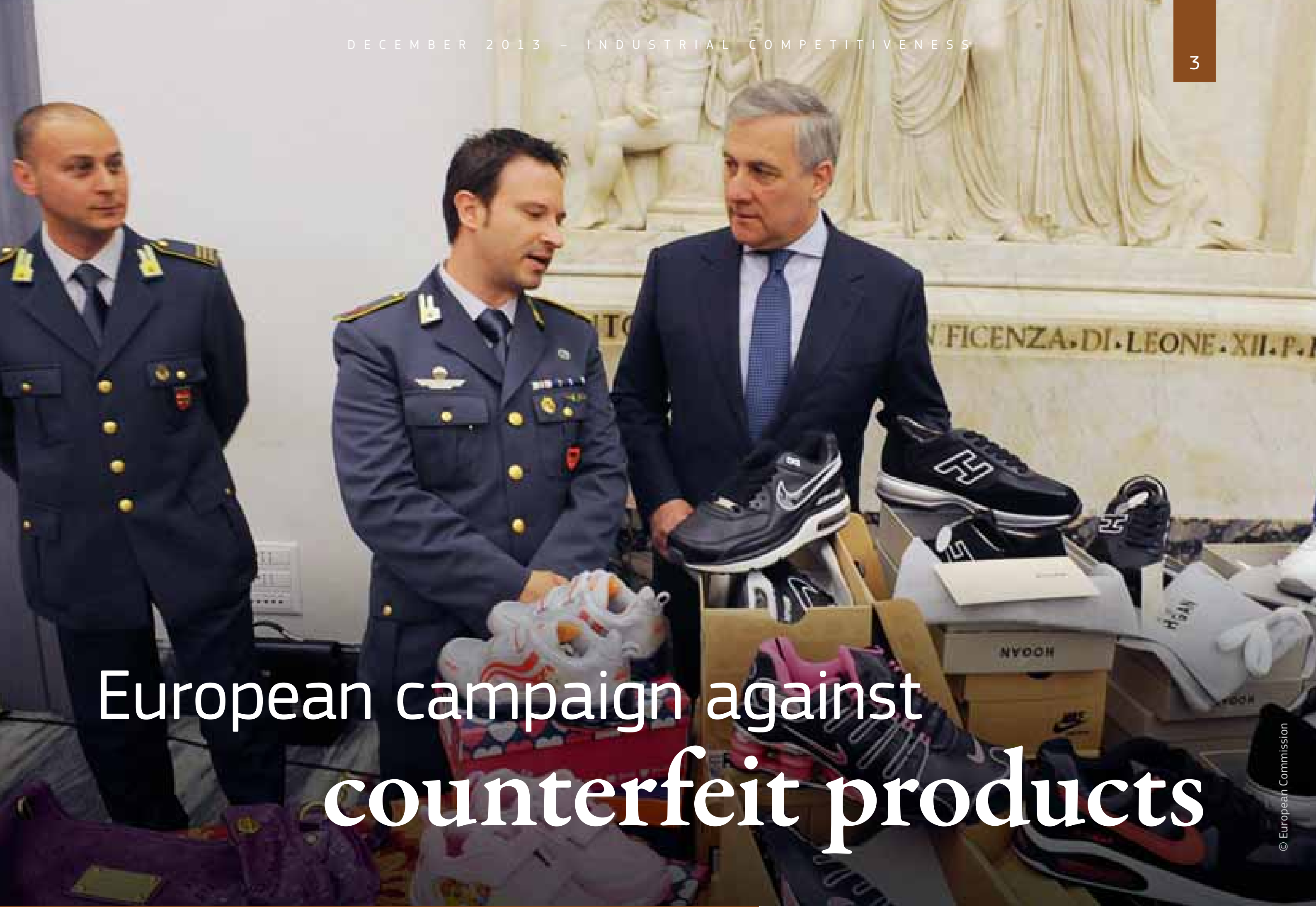
Building upon the success of my visits to Brazil, Vietnam, Myanmar and Thailand – all part of our **mission for growth** in emerging markets – you can also read about progress being made in opening up foreign markets, in particular the **landmark agreement on standards** with Russia that we helped bring to fruition.

Other articles examine how **entrepreneurship education** is being implemented to encourage students to create the businesses of tomorrow, and analyse results of the European Competiveness report and what needs to be done to reach our goals for industrial growth. In this respect, **key enabling technologies** (KETs) play a crucial role, and this issue of the magazine discusses how this evolving sector can help our industry stay competitive.

Antonio Tajani, European Commission
Vice-President for Industry and Entrepreneurship

Spanish version of E&I in 2014

With the addition of Spanish, Enterprise & Industry Magazine will be published in five languages in 2014. If you are interested in receiving it, you can subscribe on the Magazine's website, http://ec.europa.eu/enterprise/magazine/index_en.htm, or by sending an email to ENTR-INDUSTRY-MAGAZINE@ec.europa.eu



European campaign against counterfeit products

Designed to defraud and deceive, counterfeit products pose a threat to European citizens and the European economy. Counterfeits' inferior quality raises significant health and safety concerns, and their fraudulent business model puts thousands of jobs in jeopardy. In an interview with E&I Magazine, European Commission Vice-President Antonio Tajani discusses the Commission's EU-wide anti-counterfeit campaign and why fake products require real action.

Antonio Tajani inspecting counterfeit products seized by Italian customs officials.

E&I: Why are you so engaged in the fight against counterfeits?

Tajani: The spread of counterfeit goods is a major obstacle to economic growth. These fake goods, which mimic legitimate items but cost a fraction of the price, are harming enterprises and increasing unemployment.

The United Nations has estimated that the annual volume of trade in counterfeit goods is more than €200 billion worldwide, a number comparable to the illegal drug trade. Small and medium-sized enterprises (SMEs), on which the European economy heavily depends for new jobs, are particularly susceptible because they have less power to avoid counterfeiting. For all these reasons, the European Commission launched the 'Stop Fakes' campaign, which is designed to foster collaboration between different European and national authorities in the fight against counterfeit items.

E&I: What are the most counterfeited goods?

Tajani: Counterfeiting spans a multitude of sectors: medicines, fashion, food, automotive parts, electrical appliances, cosmetics and our children's toys, to name but a few. There is no simple, easy solution, which is why 'Stop Fakes' is a pan-European effort that transcends national and sectoral boundaries.

E&I: What industries are particularly vulnerable to counterfeiting?

Tajani: The fashion industry is among the most vulnerable. Fashion goods are responsible for 60% of all counterfeit cases recorded by EU customs, and the knock-on effects are enormous. The industry supports nearly 850000 companies, the majority of which are SMEs, and accounts for 3% of the EU's GDP. Between design, manufacturing, logistics and retail, the fashion industry provides employment for more than 5 million people. As the world's fashion leader, Europe has the most to lose from counterfeited fashion products.

E&I: How do counterfeit products pose a risk to health and safety?

Tajani: While everyone loves a bargain, counterfeits can quickly become unusable or defective. They can be manufactured without due regard for European health and safety standards and simply cannot be trusted. Products that could be potentially dangerous to the health and safety of consumers accounted for 28.6% of the total amount of confiscated articles in 2011, compared to 14.5% in 2010. One particularly hazardous example is fake car parts, which pose a substantial safety risk not only to those who were tricked into buying them, but to all drivers sharing the road with vehicles that rely on shoddy parts.

E&I: What impact does counterfeiting have on jobs?

Tajani: The companies making original products are also the ones making related investments in research and innovation. Counterfeit items that copy originals cause declining sales and profits, eventually translating into job losses. Counterfeiters also avoid paying taxes or duties, curtailing state revenues and passing the bill to European taxpayers.

E&I: How do fake goods discourage innovation?

Tajani: The European economy has grown decade after decade based on a virtuous principle – that those who invent or create something are entitled to the legal protection of intellectual property rights. Individuals and companies will invest their time and money to develop new products only if they are assured of adequate protection. The fight against counterfeit goods is therefore fundamental for the EU economy and represents a key factor for success in research, innovation and generating employment.

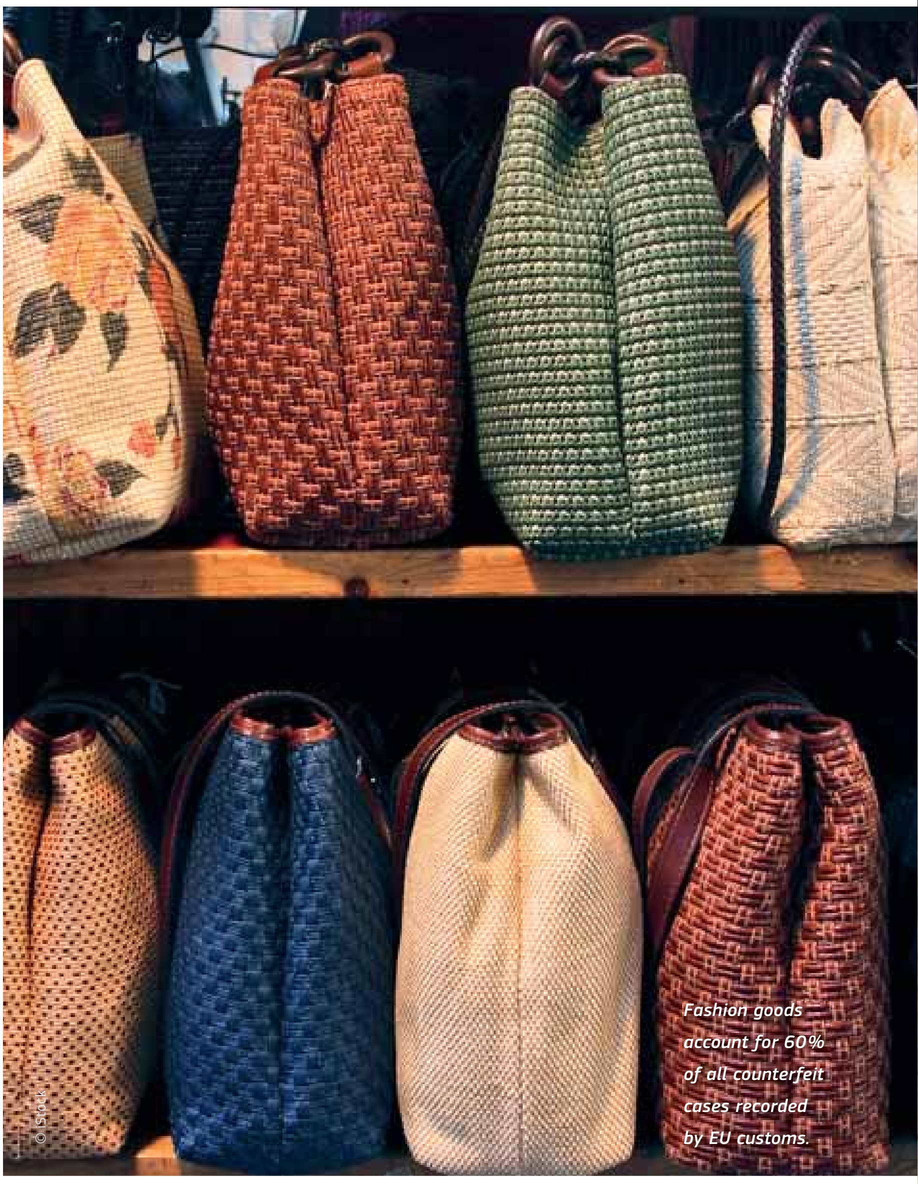
More Info

More information available online at:

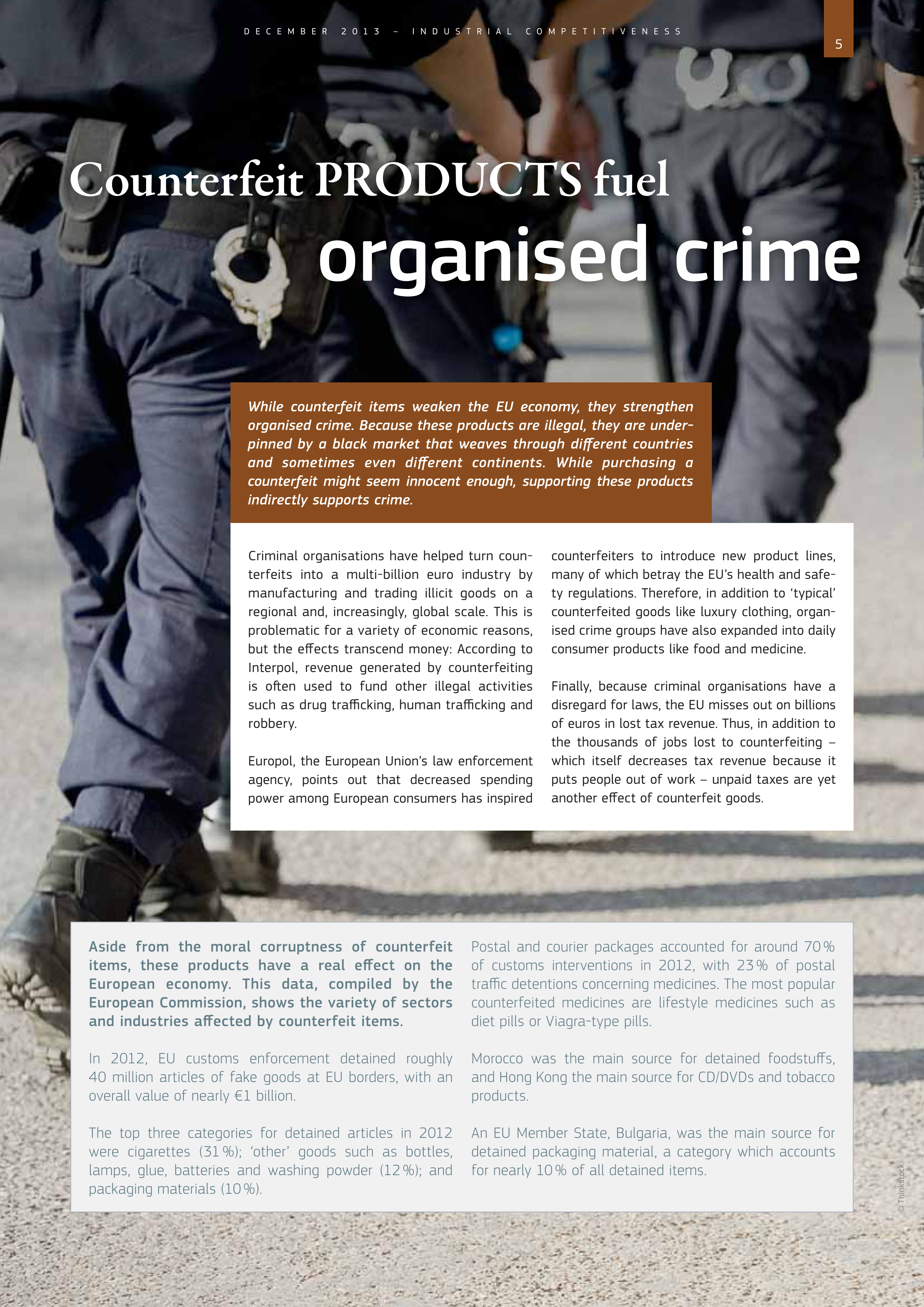
http://bit.ly/10x6V7A

E&I: Who can help fight counterfeiting?

Tajani: National authorities play a key role in preventing the entry of counterfeit goods to the EU. The European Commission is working with them on a series of actions to strengthen their capacity to combat trafficking. In February 2013, the Commission proposed to further strengthen market surveillance through a multi-annual plan and a single legislative instrument that will reinforce the controls on products in the internal market, allowing authorities to immediately withdraw non-compliant and dangerous products. This regulation will be directly applicable and binding in all Member States.



Fashion goods account for 60% of all counterfeit cases recorded by EU customs.



Counterfeit PRODUCTS fuel organised crime

While counterfeit items weaken the EU economy, they strengthen organised crime. Because these products are illegal, they are underpinned by a black market that weaves through different countries and sometimes even different continents. While purchasing a counterfeit might seem innocent enough, supporting these products indirectly supports crime.

Criminal organisations have helped turn counterfeits into a multi-billion euro industry by manufacturing and trading illicit goods on a regional and, increasingly, global scale. This is problematic for a variety of economic reasons, but the effects transcend money: According to Interpol, revenue generated by counterfeiting is often used to fund other illegal activities such as drug trafficking, human trafficking and robbery.

Europol, the European Union's law enforcement agency, points out that decreased spending power among European consumers has inspired counterfeiters to introduce new product lines, many of which betray the EU's health and safety regulations. Therefore, in addition to 'typical' counterfeited goods like luxury clothing, organised crime groups have also expanded into daily consumer products like food and medicine.

Finally, because criminal organisations have a disregard for laws, the EU misses out on billions of euros in lost tax revenue. Thus, in addition to the thousands of jobs lost to counterfeiting – which itself decreases tax revenue because it puts people out of work – unpaid taxes are yet another effect of counterfeit goods.

Aside from the moral corruptness of counterfeit items, these products have a real effect on the European economy. This data, compiled by the European Commission, shows the variety of sectors and industries affected by counterfeit items.

In 2012, EU customs enforcement detained roughly 40 million articles of fake goods at EU borders, with an overall value of nearly €1 billion.

The top three categories for detained articles in 2012 were cigarettes (31 %); 'other' goods such as bottles, lamps, glue, batteries and washing powder (12 %); and packaging materials (10 %).

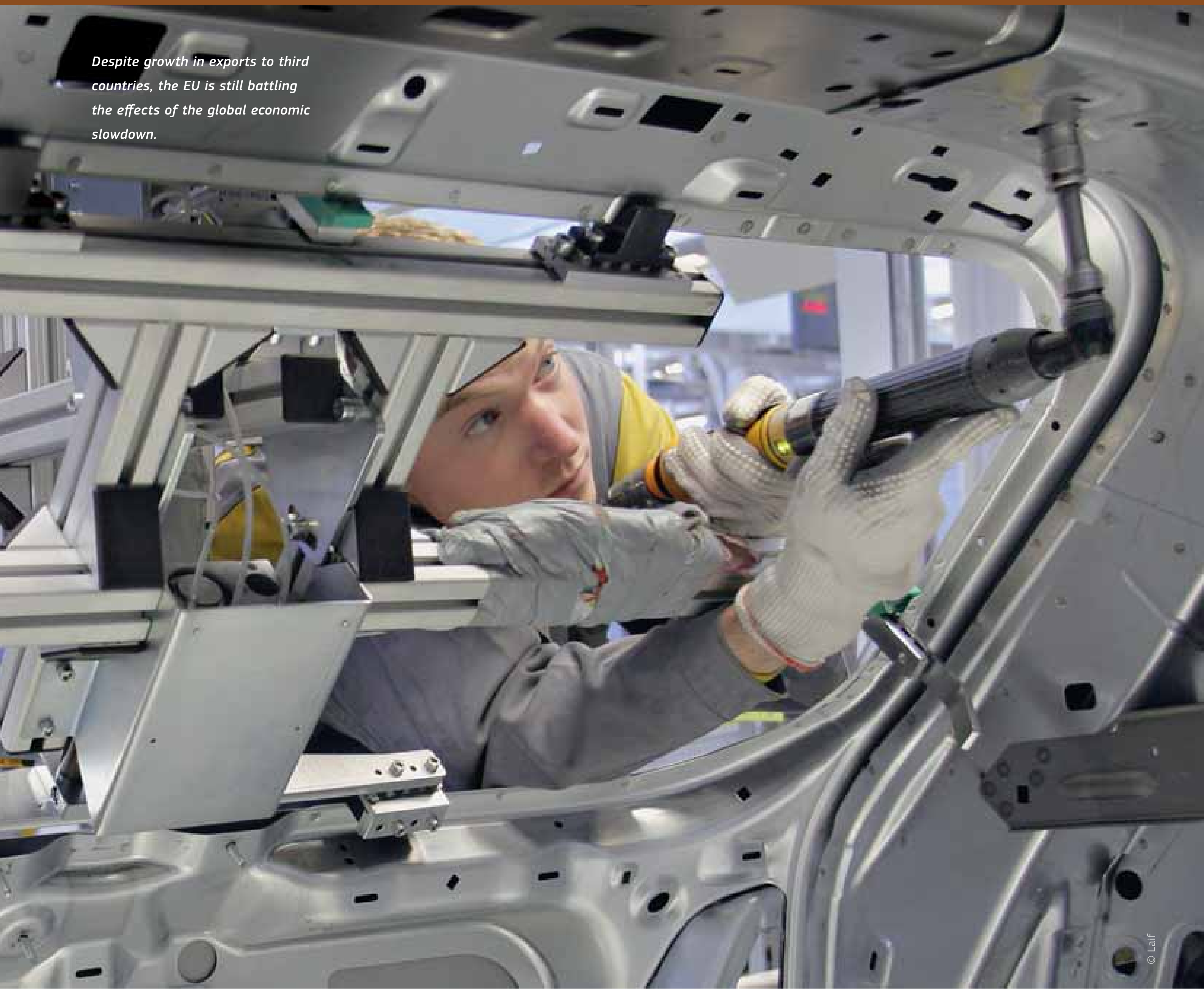
Postal and courier packages accounted for around 70 % of customs interventions in 2012, with 23 % of postal traffic detentions concerning medicines. The most popular counterfeited medicines are lifestyle medicines such as diet pills or Viagra-type pills.

Morocco was the main source for detained foodstuffs, and Hong Kong the main source for CD/DVDs and tobacco products.

An EU Member State, Bulgaria, was the main source for detained packaging material, a category which accounts for nearly 10 % of all detained items.

Industrial competitiveness:
Europe can do better

Competitive enterprises are the foundation of economic success. In 2013, Member States improved their business environment, exports and sustainability, but many roadblocks still remain – particularly for industrial competitiveness. For example, the cost of energy is increasing in almost all Member States, while decreased investment and access to finance are further contributing to the deindustrialisation of Europe. Only by overcoming these hurdles can the EU achieve the sort of industrial competitiveness it needs in the 21st century.



Despite growth in exports to third countries, the EU is still battling the effects of the global economic slowdown.

European industry has bounced back from the depths of the years-long malaise caused by the global financial crisis. But given the severity of the slowdown – EU industry has lost 3.8 million jobs since 2008 – there is still work to be done to get EU industry back to, and beyond, pre-crisis levels.

The slowness of structural change is one of the most daunting problems the EU faces today (see page 12). For example, while most Member States have improved in innovation since 2008, it seems that innovation convergence within the Union has stopped. In other words, a number of less innovative Member States are not keeping up with the most innovative ones.

Low investment is another of Europe's main problems, with EU investment levels having fallen by more than 3% of the EU GDP, from 21.1% in 2007 to 18% in 2012. Moreover, investment has remained unresponsive to policy measures, making it difficult to predict when it will recover.

Due both to tightening credit standards and banks' ongoing deleveraging, access to finance is also still difficult in many Member States. Moreover, energy prices vary considerably throughout the EU. Not surprisingly, the nations with the most consistent industrial performance have below-average electricity prices.

Although we cannot deny that big challenges lie ahead across the EU, European exports to third countries have grown. Indeed, internationalisation efforts have produced positive results, particularly in the sectors of high-tech goods and knowledge-intensive services. But there is bad news, too: Internal EU trade is growing more slowly than external trade. This slowdown is particularly problematic to the countries most affected by the crisis, which are increasingly losing importance as suppliers to the EU economic core.

The way forward

Despite recent struggles, the European Commission is committed to achieving the ambitious target that industry will account for 20% of GDP by 2020. Based on its 2013 competitiveness analysis, the Commission suggests several priorities for the Member States and the Union.

> 'We remain a long way from the 20% target for 2020. The Commission has adopted several initiatives to address high energy prices, difficult access to credit, drop in investments, lacking skills and red tape. And we will come forward with an industrial initiative to boost action in this field. This should be a catalyst in view of the February 2014 European Council in order to significantly strengthen the growth and competitiveness for industry.'
>
> **European Commission Vice-President Antonio Tajani**

Firstly, we should make it as simple as possible for firms to carry out their daily business and reduce the costs of operating in Europe (e.g., energy and raw materials). Secondly, we need to continue working on improving access to finance and capital markets for firms, particularly SMEs. Programmes like COSME and the single portal on EU finance are designed to spur investment and, in turn, promote EU industry. Thirdly, we need to continue opening markets for European firms both within the internal market and in third countries, as we have been doing in our Mission for Growth and information platforms, such as the Europe-China Standards Information Platform (CESIP).

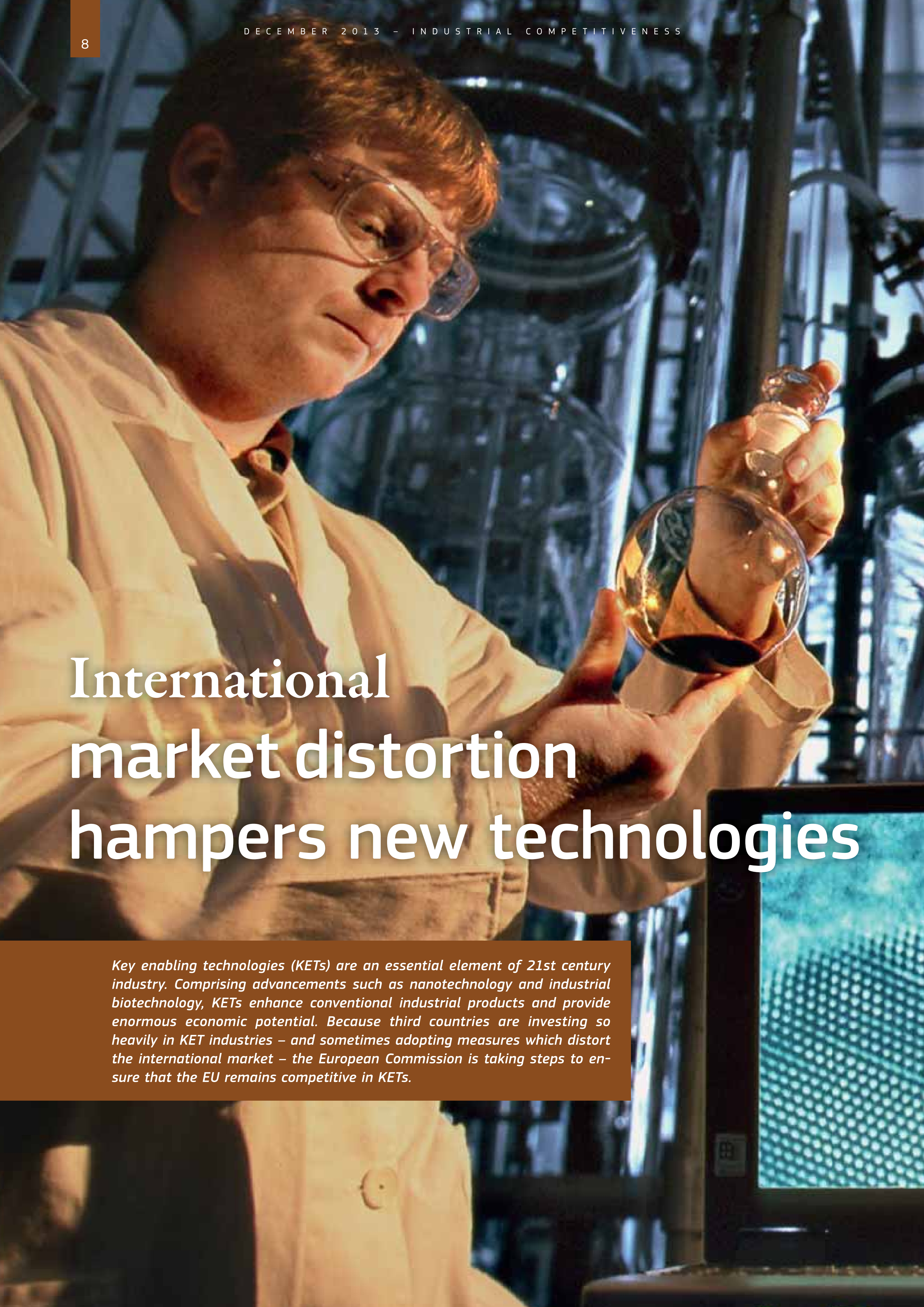
To foster intra-EU trade, the notification procedure under Directive 98/34/EC enables enterprises to raise concerns about new national regulations in other Member States. In addition, the New Approach Notified Designated Organisations (NANDO) database provides conformity assessment services to help ensure that industrial products conform to regulations both inside and outside the EU.

More Info

More information available online at:

2013 Competitiveness Report
http://bit.ly/18Pa09g

Monitoring progress in the Member States
http://bit.ly/16vCFMU



International market distortion hampers new technologies

Key enabling technologies (KETs) are an essential element of 21st century industry. Comprising advancements such as nanotechnology and industrial biotechnology, KETs enhance conventional industrial products and provide enormous economic potential. Because third countries are investing so heavily in KET industries – and sometimes adopting measures which distort the international market – the European Commission is taking steps to ensure that the EU remains competitive in KETs.

The term 'industry' might conjure oversized images – huge slabs of steel, or assembly lines churning out automobiles. While such products no doubt play a role in industry, there is a fast-growing segment of European industry that is smaller – much smaller – but every bit as important: key enabling technologies (KETs).

KETs – which include nanotechnology, industrial biotechnology, photonics, advanced materials, micro/nano electronics and advanced manufacturing systems – are the building blocks of 21st century industry. They make steel stronger and more durable; they make cars lighter and safer; and they make a plethora of other products, from medicines to bio fuels to mobile devices, more effective and sustainable.

Europe is not alone in understanding the importance of KETs. Many third countries, particularly the United States and Asian nations, have adopted specific policies designed to attract foreign investment in KETs. In the U.S., for instance, the National Nanotechnology Initiative has helped fuel nearly €14 billion in cumulative investment since 2001. Meanwhile, in China, biotechnology, advanced materials and advanced manufacturing technology are all areas of emphasis in China's 12th Five-Year Plan, which helps establish the strategic direction of Chinese policy.

These efforts may sometimes result in the distortion of the international market for KET-related industries by creating incentives that are often difficult to match. Indeed, there have been cases in which EU-based KET companies have invested in third countries, simply because the incentives were too attractive to turn down.

This is especially problematic because KETs are a key component of the goal, set out in Europe 2020, of having industry represent 20% of the EU GDP by 2020. KETs will become ever more integral to industry between now and 2020, and losing the race to establish a KET climate means that EU industry could fall behind.

The global market for KETs was an estimated €646 billion in 2008 and is expected to reach more than €1 trillion by 2015. While this market is enormous, so, too, is the investment required to create KETs: Enterprises hoping to create KETs need up-front investment and incentives – precisely the type of investment and incentives currently being offered by third countries.

Plans for EU KETs

Recognising the importance of KETs, and recognising the market distortion taking place around the globe, the European Union has both the instruments and the will to make Europe a hotbed for KETs.

No doubt, the EC is actively working to make this happen. In 2012, for example, the Commission began modernising state aid rules, which are being reviewed to accommodate the need to increase Europe's global competitiveness. Furthermore, the EU is negotiating different trade agreements, both at bilateral and multilateral levels, which should ensure a favourable trade environment and a level playing field for KETs in full compliance with World Trade Organisation (WTO) rules.

In terms of financial investment, there will be dedicated support for pilot lines and demonstrator projects in order to facilitate industrial take-up and commercialisation. KETs have also been defined as one of the priority investment areas in which Structural Funds can be used to finance projects that are approaching market-readiness.

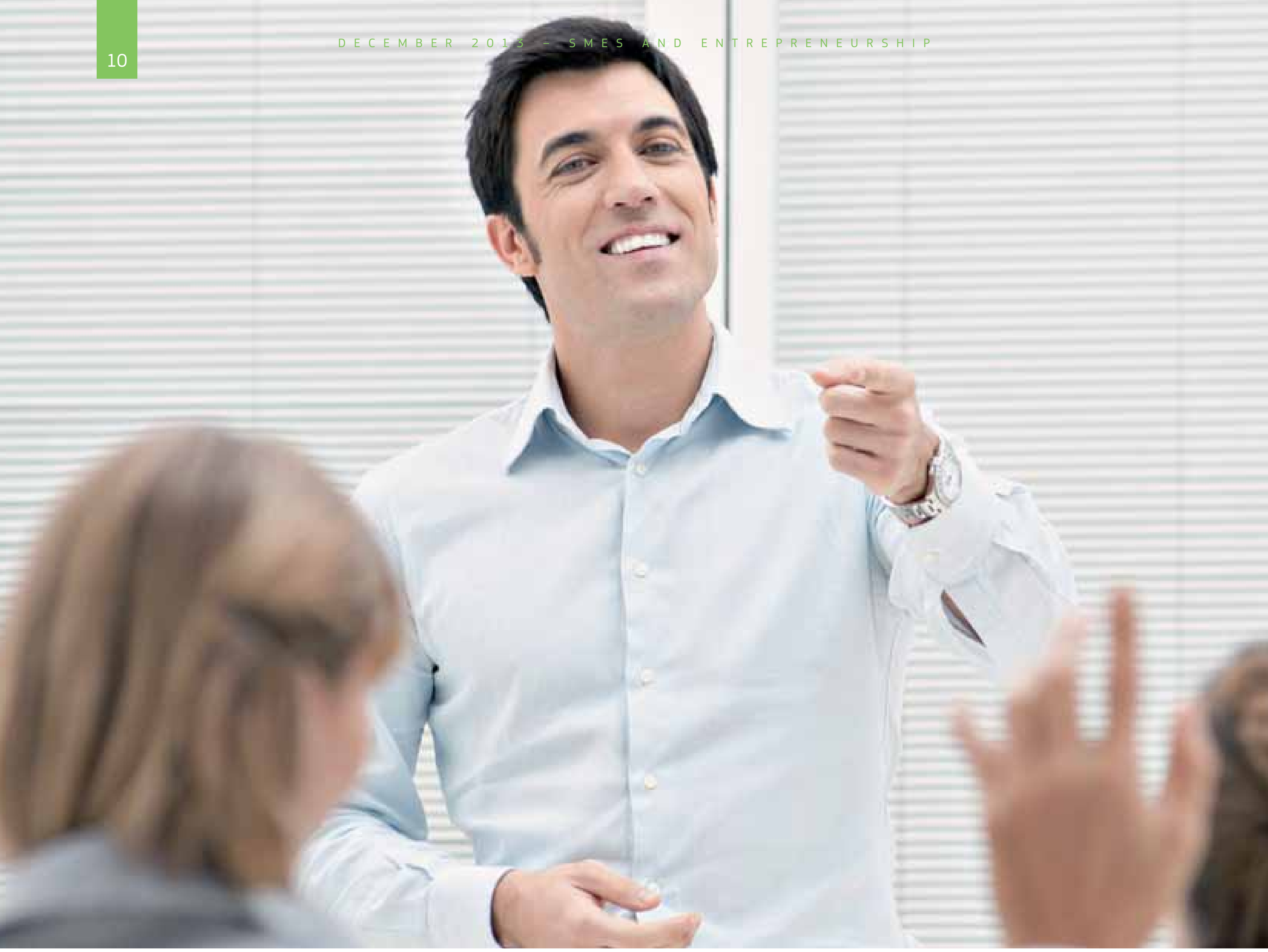
Finally, a Memorandum of Understanding between the EC and the European Investment Bank (EIB) has already yielded huge returns: The amount of EIB lending to KET projects in the first half of 2013 totalled nearly €2.6 billion – just shy of the amount from all of 2012.

KET market distortion is a real problem. But evidenced by these measures, the EC has solutions to ensure that the EU can compete internationally by establishing KET industries locally.

More Info

More information available online at:

http://bit.ly/12pe2us



Educating Europe's future entrepreneurs

Europe needs to create an entrepreneurial culture that permeates our schools and universities – a culture in which creativity and innovation are actively encouraged. After all, 37% of Europeans want to be their own boss, but only 10% actually are. If this potential could be tapped, millions of new businesses could be added to the current 20.8 million small and medium-sized enterprises (SMEs) in the EU. By emphasising entrepreneurship education, educators can turn students' dreams into tomorrow's businesses.

Entrepreneurship has never been more important than it is now: Entrepreneurs are the driving force of Europe's economy and a cornerstone to sustainable recovery. That said, entrepreneurship is more than a way of making money; it is a way of seeing what is possible before it has been done.

Education plays a crucial role in cultivating this mindset. But because entrepreneurship education is not a compulsory part of most curriculums in the EU – and because only 28% of Europeans say that their formal education made them interested in becoming an entrepreneur – it is essential to expand entrepreneurship's place in the classroom. Entrepreneurship education is centred on helping students 'turn ideas into action', which requires active methods of engaging students in order to release their creativity and innovation. Although a few people seem to be 'natural-born entrepreneurs', entrepreneurship is a competence that can be learnt.

The European Commission is committed to incorporating entrepreneurship into classrooms throughout the EU.

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- Entrepreneurial competency and skills can be acquired or built only through hands-on, real-life experiences
- Entrepreneurial skills can be taught across all subjects or as a separate subject
- Entrepreneurship education should focus on 'intrepreneurs' – that is, those who fulfil the role of entrepreneur within a large group or organisation
- The entrepreneurship education agenda should be promoted beyond educational institutions to businesses and the wider community
- Teachers and schools will not be able to realise their ambitions without cooperation and partnerships with businesses

The role of teachers is crucial. In most cases, entrepreneurship education rests with the few teachers who are enthusiastic about it and who have been trained. This is a good foundation, but we will never see widespread impact without more development. To be able to introduce entrepreneurship in the classroom effectively, all teachers need to receive proper training and support.

Background

The Entrepreneurship 2020 Action Plan calls on Member States to provide all young people with a practical entrepreneurial experience before leaving compulsory education. Teachers play a central role, as their style and methods of teaching have the strongest impact on the achievements of pupils. The Action Plan recognises entrepreneurship education as the first pillar of a comprehensive plan to boost entrepreneurship in Europe.

EC guide for entrepreneurship education

In order to promote entrepreneurship education, the European Commission has published Entrepreneurship Education – A Guide for Educators. Available online as a downloadable PDF, the manual showcases methods for training teachers, gathered from educational experts throughout Europe. It is based on practical activities and focuses on skills that form the foundation of entrepreneurial behaviour: creative thinking, sense of initiative, problem solving and leadership. By embracing the manual's insights and recommendations, schools and universities can help launch the ideas that will create the companies, jobs and products of the 21st century.

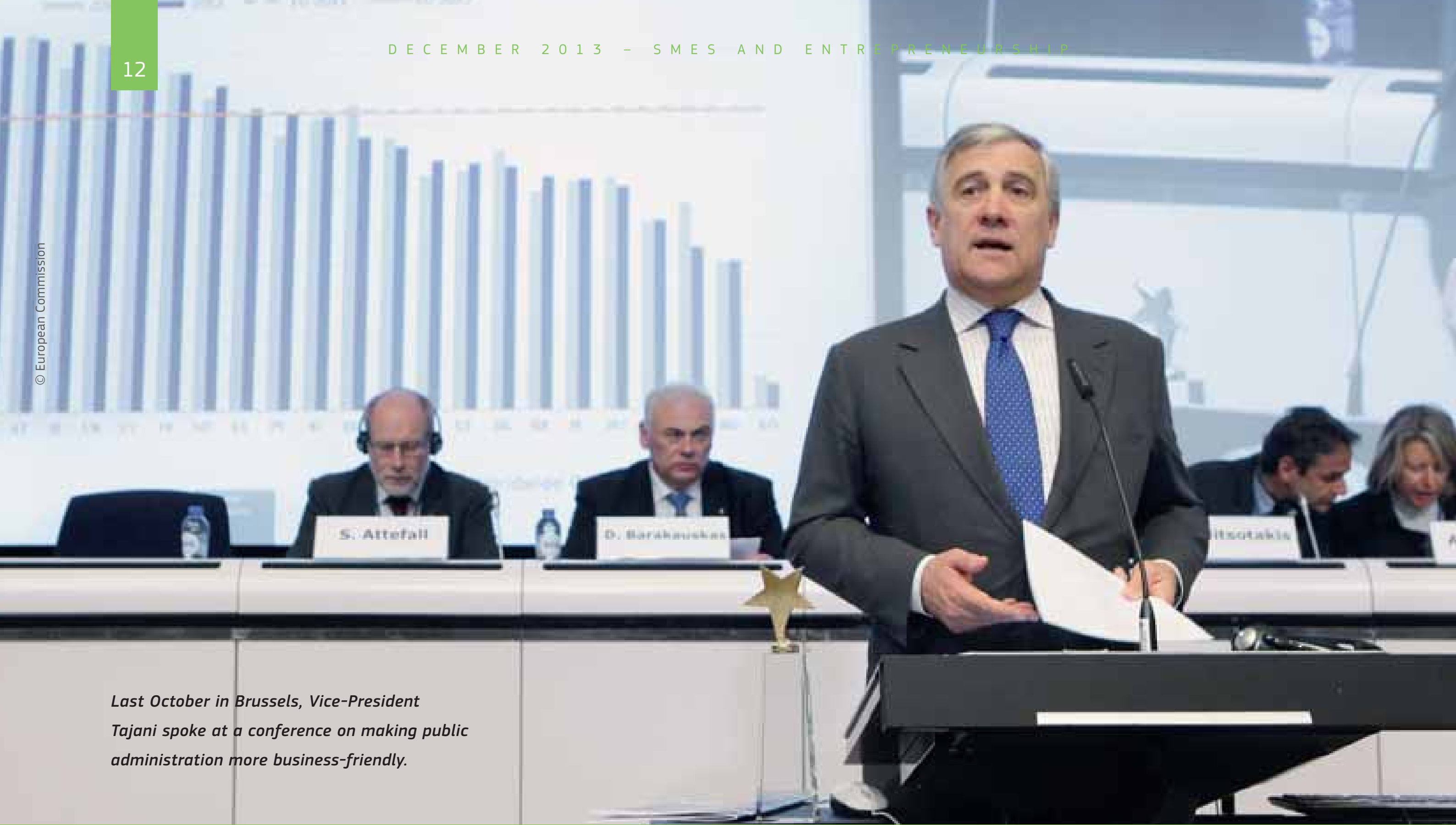
Entrepreneurship Education – A Guide for Educators draws heavily on a pair of events – one in Dublin, Ireland, in May 2012, the other in Brdo, Slovenia, in September 2012 – which brought together experts in education and training in entrepreneurship. About 170 delegates from more than 30 countries took part in the events, exchanging ideas and methods on how to foster an entrepreneurial spirit in our schools.

These ideas and methods, along with contact details and practical information about numerous external resources, form the backbone of Entrepreneurship Education – A Guide for Educators. As a result, the manual is an invaluable resource for policymakers, school managers and educators – a roadmap for how to create the 'entrepreneurial' schools and universities that will form a new generation of entrepreneurs.

More Info

More information available online at:

http://bit.ly/1fzOpyn



Last October in Brussels, Vice-President Tajani spoke at a conference on making public administration more business-friendly.

Cutting red tape

to spur growth

In order to prosper, businesses need efficient, cost-effective public services. With a sluggish investment environment and weak access to finance, European enterprises cannot afford to sift through layer upon layer of red tape. The European Commission is therefore finding ways to simplify administrative and regulatory processes and allow businesses to focus on what matters most.

Time-consuming, resource-draining procedures – also known as red tape – are a foe of any business. That is why smart public administration is crucial for industrial competiveness and economic growth.

For example, businesses too often face cumbersome tax procedures, which result in an excessive amount of time spent compiling tax returns. In Luxemburg, Ireland, Estonia and Finland, it takes less than 100 hours to comply with tax return rules. However, in the Czech Republic and Bulgaria, it takes more than 400 hours. Overall, the average EU company spends 193 hours per annum on tax compliance procedures (see Commission proposal to simplify taxes for businesses, page 15).

In addition to taxes, start-up procedures can also hamper growth. The Competitiveness Council of May 2011 determined that Member States should ensure that companies are set up in three days at a maximum cost of €100. While progress has been made, this target has not been reached: In Belgium, Portugal, the Netherlands and Hungary, it takes less than five days to start your own company. But in Malta, Poland, Spain and Austria, it takes more than 20 days. On average, it still takes 5.4 days at a cost of €372.

Of course companies should comply with local, national and EU regulation. However, in response to the 74% of Europeans who believe that the EU generates too much red tape, the Commission is making a concerted effort to streamline legislation and improve – or withdraw – certain EU laws.

EC taking action

To that end, the Directorate-General of Enterprise and Industry organised a public administration conference in October 2013 to highlight best practices and identify particularly burdensome policies. At the conference, European Commission President José Manuel Barroso and Vice-Presidents Antonio Tajani and Maroš Šefčovič highlighted the essential role of public administrations for the implementation of growth-enhancing policies, and called on governments to make administrations across Europe more business-friendly.

In addition, the Commission launched the Regulatory Fitness and Performance Programme (REFIT), which will help identify both strengths and weaknesses in Member States' regulatory processes and catalyse change throughout the EU. The Commission is also encouraging Member States to take small and medium-sized enterprises (SMEs) – which are especially vulnerable to red tape – into account to maximise the impact of their simplification procedures. Currently, only a handful of Member States have integrated an SME test into their analyses of policy options and decision-making.

The EC's emphasis on reducing red tape has already yielded tangible results, including the Water Framework Directive; the Schengen Visa Code Initiative; the Consumer Rights Directive; and many more. In total, the Commission has approved 660 initiatives designed to simplify regulations and foster growth, resulting in a 26 % reduction in administrative burden.

While this is no doubt a step in the right direction, Tajani says the EU can do better. 'We have achieved the objective set out in the Small Business Act of reducing this burden by 25 %, with an estimated saving – particularly for SMEs – of €30.8 billion,' he said in October. 'But we want to go further. This is why we have already proposed simplification measures affecting 33 % of this burden, for total annual savings of over €41 billion.'

More Info

More information available online at:

http://bit.ly/18sOkJT

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Examples of good practices

While the EU must collectively continue to evolve, some Member States have shown the foresight and flexibility to begin implementing measures to curb red tape.

The United Kingdom, for example, introduced the 'one-in, two-out' rule in January 2013. Designed to reduce the number of regulations imposed on businesses, the rule requires that all new quantifiable burdens on firms are offset with the removal or modification of an existing regulation – and that the changes result in savings that are twice as much as new costs.

Portugal, meanwhile, is rolling out a programme to address excessive industrial licensing procedures. The new procedures will classify industries in three groups based on the risk they pose to people and the environment. Those in the low and medium categories – which include more than 90 % of all industries – will be subject to less stringent licensing, while procedures in the highest-risk category will be sped up.

Finally, in an effort to simplify payment of taxes, duties and services, Latvia introduced an e-payment office called 'eKase' (eCash) in 2012, which made administrative procedures easier for entrepreneurs. To that end, the simplified requirements reduced the time needed for payment of taxes by nearly 10 %.

New initiatives to help SMEs

In the second half of 2013, the European Commission launched a series of initiatives to help small and medium-sized enterprises (SMEs) perform better. Here is a snapshot of some of the EC's ambitious new measures.

© European Commission

'Today, only a few European SMEs extend their green business to foreign markets. Knowing that the EU makes up roughly one-third of the world market for environmental industries, this reveals a huge potential for SMEs to grow.'

DG Enterprise & Industry Director General and EU SME Envoy Daniel Calleja

Consultation on Green Action Plan for small enterprises

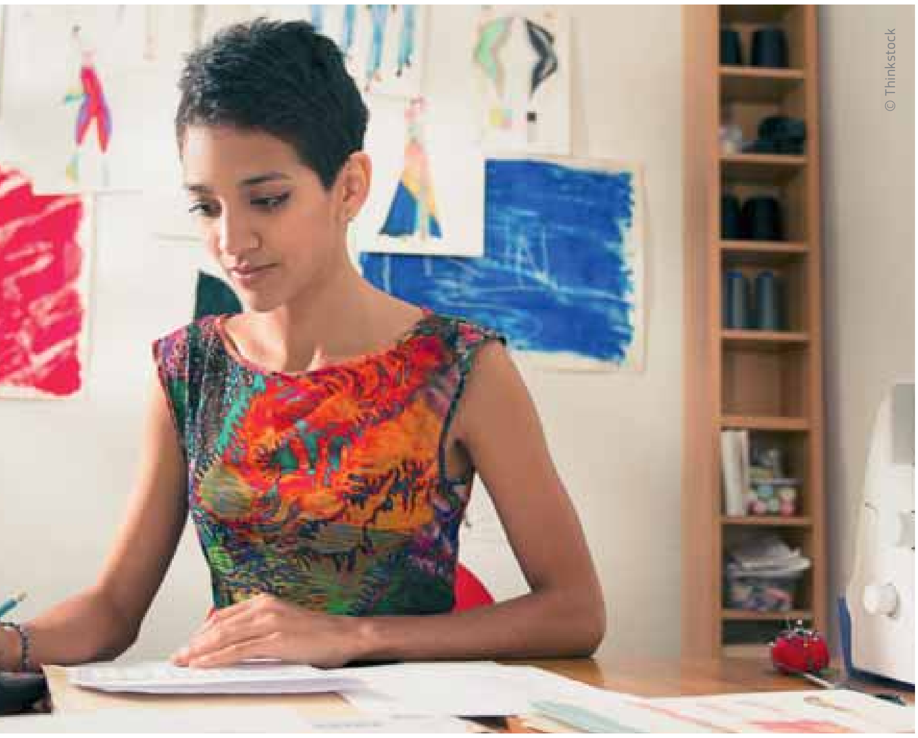
Through a public consultation, the European Commission is collecting stakeholders' views on the most effective support measures to help SMEs become more resource-efficient, and to help them sell green products internationally. The Commission also wants to determine which actors are best-placed to help SMEs reach these goals. The results of this public consultation will be used to shape actions aimed at promoting resource efficiency for and by SMEs; these actions will be included in the forthcoming Green Action Plan for SMEs to be presented in spring 2014.

More information available online at:
http://bit.ly/16DI3hg

Helping to shape an SME-friendly financing market

SMEs must contend with the lowest credit availability for businesses since the beginning of the credit crunch more than five years ago. Therefore, as part of the new Competitiveness of Enterprises and SMEs programme (COSME), the EC is taking action to rapidly bridge the market gap by providing €3.5 billion of annual funding for SMEs from 2014 to 2020. For COSME to be successful, it is vital to create an effective partnership with the financial organisations that provide SMEs with access to credit. Therefore, EC Vice-President Antonio Tajani launched a series of events – the 'EU Access to Finance Days' – to explain how COSME's new financial instruments will work and to encourage reputable financial market operators to become COSME intermediaries. Access to Finance Days will be organised in all EU capitals by the end of 2014.

More information available online at:
http://bit.ly/16EexTa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Making crowdfunding a sustainable source of finance

The European Commission has launched a public consultation designed to unleash the potential of 'crowdfunding', a new form of financing that calls on individuals to invest in projects and initiatives, generally via the Internet. To make crowdfunding a sustainable source of financing for new European projects, certain safeguards are needed, particularly to ensure people's trust. The objective of the EC consultation is to gather data about the needs of market participants and to identify areas in which soft-law measures or legislative actions could encourage investment and facilitative the growth of crowdfunding.

More information available online at:
http://bit.ly/HqEezQ

The EC can help EU enterprises access finance and think green

Standard VAT return: Easing life for 20 million businesses

A new standard VAT (value added tax) return, which can cut costs for EU businesses by up to €15 billion a year, has been proposed by the Commission. The aim of this initiative is to slash red tape, ease tax compliance and make tax administrations across the Union more efficient. Every year, 150 million VAT returns are submitted by EU taxpayers to national tax administrations. Currently, the information requested, the format of national forms and the reporting deadlines vary considerably from one Member State to the next. This makes VAT returns for cross-border businesses a complex, costly procedure.

More information available online at:
http://bit.ly/1aTOgTS


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Top tech entrepreneurs present manifesto for startup success

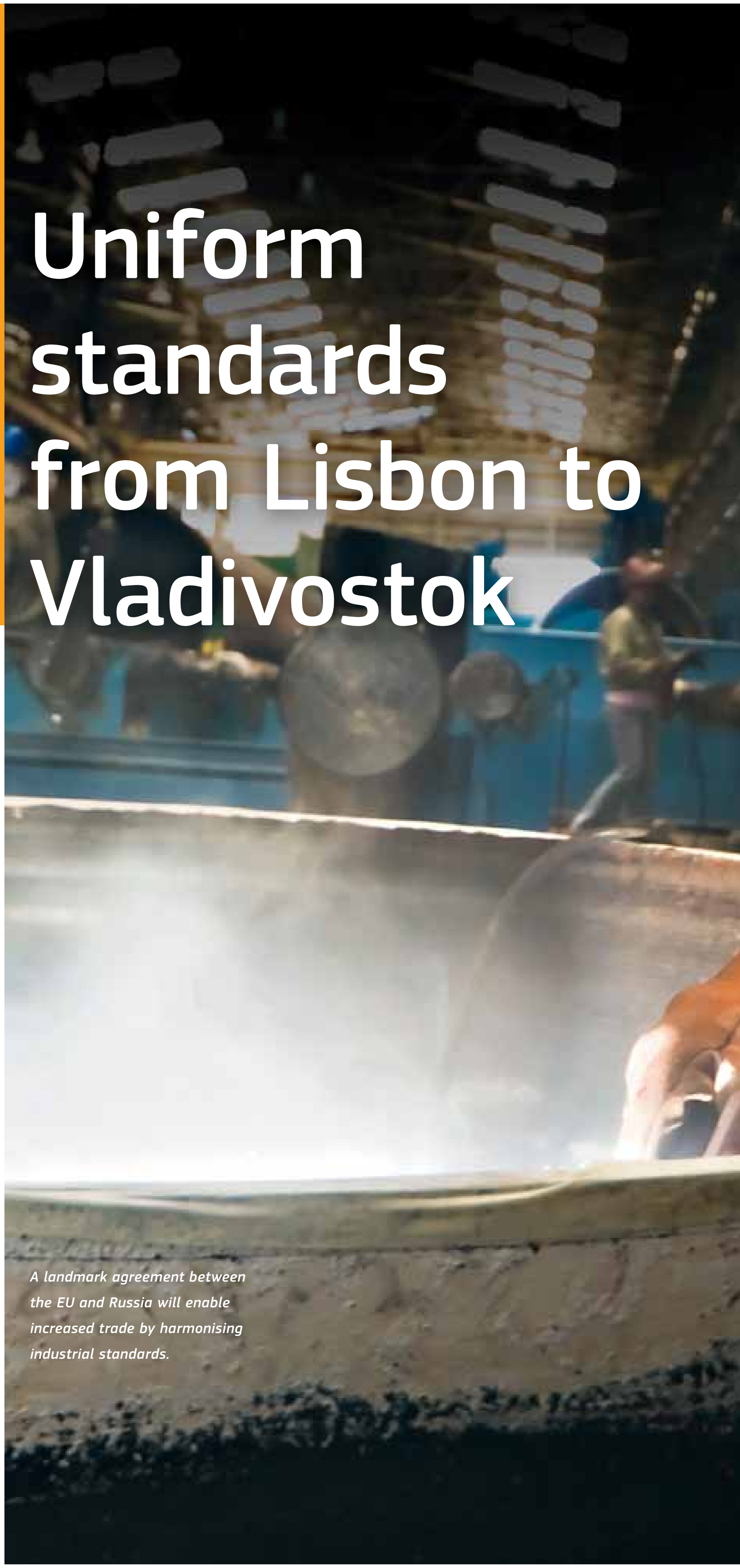
Some of Europe's top tech entrepreneurs and startup pioneers presented a manifesto detailing why Europe needs to adapt for the digital age. The Startup Europe Manifesto draws on the combined experience of dozens of Europeans who have imagined, built and grown successful businesses. It contains 22 recommendations to the European Commission, EU Member States and EU companies in the fields of education and skills, access to capital, data protection and thought leadership.

More information available online at:
http://bit.ly/1a8Dtm1

COOPERATION WITH RUSSIA

Objective: Uniform standards from Lisbon to Vladivostok

While the European Union and Russia are already strong trading partners, differences in standards still prevent truly unfettered bilateral trade. To remedy these differences and unleash the potential of this partnership, European standardisation authorities and Russia signed a landmark agreement that will promote cooperation and enable easier, more profitable trade.



A landmark agreement between the EU and Russia will enable increased trade by harmonising industrial standards.

Divergent standards are frustrating for consumers and businesses alike, but they can cause even greater headaches when they happen on a larger scale. Entire companies, or even entire industries, might be unable to sell their products abroad because of differences in domestic and international standards.

In order to avoid such issues, the European Commission helped orchestrate a landmark agreement between the European Union and Russia. The agreement will promote bilateral cooperation and help remove barriers to trade caused by different standards.

European Commission Vice-President Antonio Tajani has long touted the importance of cooperation with third countries. This emphasis has led to breakthroughs such as the Europe-China Standards Information Platform (CESIP), which established an online database of European and Chinese standards, as well as intellectual property rights helpdesks in Asia and South America, which help EU enterprises navigate foreign markets.

According to Tajani, the recent agreement with Russia is yet another milestone in the Commission's ongoing effort to increase trade and boost the European economy.

'The EU and Russia have expressed a common interest in enhancing bilateral trade and investment opportunities, and in facilitating and liberalising trade in the global economy,' Tajani says.

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The partners will share knowledge and exchange best practices in the following areas: engagement with small and medium-sizes enterprises (SMEs), collaboration between international and regional standardisation bodies, and synergy in other areas of mutual interest. To this end, they will organise seminars, exchange work programmes and/or establish joint working groups.

'This is a big step forward to remove technical barriers to trade and to improve economic, scientific and technical exchanges. As a consequence, compliance costs for businesses will be reduced and economies of scale will unleash new potential.'

Russia is the European Union's third-largest trading partner, and the EU is Russia's top trading partner. In other words, the EU and Russia are no strangers to trade. At the same time, both sides are committed to improving this partnership. The intensified cooperation adheres to the EU-Russia 'Partnership for Modernisation', a focal point of the two sides' emphasis on creating uniform standards from Lisbon to Vladivostok.

The cooperating agreement, together with the parallel discussions on approximation of technical regulations, is a good example of how policy and technical standardisation complement each other.

About the agreement

The agreement – the first ever of its kind – will facilitate increased collaboration between two European standardisation organisations, CEN and CENELEC, and the Russian standardisation body, ROSSTANDART.

Points of emphasis include fostering communication between these three organisations; developing mutual technical cooperation on standards activities; and promoting the use of international standardisation as a tool for harmonisation at national level, particularly bodies such as the International Organisation for Standardisation (ISO) and the International Electrotechnical Commission (IEC)

Another element of the agreement is that ROSSTANDART may request permanent observer status in CEN and/or CENELEC technical bodies. Under this observer status, Russia is encouraged to adopt European standards as national standards, and to withdraw conflicting national standards. This will further harmonise EU and Russian standards and catalyse increased cooperation and increased trade.

More Info

More information available online at:

http://bit.ly/KwCwNN

Barrier-free TRAVEL:

a win-win for society and EU tourism

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Making tourism more accessible is essential to the development of new markets and services that will help Europe's tourism industry thrive. By making basic adjustments to facilities and information services, senior citizens and travellers with special access needs can fully enjoy Europe's tourism experiences. As a result, accessible tourism not only promotes equal opportunities and social inclusion, but can also boost the tourism industry.

Senior citizens and people with special needs have the desire and the right to travel like everyone else. However, their travel experiences are often restricted by physical barriers such as transportation constraints, inaccessible accommodation and tourism sites and a general lack of information.

The European Commission is therefore promoting accessible tourism – that is, tourism which offers services to people with various kinds of special access needs: reduced mobility, visual impairments or learning difficulties, and also families with children and senior travellers. These services enable people to travel independently and with dignity, which is why the Commission dedicated 2013's European Destinations of Excellence (EDEN) awards to locations that excel in accessible tourism.

Destinations in 19 countries were recognised for their efforts in developing accessible tourism offers. These destinations featured accessible accommodations and equipment such as walking paths adapted to wheelchairs or strollers, special bike rentals and enhanced access to beaches.

Europe – a destination for seniors

Senior citizens are an essential element to the European tourism industry. Currently, more than 128 million Europeans are between 55 and 80 years old, and according to current demographic trends, this proportion is expected to increase. However, the potential for senior travel has not yet been fully exploited: Only 41 % of seniors between 55 and 75 currently travel.

Tourism authorities, as well as industry and senior organisations, are being encouraged to engage in a stronger public-private partnership. In this context, the Commission is preparing to launch an initiative, 'Europe, the best destination for seniors', which is designed to increase the flow of senior tourists, particularly during the low and medium seasons, between countries both inside and outside the EU.

All of these initiatives have the potential to bring great benefits because barrier-free tourism opens new, sometimes niche markets and attracts new clients. This in turn has a positive effect on economic growth and the jobs that come with it.

> 'Tourism has always been very high on my agenda, as it employs nearly 20 million people and has links to other key sectors, such as culture, food, fashion, construction and transport. We should continue to find ways to make Europe's tourism sector flourish.'
>
> **European Commission Vice-President Antonio Tajani**

More Info

More information available online at:

http://bit.ly/bdFiXM

Cultural Routes showcase remote destinations

To further solidify Europe as the world's number one tourist destination, new markets are continuously being explored. Building on the uniqueness and authenticity of remote destinations, Europe's 'Cultural Routes' – which vary from medieval city trails to historic wine tours – represent an opportunity for innovation, creativity and small business creation.

Over the past two decades, Europe's 'Cultural Routes' have shown great potential for creating small and medium-sized enterprises (SMEs) and promoting Europe's history-rich image. By incorporating parts of Europe which are largely unexplored – 90% of the trails are in rural areas – Cultural Routes are a springboard to highlight the variety and complexity of Europe as a multifaceted tourism destination.

Currently the Cultural Routes feature 26 transnational itineraries selected and evaluated by the Council of Europe, which ensures that the Routes meet certain criteria. The Routes connect cities, villages and rural communities across the continent. Some of the more renowned routes include the Santiago De Compostela Pilgrim Routes, which feature around 1800 historic buildings in Spain and France, and the Iter Vitis, which is based on the cultural history of vineyards and wine and runs through 18 countries. The Iter Vitis not only promotes vineyards as part of European identity, but also acts as a tool for sustainable development by safeguarding the landscapes pertaining to wine production.

SMEs to benefit from Cultural Routes promotion

A 2010 study provided evidence of Cultural Routes' ability to promote sustainable and quality tourism in Europe. The study, 'Impact of European Cultural Routes on SMEs' innovation and competitiveness', analysed how much Cultural Routes can benefit SMEs, especially in lesser-known destinations, by creating markets for SMEs' products – markets that might not otherwise exist. After all, in many locations throughout Europe, the local culture and heritage are the main resource for development, and the study suggests that Cultural Routes help exploit these resources.

The European Commission is further supporting the European cultural itineraries with the 'Crossroads of Europe' annual fair, organised every year in a different country crossed by Cultural Routes. This initiative helps raise awareness about Cultural Routes and their potential for tourism among stakeholders, businesses, destination managers and national and local authorities.

More Info

More information available online at:

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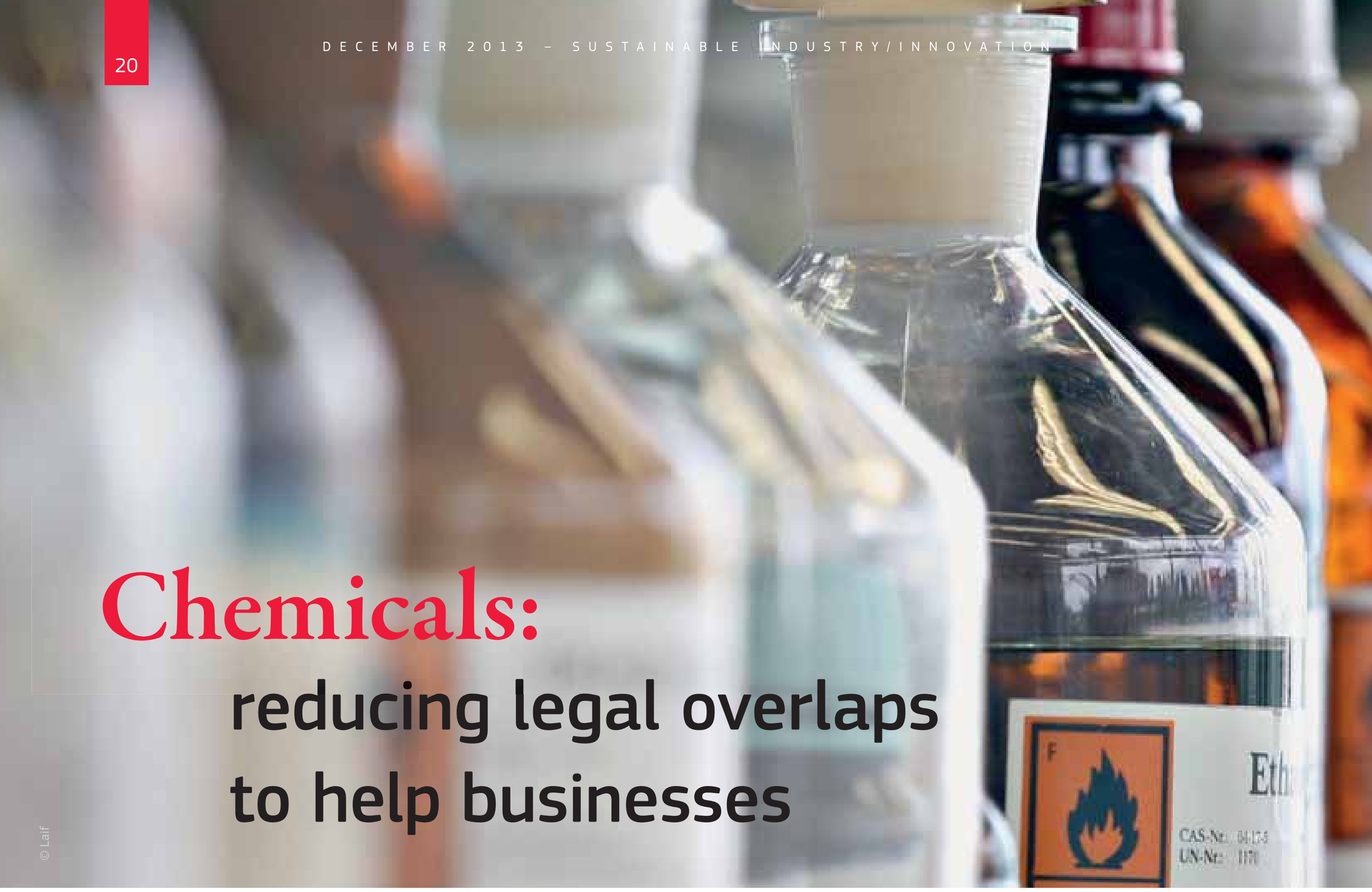

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Chemicals:

reducing legal overlaps to help businesses

As an integral part of everyday life, chemicals are closely monitored to ensure they do not pose unacceptable risks to human health or the environment. Although regulatory measures are effective in ensuring safety, some of these measures overlap, creating burdens for companies and hurdles for industrial growth. The European Commission aims to take a coherent legislative approach to promote synergy in handling chemical risks.

Since the early days of the internal market, European legislation has regulated chemicals by setting common rules for safety and transparency. But as the production, distribution and application of chemicals continues to evolve, so, too, must the regulatory framework which ensures the appropriate identification and risk management of substances.

Currently, REACH (Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals) is the cornerstone of European chemical safety legislation. Adopted in 2006, REACH requires companies manufacturing chemical substances in the EU, as well as those importing into the EU, to register these substances with the European Chemicals Agency (ECHA). As a result, the uses and properties of nearly 6600 chemical substances have been registered with ECHA – part of the reason that 61% of Europeans think chemicals are safer now than a decade ago.

In 2012, an evaluation of REACH confirmed that it delivers on all objectives. However, the evaluation also identified instances of overlap between REACH other EU legislation affecting the use of chemicals.

Overlaps, generally, are regarded as situations in which multiple pieces of legislation may impose restrictions on the same substance, potentially leading to legal uncertainty. This could happen, for example, by imposing the same or similar regulatory requirements twice, or imposing conflicting requirements on the same actors according to two different pieces of legislation.

Aware of the burden this places on companies, the European Commission will examine how to eliminate or minimise duplications and inconsistencies between REACH and a range of other legislation. The EC has also organised workshops and discussions with regulatory actors at national and EU level to devise a coherent legislative approach for such overlapping cases.

Controlling substances of very high concern

REACH introduces a new mechanism for controlling the risk of chemicals: the authorisation of substances of very high concern (SVHC), which are identified by being listed on the so-called 'Candidate List'.

> ‘The European Commission is committed to addressing chemical risks in order to achieve a high level of protection for the European environment and its citizens while avoiding unnecessary regulatory burden for companies.’
>
> **European Commission Vice-President Antonio Tajani**

From an industry perspective, coherence and predictability in the management of chemical risks by regulatory authorities are crucial. However, some stakeholders – particularly SMEs from manufacturing industries other than the chemicals industry – have difficulty understanding the process for identifying a substance as an SVHC under REACH.

Building on the experience gained in the identification of SVHC, European Commission Vice-President Tajani and the EU Commissioner for the Environment, Janez Potočnik, recently published the ‘SVHC Roadmap’, which will act as a guide for identifying all the relevant SVHC and listing them in the Candidate List by 2020. In addition to setting clear milestones and clarifying the division of responsibility between the European Commission, Member States and ECHA to place all relevant known SVHC on the list by the 2020 target, the Roadmap also helps companies to better understand the SVHC identification process. Enhanced communication between stakeholders during all phases of the process will lead to the most appropriate risk management measure.

More Info

More information available online at:

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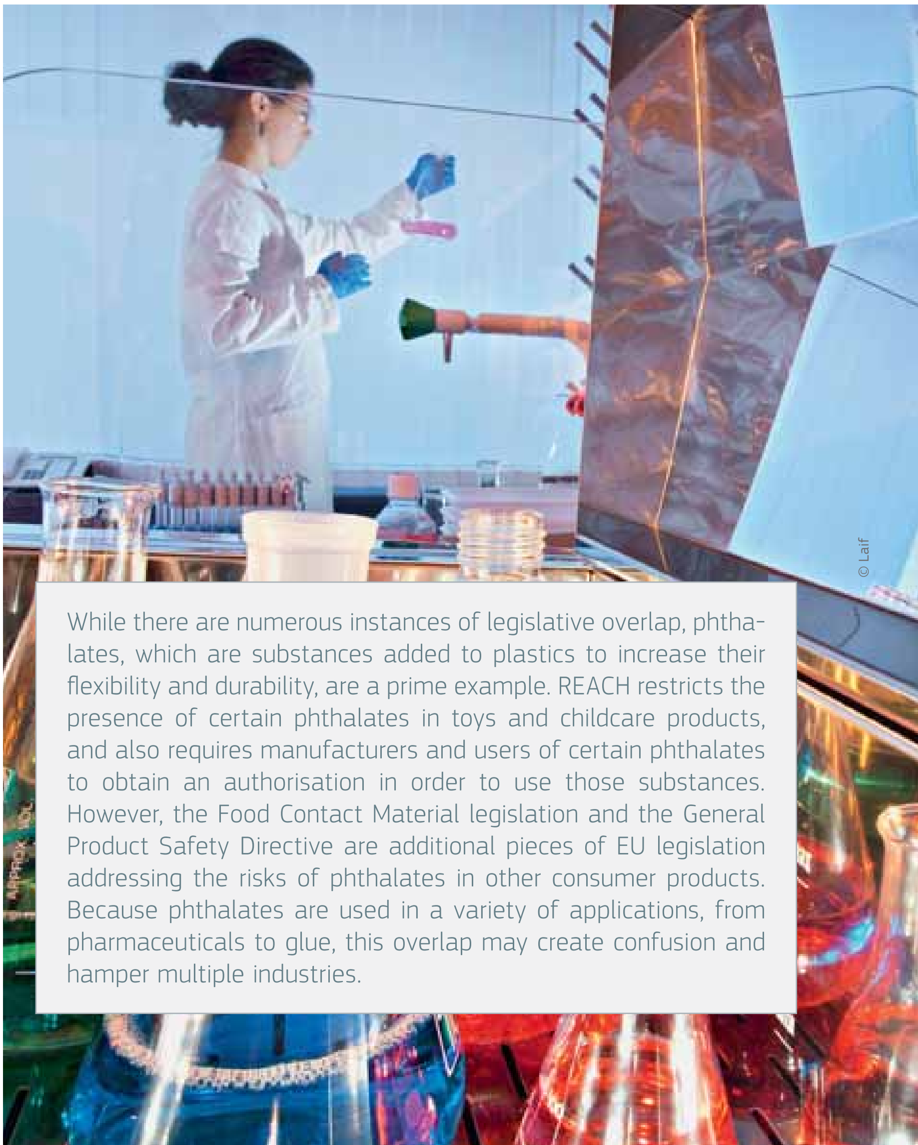

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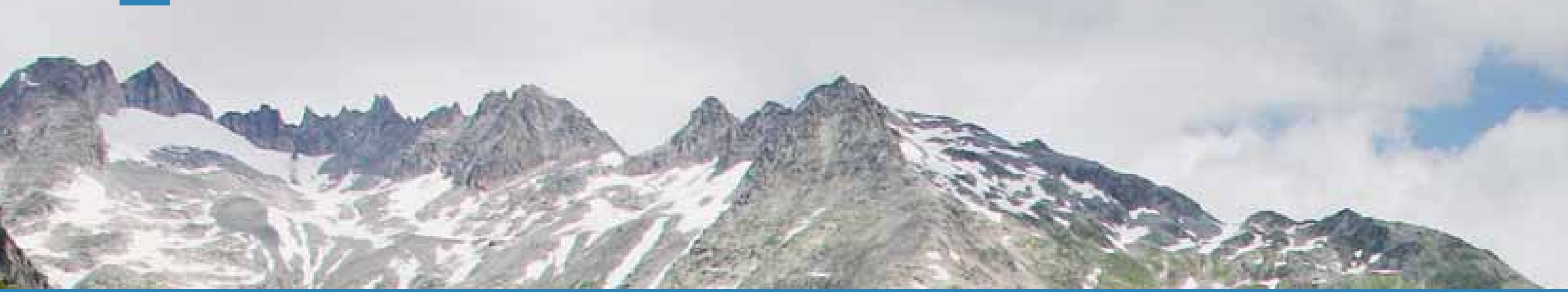
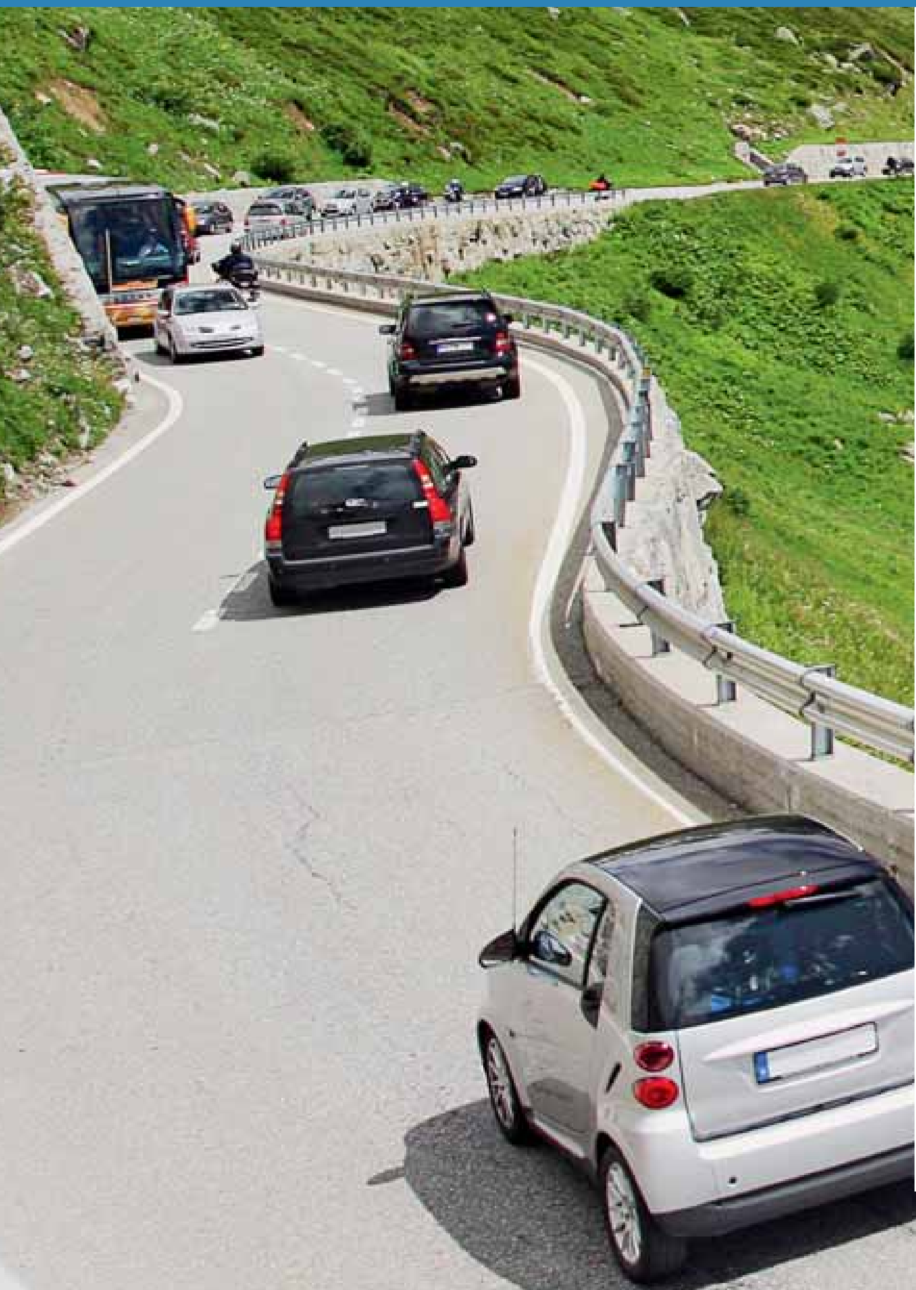
While there are numerous instances of legislative overlap, phthalates, which are substances added to plastics to increase their flexibility and durability, are a prime example. REACH restricts the presence of certain phthalates in toys and childcare products, and also requires manufacturers and users of certain phthalates to obtain an authorisation in order to use those substances. However, the Food Contact Material legislation and the General Product Safety Directive are additional pieces of EU legislation addressing the risks of phthalates in other consumer products. Because phthalates are used in a variety of applications, from pharmaceuticals to glue, this overlap may create confusion and hamper multiple industries.



Removing roadblocks for citizens **moving with their cars** in the EU

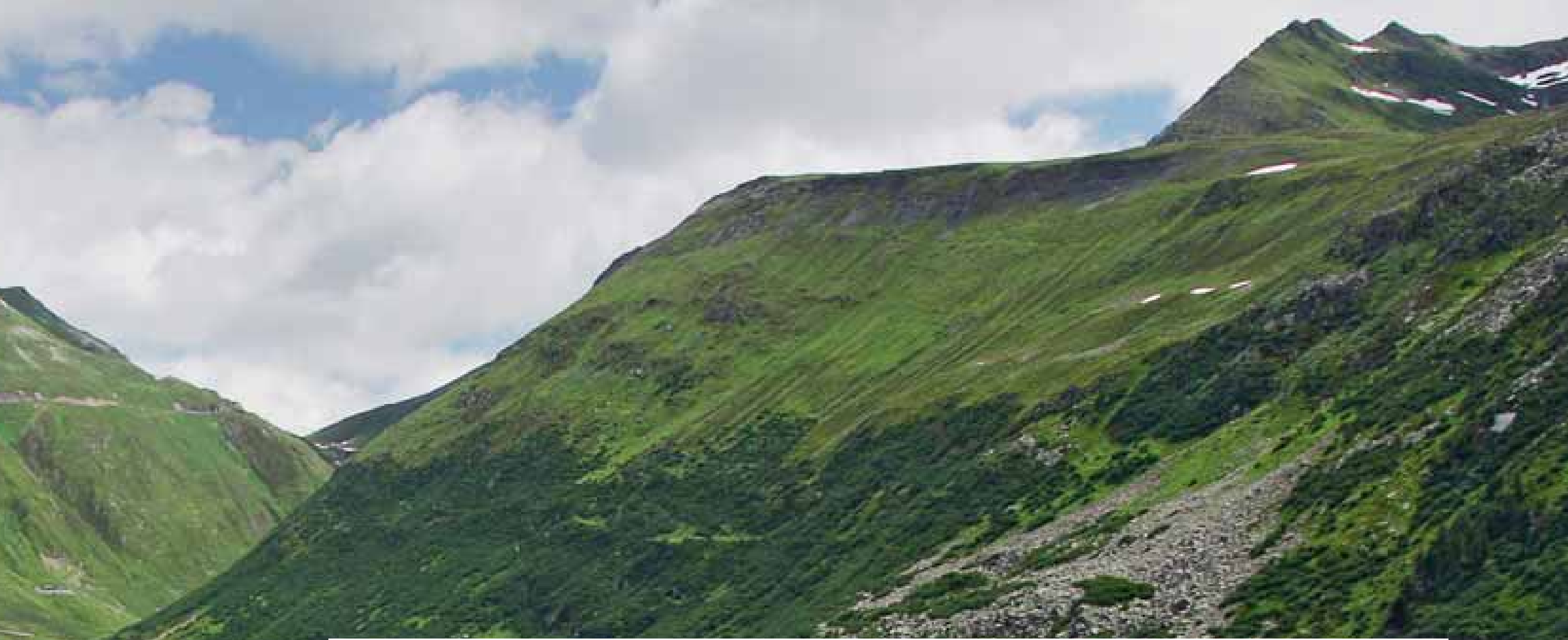
A European Commission proposal will simplify registration processes and reduce formalities associated with moving automobiles throughout the EU. This means that not just citizens, but also their vehicles will be given the green light to easily travel between Member States.



It has been 20 years since the creation of the internal market, which allows goods and people to freely move throughout the European Union. However, two decades later, European citizens are still unable to easily transfer cars between Member States because of burdensome vehicle registration procedures and paperwork.

According to the 2010 EU Citizenship Report, vehicle registration is one of the main obstacles that citizens face when applying their EU rights in practical life. Some of the problems include confusion about where to register vehicles, long and complicated procedures, cumbersome documentation and repetition of technical inspections. These concerns – which in 2012 affected some 3.5 million Europeans who moved cars between Member States – are currently dealt with by national legislations, and often the European Commission and the European Court of Justice must intervene to solve particular cases.

This is all about to change. The European Commission submitted a legislative proposal that will eradicate lengthy procedures for people who move permanently with their vehicle or purchase one in another Member State. European Commission Vice-President Antonio Tajani said the proposal would benefit both citizens and businesses: 'In addition to enabling citizens to better exercise their right to freedom of movement, the proposal would lead to a very substantial administrative simplification with total savings of at least €1.4 billion per year for businesses, citizens and registration authorities.'



Key elements of the proposal

Where to register vehicles

There is often confusion about what to do if a citizen lives in one Member State, works in another and uses their vehicle in both. Moreover, registration requirements make it so Europeans cannot always rent or lease a car in one Member State and use it easily in another, and can create problems if someone drives a car borrowed from a family member in another Member State.

To eradicate these unnecessary burdens, the proposal clarifies that:

- it is only necessary to re-register a vehicle in a Member State if the holder of the registration certificate has their normal residence in that Member State;
- people who spend part of the year in a holiday residence in another EU country will not have to re-register their car there;
- people who work in another EU country and use a car registered by their employer there will no longer have to register it in their home country.

What is more, car rental companies will be able to transfer cars to another EU country during the holiday periods without re-registration. Citizens will also have up to six months to re-register their car after moving to another Member State.

Physical inspections and refusal to re-register a vehicle

The physical inspection of vehicles is the part of the re-registration process that seems to inconvenience citizens the most. Often a citizen whose vehicle has recently passed technical inspection in their Member State is asked to go through the procedure again when relocating abroad. Re-registration may then be refused or delayed because citizens are requested to provide extra documents.

The proposal clarifies and limits, without hindering road safety, the cases in which a physical inspection is required prior to the re-registration, as well as cases in which re-registration can be refused. For example, physical checks may only be required if the information about the vehicle cannot be found in the electronic register, or in the case of change of ownership or seriously damaged vehicles.

Quicker administrative procedures and electronic exchange of information

At present, Member States have little and sometimes no information about the vehicle they have to re-register. This is why citizens are asked to provide additional documents (that often need translation) or carry out additional tests to the vehicle.

The proposal aims to simplify the administrative procedures required to re-register a vehicle already registered in another Member State by utilising an electronic system for the exchange of information between Member States. This will also contribute to the fight against car crime, as authorities will have additional tools to verify if a car has been stolen.

Where is the proposal now?

The 'ball is in the court' of the European Council and European Parliament, which are the legislative bodies responsible for the adoption of this proposal. Member States in the Council have been discussing it since December 2012 and the European Parliament has given it priority because of the impact it has on citizens' daily lives. Thus, it is desirable that the proposal will be adopted during this parliamentary term.

More Info

More information available online at:

http://bit.ly/1i1kJwm

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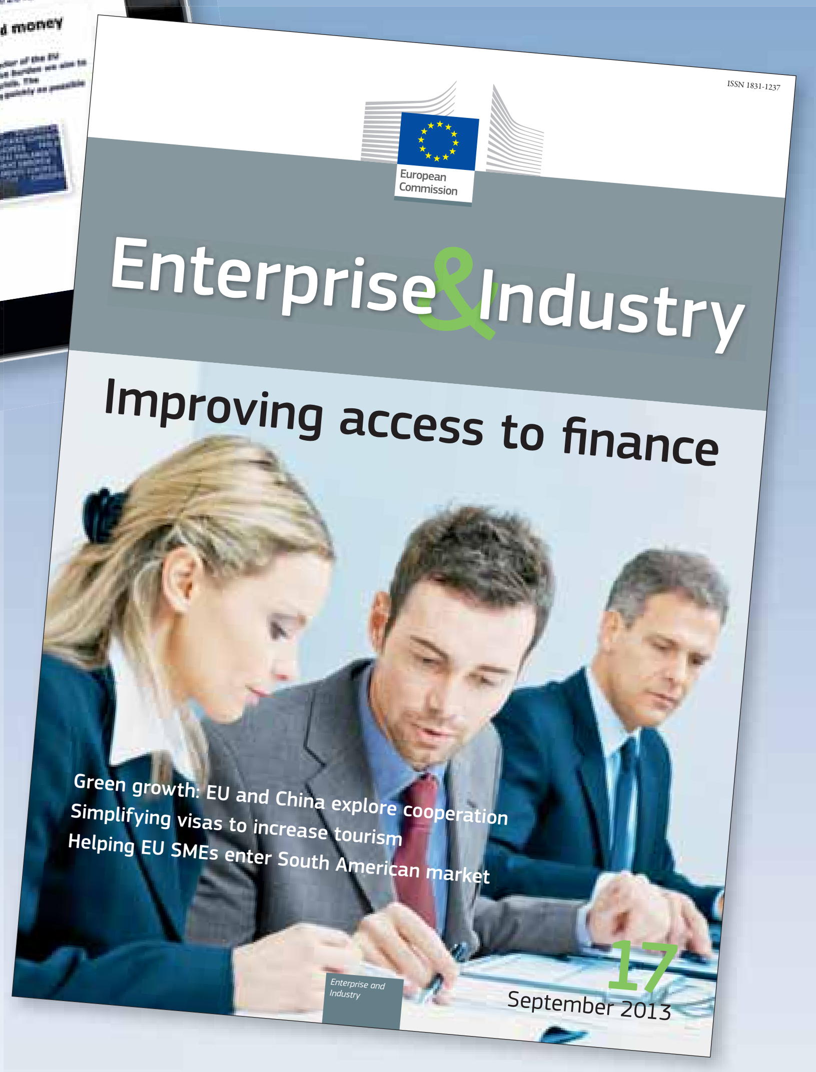

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