



Enterprise & Industry



COSME: Access to finance

European Commissioner for Industry and Entrepreneurship, Ferdinando Nelli Feroci (right) and Director General of Directorate General for Enterprise and Industry, Daniel Calleja Crespo (left), at the signing of COSME

GAP helps turn green to gold



Steering the car industry



Profit pattern in Ecodesign



REACHing a milestone



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Enterprise & Industry Magazine

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Think small first ...

"Think small first" is the motto etched in the Small Business Act and the crux of the European Commission's attitude towards growth as it fervently nourishes Small and Medium-sized Enterprises (SMEs). With this in mind, the Commission and the European Investment Fund (EIF) signed an agreement on 22 July that will guarantee SMEs in Europe access to up to €25 billion in additional finance over the next seven years. I am very pleased that this important step was taken to overcome the well-known difficulties that SMEs face in obtaining credit.

With the issue of business investment in mind, this edition of E&I Magazine explains how to access financing from the EU and we underscore some success stories that may inspire budding entrepreneurs. We also emphasise how we have simplified legislation to make it easier for companies to do business across Europe and, in an interview, the Ombudsman Emily O'Reilly explains where people can direct their complaints and queries about EU issues.

As well as covering business opportunities generated by the space data of Copernicus and our strategy to support both the car- and accessible tourism industry, this edition also explores how ecodesign can benefit the economy as well as the environment. In keeping with the green theme, we also take a look at the Green Action Plan for SMEs, which could be lucrative for enterprises.

With all of these initiatives, and more, we are on the right track to support SMEs, which are the backbone of our economy.

Ferdinando Nelli Feroci, European Commissioner for Industry and Entrepreneurship

Access to Finance

Navigating the EU funding forest

Like a tree with many branches, the European Commission has several ways for SMEs to obtain funding. However, figuring out how to get access to that cash may seem like navigating an overgrown forest. With this in mind, Enterprise & Industry Magazine has put together this simple guide to outline EU financing possibilities.

The EU finance portal, www.access2finance.eu, helps SMEs and entrepreneurs manoeuvre the EU funding jungle. It provides easy and up-to-date information on how they can apply for finance supported by the EU via one of approximately 1 000 banks and other institutions.

How it works

EU programmes providing financing are available through selected financial institutions in each country. The decision to provide a loan, guarantee or equity financing will be made by the local financial institution. The exact financing conditions – the amount, duration, interest rates and fees – are determined by them.

Right to credit feedback

SMEs have a right to get feedback from credit companies on their rating, which will help them obtain future funding. SMEs can exercise this right by referring to Article 431 of the EU Capital Requirements Regulation 2013. The Regulation states that credit institutions shall “explain their rating decisions to SMEs and other corporate applicants for loans, providing an explanation in writing when asked.”

Programmes for business finance

Europe provides a balanced mix of financing to SMEs: through the COSME Programme, Horizon 2020 and Structural Funds, as well as lending from the European Investment Bank group. EU financial instruments are managed by financial institutions such as banks, credit institutions or venture capital



funds. This means that the ultimate funding decision is made by the local financial institution. The Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) will provide guarantees and counter-guarantees for monetary institutions to help them provide more loans and lease cash to SMEs. The COSME budget will also be invested in funds that provide venture capital and mezzanine finance to expansion and growth-stage SMEs in particular those operating across borders (see pages 6 & 7).

Practical guide for funding

The European Commission has also published a practical guide for SMEs and entrepreneurs providing information on how to get funds in each of the 28 Member States. For each country, a factsheet provides key information on all national or regional financing programmes available. □

More Info

More information available online at:

<http://bit.ly/1mUd4Tw>



© Getty Images

Interview with Daniel Calleja Crespo

SBA and COSME: Dream duo for SMEs

Small and Medium sized Enterprises provide an incredible 85% of all new EU jobs so the European Commission believes a policy fit for them is a policy fit for nearly everybody. With this ethos, the Small Business Act (SBA) and Competitiveness of Enterprises and SMEs (COSME) have been designed to nurture SMEs. To learn more, we spoke with the Director General of Enterprise and Industry, Daniel Calleja Crespo.

What is the Small Business Act?

Calleja Crespo: It is the first part of our 'dream duo' for SMEs. The SBA covers five pillars: access to finance, access to markets, the reduction of administrative burdens, entrepreneurship, and training and skills. All small businesses benefit from the exchange of best practices that are upheld within these policies. If needed, there can also be a little bit of naming and shaming.

Can enterprises and citizens contribute to the new SBA?

Calleja Crespo: Yes, there is broad agreement on the need to keep, and further develop, the SBA as the Commission's policy instrument to promote

SMEs and entrepreneurship from 2015 to 2020. This is why we have launched a public consultation process to which everybody is invited to contribute. I hope we will receive many fresh ideas to boost SMEs, which will flow into the conception of new policy initiatives.

What about the other half of the duo, COSME?

Calleja Crespo: This is the first ever specific programme that the EU has put in place exclusively for SMEs. More than anything else, these companies need money to develop and COSME will help them find it. As of Autumn 2014, banks in Europe can give up to €25 billion in additional funds, loans, guarantees and venture capital, which we expect can reach up to 330 000 SMEs.

What support is given to help small businesses expand abroad?

Calleja Crespo: When SMEs have secured finance they begin to grow and cracking into new markets is an important element of this. The European Enterprise Network (EEN) supports growth. It provides help and advice to SMEs who want to begin trading internationally. The Commission

finances EU business centres that advise SMEs on how to invest and seize business opportunities in China, India and Thailand. Because the markets with the biggest growth potential are outside the EU, we also promote internationalisation through 'Missions for Growth.' Similar activities are taking place with the main EU trade partner, the United States of America (in the framework of the Transatlantic Trade and Investment Partnership), as well as with Latin America and Africa.

Why is the Commission so dedicated to entrepreneurs?

Calleja Crespo: To grow and increase employment, Europe needs more entrepreneurs. That's why an action plan to support them and revolutionise entrepreneurial culture in Europe has been developed. Education and training will nurture new generations of entrepreneurs and help young people, women, seniors, migrants, and the unemployed to get on board. To support start-ups, the Commission also runs the Erasmus for Young Entrepreneurs (EYE) programme. This lets young entrepreneurs learn from experienced people in another Member State.

Why is the EU relaxing some legislation for SMEs?

Calleja Crespo: To make life easier for them. There was a broad consultation in which around 1000 SMEs and business organisations identified the top 10 most burdensome EU laws and the results are being put to good use. For

example, legislation demanding a payment of fees under chemicals regulation 'REACH' was identified as the biggest difficulty. The European Commission therefore reviewed the scenario and significantly reduced the fees paid by SMEs. We are also systematically revising legislation to make it simpler and more business-friendly. Earlier this year, we already did this for some industry sectors, such as personal protective equipment, cableway installations, pressure equipment and gas appliances (see pages 22 & 23).

Explain the principle 'think small first then grow'.

Calleja Crespo: 'Think small first' is the motto enshrined in the Small Business Act which has helped SMEs weather the crisis. Now that there are signs of recovery, it is important that the EU and national governments at all levels keep on thinking small first, but it is equally important that SMEs grow again. The Commission is therefore setting all the measures I mentioned here and more to facilitate and support growth. Take us by our word; come and see what Europe can do for you. □

More Info

More information available online at:

<http://bit.ly/1bWzRKy>

<http://bit.ly/1bxoirH>



Director General of
Directorate General for
Enterprise and Industry,
Daniel Calleja Crespo

COSME: Access to Finance

Ready to aid 330 000 SMEs

Proving their unyielding commitment to stimulating the economy from the foundation up, the European Commission and the European Investment Fund (EIF) signed an agreement on 22 July that will guarantee Small & Medium-sized Enterprises (SMEs) in Europe access of to up to €25 billion of additional finance over the next seven years.

Thanks to the €1.3 billion allocated in the Competitiveness of Enterprises and SMEs (COSME) budget for SME financing, €25 billion will be mobilised by financial intermediaries until 2020. The agreement blazes the trail for providing equity and debt financing to SMEs, under the COSME programme, by the end of 2014. The EIF is now running an open call of interest to eligible financial institutions – banks, guarantee institutions, funds and so on – who can apply to make the new finance available to European SMEs in all sectors.

Ferdinando Nelli Feroci, Commissioner for Industry and Entrepreneurship, said: “This is an important part of the EU’s response to overcome the well-known difficulties SMEs face in obtaining access to credit. The signing of this agreement shows that the European Commission is firmly committed to helping EU SMEs thrive: they are the backbone of the economy, and are responsible for the creation of 85% of all new jobs.”

COSME operates in the capacity of a funding guarantor for banks so they can give more loans and finance leases to moderately sized companies. The impact is substantial as, due to the leverage effect of the COSME Programme, every Euro invested in a loan guarantee enables up to €30 of financing to SMEs. These guarantees will help many small enterprises who cannot otherwise get funding because of lack of collateral.

It is expected that up to 330 000 SMEs will receive loans backed by COSME guarantees, with the total value of lending reaching up to €21 billion. Based on the experience of the COSME predecessor programme, the Competitiveness and Innovation Programme (CIP), it is expected that 90% of the beneficiaries will have 10 or fewer employees with

average financing of €65 000 – exactly the category of business that faces the biggest hurdles in securing loans.

€4 billion in equity

A part of the COSME budget will also be invested in funds that provide venture capital for the expansion stage of SMEs, in particular those operating across borders. The fund managers will operate on a commercial basis, to ensure that investments are focused on small businesses with the greatest

Signing of the agreement between the European Investment Fund and the European Commission by Pier Luigi Gilbert (Chief executive of the EIF), on the left, and Daniel Calleja Crespo



growth potential. It is anticipated that some 500 firms will receive equity, with investment volume reaching up to €4 billion and attracting further finance by co-investments from other public and private sources.

The COSME programme builds on the success of the CIP, which helped to mobilise more than €16 billion in loans and €2.8 billion in venture capital to over 328 000 SMEs in Europe between 2007 and 2013. □

More Info

More information available online at:

www.access2finance.eu

About the EIF

The European Investment Fund's (EIF) mission is to support Europe's micro, small and medium-sized businesses by helping them access finance. It designs and develops venture and growth capital, guarantees and microfinance instruments which specifically target this market segment. EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment. Its total net commitments to private equity funds amounted to over €7.9 billion at the end 2013. With investments in over 435 funds, EIF is a leading player in European venture due to the scale and the scope of its investments, especially in high-tech and early-stage segments. At the end of 2013, EIF's guarantees loan portfolio totalled over €5.6 billion in over 300 operations, positioning it as a major European SME guarantees actor and a leading micro-finance guarantor.



Access to Finance

SMEs taste success with EU funding

Entrepreneurs in the EU Member States, from chocolate makers in Belgium to roof makers in Slovenia, were given the business boost they needed thanks to the successful Competitiveness and Innovation Framework Programme (CIP) from the European Commission.

Building on the success of CIP, the European Commission has developed the follow-up programme Competitiveness of Enterprises and SMEs (COSME) that will help yet more moderately sized businesses realise their potential (see pages 6&7).

Getting behind the statistics, we meet some of the entrepreneurs who have seen their business triumph thanks to EU financing. These success stories, and thousands more, show that the EU is an economic lifeline to enterprising Europeans.

Karen Aerts in her chocolate boutique



Karellicious, Antwerp

Type of business: Chocolate boutique
EU-guaranteed loan from FdP: €12 000

Taking its name from its founder, Karen Aerts, Karellicious is a scrumptious chocolate boutique that opened in Antwerp in 2007. After receiving a €12 000 EU-guaranteed loan from Belgian financial intermediary FdP, sugary-sweet success soon followed.

“The loan turned out to be the right support I needed to get the ball rolling,” said Karen, who runs the business herself and has kept it afloat through hard work and dedication to a cause that stirs the passions of many – chocolate!

Karen graduated as a jeweller and goldsmith, but could not find the job she was looking for. After searching to no avail, she started working in a local shop, aware that she had the desire and ability to achieve more. In a bid to find her dream job, she started evening classes to become a chocolate confectioner. In the meantime, she worked in a coffee shop to make a living whilst figuring out how she could start her own business. Her passion for chocolate was luckily coupled with a passion for entrepreneurship, so when the opportunity came to turn her dream into a reality, she went to the Belgian financial intermediary FdP (Participatiefonds/Fonds de Participation) for backing and “feeling like a kid in a sweet shop” left with €12 000. Karen hopes to keep her passion alive and is already planning on diversifying the business by making customised specialties for her sweet-toothed clients in Antwerp.

Núria Ventura with her young students

Srečko Knuplež s.p., Zgornja Velka

Type of business: Roofing business

EU-guaranteed loan from Slovene Enterprise

Fund: €119 000

Twenty years ago Srečko Knuplež set up his roofing business in Slovenia with just one other employee. Supplying roof structures and accessories, as well as offering design and technical advice to an array of private and corporate clients, he was making a decent living. However, after turning to the EU for funding to expand his enterprise, he's now feasting on success. Srečko's initial idea was to set up a construction company in an attempt to meet local market demand. Soon after starting his business, he realised that he could broaden the company into new product areas.

In 2008, Srečko needed extra cash to expand his product range. In his search for funding, he discovered that the Slovene Enterprise Fund was offering favourable bank loans, made available under the CIP programme. His loan application was successful and he received €119 000. This allowed Srečko to buy a new lift and start expanding his business. He has now taken on two new staff members, bringing the company's current headcount to 21. In one year alone, the company's revenue leaped by 28%. "If I hadn't got this loan, the business would never have grown this quickly," testifies Srečko.

This eco-friendly business contributes to a cleaner environment by ensuring the clean disposal of asbestos-cement roofing, asbestos-cement facade panels and water pipes.

The Dance School, Barcelona

Type of business: Dance school

EU-guaranteed loan from MicroBank: €25 000

Thanks to EU funding, choreographer, artistic director and dancer Núria Ventura is waltzing her way to success with her school in Sant Esteve de Palautordera, Barcelona, Spain. The dance school for all ages and various genres opened in July 2007. It originally began with 20 pupils and now there are more than 60 budding Fred Astaires and Ginger Rodgers'.



© European Commission

Núria received an initial micro-credit contribution of €25 000 from the Spanish microlender MicroBank for her venture. This loan was used to refurbish the premises and it helped her to take her very first steps towards opening the dance school. "Securing the micro-credit was quite easy. I presented my business plan, they saw that I had a clear idea backed with solid experience and they supported my new challenge," she explains.

Initially, Núria started with six employees but was able to expand to 10 following her loan. Her short-term ambitions are to make it a flagship dance school and to increase the number of pupils.

More Info

More information available online at:

<http://bit.ly/1bWzRKy>

Green Action Plan for SMEs

Turning green challenges into a gold mine

The European Commission has adopted a Green Action Plan (GAP) for SMEs: Enabling SMEs to turn environmental challenges into business opportunities. The plan presents EU actions that will turn the transition to a green economy, a financially beneficial venture for moderately sized enterprises.

To give small businesses better value for money, whilst improving environmental impact, the GAP for SMEs sets out a series of objectives in five sections:

1. Greening SMEs for more competitiveness and sustainability

Improving resource efficiency in SMEs offers a great opportunity for the reduction of production costs and for productivity gains. Better use of resources is calculated to represent estimated overall savings of €630 billion per year for European industry.

2. Green entrepreneurship for the companies of the future

Preventing environmental damage and moving towards a low-carbon economy is a challenge for all of society. It also offers opportunities for enterprises that bring green products and services to the market.

3. Opportunities for SMEs in a greener value chain

This plan will give SMEs and entrepreneurs a supportive environment to move towards a circular economy. Re-manufacturing, repair, maintenance, recycling and ecodesign have great potential to become drivers of economic growth and job creation while, at the same time, making a significant contribution to addressing environmental challenges.

4. Access to the markets for green SMEs

The EU's international commitments in areas such as climate change co-operation or neighbourhood policies allow European SMEs with green expertise to gain access to new markets. However, 87% of European SMEs only sell their green technologies, products or services in national markets. Therefore, a more supportive framework and more international co-operation is needed to help SMEs successfully integrate globally.

5. Governance

The GAP for SMEs has been supported by EU Member State administrations and SME stakeholders. It is important to implement the GAP thoroughly, so as to ensure an impact across all of Europe. The action plan is part of the re-industrialisation of Europe advocated by the European Industrial Renaissance Communication and supported by the European Council.

Daniel Calleja Crespo, European SME envoy and Director General of the European Commission's Directorate General for Enterprise and Industry explained: "By improving the resource efficiency of European SMEs, supporting green entrepreneurship, exploiting the opportunities of greener value chains and facilitating market access for green SMEs, the newly adopted plan will make sure that going green is not just of benefit to the environment, but also to the economy." □

More Info

More information available online at:

<http://bit.ly/1g6ytXU>

Ecodesign and energy efficiency

Benefitting environment and economy

As part of the EU's suite of policy strategies for a more competitive and sustainable Europe by 2020, with greater energy security, ecodesign measures will play a key role. As well as offering advantages to businesses and consumers, one-third of energy savings are estimated to come from ecodesign.

Earlier product measures that put into practice the 2009 Ecodesign Directive, and its sister 2010 Energy Labelling Directive, concentrated on the energy efficiency of household goods such as washing machines, light bulbs and standby power use. More recently though, the European Commission has been preparing two separate Ecodesign Regulations, one dealing with electricity transformers, and a second addressing building ventilation. These have a greater business-to-business (B2B) orientation, and will come into force in July 2015 and January 2016, respectively.

The new measures are part of a growing family of some 30 Ecodesign Regulations. Around half of these have the separate Energy Labelling provision – the A-G green, yellow and red label familiar from washing machines, refrigerators and TVs. Together, it is forecast that these pieces of EU product legislation will bring about hundreds of millions of small to medium energy savings every year in households and businesses. This should reduce CO₂ emissions by 2020 to a level similar to that achieved by the EU's Emission Trading Scheme (ETS).

The aim of ecodesign measures is to target “cost neutral” savings over the lifetime of the products that are examined for their energy saving potential. This means that the higher purchase costs – due to the innovative technologies used – is repaid via savings over the product's lifetime. Consumers or businesses who want appliances which are superior in energy-efficiency or more

environmentally-friendly, Energy Labelling identifies better products, up to “best-in-class”.

The latest round of energy efficiency-related B2B measures, adopted in summer and autumn 2014, includes Ecodesign Regulations for power transformers and building ventilation systems, with a regulation for professional refrigeration to follow in early 2015. Legislation specifically related to gas appliances will also be updated (see pages 22 & 23).

Transformers

Transformers, which adjust electric voltages along the electricity supply chain from generator to user, will be made more efficient with the introduction of the new Ecodesign Regulation next July. Minimum energy efficiency standards will be introduced for power transformers of all sizes used in electricity transmission and distribution networks, and in industrial applications. Since transformers are so widely used, the impact will be immense. There are currently an estimated 3.6 million installed power transformers in the EU (with an average service life of 30 years), and that number is expected to increase to almost 4.7 million by 2025. Therefore, even small improvements in their efficiency will make a huge difference.

The Ecodesign Regulation for transformers is forecast to reduce energy use in the EU by 16 Terawatt-hours (TWh) per year, every year, from 2020 onwards. These predicted energy savings correspond >



Sustainable and competitive

Ecodesign Regulation is an example of how the EU can pursue policies that successfully reconcile competitiveness and sustainability. By aligning EU legislation with that of other advanced economies, this measure will help reduce greenhouse gas emissions. It will also help reduce electricity prices for consumers, while helping EU manufacturers continue to be competitive in global markets.

to approximately 3.7 million tonnes (Mt) of avoided CO₂ emissions per year, which is about the half of the annual electricity consumption of Denmark. As always in ecodesign, the regulation applies equally to transformers which are made in the EU and those which are imported from outside Europe.

The minimum standards will eliminate the worst-performing transformer models from the EU market, pushing economic operators (often electricity companies) towards more energy-efficient models, which should help in keeping energy bills down over the long-term.

Ventilation systems in buildings

Ventilation systems in buildings are designed to replace the “used” air with outdoor air. People need to breathe fresh air and the obvious way of ensuring a good fresh air supply indoors is to open a window. However, as Europe moves towards “near-zero” energy-consuming buildings, and Passive House standards for new buildings, and as renovation projects on existing structures become more energy efficient, mechanical ventilation is becoming increasingly integrated into designs. The new Ecodesign Regulation on ventilation units increases the minimum permissible energy performance for ventilation systems, in both residential and non-residential buildings.

A building ventilation unit usually consists of one or more fans, motors and electronic controls, and is connected to the building itself either by a simple ventilation air inlet/outlet, or ventilation ducts. A heat exchanger device, which captures the warmth of the used air before venting it to outside the building, is one of the energy-efficient components which give ventilation systems advantages over merely opening the window. Ventilation units and systems





should save more energy than they use, as this heat-capturing element cuts down on the amount of heating needed for buildings during the colder months.

In the Ventilation Ecodesign Regulation, minimum requirements for energy efficiency and maximum allowance for noise levels are set. Therefore, from 2016 ventilation systems will be even more environmentally friendly, and significantly quieter. By 2025, the regulation should be on track, EU-wide, to make annual savings equalling the amount of energy that Austria annually uses.

It will also go some way to resolving the common “landlord-tenant” conflict in the construction industry between those who pay the bills and those who construct or own the building. Construction companies often opt for short-term savings, installing cheaper, energy-wasting ventilation systems or none at all, whilst tenants, be they families or businesses, are left to pay the energy bills from these inefficient devices over many years. By removing the poorest-performing products from the market, the regulation will increase the manufacture and installation of more energy-efficient products and systems. When viewed in the context of the product life cycle, the requirements will prove extremely lucrative, saving end-users billions of Euros, whilst creating an estimated 400 000 jobs per year for manufacturers and installers of ventilation systems.

An accompanying Energy Labelling Regulation for residential ventilation units enables householders to transparently compare which ventilation units are more economical and more efficient.

Internet compatible

The newest Ecodesign Regulations are prime examples showing advances in energy efficiency and the EU's economic interests are mutually reinforcing. They also rely on the latest technologies. Every Energy Labelling Regulation now has to be internet-compatible, meaning that when consumers search online for product information and prices, the energy label must also be displayed on every website. Through emphasis on innovation and streamlining in product design and use, the EU's product policies and promotion of a European industrial renaissance are two sides of the same coin, both for consumers and businesses. □

REACH Regulation

First authorisation for a “substance of very high concern”

For the first time, the European Commission has authorised the continued use of a substance considered to be of “very high concern” under the Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH).



Adopted in 2006, REACH requires companies manufacturing or importing chemical substances amounting to over one tonne per year in the EU, to register the substances with the European Chemicals Agency (ECHA). The aim of REACH is not only to ensure the good functioning of the internal market and control concerning chemicals, but also to see that certain particularly hazardous substances are phased out and replaced by economically and technically viable alternatives.

The substance that was given the green light for continued use is the phthalate ‘DEHP’, used by a producer in the manufacturing of aircraft engines. The Commission’s decision was based on the recommendations of the European Chemicals Agency Committees for Risk Assessment and for Socio-Economic Analysis, who found that all health risks to workers from the use of DEHP are controlled by the manufacturer. It was also noted that the company is searching for a suitable alternative, but there is currently none available.

During 2012, approximately 9000 titanium fan blades were manufactured by the company using DEHP in the process. The total quantity used is considerably less than one tonne per annum and the substance is ultimately destroyed by the very high temperature in the production process. Therefore, it is not present in the final engine. The authorisation will be reviewed by 21 February 2022.

Safe use of chemicals

Since REACH was adopted eight years ago, the uses and properties of nearly 6600 chemical substances have been registered with the ECHA. This no doubt contributes to the fact that 61% of Europeans view chemicals as safer now than a decade ago.

Data requirements and deadlines for registration depend on the quantity of a substance manufactured and used; the last deadline for registration is 31 May 2018. Registration dossiers are checked for compliance with the requirements by ECHA. Member States may select substances for more in-depth evaluation. Where an unacceptable risk is identified in relation to the use of a substance, restrictions can be established in Annex XVII of REACH. Substances of very high concern are included in the so-called “candidate list” and those meeting certain prioritisation criteria are listed in Annex XIV – continued use then requires authorisation until they can be substituted by technically and economically feasible alternatives. Substances of very high concern include carcinogens, mutagens, substances that are toxic for reproduction, persistent, bioaccumulative and toxic substances (PBTs), very persistent and very bioaccumulative substances (vPvBs) as well as substances which are considered to be of an equivalent concern. □

More Info

More information available online at:

<http://bit.ly/1oq5psJ>

Copernicus satellite data

Down to Earth business opportunities

Exactly 500 years after the mathematician and astronomer Nicolaus Copernicus released his groundbreaking manuscript that named the sun, rather than the earth, as the centre of the solar system, the EU Earth observation programme bearing the great man's name is breaking ground of its own.

Copernicus, the most ambitious EU Earth observation programme to date, provides information to improve the management of the environment, understand and ease the effects of climate change, improve safety and security at sea, and support relief operations for extreme weather events, natural catastrophes, or humanitarian crises. Now, more and more Earth observation data and information is made available to European businesses, researchers, governments and citizens.

Making maximum use of this wealth of information, researchers, citizens and businesses will be able to access Copernicus data and information through dedicated Internet-based portals. This full, open and free-of-charge access will support the development of useful downstream-applications for a number of different industry segments (e.g. agriculture, insurance, transport and energy).

The programme, which includes six dedicated satellite missions or "Sentinels" being launched between 2014 and 2021, is headed by the European Commission, in partnership with the European Space Agency (ESA) and EUMETSAT. The services address six areas: land, marine, atmosphere, climate change, emergency management and security. They support a wide range of operational applications, including environment protection, management of urban areas, regional and local planning, agriculture, forestry, fisheries, health, transport, climate change, sustainable development, civil protection and tourism. □

Working from on high

- After a natural disaster (flood, forest fire, earthquake), Copernicus can support relief operations through maps identifying the extent of the damage
- It can help local and regional authorities monitoring the evolution of urban green areas or improving waste management practices (e.g. by detecting illegal landfills)
- Impacting on health, Copernicus contributes to air quality monitoring and forecasting so people can adjust to situations
- Supporting tourism, it can assess bathing conditions and help to detect jelly fish populations and monitor algal blooms
- In the case of maritime transport, information on currents and sea ice provided by Copernicus can support ship routing services. Satellites can also detect oil-spills quickly and effectively
- Supporting infrastructure, it can identify areas exposed to a subsidence risk and detect ground movements likely to destabilise buildings, bridges, roads, etc.
- Aiding agriculture, Copernicus can help farmers improve irrigation management by monitoring agricultural pressure on water

More Info

More information available online at:

<http://copernicus.eu>

Car sector

Steering the automotive industry on the right road



The development of the global automotive industry has accelerated since 2009 as third markets creep up behind Europe, changing the trade flows and the automotive value chain. However, the economic crisis underscored the need to keep the car manufacturing base in the EU and to keep it competitive in order to support jobs and the economy.

Since Europe is home to some of the best-loved cars, the region's auto industry is obviously central to its wealth. As well as employing around 12 million skilled people, it is the biggest private investor in research and development, with €32 billion being spent in this area in 2012. The industry also remains a channel of ingenuity and cutting-edge technologies. Added to that, it represents a total turnover of €839 billion – around 6.9% of the EU's Gross Domestic Product (GDP) and automobile exports are far higher than automobile imports with sales in third countries worth a trade balance of €108 billion in 2012.

Healthy sales

While European car sales in 2014 have been healthy, support for the internal automobile market has long been a driver of EU integration and an asset in promoting growth and jobs. In the CARS 2020 Action Plan for a competitive and sustainable automotive industry in Europe, the European Commission warned that a focus on quality, added value and technology leadership is needed to remain competitive on global markets. "Within the EU, a healthy and dynamic internal market can only be ensured if the EU manages to create the conditions for investment and growth by avoiding unnecessary burdens for the stakeholders in the sector," said Daniel Calleja Crespo, Director General of Directorate General for Enterprise and Industry.

With the target to reach 20% of GDP by 2020, the auto industry has a key role to play in achieving the Commission's plan of reindustrialising Europe. Investing in sophisticated technologies and bank-rolling innovation, coupled with effective regulations is the strategy the Commission has taken to put the EU's auto trade in pole position on global markets. "To succeed, the European institutions, in close agreement with the Member States and all relevant stakeholders, must work together to ensure that the automotive sector remains one of the pillars of European economic recovery towards growth and jobs," added Mr. Calleja Crespo.

In recent years the automotive regulatory framework has been simplified. More than 50 directives have been replaced by internationally agreed rules. This means that national legislation is repealed, which shows that, contrary to some opinion, the EU often reduces legislation (see more on pages 22 & 23). The Commission has also confirmed that the so-called 'type-approval framework', is fit for purpose. Through intensive testing of a vehicle model ahead of the series production it is verified that all safety and environmental requirements are met. This is a cost effective way of ensuring that potential issues are addressed and remedied at the earliest stage, before mass production commences and the vehicles are released on the open market.

Enhanced safety controls

Regrettably, non-compliant and unsafe automotive products still exist on the internal market. To combat this, under the Cars 2020 Action Plan, controls performed on motor vehicles to ensure that they meet all legally required levels of environmental and safety performance, are to be enhanced. Mr. Calleja Crespo commented: "By making sure all actors play by the rules, this will strengthen the level playing field in the sector. The procedure for recalling vehicles from the market will also have to be addressed. For example, when remedial actions are taken in one Member State, other Member States should take similar actions, thus ensuring that all EU citizens are effectively protected."

And of course, the environment is one of the forerunning motives behind the EU's constructive measures regarding the car industry. By reforming research and innovation under the European Green Vehicle Initiative, the regulatory certainty needed to make a breakthrough in large scale electric car production is afforded. A comprehensive package of measures to reduce CO₂ pollutant and noise emissions and to improve road safety and develop technologically-advanced, intelligent transport systems (ITS) is also driving the European car industry towards a bright future. □

More Info

More information available online at:

<http://bit.ly/1yIRKKN>

Accessible tourism

“The new frontier of the sector”

To conquer the “new frontier of the tourism industry”, the European Commission has rewarded excellences in accessible tourism and developed best practices that will let everyone enjoy holidaying in the EU. Whilst the EU tourism sector loses a staggering €142 billion annually by failing to cater for special needs groups, research points to a growing market with huge economic potential.

Most people love to travel but those with disabilities, the elderly and families with young children face so many hurdles when taking a trip, that sometimes staying at home may seem more tempting. In a bid to make travelling easier for these groups, it is anticipated that more beaches in the EU will be like Tangram beach on the Follonica coast, Italy, which was one of this year’s winners of the European Excellence Awards for Accessible Tourism. With wheelchair-friendly access to the beach, specially-adapted sun-beds and water-wheelchairs, an information service at the train station, tactile maps and directions in Braille as well as an audio-guidance system for visually impaired swimmers, the organisers of Tangram beach have made the natural beauty available to everyone.

There are almost 140 million people with special access needs in the EU, including those with disabilities and the elderly population. This number is expected to grow to almost 155 million by 2020. In

2012, people with special access needs and elderly travellers in the EU generated a total gross contribution of more than €780 billion to the EU tourism sector. What’s more, the appetite for accessible tourism goes beyond EU borders with more than 17 million people in this category visiting Europe from third countries in 2012.

Three studies by the European Commission analysed the behavioural patterns of these travellers; the current availability and quality of accessible tourism services; their economic impact and potential for development; and whether people working in the tourism sector are suitably trained to welcome such travellers.

Basic improvements

A spokesperson for the Tourism and Cultural Instruments Unit of DG Enterprise and Industry explained: “The number of travellers with special needs would increase by 24% if some basic improvements in service level and facilities were implemented. This number could increase to up to 45% if better information and more accessible services were offered via mainstream channels. Since travellers with special access needs are usually accompanied, the economic loss resulting from their decision not to travel or to take shorter trips must be multiplied. The results showed that



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negative attitudes perceived and experienced by travellers with special needs are just as big a problem as the physical barriers. This can easily be addressed by providing dedicated lessons as part of mainstream tourism training and increasing adequate skills. Little things such as tour operators welcoming guests, providing them with reliable and accurate information and good customer care make a huge difference and it doesn't cost much."

Best practice

The studies also analysed several examples of "best practice" in accessible tourism, implemented by tourism operators in the EU, including SMEs. These examples show how investments made in improving accessibility have been recovered in a very short time. They have also increased the profit margins of the operators, raised their visibility and reduced or eliminated the effects of the low season.

The reports concluded that the benefit of improving accessibility for tourists does not end with the financial. It is an opportunity that should be embraced by the whole sector and implemented in national tourism policies and strategic development. Accessible tourism services are better services to all travellers and enhance the reputation and visibility of a destination. □

Museum app for deaf visitors

An innovation such as "Palazzo Massimo in Sign Language", a free app that was developed for deaf visitors to the Palazzo Massimo museum, which lets them enjoy a guided tour through their own mobile device or a tablet borrowed at the museum, is an example of what can be done with special needs tourists in mind.

More Info

More information available online at:

Economic impact and travel patterns of accessible tourism in Europe – Summary
<http://bit.ly/1oAGtIA>

Presentation
<http://bit.ly/VS10Ja>

Supply of Accessible Tourism Services in Europe (presentation)
<http://bit.ly/TY6Eb0>


Skills and training needs for accessibility in tourism services
<http://bit.ly/1jYssdr>



Interview with European Ombudsman, Emily O'Reilly

Transparency in the EU

The role of European Ombudsman was established in 1995 to give EU citizens and businesses a place to direct complaints and queries. Working to make EU institutions run in an ethical, transparent way, Ireland's Emily O'Reilly is the first woman to take on the job after being voted in on July 2013. In an interview with Enterprise & Industry Magazine, Ms. O'Reilly explains the workings of the role and advises people on what to do if they have a complaint or an issue regarding the EU.



What does the European Ombudsman do?

O'Reilly: My role is to make sure that every EU institution lives up to the highest standards of ethics, transparency and good administration. We deal with complaints from citizens and businesses, but we can also open investigations on our own initiative. Most of our investigations concern alleged lack of transparency in the EU administration. This includes the refusal to publish important documents, decision-making behind closed doors, and the question of how transparently the EU institutions interact with lobbyists. We also deal with potential conflict of interest situations in EU institutions, procedural delays, and complaints about human rights infringements in the EU context.

When and how can someone lodge a complaint with the European Ombudsman?

O'Reilly: Every EU citizen, resident, and business can lodge a complaint via our complaint form which is available in 24 languages at www.ombudsman.europa.eu.

How can the European Ombudsman help citizens and businesses in practice?

O'Reilly: We try to help as flexibly and efficiently as possible and our services are free of charge. Some cases can be solved very quickly through a simple telephone procedure. Complex cases can take a bit longer, for example when they concern complicated anti-trust procedures. Ideally, we try to find amicable solutions with an acceptable outcome for the complainants and the institutions concerned. We can also issue recommendations or critical remarks. In important questions of principle we can ask the European Parliament for political support.

Can you provide us with some concrete examples?

O'Reilly: One of our most important powers is the right to inspect all EU documents. On the basis of those inspections, we can then determine whether documents should be disclosed or not, for example if commercially sensitive information has to be protected.

How does the European Ombudsman co-operate with SOLVIT, the European problem-solving network, in cases where there is a possible misapplication of EU law?

O'Reilly: When citizens or businesses encounter EU-related problems, they need to know as fast as possible where to turn. The Ombudsman, therefore, co-operates very closely with other problem-

Small businesses can raise their concerns

Did you know that small and medium-sized enterprises (SMEs) can easily notify the European Commission if they face problems in relation to EU laws and policies? With the help of the EU's 600 Enterprise Europe Network partners, SMEs can make their situation known. To find out more log on to: <http://bit.ly/1nLiUD2>

European Ombudsman,
Emily O'Reilly



solving mechanisms, such as SOLVIT and Your Europe Advice, and with the European Network of Ombudsmen. We transfer cases directly or advice complainants to turn to SOLVIT when their problems do not concern the EU administration but rather the misapplication of EU law. □

More Info

More information available online at:

<http://bit.ly/1sALT13>

Simplifying legislation

Reducing red tape, increasing standards

The European Commission is loosening the legislation belt for several sectors and ensuring that the highest, uniformed safety standards exist throughout all Member States. One aspect of this is taking 28 separate, national laws – piling up to several hundred pages of legislation – and scrapping them for single, homogeneous EU regulations. Recently it was decided that Personal Protective Equipment (PPE), cableways installations and gas appliances will be subject to this business- and consumer-benefitting policy.

Replacing directives with regulations means that all EU citizens are subject to the same rules and it prevents national governments from adding extra requirements. The result is less European legislation without lowering safety standards. Common rules for products allow manufacturers to have more legal certainty. They can better organise their manufacturing processes, enhance the quality and safety of products and invest in innovation. It will lead to a strengthening of the single market, helping businesses to grow.

Protective clothing

PPE covers everything from safety helmets, ear muffs, safety shoes, life jackets, bicycle helmets, to sunglasses and high-visibility vests. Replacing 28 national laws with a single regulation on protective equipment would mean that a safety claim such as: “this product protects against heat of up to 100°C” – is factual. It is also part of a concrete step by the Commission to make it easier to conduct business within the EU. Companies producing made-to-measure PPE will find it easier to adhere to conformity assessment procedures respecting the highest safety standards. The legislation will also make it simpler for companies to comply with rules and easier for them to enter other EU markets.

Cableway installations

The new regulation replacing 28 national laws for cableway installations – aerial ropeways, cable cars, gondolas, chairlifts and drag lifts, which are designed to transport people – will improve the performance of the EU’s internal market for the

safety components and the subsystems of cableway installations. Taking into account technological progress in this area, the proposal covers the development of new installations intended for both transport and leisure activities. However, cableways that are purely for leisure purposes, those in amusement parks and fair grounds for example, are exempt.

European Commission Vice-President Ferdinando Nelli Feroci, responsible for Industry and Entrepreneurship, stated: “More coherent rules for Personal Protective Equipment and cableway installations would lower businesses’ compliance costs, especially for small and medium-sized enterprises. Companies doing business in the EU would be able to refer to one single legal text. This is a concrete deliverable within our agenda to cut unnecessary burden created by legislation.”

Gas appliances

Gas appliances that will come under the proposed regulation include gas- cookers, stoves, radiant heaters, water heaters, lights and central heating boilers. The safety of such devices will be enhanced by improving and clarifying the requirements each gas appliance has to fulfil. For instance, in order to increase the inherent safety of products, manufacturers are obliged to actually avoid or reduce risks, instead of just printing warnings. The safety requirements that each appliance must meet will be updated in order to respond to technological progress, to ensure compatibility with new innovative technologies and to increase the use of gaseous fuels from renewable sources.



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Another instance of the EU streamlining and simplifying legislation happened earlier this year when rules for pressure equipment, such as fire extinguishers, compressors, heat exchangers and complex assemblies, used in manufacturing and process industries, were revamped. Classification of the pressure equipment is aligned to new rules labelling and packaging of chemicals contained within. It provides legal clarity for manufacturers and users without requiring any technological changes and maintaining the current high level of safety.

These are just some examples of how the Commission proposes to simplify EU legislation. In total there are 660 initiatives designed to simplify regulations and foster growth. □

More Info

More information available online at:

<http://bit.ly/P32Jba>

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