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15 September 2004

THE PRESIDENT

Competitiveness Council on 24 September 2004

Dear Minister,

On the occasion of the first formal Competitiveness Council in the Dutch Presidency on 24 September, I would like to thank you, on behalf of UNICE, for all the efforts you have made in the past months to enhance the functioning of the Competitiveness Council. It is crucial that this Council is able to take clear decisions on all issues related to European competitiveness. We look with great hope at the intention of the President-Designate of the new Commission, Mr Barroso, to assign to one single Commissioner, Mr Verheugen, the task of coordinating Commission input to the Competitiveness Council. Each Member State ought do likewise and assign to one senior minister the role of coordinating all issues addressed by the Competitiveness Council. In appreciation of all the efforts you have already made to convince your colleagues in this respect, I would like to reiterate UNICE's and its members' support for streamlining the Council's activities.

Please let me draw your particular attention to the following agenda items:

Industrial policy and structural change (agenda item 3)

In its April 2004 Communication on industrial policy the Commission stated that "The cross-border and global character of many environmental threats require actions that are beyond the ability of one country or region. [...] Hence the need to guarantee the participation and equivalent contribution of Europe's main trade partners when envisaging actions."

We welcome the 2004 Spring Council conclusion that requested the Commission to prepare a cost-benefit analysis taking account of environmental and competitiveness considerations so that, as a contribution to global efforts, the 2005 Spring Council can consider medium- and longer-term reduction strategies for greenhouse gases, including targets.

In this context, we call on you to continue to focus on actions that the EU can take to encourage the development of a comprehensive, global framework to reduce greenhouse gases including all nations and regions, rather than pursuing a potentially economically damaging approach of setting unilateral EU targets.

Better regulation – simplification of legislation (agenda item 5)

As the recent World Bank report “Doing Business in 2005” shows, there is still a lot of work to be done to make business regulation in Europe with less costly and burdensome. The Commission must fulfil its mandate from the Spring Council 2004 to “refine impact assessments for new legislative proposals” and “to put a particular emphasis on measuring administrative burdens on companies”. Impact assessments and consultation of stakeholder organisations should be mandatory for all proposed legislation in order to examine their impact on competitiveness, and should be carried out from the very early drafting to the final adoption of legislation in Council and Parliament. Whereas all the necessary means to realise such impact assessments should be provided by the EU, business would like this exercise to be in the hands of an independent body. It should establish binding quality standards and a common analytical methodology for assessing draft legislation.

Furthermore, concrete action plans to simplify existing red tape and reduce compliance cost must be put in place with ambitious targets and deadlines, incentives and controls. Member States should also be invited to furnish a list of national regulations for simplification.

Implementation of Internal Market Legislation (agenda item 6)

Better regulation also implies the proper and swift implementation of Internal Market Directives into national law. When discussing the internal market scoreboard 2004, you should make clear which Member State has to do what to complete the Internal Market. It is not acceptable that some countries – e.g. Germany, France or Greece – are persistent in their bad implementation performance, especially as regards the “Lisbon” Directives.

Amended Proposal for a regulation concerning sales promotions in the Internal Market (agenda item 9)

European business supports the Commission proposal and the determined efforts by the Dutch Presidency to make progress on this proposal that has stagnated for too long. The lack of progress is impeding the creation of a genuine internal market for sales promotions and thus holding back the advantages for consumers and companies. UNICE continues to believe that the best way to attain that objective is through a legislative text based on an unambiguous internal market objective and coupled with the use of the mutual recognition principle. Although UNICE prefers the wording of the original text, the proposed text appears to be an acceptable compromise. UNICE thus urges the Competitiveness Council to adopt its political accord on the proposed regulation without further delay.

European RTD Policy (agenda item 11)

The main focus of EU R&D policies must be innovation. Increased industry participation in the various EU research programmes is a key condition for achieving marketable results that will enhance European competitiveness. However, industrial participation in the Sixth Framework Programme has declined rather than increased, a point which the independent panel chaired by Professor Ramon Marimon identifies when it states in its report that “...there are barriers to participation for industry in general, [and] for SMEs...”.

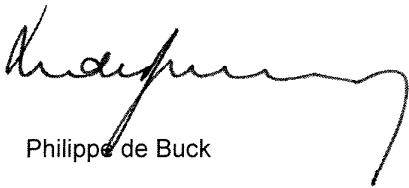
UNICE welcomes the Commission Communication: “Science and Technology – the key to Europe’s future” as a first step towards articulating a Seventh Framework Programme. However, its concentration on stimulating basic research will, in the long run, not be sufficient to significantly increase industry participation in the next Framework Programme.

5th Euro-Mediterranean Conference of Ministers of Industry (agenda item 13)

UNICE and the Union of Mediterranean Confederations of Enterprises (UMCE) will participate in this conference. In their joint statement of 23 July they call on participants in the Barcelona process to move from declarations to reform. They look in particular for concrete actions and results regarding regulatory convergence, significant progress in south-south relations, and better financial support from the EU in the framework of the neighbourhood policy with a particular focus on the promotion of investment and a strengthening of the involvement of the private sector in the definition of priorities and means of action. While welcoming the Euro-Mediterranean Charter for Enterprise to be adopted in Caserta they underline that its success will depend on its effective implementation and therefore suggest carrying out regular assessment of results on the basis of quantifiable indicators.

Thank you in advance for the consideration you may give to UNICE's views.

Yours sincerely,



Philippe de Buck

(in the absence of)

Jürgen Strube