



Mr Manuel Pinho  
Ministério da Economia e Inovação

Rua da Horta Seca  
1200 – 221 Lisboa  
Portugal

24 September 2007

## Competitiveness Council, 28 September 2007

Dear President,

The Competitiveness Council has always been seen by the business community as a central element of the Lisbon strategy. Important results have been achieved since its inception, but its profile and coordination role has not met expectations. The Portuguese presidency, as guardian of the Lisbon strategy, should take decisive action to reinvigorate it.

BUSINESSEUROPE would like to see a Competitiveness Council that assumes leadership with respect to other Council formations. This is vital to guarantee the appropriate coordination of EU policies and initiatives affecting European competitiveness, paying special attention to those related to SME development, research and innovation and internal market completion. The Competitiveness Council should also play a strong role when it comes to issues of great concern for European enterprises such as energy and climate change policies, and should be properly informed on any development in this field.

The agenda of the Council's meetings should reflect a pro-active monitoring and in-depth debate on EU microeconomic and industrial policies that create the conditions for the expansion of European enterprises and hence the prosperity of European citizens. External policy actions and the use of public-private partnerships should also be formally discussed.

BUSINESSEUROPE places high expectations on the work of this Council formation and we call on the Portuguese Presidency to give it a new momentum.

In the annex to this letter you will find BUSINESSEUROPE positions on some of the issues to be debated at the meeting on 28 September.

Yours sincerely,

Ernest-Antoine Seillière

**Competitiveness Council, 28 September 2007**

**ANNEX: BUSINESSEUROPE positions on items to be discussed at the meeting**

- 1. Mid-term review of SME policy:** The integration of SME priorities into the Growth and Jobs strategy has been an important step. BUSINESSEUROPE's general assessment of the modern SME policy is positive, progress has been achieved at EU and member-state level, but more needs to be done in order to create an environment that is truly conducive to SME growth.

Our SME priorities for action are in particular:

- full commitment to better regulation and reduction of red tape
- further integration of the internal market, in particular through a reduction of tax obstacles, progress on the mutual recognition of non-harmonised products and the creation of a European private company statute
- increasing labour market flexibility and qualification of the workforce
- better access to finance
- creation of a more entrepreneurial culture

- 2. Joint Technology Initiatives:** JTIs are a key element of the Seventh Research Framework Programme (FP7). They have been in preparation for over three years. Proposals for four JTIs in the fields of *aeronautics and air transport*, *innovative medicines*, *nano-electronics* and *embedded computing systems* were tabled by the Commission earlier this year. Two key points stand out in the ongoing debate surrounding the JTIs.

Firstly, there is an urgent need to speed up the approval process for the JTIs. FP7 is already nine months old. The JTIs are key to its ultimate success and they are still only in the approval stage. We would urge the Council to stick to its intention to "make a decision on those proposals as early as possible" and by the end of this year at the very latest.

Secondly, the JTIs as envisaged in FP7 are to be "a new way of realising public-private partnerships in research at the European level". The Commission in its proposals for Council Regulations establishing the JTIs has put forward statutes establishing them as 'Community bodies'. From a legal point of view there now appears difficulties in having a 'Community body' operate as a genuine 'public-private partnership'. A solution to this impasse needs to be found quickly so that the participation of industry in the JTIs can be made more attractive and so that the JTIs evolve as successful, workable examples of public-private partnerships in the research, development and innovation domains.



- 3. Green paper on the review of the consumer acquis:** BUSINESSEUROPE supports the debate on how to improve the regulatory framework in the field of consumer policy, particularly its objectives of implementing the better regulation agenda and improving the functioning of the Internal Market.

However, before any decision is taken, there are questions that need to be answered particularly on the justification for the review. We consider that the case for the proposed overhaul of the consumer acquis has not been fully made. There is no adequate evidence about existing gaps in consumer protection. Specific cross-border difficulties must be identified. This information is essential in order to deliver the right regulatory environment and look for the best instruments to address the problems, be they legislative or non-legislative. Constant dialogue with representative stakeholders is indispensable to identify where the problems lie.

Should any legislative proposal be justified, BUSINESSEUROPE supports full harmonisation to ensure legal certainty, a more common level of consumer protection and regulatory simplification. It will also allow for easier and more even enforcement of legislation. The scope of full harmonisation should be pragmatically defined so that it focuses on targeted and proportionate solutions to the problems identified. Any new measures should apply to both domestic and cross-border transactions and be backed up by impact assessments with a genuine economic component.