



Mr Richard Bruton, TD
Minister for Jobs, Enterprise and Innovation
Department of Job, Enterprise and Innovation
Leinster House
23 Kildare Street
IRL - Dublin 2
IRELAND

13 February 2013

Dear Minister,

Competitiveness Council meeting on 18-19 February 2013

BUSINESSEUROPE urges the Irish Presidency to fully implement the conclusions of the Competitiveness Council meeting of 10 December 2012 which invites the Commission, Member States and European regions to apply a broad and coherent industrial policy approach and to improve coherence between all relevant EU policies.

Having a strong industrial basis (comprising manufacturing and service activities developing around it) is essential for economic growth and prosperity. You will have several concrete opportunities to show how competitiveness should be streamlined into relevant EU policies during your meeting on 18-19 February 2013: the signature of the international patent court agreement, your debate on open access to scientific information, the conclusions you will draw on the European semester, your orientation debate on the Entrepreneurship action plan and the first discussions on the review of the REACH directive.

Moreover, we would like to draw your attention to the false debate opposing SMEs and non-SMEs in a number of policy areas. The notion of "non-SME" includes many businesses that are not large multinationals. Larger businesses act as a crucial anchor in local and regional development, often forming important value chains with SMEs, facilitating access to technology and innovation. This must be taken into account during Competitiveness Council's discussions on cohesion policy and the regional aid guidelines

1. The international patent court agreement and open access to scientific information

European companies are fully aware that they must be innovative in order to be competitive on global markets. But they need a satisfactory level of protection of intellectual property to reap the full benefits of their investments in this field. BUSINESSEUROPE therefore calls on EU Member States to rapidly sign the international patent court agreement. This is the last necessary step before moving to

the implementation of the unitary patent package. EU Member States should then progress swiftly on its overall implementation. BUSINESSEUROPE looks forward to being closely informed and consulted on all discussions regarding implementation of this package.¹

With regard to the Commission Communication and Recommendation on open access to scientific information resulting from publicly funded research, BUSINESSEUROPE supports in principle the concept of open access as a driver of scientific and technological progress, provided that some essential conditions are fulfilled. However, the protection of intellectual property rights must always be ensured if open access to scientific information is to stimulate and promote research and innovation activities. Furthermore, it is essential to make a distinction between open access to scientific publications and open access to research data.

We count on the Competitiveness Council to ensure that open access to scientific publications from publicly funded research does not interfere with commercial exploitation of research results or the possibility to protect results by intellectual property rights. Moreover, open access to research data deriving from publicly funded programmes must only apply on a voluntary basis and provided that the legitimate interests of all partners in the consortia are not adversely affected.

2. The European semester: annual growth survey, joint employment report and state of Single Market Integration report

All European semester and new economic governance tools must be mobilized to improve the investment climate in Europe and enhance competitiveness. Governments must clearly explain that fiscal consolidation is not the alternative, but the foundation for long-term growth and employment. The EU must support Member States in developing national policies that foster strong and sustainable economic growth and employment.

BUSINESSEUROPE fully supports the 2013 Annual growth survey's call on Member States to maintain the reform momentum around the five priorities identified last year. They must continue to deliver both structural reforms and fiscal consolidation, especially countries where imbalances are observed (or with a risk of imbalances) and in programme countries, and in particular:

1. Implement the recommendation to amend wage setting systems where necessary, and in particular indexation mechanisms, to ensure that wage developments are in line with productivity in order to have a job-rich recovery, while respecting the autonomy of social partners in the collective bargaining process.

¹ CEOE (Confederation of Employers and Industries of Spain) does not agree with the current package because it considers it creates discriminatory competitive disadvantage and does not provide a level-playing field.



2. Build on the acknowledgement that temporary jobs act as a stepping stone to permanent employment in the Joint Employment report to facilitate the integration of new entrants on labour markets and reduce unemployment.

At European level, we must tackle the obstacles to the development of the Single Market in areas with a high potential for growth and jobs such as services, energy, transport and digital markets as recommended in the Single Market Integration report and in particular:

1. Upgrade the points of single contact and reduce the number of regulated professions to ensure proper implementation of the services directive;
2. Remove regulatory barriers and enhance financial risk sharing facilities to leverage the € 200 billion investment needed in energy infrastructure by 2020 and integrate energy islands such as the Baltic states, the Iberian peninsula, the UK and Ireland,
3. Develop trans-European transport networks on the basis of fair, transparent and efficient criteria for the selection of projects,
4. Develop e-procurement and e-commerce by assessing the effects of EU and national rules on cross-border online trade and consider shifting to a system in which VAT is levied in the country where the product is consumed.

3. Entrepreneurship 2020 Action plan and review of the REACH directive

The return to sustainable economic growth critically depends on how successful Europe can tap the entrepreneurship potential of its citizens. The launch of the Entrepreneurship 2020 Action plan is a first important step. But the efforts to support new entrepreneurs proposed in this plan will be wasted if unnecessarily burdensome legislation continues to be developed.

At the national level, Member states must avoid gold plating of EU legislation which perpetuates legislative fragmentation in the Single Market and hampers its development.

At European level, the competitiveness checks promised in the Commission communications on industrial policy of 2010 and 2012 must effectively be carried out and must consider the cumulative effect of legislation to avoid red tape.

An important part of this administrative burden is actually green tape stemming from poorly designed EU climate, energy and environment policies which are driving industrial development out of Europe. The review of the REACH regulation, on which you will have a first discussion, should aim at identifying ways to immediately remove some of this green tape, in the context of implementation of the existing text. However, over the longer term, Article 33 information requirements for suppliers of articles containing candidate list substances should be revised to grant a three months transition period to companies, which have often long and complex supply chains. And new substances should only be put on the candidate list once a year at a fixed date.



BUSINESSEUROPE is currently preparing detailed proposals on how to reduce the administrative burden stemming from REACH and looks forward to being involved in the review of this important directive.

Making further progress on the EU better regulation agenda as a whole is important to improve the investment climate. The work of the High Level Group of Independent Stakeholders on Administrative Burdens, which is now backed by the creation of similar groups in Member States, is important for the delivery of cost-cutting reforms.

BUSINESSEUROPE is also developing concrete proposals on what should be done to simplify companies' regulatory environment and would be very keen to participate in the Competitiveness Council meeting that will deal with this issue during the Irish Presidency.

Yours sincerely,

Markus J. Beyrer