



**COUNCIL OF  
THE EUROPEAN UNION**



10021/08 (Presse 153)

**PROVISIONAL VERSION**

**Only items discussed on 29 May**

## **PRESS RELEASE**

2871st Council meeting

### **Competitiveness (Internal Market, Industry and Research)**

Brussels, 29 and 30 May 2008

President      **Mr Andrej Vizjak**  
Minister of Economy  
**Mr Gregor Virant**  
Minister of Public Administration  
**Mrs Mojca Kucler Dolinar**  
Minister of Higher Education, Science and Technology of  
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# **P R E S S**

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10021/08 (Presse 153)

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**EN**

## **Main results of the Council**

### **(Industry and Internal market issues only)**

The Council adopted conclusions on competitiveness and innovation of the European industry.

It also adopted conclusions on the review of the "better regulation" initiative for the reduction of administrative burdens on businesses.

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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>).
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

## **PARTICIPANTS**

The governments of the Member States and the European Commission were represented as follows:

### **Belgium:**

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Ms Patricia CEYSENS

Minister for Enterprise and Simplification  
Minister for Economy, Enterprise, Science, Innovation  
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### **Bulgaria:**

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Deputy Minister for the Economy and Energy

### **Czech Republic:**

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### **Ireland:**

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### **Spain:**

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### **Italy:**

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### **Cyprus:**

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### **Luxembourg:**

Mr François BILTGEN

Minister for Labour and Employment, Minister for  
Culture, Higher Education and Research, Minister for  
Religious Affairs

### **Hungary:**

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Minister for Local Government and Regional  
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Mr Géza EGYED

State Secretary (with special responsibility), Ministry of  
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29-30.V.2008

**Malta:**

Mr Jason AZZOPARDI

Parliamentary Secretary for Revenues and Land in the  
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**Netherlands:**

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Minister for Economic Affairs

**Austria:**

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**Poland:**

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Mr Marcin KOROLEC

Minister for Science and Higher Education  
Deputy Minister for Economic Affairs, Deputy State  
Secretary, Ministry of Economic Affairs

**Portugal:**

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Mr Manuel PINHO  
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Minister for Economic Affairs and Innovation  
State Secretary for Justice

**Romania:**

Mr Anton ANTON

State Secretary for Research, President of the National  
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Mr Andrej VIZJAK

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**Slovakia:**

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State Secretary, Ministry of the Economy

**Finland:**

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Deputy Prime Minister and Minister for Enterprise and  
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State Secretary to the Minister of Trade

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**United Kingdom:**

Mr Ian PEARSON  
Baroness VADERA

Minister of State for Science and Innovation  
Parliamentary Under Secretary of State for Business and  
Competitiveness

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**Commission:**

Mr Günter VERHEUGEN  
Ms Danuta HÜBNER  
Mr Janez POTOČNIK  
Mr Charlie MCREEVY

Vice President  
Member  
Member  
Member

**Competitiveness and innovation of the European industry**

The Council held a policy debate on competitiveness and innovation of the European industry and adopted the following conclusions:

**"1. GENERAL INTRODUCTION**

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING

- The Conclusions of the December 2006 Competitiveness Council on a broad-based innovation strategy ;
- The Integrated Conclusions of November 2007 Competitiveness Council ;
- The Conclusions of the 2008 Spring European Council ;

HAVING REGARD TO

- The Communication from the Commission on the mid-term review of industrial policy of July 2007 ;
- The Communication from the Commission on strategic report on the renewed Lisbon strategy for growth and jobs: launching the new cycle (2008-2010) ;
- The Communication from the Commission on the mid-term review of modern SME policy of October 2007 ;
- The Communication from the Commission on a Single Market for 21st century Europe of November 2007 ;
- The European Innovation Scoreboard 2007;

WELCOMES

- The Communication from the Commission on "A lead market initiative for Europe" of December 2007 ;
- The Communication from the Commission on "Removing obstacles to cross-border investments by venture capital funds" of December 2007 ;
- The Communication from the Commission "Towards an increased contribution from standardization to innovation in Europe" of March 2008 ;
- The Communication from the Commission on "Pre-commercial Procurement: Driving innovation to ensure sustainable high quality public services in Europe" of December 2007 ;
- The Communication from the Commission on the Competitiveness of the Metals Industries of February 2008 ;
- The Communication from the Commission on Innovative and Sustainable Forest-based Industries in the EU of February 2008;
- The Communication from the Commission on "A strategy for a stronger and more competitive European defence industry" of December 2007 ;

STRESSES that

- The goal of making the EU a more dynamic and competitive knowledge-based safe and sustainable low carbon economy remains essential to achieving sustainable growth with more and better jobs and greater social cohesion.
- Competitive markets play an important role in stimulating development and adaptation of innovative products, services, technologies and production and management methods.

Further efforts are needed for creating conditions for growth and internationalisation of SMEs, including the improvement and full use of the innovative capacity of SMEs. This issue is of the utmost importance for European enterprises, as shown by the high level of participation to the open consultation launched by the Commission on a "Small Business Act for Europe". In this respect the Council welcomes the intention of the Commission to present a "Small Business Act for Europe" ;

- Developing an innovation-driven economy and ensuring a fully functioning Internal Market, including, as appropriate, through mutual recognition, harmonisation and non-legislative tools are crucial for higher productivity and global competitiveness.
- Europe must seek to develop innovation-friendly financial markets in a more targeted way, decisively facilitating innovations;

- European standardisation should play an important role in support of innovation and competitiveness; UNDERLINES the need to increase efforts in developing and using standards in the context of key initiatives for innovation such as Lead Markets; NOTES that this subject requires further consideration in the near future by the Council;
- There is a need for better integrated policies contributing to European competitiveness in response to globalisation, environmental and energy challenges and in the light of advances in science and technologies;
- Promoting the external dimension of competitiveness by removing remaining global barriers to trade encourages the innovative potential of European business and industry;

CALLS for a new impetus to competitiveness and innovation in the following areas:

## **2. INNOVATION**

### THE COUNCIL

- UNDERLINES the central role of innovation to Europe's ability and skills to respond effectively to the challenges and opportunities of the global economy;
- ACKNOWLEDGES the importance of encouraging all forms of innovation — technological as well as non-technological — in particular those that bring innovation closer to market needs and respond better to user needs;
- STRESSES the necessity to be more specific and better targeted when addressing the needs of the whole range of SMEs;
- RECOGNISES the importance of cluster policy in terms of fostering innovation and excellence and addressing the specific needs of SMEs, including innovative enterprises with a high growth potential;
- NOTES the need to continue to reduce the innovation gap with main trading partners and to improve innovation efficiencies in the EU, as well as further convergence in European innovation performance and the need to sustain this trend;
- INVITES Member States, the Commission and regions to coordinate their efforts to improve framework conditions for innovation, such as science-industry linkages and support services for innovation, including encouraging the growth of world class innovation clusters, and innovation clusters of regional importance and to ensure better governance of relevant policies throughout the European Union;
- UNDERLINES that existing instruments at the EU, national and regional level including structural funds play an important role in promoting innovation;



- WELCOMES the public-private partnerships in R&D and innovation that have been and will be created, notably the Joint Technology Initiatives and the Knowledge and Innovation Communities of the European Institute of Innovation and Technology;

## **2.1. CONCERNING THE LEAD MARKET INITIATIVE FOR EUROPE, THE COUNCIL**

1. WELCOMES the Lead Market Initiative as a means to unlock market potential for innovative goods and services by removing obstacles to innovation in view of enabling European enterprises to enter new and fast growing global markets as lead producers whilst at the same time benefiting European consumers in areas of particularly high economic, societal and environmental benefits. RECOGNISES that this initiative could make a significant contribution to bridging the gap between the generation of promising new products, services and technologies and their market success by creating conditions that facilitate the expression of demand, thus reducing costs and facilitating “first mover advantage” internationally.
2. BELIEVES that by building on and respecting the diversity of markets and innovation strategies in Member States, priority should be given to measures that maximise the potential of the single market and increase competition to drive innovation and private investment. The Lead Market Initiative has the potential to speed up market development, strengthen comparative advantages and reward the best performers without interfering with competitive forces, increase the predictability for industry about the long term direction of regulation, while at the same time removing excessive burden on business. By adopting a technologically neutral perspective and avoiding the ‘picking of winners’, the Lead Market Initiative should promote competitiveness.
3. NOTES that six markets have been identified on the basis of a broad stakeholder consultation for the initial stage, i.e. eHealth, sustainable construction, protective textiles, recycling, bio-based products and renewable energies, and that the Lead Market Initiative may in future be applied to other markets suitable for actions within this initiative as well, following thorough evaluation, stakeholder consultation and closely involving the Council. These markets are highly innovative, respond to customers’ needs in broad market segments, have a strong technological and industrial base in Europe and depend heavily on the creation of favourable framework conditions.
4. CALLS ON the Commission and Member States, to take urgent and coordinated action through ambitious action plans where appropriate, and through the development of adequate and effective coordination structures, bearing in mind that the six identified markets have the potential to become Lead Markets. INVITES MEMBER STATES to encourage business and other stakeholders, as well as relevant procurement authorities, to participate in actions contributing to the speedy implementation of the Lead Market Initiative.
5. WELCOMES the Commission’s intention to review relevant legislation, as indicated in the lead market action plans. In addition, the Commission should facilitate the sharing of best practices between procuring authorities in order to help accelerating this process, as well as address requests to European standardisation bodies for issuing standards needed for the quick take-off of the six markets.

6. INVITES THE COMMISSION, in cooperation with Member States and stakeholders, to implement the Lead Market Initiative in each of the six markets, to perform a review of the Lead Market Initiative by the end of 2009, and to set up appropriate governance arrangements for the lead markets;
7. INVITES THE COMMISSION to exploit synergies between the Lead Market Initiative and other related Community actions and policy instruments such as the Seventh RTD Framework Programme, the Competitiveness and Innovation Framework Programme (CIP), the Environmental Technologies Action Plan, and the Strategic Energy Technologies (SET) Plan;
8. INVITES MEMBER STATES to also exploit synergies in the use of existing national and regional instruments or actions in order to create the right framework to foster lead markets.

## **2.2. CONCERNING CROSS-BORDER VENTURE CAPITAL FUNDS, THE COUNCIL**

1. STRESSES that creating conditions for reducing fragmentation of European venture capital (hereafter: VC) across the single market can contribute to overcome the equity gap and increase the flow of early-stage capital for innovative SMEs in order to finance growth, quick market entry, exploiting new technologies and competing globally.
2. NOTES that the stage of development and maturity of VC markets varies in the EU and that different conditions along with divergent national approaches and fragmented markets make funds structuring across multiple borders complex and costly.
3. RECOGNISES that working increasingly towards a common understanding of the key features of VC funds and their investors is crucial. On this basis, the mutual recognition of national frameworks is a promising initial step towards the gradual creation of an EU-wide framework, resulting in lower operating costs, higher legal certainty, less administrative complexities and shorter procedures. CONSIDERS that Member States already share certain common basic requirements for operating in VC funds, building upon mutually acceptable levels of supervision and trust. INVITES Member States to make progress towards a mutual recognition of national frameworks.
4. INVITES the Commission and Member States to work together in overcoming obstacles to cross-border VC investment and WELCOMES that the Commission will study ways of assisting in the process of mutual recognition and promote exchange of good practices at all levels by supporting platforms and networks.
5. RECOGNISES the significant benefits of developing a more integrated and competitive VC market in Europe, and the contribution a regime for cross-border private placement in the EU could make to facilitating cross-border VC fund raising. ENCOURAGES the Commission to also consider VC funds when preparing its forthcoming Communication on private placement.

6. RECOGNISES the importance of clarity and certainty in the field of taxation for the development of a dynamic EU-wide VC market, with a view to identifying and eliminating double taxation and legal or administrative uncertainty within national jurisdictions, and SUPPORTS the efforts of the expert group on removing tax obstacles for this type of investments which is expected to report by the end of 2008.

### **2.3. CONCERNING PRE-COMMERCIAL PROCUREMENT, THE COUNCIL**

1. recognises the potential of pre-commercial procurement to improve the quality and efficiency of public services, as well as to contribute to strengthening the research and development efforts, innovation capacity and competitiveness of European businesses.
2. ACKNOWLEDGES that pre-commercial procurement should help maximise the benefits for procurers and suppliers through risk-benefit sharing, fair competition and development of innovations in phases.
3. INVITES Member States and the Commission to encourage public authorities at all levels to implement pre-commercial procurement when innovative solutions are needed to address the mid-to-long term challenges of the public sector. NOTES that pre-commercial public procurement can make a contribution to the success of the Lead Market Initiative;
4. INVITES the Commission to provide a set of non-legislative actions to implement this approach in due time such as developing the knowledge of and experience sharing on pre-commercial procurement between relevant stakeholders, through support to networking between procurers, further analysis, awareness raising and communication of best practices, as well as through mechanisms for more intensive dialogue between procurers and research and innovation authorities.

### **3. INDUSTRIAL POLICY**

#### THE COUNCIL

#### **3.1. CONCERNING THE NEED TO IMPLEMENT MEASURES TO FIGHT CLIMATE CHANGE WHILE PRESERVING THE COMPETITIVENESS OF INDUSTRY**

- RECOGNISES that in global context of competitive markets, the risk of industry investment shifting to countries where there are no carbon constraints or costs imposed that may result from the lack of such restrictions (carbon leakage) is a concern in certain sectors such as energy intensive industries particularly exposed to international competition that needs to be analysed and addressed urgently in the new ETS Directive so that if international negotiations fail, appropriate measures can be implemented. An ambitious international agreement remains the best way of addressing this issue.
- RECALLS the objective of securing an ambitious, global and comprehensive post-2012 agreement on climate change at Copenhagen in 2009 consistent with the EU's "two degrees Celsius" objective, committing other industrialized countries to adopt comparable measures as taken within the EU and committing developing countries to contribute adequately.

- RECOGNISES that the Commission's climate change and energy legislative package 2008 presents important challenges and opportunities to the competitiveness of European industry, and that prevention of carbon leakage is essential to the achievement of key environmental and competitiveness goals.

### **3.2. CONCERNING COMPETITIVENESS IN METALS INDUSTRIES AND FOREST-BASED INDUSTRIES, THE COUNCIL**

1. ACKNOWLEDGES the importance of competitive metals industries and forest-based industries, in terms of their contribution to the competitiveness in Europe throughout the value chain. RECOGNISES that all sectors covered by the Emission Trading Scheme will be analysed in order to determine whether they are exposed to a significant risk of carbon leakage, in the context of the climate change and energy package. Without prejudice to the outcome of this analysis, metals industries and forest-based industries are among the candidates which may be defined as energy intensive industries, particularly exposed to the international competition.
2. STRESSES that availability and efficient use of a wide diversity of raw materials is a key element for competitiveness of these industries. INVITES the Commission to put in practice all the actions to encourage a sustainable supply of strategic materials to the metals-industries and forest-based industries, including through promotion of recycling, eliminating distortions in trade, namely through endeavouring to remove all tariff and non-tariff barriers, greater use of recovered and secondary raw materials and increased mobilisation of wood in line with sustainable management of forests. Policies should ensure that problems of competing uses of wood are addressed and will not lead to distortions of the Community market;
3. RECOGNISES that metals are almost fully and indefinitely recyclable and as such in terms of sustainable development very important. Recycling of metals and other products produced by the metals industry is both environment-friendly and cost effective activity as a result of energy savings and efficient use of resources.
4. RECOGNISES the strategic role that forests and forest-based industries play in a sustainable society and that ongoing promotion of this role must be supported. Forests have a crucial role in limiting future climate change. In addition, they have an important function as producers of raw materials that store carbon and substitute other non-renewable raw materials without prejudice to their role as a resource provider for forest-based industries. Production, use and trade of timber, which is legally and sustainably produced, can play a supporting role for achieving climate protection aims.
5. RECOGNISES that metals industries and forest-based industries generally face fierce competition on global markets and RECOGNIZES, within our commitment to an open global trading system, and pressing for increased opening up of international markets which should lead to reciprocal benefits, strong enforcement of IPR rules, the importance of creating a level playing field and the importance of transparent and effective trade defence instruments in global trade for the European enterprises concerned. It ENCOURAGES the Commission to continue with efforts to implement a market access strategy coherent with its jobs and growth and sustainable development objectives.

6. INVITES the Commission to take advantage of appropriate research and innovation instruments in order to enhance the capabilities of the metal industries and of the forest based industries to innovate, both at the product and production process level.
7. INVITES the Commission to take into account the specific needs of SMEs in these sectors;
8. INVITES the Commission and Member States to continue to pursue actively discussions with industry and with third countries on the question of sectoral approaches, so as to encourage the taking of effective measures to reduce greenhouse gas emissions, thereby also addressing carbon leakage.

### **3.3. CONCERNING THE DEFENCE INDUSTRIES, THE COUNCIL**

1. RECOGNISES the importance of improving the competitiveness of the European defence industries by ensuring a dynamic and strong European Defence Technological and Industrial Base (EDTIB).
2. AGREES that it is necessary to ensure that Member States' defence capability needs can be addressed cost-effectively by a more competitive European defence industry while maintaining essential security interests, security of supply, innovation and responsiveness.
3. RECALLS that reducing barriers to competition and enhancing cooperation among Member States in accordance with the special characteristics of defence markets, could contribute to the efficient development of the defence capabilities needed and is thus a precondition for the creation of a European defence industry that is competitive at international level.
4. UNDERLINES the importance of ensuring a level playing field and fair competition for defence industry goods without prejudice to Article 296 of the Treaty.
5. RECOGNISES the importance of establishing common standards in order to facilitate more effective defence markets.
6. RECOGNISES that SMEs play an important role in the European defence sector, and are also of great importance offering their innovative potential as subcontractors to the cross-border supply chains.
7. ENCOURAGES Member States, the Commission and the European Defence Agency to continue to work together to ensure that the full potential of the European defence market is realised so that European industries are in the best position to meet the challenges and opportunities presented by the rapidly evolving defence and security sector.
8. EMPHASIZES the importance of the European Code of Conduct for Arms Exports to third countries and its full implementation, and all of its criteria.

#### **4. CONCLUDING REMARKS**

- STRESSES the need for Europe to benefit from the challenges of globalisation and the development towards a low carbon economy inter alia by further integrating innovation into industrial policy.
- STRESSES the need to further implement the broad-based innovation strategy while at the same time remaining sufficiently flexible to respond to a changing environment, and to continue the progressive shift in emphasis from technology push to demand- and user- driven innovation. Particular emphasis needs to be put in this context to developing the innovation participation of SMEs, who form the backbone of the European economy.
- UNDERLINES the need to continue to address sector-specific issues while continuing with the agreed horizontal approach in industrial policy and CALLS on the Commission to report on the progress achieved;
- UNDERLINES the conclusions of the Spring European Council 2008 that the ambitious targets proposed by the Commission to reduce greenhouse gas emissions by 2020 in the EU will affect certain energy-intensive sectors particularly exposed to international competition which may increase the risk of carbon leakage;
- UNDERTAKES to regularly review the progress of discussions on the Commission's proposals on climate change and energy legislative package, the negotiations aiming at an international agreement and' progress on global sectoral approaches, in view of assessing the consequences of the foreseen measures on the competitiveness of European enterprises."

**Review of the “better regulation” initiative**

The Council took note of the presentation by the Commission on the second strategic review of the better regulation initiative and of the interventions by EU delegations, and adopted the following conclusions:

"THE COUNCIL,

STRESSING the important role of Better Regulation in the context of the Lisbon reform agenda;

RE-AFFIRMING its view that an improved regulatory environment in the European Union, at Community and Member States level is a key component in delivering sustainable growth and jobs;

RECALLING

The progress report on Better Regulation presented to the Competitiveness Council on 22 November 2007;

The Competitiveness Council Key Issues Paper of 25 February 2008;

The Conclusions of the 2008 Spring European Council;

WELCOMES

The Commission's Second Strategic Review of Better Regulation in the European Union of 30 January 2008 and AGREES with its analysis of the progress made so far and the corresponding general direction of future work;

In this context, the Council calls for further specific action in the following areas:

**I. IMPACT ASSESSMENT**

1. UNDERLINES the importance of embedding effective use of impact assessment in the EU legislative process and WELCOMES the Commission's on-going efforts to improve its impact assessment system;
2. WELCOMES the Commission's intention to carry out a public consultation on its revised impact assessment guidelines;

3. BELIEVES that the quality of analysis in impact assessments could be improved through greater use of quantification and other measurement approaches for advantages and disadvantages, which could be facilitated, inter alia, by better guidance on identifying and quantifying economic, social and environmental impacts, including impacts on the Internal Market, SMEs and at the national and regional level, where appropriate; CONSIDERS that Member States' specificities should be taken into account;
4. WELCOMES the Commission's intention to increase the scope of impact assessment, based on a level of analysis which is proportionate, in particular to conduct impact assessments on the most important proposals and those having the most far-reaching impacts, including comitology proposals where appropriate, and CALLS ON the Commission to ensure that robust governance arrangements are implemented through the Impact Assessment Board;
5. CALLS ON the Commission to use more extensive and innovative methods of consultation, going beyond its Minimum Standards on Consultation where appropriate during the whole policy development process, including through clear and relevant information to stakeholders, as a means of testing out assumptions on costs and benefits of the policy options being considered, of gathering data on national and regional impacts, and engaging more with relevant stakeholders;
6. WELCOMES the Commission's intention to pay more attention to international impacts of policy initiatives on European competitiveness, inter alia through analysis of comparable existing regulation in relevant countries;
7. RECOGNIZES the importance of integrated impact assessment for further discussions of impacts in the Council and the European Parliament, and INVITES the Commission to make its impact assessments as clear and readable as possible, including the short executive summary giving key facts and figures of the assessment;
8. RE-AFFIRMS the importance that the document "Handling Impact Assessments in Council – Indicative Guidance for Working Party Chairs" be used systematically in all relevant Council preparatory bodies to assist the effective scrutiny of Commission impact assessments;
9. UNDERLINES the importance of the forthcoming review of the Inter-Institutional Common Approach to Impact Assessment and CONFIRMS that the Council will play a constructive role in this process, based inter alia on proposals from the Presidency, in particular with a view to enabling the Council to carry out impact assessments on substantive Council amendments where appropriate and necessary for the legislative process.

## **II. ADMINISTRATIVE BURDEN REDUCTION**

1. RECOGNIZES the significant role that removing excessive administrative burdens can play in improving the competitiveness of business, particularly SMEs, and the importance of increasing the predictability for business about the long term direction of regulation;



STRESSES that administrative burdens on Member States' administrations should not be increased;

2. WELCOMES the Commission's consultation on the Small Business Act for Europe and the intention to identify the main obstacles that affect the competitiveness of SMEs;
3. NOTES, in this context, that progress in reducing administrative burdens would be undermined by additional administrative costs resulting from new legislative proposals and, therefore, CALLS ON the Commission to ensure that impact assessments thoroughly analyse the administrative costs with a view to avoiding all unnecessary burdens;
4. WELCOMES the adoption of the Commission's second batch of fast track actions; UNDERTAKES to examine proposals which will come before the Council as a matter of priority; and INVITES the European Parliament to do likewise;
5. NOTES the progress made to date on implementing the Action Programme on Reducing Administrative burdens and BELIEVES that facilitating speedy agreement and implementation of proposals in the EU institutions and the Member States will be important if the 25% reduction target at EU level is to be achieved by 2012;
6. TAKES NOTE of the proposals on Company Law presented by the Commission on 17 April 2008 and LOOKS FORWARD to further proposals to reduce administrative burdens in this key area;
7. WELCOMES that sixteen Member States have set national targets. Member States who have not already done so should set where possible national targets to reduce administrative burdens, in line with the conclusions of the 2007 Spring European Council; UNDERLINES the importance for incoming National Reform Programmes for Growth and Jobs to include information on administrative burdens reduction measures;

### **III. SIMPLIFICATION**

1. RECOGNISES that simplification of existing EU legislation can make an important contribution to competitiveness, particularly of SMEs, while ensuring legal certainty and respecting the *acquis communautaire*;
2. BELIEVES that greater progress must be made to implement the simplification rolling programme, and WILL CONSIDER how the examination of simplification proposals could be speeded up, within the framework of existing decision-making procedures;
3. WELCOMES the Commission's initiative to screen the *acquis communautaire* as a means of identifying additional proposals for simplification;
4. UNDERLINES the necessity to improve the legibility and accesibility of community law for citizens, consumers and businesses, in particular through better electronic diffusion of law;

5. STRESSES the importance that all EU institutions actively communicate the benefits of simplification measures to stakeholders.

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#### **IV. CONCLUDING REMARKS**

##### THE COUNCIL

RE-AFFIRMS its intention to monitor progress in all areas of Better Regulation with a view to reporting to the Spring European Council and INVITES the Commission to consider phasing in the reporting of significant changes in administrative burdens through existing reporting mechanisms."

**Intellectual property: Enhancing the patent system in Europe**

The Council took note of a Presidency report ([9473/08](#)) and held an exchange of views on key aspects for the future development of a patent system in the EU.

The exchange of views took place on the basis of the progress report elaborated by the Presidency, building on the progress achieved under the Slovenian and previous EU presidencies, and further to the Commission communication "Enhancing the patent system in Europe" of 3 April 2007 ([8302/07](#)).

In the current state of play, while some delegations prefer to keep progress on patent litigation separate from that on the Community patent, others are of the opinion that consensus should be reached on both areas simultaneously.

As regarding the patent litigation, discussions focussed on the main outstanding issues related to the future legal instrument setting up a new jurisdictional system, *inter alia*, its compatibility with Community rules and the language regime.

As regards the Community patent, the main topics discussed were translation arrangements and distribution of revenues generated through registration and renewal of patents.

The Council agreed that more in depth discussions will be required under upcoming EU presidencies towards finding adequate solutions in this area.

**Any other business**

The Council took note of information on the following items:

**Safety of toys**

The Commission made a presentation on this draft directive, which was submitted to the Council and the European Parliament early this year and has already been dealt with at experts level in the Council at several meetings ([10032/08](#)).

**Small Business Act for Europe initiative**

The Commission provided with information on the stage of preparation of this initiative, which will focus on a package of measures for the benefit of SMEs. It will be presented next July.

**Cohesion policy strategies and programmes for 2007-2013**

The Council took note of a presentation by the Commission on this communication.

**Transposition of the "services" directive**

The Commission recalled the importance of the implementation of the "services" directive in a complete, coherent and timely manner. This directive will have to be implemented by EU member states by December 2009 at the latest ([10013/08](#)).

**Informal meeting of competitiveness ministers at Brdo, Slovenia, 15-16 April**

The Presidency briefed the Council on the outcome of the meeting.

**CO2 emissions for cars**

The Council took note of the state of play of this draft regulation ([9850/08](#)).

**Fees charged by the Office for the harmonization of the internal market**

The Council took note of information provided by the Portuguese delegation ([9874/08](#)).

**Effects of rising oil prices on the European economy**

The Council took note of information provided by the Portuguese delegation ([10048/08](#)).

## **COMMON FOREIGN AND SECURITY POLICY**

### **EU support to the global initiative to combat nuclear terrorism**

The Council adopted a statement in support of the global initiative to combat nuclear terrorism (GICNT). The statement will be made public on the occasion of the fourth plenary meeting of the GICNT in Madrid on 16-17 June.

The purpose of this initiative, which was initiated by the Presidents of Russia and the United States of America in 2006, corresponds with some of the objectives set out in the EU strategy against proliferation of weapons of mass destruction.

The EU is an observer since June 2007 and all its member states have subscribed to the principles of the initiative.

### **EU Special Representative to the African Union**

The Council adopted a Joint Action reviewing the financial reference amount to cover expenditure related to mandate of EU Special Representative (EUSR) to the African Union (AU) Mr Koen Vervaeke ([9321/08](#)).

The total financial reference amount will be around EUR 2 million until 31 December 2008.

This Joint Action amends Joint Action 2007/805/CFSP. Mr Vervaeke was appointed on 6 December 2007.

## **FISHERIES**

### **Conservation and enforcement measures in the NAFO area**

The Council transposed the modifications decided by the Northwest Atlantic Fisheries Organisation (NAFO) at its 2007 annual meeting into Community law by amending regulation 1386/2007 which implements NAFO conservation and enforcement measures ([8905/08](#)).

Those amendments relate to the provisions on mesh size, transshipments, closed areas to ensure coral protection, catch reports, definition of serious infringement, product codes, the port inspection format as well as technical requirements for boarding ladders.

Furthermore, a number of mistakes found in regulation 1386/2007 have been corrected.

