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ENTERPRISE DIRECTORATE-GENERAL: THE BULLETIN OF ENTERPRISE POLICY

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# EURO

Special edition presenting  
the European Commission's  
new Enterprise Directorate-General



**Enterprise DG directorates**  
**Their common purpose**  
**Their individual aims and activities**



EUROPEAN COMMISSION

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This special issue of Euro Info — the last in its current format — presents the Enterprise DG's seven directorates, their common purpose, and their individual aims and activities. In September, it will be replaced by the Enterprise DG's new flagship newsletter — a quarterly paper publication with regular electronic updates on our Europa website. In keeping with our common purpose, this newsletter will widen its coverage from SMEs to industry as a whole, and sharpen its focus on innovation.

Euro-info is a concise information bulletin for SMEs and the craft sector.

It is sent to those who put in a written request.

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by **Dr Fabio Colasanti**,  
Director-General, Enterprise DG

## ENTERPRISE EUROPE

The European Commission's new Enterprise Directorate-General aims to harness the spirit of enterprise to the task of turning economic growth into new jobs. Its ambition is to supply the policy ideas that will make Europe a powerhouse of entrepreneurship and a test-bed for innovative practice. It aims to foster the competitiveness of all enterprises, small, medium and large, and so to revitalise Europe's economy, society and culture.

Enterprise is the common ideal that inspired the merger, as of 1 January 2000, of the former directorates-general for small and medium-sized enterprises (SMEs), industry and the innovation directorate. By uniting their expertise and know-how, the directorates presented in this special edition of *Euro Info* aim to refocus enterprise policy on entrepreneurship, innovation, the knowledge-based economy and access to markets.

The goal of creating a competitive and inclusive knowledge-based economy in Europe won full political backing from Europe's leaders at the Lisbon Employment Summit in March. To help entrepreneurs to create jobs and sustainable prosperity, policy-makers too must keep pace with changing markets, industry structures, technologies and demand patterns. This demands constant rethinking, restructuring and innovation, to encourage entrepreneurial activity, create an environment that is supportive to innovation and change, and help ensure that goods and services reach the right markets.

Enterprise policy's strategic objectives for the next five years are set out in a Commission communication on challenges for enterprise policy in the knowledge-driven economy. Guidelines for action to achieve them are outlined in a proposal for a Council decision on a multiannual programme for enterprise and entrepreneurship (2001-05) ([http://europa.eu.int/comm/enterprise/enterprisepolicy/mult\\_entr\\_programme/mult\\_entr\\_programme.htm](http://europa.eu.int/comm/enterprise/enterprisepolicy/mult_entr_programme/mult_entr_programme.htm)). Meanwhile, here are just a few pointers to our directorates' line of thought.

## Enterprise

The proposed multiannual programme for enterprise and entrepreneurship sets out to promote entrepreneurship as a valuable and productive life skill, encourage a climate in which research, innovation and entrepreneurship can flourish, ensure that business support networks and services to enterprises are provided and coordinated, improve the financial environment for SMEs, and enhance the competitiveness of SMEs in the knowledge-based economy. Operating in 31 European countries, it will have a budget of almost EUR 230 million, plus over EUR 33 million for technical assistance.

## Entrepreneurship and SMEs

To fulfil their ambitions, entrepreneurs need finance. No access to finance may mean no start-up, no growth, and none of the new jobs that might otherwise have been created. Europe is already working well below capacity — its average employment rate is only 61 % of the working age population, compared with 74 % in Japan and 75 % in the US. Yet as a society, we cannot afford the opportunity cost of wasting anyone's entrepreneurial talent. SMEs (all but 40 000 of Europe's 18 million enterprises) are our most powerful locomotive of competitive innovation, and thus job creation. Already, two out of every three of Europe's jobs are in firms with fewer than 250 employees. To improve SMEs' access to finance, our entrepreneurship and SMEs directorate will promote innovative approaches such as the European seed capital scheme (known by its French acronym — CREA) support for new seed capital funds (reimbursable advances of up to 50 % of operating costs in the first three years, with a ceiling of EUR 500 000). These funds invest either in new businesses or companies with up to 50 employees where ownership is being transferred. More funds will obtain CREA support this year.

## Innovation

To bridge the gap between renewed economic optimism and persistent unemployment, the EU needs to develop competitive enterprises and encourage them to participate in research. Our innovation directorate, itself a well-established test-bed for pilot schemes to help innovative entrepreneurs get started, is devising a new yardstick for innovation policy performance: the trend chart on innovation in Europe. This will help EU Member States to compare and gauge the success of their schemes, and thus accelerate the take-up of best innovation policy practice. Innovation policy benchmarking enables us to see where we are weak and to

learn from those who are strong — to understand why they do well and try to do even better. Adapting their best practices to our needs can foster creativity, entrepreneurship, and a willingness to take calculated risks. It thus empowers and encourages entrepreneurs to use human and intellectual capital to exploit market opportunities.

## Services

Services account for 70 % of European GDP. Our services, commerce and tourism directorate is devising measures to help distribution and tourism companies to remain competitive in a sustainable way and is pushing hard to complete the internal market for business services, which help other industries to rethink and restructure their operations, keeping pace with change. Both are considered major contributors to employment growth: the commerce sector created 1.5 million jobs between 1985 and 1995, and for tourism the potential is estimated at over 2 million extra jobs by 2010. We also follow the constant evolution taking place in the ICT industry, in both manufacturers and service providers, and we promote the take-up of e-commerce across all industrial and service sectors, and monitor its impact on these sectors.

## Integrating policies for enterprise

Enterprise builds wealth — and it is wealthy societies that can best afford sustainable technology. Ensuring that Community decisions not only safeguard high environmental, consumer and social standards, but also foster innovation and global competitiveness, is the job of our environmental aspects of enterprise policy and specific industries directorate. Its expertise on — and direct responsibility for — some of our most

important manufacturing industries make it a key player in shaping other Community policies, including external trade, employment, environment and consumer protection.

## Access to markets

Europe's home market is vital to its economic welfare and growth. The EU's GDP is on a par with that of the US, give or take euro-dollar exchange rate fluctuations. To reward their creative and productive efforts, Europe's entrepreneurs need — and are entitled to — a borderless home market for goods and services. High unemployment here impedes our ability to compete worldwide. Our internal market and other directorates already work to level competitive playing fields for goods sold here and worldwide. To promote European competitiveness, they will be taking more proactive measures to complete and manage our home market, foster innovation and create jobs, *inter alia* in the food, pharmaceutical and car industries.

## Standards as tools

Our conformity and standardisation work will encourage entrepreneurs to be original. Europe needs their originality to help shape technical standards — not as restraints on creativity or competition, but as tools with which to create and compete. Where we must regulate, we shall do so by consent. Where possible, we will use voluntary instruments and flexible means of co-regulation to release entrepreneurial potential for innovative and cost-effective solutions to regulatory issues whilst safeguarding the public interest. And standards are more than an innovator's tool — they themselves can create new markets.





## ENTERPRISE POLICY

As the Enterprise DG's strategy 'think-tank', Directorate A's dual task is to shape enterprise policy, and to provide a conceptual framework for all initiatives and actions taken by other Enterprise DG directorates to develop competitive enterprises in the EU.

Directorate A also:

- coordinates the DG's work with that of other Commission services on Community policies that may directly affect the working environment of SMEs in the European Union (EU);
- ensures that the EU enterprise angle is understood in relations with third countries (particularly the more advanced economies);
- promotes a coherent enterprise policy approach in the 13 EU candidate countries (to maximise the benefits of the enlarged common market);
- and coordinates Enterprise DG contributions to competition policy and regional policy proposals.

Developing, articulating and managing an enterprise policy strategy is the main task of the 'Enterprise policy: competitiveness and SMEs' unit. This unit also prepares most enterprise policy instruments, including the fourth multiannual programme for enterprise and entrepreneurship (2001–05), and the Business Environment Simplification Task Force (BEST) action plan to simplify the business environment for SMEs in the European Union.

Enterprise policy recommendations need to be based on sound analysis and evaluation of the factors that affect competitiveness. The enterprise policy unit uses reports from the European Observatory for SMEs, the *Panorama of European business* and its own *Annual report on European industry competitiveness* to fuel enterprise policy debate. It also defines the benchmarking methods used to evaluate factors that shape the enterprise environment and to identify best practices. Finally, it coordinates some of the benchmarking projects carried out by Member States, for example on financing innovation (led by Denmark) or skills (led by Spain).

The 'External aspects of enterprise policy' unit is the main interface between the Enterprise DG and the DGs dealing with external relations (Trade, External Relations, Taxation and Customs Union). It helps set and manage agendas for negotiations with third countries and international organisations such as the

WTO. It also maintains relations with third country trade and industry ministries, to improve the business climate and explore cooperation possibilities. These relations include regular and partly institutionalised exchanges with Japan, the Mediterranean countries and the United States (dialogue with the US Small Business Administration).

Improving international relations also involves bringing together businesses from the EU and third countries. The unit contributes to the transatlantic business dialogue (TABD), the EU–Japan business dialogue round table (EJBRT), the Mercosur–Europe business forum (MEBF) and the Russia round table, which develop joint policy recommendations for their respective governments on market access and trade policy matters.

Enlarging the EU is a priority for the European Commission. Putting enlargement and enterprise together is the task of the 'Enterprise aspects of enlargement' unit. Its role is to coordinate a coherent approach to enterprise policy in the 13 EU candidate countries, through the accession negotiations and the preparations for membership. A team of national desk officers helps the candidates prepare for membership by monitoring their industrial strategies and their approaches to structural change and competitiveness, and by advising them on how to adapt to EU practice. They encourage the candidates to adopt policies and practices that favour the start-up and growth of new SMEs, and promote entrepreneurship as a key economic skill. The unit manages the opening of the third multiannual programme for SMEs to the candidate countries and helps implement the EU business support programme.

The 'Enterprise aspects of competition' unit coordinates the Enterprise DG's input into policy proposals and individual decisions on both competition policy (anti-trust, mergers and State aids), and regional policy (Structural Funds and the regional development of enterprise policy). The DG's input includes observations on competitiveness in specific sectors, detailed description of relevant markets, and providing technical know-how. The DG is, moreover, the first to be consulted on all competition cases relating to industrial product markets. The unit also provides Enterprise DG input on regional policy and energy policy proposals, European Investment Bank loan planning, and the international aspects of competition policy.



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DIRECTORATE B

**PROMOTION OF ENTREPRENEURSHIP AND SMES**

Enterprise Directorate B promotes entrepreneurship and small and medium-sized enterprises (SMEs). Its mission is to encourage the creation of a strong and vibrant business community. This requires on the one hand measures to encourage individuals to become entrepreneurs, and on the other creating a business environment that is conducive to start-ups, growth and successful transfers of businesses.

Actions therefore focus on creating an interface between enterprises and the Commission via structured information services, access to finance, business support services, fostering entrepreneurial attitudes and training, and developing inter-governmental ICT applications for rapid information exchange. Directorate B implements the lion's share of Commission activities under the multiannual programme for SMEs.

The 'Concerted actions on entrepreneurship and SMEs' unit aims to foster a dynamic enterprise culture and conditions necessary for enterprises to flourish. Its key instrument is the concerted actions programme, which brings together actors in the field of entrepreneurship and enterprise policy field to stimulate debate, identify and disseminate best practice, and carry out benchmarking. In the new Enterprise DG, this unit will go on working to improve framework conditions and business support services for enterprises at their various stages of development. At the same time, it is looking at ways to enhance the visibility of support services, facilitate business transfers, and extend concerted action to training for would-be entrepreneurs.

The 'Business cooperation, networks and partnerships' unit focuses on business-to-business cooperation. It promotes transnational and international cooperation and assistance to SMEs through networks and business partnership events such as Europartenariat. It also manages the Euro Info Centre Network, whose 'first-stop shops' help SMEs to make the most of Europe's single market opportunities, such as the euro, electronic commerce, EU enlargement, etc. There are 273 Euro Info Centres and 13 correspondence centres located in 37 European and Mediterranean countries (EIC addresses are listed on: [http://europa.eu.int/comm/dgs/enterprise/index\\_en.htm](http://europa.eu.int/comm/dgs/enterprise/index_en.htm)). This network is also linked with the 'Dialogue for Business website', which provides information on internal market issues (<http://europa.eu.int/business/en/index.html>).

The 'Craft and small businesses' unit will go on helping them to make the most of their growth potential, by ensuring that Community policy-makers and programmes create a business-friendly environment that takes their specific needs into account. Its tools include networks, mechanisms for exchanging best practices, and

measures specifically tailored to small businesses (e.g. to improve their access to information technology and adapt support schemes to the needs of micro-businesses). It is also developing policy actions for special target groups, such as women entrepreneurs, young entrepreneurs and entrepreneurs from disadvantaged groups.

The 'Cooperatives, mutuals and new forms of entrepreneurship' unit will be developing and promoting policies to improve the legal, administrative and financial environment of cooperatives and mutual societies. The unit will also investigate and foster the potential of new forms of entrepreneurship, which can help adjust to the demands of a changing Europe. These are becoming important sources of enterprise and jobs in areas where traditional employment structures may not always be viable.

The 'Access to finance and Community programmes' unit shapes and implements policies to improve access to loan and equity finance for SMEs. It has already launched or is actively involved in many initiatives to improve their access to finance. These include promoting seed capital funds (CREA), mutual guarantees and 'Business Angel' networks, contributing to the joint European ventures (JEV) programme and helping to organise the round table of bankers and SMEs.

Finally, the 'Networks between public administrations' unit supports the implementation of Community policies by enhancing cooperation among Member States' administrations, the European institutions, and the Commission through telematic networks. Projects include spreading best practice in improving the administrative environment and the promotion of SME policy actions, and accelerating the transfer of information on draft technical specifications for products and information society services (thus avoiding technical barriers to trade).

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DIRECTORATE C

**INNOVATION**

The Innovation Directorate's twofold mission is to identify and promote the right conditions for the emergence and growth of successful innovative enterprises in Europe. These are the pioneers and innovators that sharpen Europe's competitive edge and create tomorrow's jobs. All our work is geared to identifying — and meeting — their needs.

Whilst we focus our efforts on small and medium-sized enterprises (SMEs) which means those with fewer than 250 employees, an annual turnover of less than EUR 40 million, and no more than one quarter ownership by any organisation larger than an SME, we also provide services for the wider research community.



We not only devise and apply innovation policy, building on the first action plan for innovation in Europe, but also feed ideas into the theory and practice of other policies that have a bearing on innovation.

To enable SMEs and others to take up and apply new technologies, we offer information and other help through the promotion of innovation and encouragement of SME participation programme (part of the EU's fifth research and development framework programme — FP5). We also coordinate the other FP5 schemes to foster innovation and to identify and disseminate 'best practices' for promoting innovation and new technology transfer methods.

Our 'Innovation policy' unit develops policy and monitors its impact. Its ideas are fuelled by constant research into innovation policy performance in the Member States and into factors influencing innovation by enterprises. This work includes the trend chart on innovation in Europe, which examines and compares trends in national policies, and aids benchmarking and dissemination of good practice. Enterprise-level data on the innovation process and obstacles to it are collected through the Community innovation survey, in cooperation with the EU Statistical Office, Eurostat. The unit also devises and runs pilot schemes to help innovative entrepreneurs to get started, grow, finance their innovations and protect their intellectual property rights.

The 'Innovation policy' unit also funds innovation projects which, through technology transfer, develop and disseminate methodologies and best practices on non-technical issues to facilitate innovation in the business and social environment. This unit is also responsible for coordinating innovation activities within FP5.

To promote transnational technology partnerships among SMEs, our 'Networks and services' unit is building a European infrastructure for innovation support services. This infrastructure consists mainly of a network of innovation relay centres, a regional springboard for inward and outward technology transfer. It also includes one help desk advising European research, technological development and demonstration (RTD) contractors on intellectual property right issues and another advising SMEs on how to access private innovation financing (linking innovation, finance and technology — LIFT). The networks unit also promotes innovation policies at regional level and in EU candidate countries through over 100 regional innovation strategy projects carried out jointly with the Regional Policy DG. It also manages and exploits the EU intellectual property rights portfolio, consisting of over 100 inventions (mainly by the Joint Research Centre) and over 1 000 patents and patent applications.

Enterprises and their advisers need efficient and user-friendly access to information and awareness services.

Our 'Communication and awareness' unit operates CORDIS, the web-based Community R & D information service that carries daily updated information on FP5. CORDIS also hosts information services designed to help convert promising research into successful new products and services. The unit's publications include a group of periodicals: CORDIS focus, innovation and technology transfer and Euroabstracts. Subscriptions can be obtained via the innovation help desk, which will also be pleased to assist you with questions on innovation.

The 'Resources' unit ensures the proper and efficient financial and contractual management of the directorate's innovation programme, provides administrative support and is in charge of the programme committee secretariat.

CORDIS: <http://www.cordis.lu/>  
 Innovation help desk: [innovation@cec.eu.int](mailto:innovation@cec.eu.int)

## 5 DIRECTORATE D

### SERVICES, COMMERCE, TOURISM

The competitiveness of European services, commerce and tourism are core priorities for enterprise policy, and the specific responsibility of Enterprise Directorate D.

As services are spread throughout the economy, policies and instruments targeting and affecting them are devised, promoted and implemented by a wide range of Commission departments. Financial services and insurance, and energy and transport services for example, are the responsibility of the Internal Market, Energy and Transport Directorates-General respectively. Within the context of enterprise policy and our DG, services are grouped in four broad areas, each with its own unit.

The 'Development of the service sector' unit deals with generic policy issues affecting services, and in particular business services (e.g. consultancy, legal, marketing and technical), that play a critical role in enabling other companies to restructure fast and flexibly enough to keep pace with technological and market change. Restructuring rates have a very direct impact on industrial competitiveness throughout the enterprise economy.

The 'Distribution and commerce' unit monitors and measures the impact of Community policies on wholesale, intermediate and retail trade: 5 million enterprises providing 22 million jobs (16 % of the



Community total), with annual sales of EUR 640 billion (contributing 13 % of Community GDP). Their competitiveness can and should be enhanced by Community consumer, environment, competition, SME support and regional development policies.

The 'Tourism' unit gathers and disseminates information to promote the competitiveness, quality and sustainable development of tourism. Tourism already contributes substantially to EU employment, GDP, and external trade in services, but still has huge potential to grow and create jobs (estimated at 2.2 to 3.3 million extra jobs by 2010, based on an annual growth rate of 1.0 to 1.5 %).

The 'Information and communication technologies (ICTs) and electronic commerce' unit aims to help all enterprises, from carpenters to 'dot com' pioneers, to make the most of e-commerce tools. The unit also monitors the quickly changing structure of the ICT equipment and service providers themselves. E-commerce and ICT are the prime engines of the future digital economy, and for this reason the unit will be involved in standardisation activities to support EU legislation in such fields as electronic signatures and data protection.

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DIRECTORATE E

## ENVIRONMENTAL ASPECTS OF ENTERPRISE POLICY, RESOURCE-BASED AND SPECIFIC INDUSTRIES

Encouraging Europe's resource-based and specific industries to be competitive and compete worldwide, and managing the single market in its sectors, is the job of Enterprise Directorate E. It also gears enterprise policy to sustainable development, by ensuring that any Community decision affecting the enterprise environment strikes the right balance among economic, environmental, employment and social needs.

The Directorate's 'Environmental aspects of enterprise policy' unit briefs the Commission on the implications of environment decisions for business, and presses enterprises to play their part in achieving environmental goals. A sentinel at the crossroads of enterprise and environment policy, it sees that Enterprise DG views on environmental issues are reflected in environment policy, and that sustainable development aims (including environmental concerns), are built into enterprise policy. Finally, it promotes the concept of eco-efficiency in business.

The expertise of Directorate E's four 'vertical' (sector-specific) units serves not only to promote competitiveness, but to shape other Community policies, such as external trade (market analysis, market access, anti-dumping, trade negotiations), competition (State aids, mergers), and research (framework programmes for research, technological development and demonstration), including those encouraging innovation. These units are also helping to prepare EU candidate countries for membership, *inter alia* through the Phare financial and technical cooperation programme.

The 'Steel, non-ferrous metals and other materials' unit deals with industries that together employ about 1.5 million people and produce goods worth over EUR 250 billion. It promotes their sustainable development (economic, social and environmental) and industrial competitiveness. It also has trade and industrial cooperation responsibilities, and contributes to the EU enlargement process. This unit is a key partner in preparing the steel industry for the expiry of the ECSC Treaty in 2002 and its subsequent integration into the EC Treaty.

The 'Chemicals' unit manages and adapts internal market measures for an EU industry which, as the world's largest chemical producer, employs 1.7 million people in 39 000 companies in the EU, and whose exports have risen constantly since 1990 (1997 exports: EUR 95 billion, imports: EUR 55 billion). These measures include industry-wide directives (e.g. on dangerous substances and preparations) and sector-specific ones (e.g. on detergents, fertilisers, etc). Working in close cooperation with the Environment DG, it keeps EU chemical policy under constant review, and represents EU interests on chemical-related issues at international level. Its expertise is vital in shaping trade, competitiveness and other economic policies. Besides chemicals, it is also responsible for the plastics processing and rubber industries.

The 'Forest-based industries' unit is responsible for woodworking; furniture; pulp, paper and board production; paper and board converting and packaging; printing; and publishing. These industries employ 3 055 000 persons in the EU, and their combined annual output is worth EUR 387 billion (3.6 to 3.9 % of Community GDP). Whilst all these industries are interlinked through their use of common raw materials and similar product recovery and recycling processes, the printing and publishing industries also depend on content and are heavily influenced by new technologies. The state of the competitiveness of the EU forest-based and related industries is reviewed in a Commission communication (COM(1999) 457 final), which has led to the establishment of an action plan and a forest-based industries forum.



The 'Textiles, leather, footwear, toys' unit is a key partner in international trade policy negotiations (bilateral and multilateral) notably on textiles and footwear. It provides the expertise that Community negotiators need, and manages associated measures such as import quotas. It also promotes the competitiveness of the EU textiles industry. The unit also polices the implementation of the EU directive on toys.

The 'Aerospace, defence, rail and maritime industries' unit's sectors all require heavy capital investment and are central to keeping the EU's industrial fabric at the leading edge of technology and scientific knowledge. The unit promotes competitiveness and ensures that their special characteristics are fully taken into account in framing EU policies in areas such as the environment, trade, competition, research, technological development and demonstration (RTD). It manages and develops the internal market in these areas, including helping create a single European market in defence equipment.

Sector-specific internal market measures are devised and implemented by the 'Biotechnology and economic aspects of the food industry', 'Pharmaceuticals and cosmetics', and 'Automotive industry' units, which also encourage international cooperation.

The EU biotechnology industry, which now numbers over 1 000 companies in the EU and is growing rapidly, is already bringing us health and wealth benefits, but may also pose risks. Legislation must keep pace with biotechnological progress and its potential applications, so as to maximise the benefits they deliver whilst protecting the citizen.

The food industry, extensively integrated in the world economy, is an important sector by any standard, with more than 25 000 companies employing 2.6 million people and producing an annual turnover of over EUR 600 billion. Agro-food activities include managing EU export refunds, negotiating free trade agreements, preparing for EU enlargement and helping to develop food safety measures.

The pharmaceutical industry employs some 500 000 people in the EU. Its annual sales exceed EUR 62 billion, and its exports, worth over EUR 18 billion (i.e. about EUR 10 billion more than imports), substantially improve Europe's trade balance. Pharmaceutical approval procedures are becoming ever faster, simpler and safer. Faster and simpler, because a single EU-wide approval can replace 15 national ones. Safer, because they rely on a much broader knowledge base. The use of information and communication technology to share expertise and make EU pharmaceutical legislation more transparent provides an example to other sectors. At the same time, international cooperation is shaping mutual recognition agreements for — and the international harmonisation of — pharmaceutical marketing authorisation requirements.

The EU automotive industry employs about 2 million people directly and generates a further 12 million jobs indirectly. It depends heavily on common approval rules as a precondition for market access in Member States. A mandatory EC whole vehicle type approval system is established for cars, and other kinds of motor vehicles will also be included. Upgrading safety requirements (including vehicle design and pedestrian safety), reducing negative environmental effects and economic questions are priority issues for the automotive industry unit. Agreeing mutually acceptable approval rules with third countries is of the utmost importance. This will be done under the auspices of the United Nations Economic Commission for Europe (UNECE), under an international agreement between the EC, some Member States, Japan and the US.

**7 DIRECTORATE F**

**SINGLE MARKET, REGULATORY ENVIRONMENT, INDUSTRIES UNDER VERTICAL LEGISLATION**

Measures to develop the internal market, enhance industrial competitiveness and open up new job opportunities in key areas of the EU internal market are the responsibility of Directorate F.

Whilst continuing to manage and improve the internal market in its sectors, Directorate F is shifting the balance of its policy priorities to measures that promote competitiveness and innovation. Ensuring that the internal market functions properly is vital to Europe's economic growth. Yet its very success means that this task's importance tends to get overlooked. The competitiveness of consumer goods industries and their potential for innovation, for example in biotechnology, is largely dependent on Europe's legislative approach to them.

The 'Regulatory coordination' unit focuses on simplifying the regulatory environment for business. Its tasks also include helping EU enlargement candidate and associated countries adapt their laws to internal market legislation (the *acquis communautaire*). The 'Notifications and infringements' unit helps referee fair play on the internal market, by detecting technical barriers to trade and coordinating measures to remedy infringements of Enterprise DG legislation.



## CONFORMITY AND STANDARDISATION, NEW APPROACH, INDUSTRIES UNDER NEW APPROACH

Directorate G's primary aim is to promote the competitiveness of European enterprises in mechanical and electro-technical equipment, radio and telecommunication terminals, medical devices, pressure equipment, measuring instruments and construction products.

It does this by ensuring the free movement of goods within the internal market, helping European industry to meet the challenges of globalisation (e.g. by improving access to world markets), and by promoting international harmonisation and cooperation.

Beginning in the 1980s, the European Commission took a new approach to the technical harmonisation and standardisation of industrial products. The main goals of this harmonisation are to achieve a high level of protection for health, safety and other public interests, within a properly functioning internal market. Step by step, rules in Directorate G's sectors have been harmonised by technical directives. Standardisation and conformity assessment are essential constituents of the new approach.

Since the initial phase of developing directives is essentially complete, Directorate G must now ensure that Member States apply the rules uniformly and consistently. This entails drafting guidelines on how to interpret the directives, particularly as regards market surveillance (treatment of safeguard clauses and administrative cooperation).

With over 10 years experience of this approach, we are now better able to assess the need to amend certain directives, in order to improve their effectiveness. In building other Commission policy aims into enterprise policy, including environmental protection, energy efficiency and health and safety, the Directorate keeps a close eye on the need to sustain and enhance competitiveness.

External relations are a key part of Directorate G's work, because ensuring fair competition worldwide and reciprocal access to third country markets go hand in hand with opening up our internal market to importers. We therefore conclude mutual recognition agreements (MRAs) with third countries (including certain EU membership candidate countries), on conformity certificates for specific products. We also contribute to global harmonisation efforts, including the transatlantic business dialogue (TABD), the transatlantic economic partnership (TEP), the World Trade Organisation Technical Barriers to Trade Agreement (WTO/TBTA), and international standardisation work.

Preparing for EU enlargement is also a high priority. Directorate G helps candidate countries to transpose Community regulations (the *acquis communautaire*), into their national laws and to develop their infrastructure to cope with accession to the EU.

Directorate G has two 'horizontal' (industry-wide) units and three sector-specific ones. The 'Conformity, mutual recognition aspects' unit coordinates work on third country market access, whilst its 'Standardisation' counterpart handles relations with European (and international) standardisation bodies. The sector-specific units are responsible for specific regulations on: 'Mechanical and electrical equipment (including telecom terminal equipment)', 'Pressure vessels, medical devices and metrology', and the 'Construction industry' respectively.



**Euro Trophies:****rewarding euro-pioneering enterprises**

Preparing for the euro represents a strategic challenge for many small and medium-sized enterprises (SMEs). To draw attention to enterprises that have already adapted to a euro environment, and encourage as many SMEs as possible to think about their state of readiness, the European Commission is organising euro trophies in partnership with the Association for the Monetary Union of Europe, the Fédération des experts-comptables européens, and IBM. Once participants have been selected, euro trophies will be presented to prizewinning enterprises and their partners (accountants, consultants, professional federations, etc.) on 26 September 2000, as part of the Expo 2000 in Hanover.

To participate, you need to fill in a questionnaire, before 30 June 2000, which is available on the following Internet site:

<http://www.eurotrophies.org>

**Final report of the third round table of bankers and SMEs**

The third round table of bankers and SMEs, launched in October 1998, is the latest in a series of EU initiatives that have focused on finding solutions to the access to finance problems faced by SMEs. The issues addressed included risk assessment and rating, specific products for SMEs, financing start-ups, transnational financing, financing transfers of businesses, additional support services for SMEs and micro-finance. Experts were drawn from organisations representing SMEs, mutual guarantee societies, regional development agencies, venture capitalists and accountants, as well as banks (cooperative, savings and commercial) and public SME funding institutions.

The final report, which matches the problems with the best practice solutions and makes a series of recommendations to the EU, will be available from the Enterprise DG's website (<http://europa.eu.int/comm/enterprise/finance/rt3.htm>) or obtained from:

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**Concerted actions**

The report on the concerted action seminar on SME support services in the face of globalisation is now available. The seminar, which took place in Copenhagen in January 2000, was organised by the Danish Agency for Trade and Industry in cooperation with the European Commission. The discussions centred around workshops in which the themes were: a new rationale for export promotion, networking and subcontracting and the globalisation of innovation. To obtain a copy please contact:

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The next large concerted actions forum, to be held in association with the French Presidency of the EU, is to be held on 16 and 17 October 2000 in France. For further information please contact:

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**MED-Partenariat Egypt 2000, Cairo, 3 and 4 October 2000**

MED-Partenariat Egypt 2000 will take place in Cairo on 3 and 4 October 2000. This event will provide an opportunity for over 600 businesses from the EU and the Mediterranean region to establish business contacts through pre-scheduled meetings with over 400 selected Egyptian counterparts. The Med-Partenariat initiative, inspired by the Europartenariat formula, and financed by the EU-MEDA programme, has already enabled hundreds of companies from the south of the Mediterranean Basin to establish business links with their counterparts from the European Union.

For more information, contact:  
MED-Partenariat Egypt 2000 Project Office  
P.O. Box 385  
1115 Attaba  
Cairo, Egypt  
Tel. (20-2) 34-07666  
Fax: (20-2) 33-23098





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SOME USEFUL WEB ADDRESSES

**Enterprise DG website**

<http://europa.eu.int/comm/dgs/enterprise/>

For information about Enterprise DG's activities

**The dialogue for business website**

<http://europa.eu.int/business/>

This One-stop Internet shop for business brings together data, information and advice from many sources. It is a part of the European Commission's 'Dialogue with Business', a new service to help you to make the best of the Single Market.

**CORDIS**

<http://www.cordis.lu/>

The European Community Research and Development Information Service.



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