



**COUNCIL OF
THE EUROPEAN UNION**



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3223rd Council meeting

Competitiveness (Internal Market, Industry, Research and Space)

Brussels, 18 and 19 February 2013

Presidents **Mr Richard BRUTON**
Minister for Jobs, Enterprise and Innovation
Mr Seán SHERLOCK
Minister of State responsible for Research and Innovation
of Ireland

P R E S S

Main results of the Council

*The Council held debates on the **Annual Growth Survey 2013**, as a part of all relevant Council deliberations in preparation for the spring European Council on 14 and 15 March.*

*Together with the Annual Growth Survey, the Council assessed the first report on the state of **Single Market Integration**, aimed at monitoring the functioning of the single market. It also took note of the state of play of the **Single Market Act** packages, which are made up of priority measures aimed at completing the single market by increasing confidence and stimulating growth and job creation.*

*Ministers addressed the situation of the European **steel industry**, which is one of the industrial sectors most affected by the economic crisis.*

*The Council exchanged views on an action plan drawn up by the Commission aimed at boosting the entrepreneurial spirit in Europe ("**Entrepreneurship 2020**").*

*It also exchanged views on the review of the REACH system for the **Registration, Evaluation Authorisation and Restriction of Chemicals**.*

*In the field of research, the Council held a debate on **open access to scientific information** resulting from publicly funded research projects, one of the objectives of the development of the **European Research Area**, which is at the heart of the strategy for growth and jobs.*

*Finally, the Council took stock of **Joint Programming** activities carried out in the field of research and on the state of play of the **ITER project** for nuclear fusion.*

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*An international agreement for establishing a **Unified Patent Court** was signed in the margins of the Council.*

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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.

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PARTICIPANTS

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Vice-Minister-President of the Flemish Government and Flemish Minister for Innovation, Public Investment, the Media and Poverty Reduction
Deputy Prime Minister and Minister for the Economy, Consumers and the North Sea
Vice-President and Minister for Economic Affairs, SMEs, Foreign Trade and New Technologies

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Mr Francesco PROFUMO

Mr Massimo VARI

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State Secretary for Economic Development

Cyprus:

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Mr Daniels PAVĻUTS

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State Secretary, Ministry of Education and Science
Minister for the Economy
Minister for Justice

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Deputy Permanent Representative

Mr Patrick MIFSUD

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Deputy Permanent Representative

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Deputy Permanent Representative

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Minister for Labour

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Mr Gunnar OOM
Mr Håkan EKENGREN

Deputy Prime Minister, Minister for Education
State Secretary to the Minister for Trade
State Secretary, Ministry of Enterprise, Energy and Communications

United Kingdom:

Mr Vincent CABLE

Secretary of State for Business, Innovation and Skills, and President of the Board of Trade

Ms Shan MORGAN

Deputy Permanent Representative

Commission:

M. Joaquín ALMUNIA	Vice-President
M. Antonio TAJANI	Vice-President
M. Michel BARNIER	Member
M. Tonio BORG	Member
Mme Máire GEORGHEGAN-QUINN	Member
M. Günther OETTINGER	Member
M. Algirdas ŠEMETA	Member

The government of the acceding state was represented as follows:

CROATIA

Mr Dražen PROS	Deputy Minister for Entrepreneurship and Trade
Ms Irena ANDRASSY	Deputy Permanent Representative

ITEMS DEBATED**Annual Growth Survey 2013**

The Council held debates on the Annual Growth Survey 2013 as part of all relevant Council deliberations in preparation for the spring European Council on 14 and 15 March.

The debate was structured in accordance with a Presidency document ([5894/13](#)), which contains the opinions of the High Level Group on Competitiveness and Growth¹ and of the European Research Area Committee (ERAC)².

Ministers raised a full range of policy recommendations as drivers of growth, investment, innovation and job creation, which include:

- continued support for small and medium-sized enterprises (SMEs), access to finance and the entrepreneurship agenda, including support for the external competitiveness of EU companies;
- rapid completion of the Single Market Act (SMA) I and moving forward with the SMA II initiatives;
- maintenance and strengthening of the EU's industrial base;
- pressing ahead with the implementation of the Services Directive, the digital single market and the e-Government initiatives;
- strengthening investments in research and innovation, including various forms of public support to research and innovation, such as tax credits, public procurement, public-private partnerships and support for venture capital;
- using effective means to leverage private financing for research and innovation, as well as measures to overcome barriers to the take-up of financing instruments by SMEs;

¹ The High Level Group on Competitiveness and Growth assists the Council by assessing progress in the implementation of structural reforms and industrial policy measures.

² ERAC is a policy advisory committee whose main mission is to provide strategic input relevant to the development of the European Research Area (<http://www.consilium.europa.eu/policies/era/erac>).

- implementing the commitments of the Innovation Union strategy and giving greater prominence to the removal of obstacles with a view to completing the European Research Area;
- preventing the risks of shortages of skilled labour; and
- promoting initiatives that support commercialisation of research results and the development of technology start-ups in order to create new high value-added jobs, including those measures aimed at reinforcing the links between universities and business and promoting the formation of innovation clusters.

On 28 November 2012, the Commission published its Growth Survey for 2013, which is an analysis of the progress on the Europe 2020 targets for the creation of economic growth and jobs ([16669/12](#)). It recommends that EU and national efforts should continue to focus on five policy strands: pursuing differentiated, growth-friendly fiscal consolidation; restoring normal lending to the economy; promoting growth and competitiveness; tackling unemployment and the social consequences of the crisis; and modernising public administrations.

The Annual Growth Survey launches the European semester.

The European semester forms part of a new governance architecture that was approved by the member states in 2010. It is a six-month period every year during which the member states' budgetary and structural policies will be reviewed to detect any inconsistencies and emerging imbalances. The aim is to reinforce coordination while major budgetary decisions are still in preparation.

Single Market Act

The Council examined the state of play concerning pending legislation included in the *Single Market Act* packages, which are made up of priority measures aimed at completing the single market by increasing confidence and stimulating growth and job creation ([5915/1/13](#)).

These measures, to be adopted in co-legislation by the European Parliament and the Council, are currently at an earlier stage of the legislative process. They will contribute to reducing barriers and to improving efficiency on the single market for businesses, citizens, consumers and workers.

The *Single Market I* package includes actions such as modernization of public procurement, review of the professional qualifications directive, simplification of accounting rules and establishment of a common framework for the development of alternative systems for resolving consumer disputes.

The *Single Market Act II* package is the second wave of priority proposals and was presented by the Commission in October 2012¹ in order to supplement the first set of measures of Single Market Act I. It includes the modernisation of EU insolvency rules, the deployment of high-speed broadband and review of the product safety directive.

The Council, which adopted conclusions on Single Market Act II last December ([16617/12](#)), looks forward to rapidly examining its actions, in close co-operation with the European Parliament and the Commission, in order to allow their adoption by the end of the current parliamentary cycle at the latest so as to give the internal market a new impetus.

¹ http://ec.europa.eu/internal_market/smact/docs/single-market-act2_en.pdf

“Entrepreneurship 2020” action plan

The Council held a policy debate on an action plan drawn up by the Commission aimed at boosting the entrepreneurial spirit in Europe ("Entrepreneurship 2020").

The debate was based on the Commission communication "Entrepreneurship 2020 action plan - Reigniting the entrepreneurial spirit in Europe", issued on 9 January ([5292/13](#)) and a discussion note tabled by the Presidency on the current state of play in relation to entrepreneurship policy in the EU ([5862/13](#)).

Ministers exchanged views on the various measures and initiatives taken at nation level in order to support an entrepreneurial environment capable of making the economy more competitive and innovative.

Many delegations highlighted a number of key areas that could help to strengthen the Entrepreneurship 2020 action plan, including:

- promoting entrepreneurial education and training in order to support growth and business creation, giving young people the necessary entrepreneurial knowledge and skills and educating future generations of entrepreneurs, as well as those already active as entrepreneurs;
- reducing administrative burdens on businesses;
- facilitating greater provision of SME finance;
- pushing on with the digital agenda in order to render the creation of start-ups more attractive;
- targeting specific groups whose entrepreneurial potential is not being tapped to its fullest extent or who are not reached by traditional business outreach programmes.

A follow-up to this debate is planned at the informal ministerial meeting on 1 and 2 May in Dublin, Ireland.

Ministers for competitiveness had preliminary discussions at a meeting in July 2012, focusing on aspects such as the difference that entrepreneurship education can make for young people and for society as a whole, the role of women as a source of unexploited economic growth and the importance of a second chance for honest failed entrepreneurs.

Chemical substances: review of the REACH system

The Council held a policy debate on the review of the REACH system. REACH (**R**egistration, **E**valuation, **A**uthorisation and **R**estriction of **C**hemicals) is a European Union legislative framework for chemicals which entered into force on 1st June 2007.

The Commission has finished the 5-year review of REACH, which is presented in 3 documents:

- a general report on REACH ([5864/13](#));
- a communication on the regulatory review on nanomaterials ([14869/12](#)), and
- a roadmap for substances of very high concern ([5867/13](#)).

Ministers discussed the main findings of the Commission report on the basis of a Presidency questionnaire ([5863/1/13](#)). The outcome of the debate provides guidance for taking the work forward. Environment ministers are also expected to examine the REACH review at their meeting on 21 March.

A majority of member states shared the positive evaluation made by the Commission as regards the achievements of the REACH objectives and the overall balance between health and environmental protection, promotion of free circulation and competitiveness aspects. However, certain areas would need further improvements.

Many delegations supported the idea of alleviating administrative burdens on companies (particularly SMEs) imposed by the process of registering substances. This alleviation could also be accompanied by an improvement of the fees structure.

Some delegations underlined the need to guarantee a level playing field as regards conditions applied in third countries.

Certain delegations mentioned the importance of providing a clear basis for improving the risk management of nanomaterials, while considering that REACH should be the appropriate framework for ensuring their safe use.

They also noted with interest the roadmap put forward by the Commission for substances of very high concern.

The general report on the REACH review examines the overall operation of REACH and the attainment of its objectives: a high level of protection of human health and the environment, including the promotion of alternative methods for assessment of the hazards of substances, as well as the free circulation of substances on the internal market while enhancing competitiveness and innovation.

Nanotechnology is delivering major advances today and has the potential to allow technological breakthroughs and rekindle economic growth. The Commission's communication on the second regulatory review on nanomaterials assesses the adequacy and implementation of EU legislation for nanomaterials and includes plans to improve EU law to ensure the safe use of nanomaterials.

The roadmap for the identification of substances of very high concern was developed in discussion with national competent authorities. It addresses this part of the regulatory work within the restrictions and authorisations processes. The plan recognises the need for increased collaboration and effectiveness in identifying and assessing potential substances of very high concern – paving a way for these substances to be covered by the authorisation scheme within REACH.

The Commission's reports conclude that the REACH system works well and has achieved the objectives expected after five years of operation. However, it has identified a number of areas requiring improvements and it makes recommendations on how to achieve them.

* * *

Open access to scientific information

The Council held a policy debate on open access to scientific information resulting from public-funded research projects on the basis of the Commission communication "Towards better access to scientific information: Boosting the benefits of public investments in research" ([12847/12](#)) and its accompanying recommendations on access to and preservation of scientific information ([12846/12](#)).

The member states supported the idea of developing broader and more rapid access to scientific publications in order to help researchers and businesses to build on the findings of publicly funded research. This will contribute to boosting Europe's innovation capacity, help to tackle societal challenges and provide citizens with quicker access to scientific discoveries.

The member states noted the Commission proposal to develop experimental policy actions on open access to research data and to run a pilot for that purpose in the future Horizon 2020 research framework programme. Open access to research data will require that various other aspects such as intellectual property rights, security issues and data protection rules be taken into account.

They encouraged the definition of clear policies, in consultation with relevant stakeholders, on open access to scientific publications and research data, on preservation and re-use of scientific information and on related e-infrastructures for disseminating scientific information, at both national and EU levels.

They agreed on the need to promote common implementation standards and criteria, including interoperable infrastructures, in order to achieve the maximum benefit from open access in a sustainable way within a digital European Research Area.

Moreover, ministers welcomed the Commission's view that open access to scientific publications should be a general principle of the future Horizon 2020 research framework programme and presented some of the initiatives carried out under their respective national programmes.

The optimal circulation, access to and transfer of scientific knowledge is one of the objectives for the establishment of a genuine European Research Area.

OTHER BUSINESS

Unified Patent Court agreement

The international agreement for establishing a Unified Patent Court (UPC) was signed in the margins of the Council ([16351/12](#) + [COR 1](#)).

The UPC will ensure the uniform application of patent law throughout the territories of the signatory countries.

The new court will avoid the occurrence of multiple court cases with regard to the same patent in different member states. This will also prevent contradictory court rulings on the same issues. It will also reduce the cost of patent litigation.

The UPC is the final outstanding element of the “patents package” aimed at creating an enhanced patent system in the European Union.

For more information see press release [6590/13](#).

European steel industry

The Council took note of information provided by the Belgian delegation on the situation and perspectives of the European steel industry.

Several delegations expressed concern about the difficulties facing the steel sector and welcomed the Commission's intention to present by June 2013 an action plan to preserve and enhance the competitiveness of the steel sector in Europe.

The Commission organised a high-level round table on the issue on 12 February 2013. At that meeting, which brought together member states, industry and trade union representatives, the parties agreed on recommendations that will be taken into account for the preparation of an action plan for the sector.

Several areas of particular importance for the competitiveness of the steel sector have been identified, including: international competition (including protectionism and unfair trade practices), access to raw materials, administrative burdens, implementation of EU climate policy, energy costs, skills shortages, production capacities, research and innovation and demand-side measures.

Safety of products and market surveillance

The Council took note of a presentation by Vice-President Antonio Tajani and Commissioner Tonio Borg on the main aspects of a new legislative package of two draft regulations on market surveillance and on consumer product safety. The package also includes two communications on a multi-annual plan for the surveillance of products in the EU and a report on the implementation of requirements for accreditation and market surveillance.

One of the key actions identified in *Single Market Act II* ([14536/12](#)) is improvement of the safety of products circulating in the Union by updating the General Product Safety Directive and adopting a new single regulation on market surveillance and a flanking action plan.

As compared to the current system, the Commission proposes to improve the rules on market surveillance and consumer product safety through a set of changes that include:

- Alignment of the general obligations of economic operators to ensure the safety of non-food consumer products with clearer responsibilities for manufacturers, importers and distributors.
- Reinforced market surveillance in order to eliminate dangerous and non-compliant products.
- Improved traceability of consumer products throughout the supply chain by enabling a swift and effective response to safety problems.
- Streamlined procedures for the notification of dangerous products.

The two legislative proposals are complemented by an action plan setting out 20 actions in order to improve market surveillance under the current regulatory framework until the new rules come into effect.

http://ec.europa.eu/consumers/safety/psmsp/docs/psmsp-communication_en.pdf

Support for internationalisation of EU companies

The Council took note of updated information concerning the “Missions for growth” carried out by the Commission in third countries ([6011/1/13](#)).

These missions aim to help EU companies, in particular SMEs, to consolidate and develop their business activities abroad.

Update of the Union Customs Code

The Council took note of the state of play regarding the proposal for recasting the Union Customs Code ([6784/12](#)).

The proposed recast adjusts some provisions of regulation 450/2008, which established the Modernised Customs Code, to take account of developments in customs and other relevant legislation, aligns the regulation on requirements resulting from the Treaty of Lisbon and postpones its application in order to give national administrations and economic operators sufficient time to undertake the necessary investments and ensure smooth implementation of electronic processes.

Regulation 450/2008 entered into force in 2008, but is not yet applicable and no implementing provisions have been adopted. The intention of the recast procedure is to replace it with the Union Customs Code which fully implements the modifications brought about by the entry into force of the Treaty of Lisbon.

The Customs Code is published in EU [Official Journal L 145 of 4.6.2008](#).

Tobacco products

The Council took note of information by the Polish delegation ([6562/13](#)) concerning a new proposal for a directive on the manufacture, presentation and sale of tobacco and related products ([18068/12](#)).

The Polish delegation draws attention to the competitiveness aspects of the proposals and potential consequences for economic operators.

State aid modernisation

At the informal working lunch, ministers for the internal market and commissioner Joaquín Almunia exchanged views on the ongoing reform of the state aid policy.

Smart specialisation for research and innovation

During a working lunch, ministers and commissioner Máire Geoghegan-Quinn had an exchange of views on ways to support smart specialisation for research and innovation. The subject was introduced by Professor Mark Ferguson, Chief Scientific Adviser to the Irish government.

Smart specialisation involves the identification of research and innovation strategies so that the EU's structural funds can be used more efficiently and synergies between different EU, national and regional policies, as well as public and private investments, can be increased.

http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/smart_specialisation_en.pdf

Joint programming of research projects

The Council took stock of joint programming activities carried out in the field of research:

(<http://register.consilium.europa.eu/pdf/en/13/st01/st01301.en13.pdf>).

Joint programming is a process designed to ensure the optimisation of research efforts. It aims to reinforce cross-border cooperation and the coordination and alignment of national publicly funded research programmes. It is part of the new European Research Area landscape.

Since 2009, 10 joint programming initiatives have been launched in order to address specific societal challenges facing Europe such as neurodegenerative diseases, climate change, urban development, etc.

The Irish Presidency announced the organisation of a conference on joint programming that will take place in Dublin on 28 February and 1 March 2013 (<http://www.jpc2013.com>).

ITER: international thermonuclear experimental reactor

The Council took note of information provided by commissioner Günther Oettinger on the state of play of the ITER project ([5852/13](#)).

Website of ITER: <http://www.iter.org/>

OTHER ITEMS APPROVED**SPACE POLICY****Relations between the EU and the ESA (European Space Agency) - *Council conclusions***

The Council adopted conclusions on future relations between the EU and the European Space Agency. The conclusions are set out in document [6183/13](#).

TRADE POLICY**Anti-dumping measures - Bioethanol from USA - Preserved citrus fruits from China**

The Council adopted regulations imposing definitive anti-dumping duties on imports of:

- bioethanol originating in the United States of America ([5613/13](#)), and
- certain prepared or preserved citrus fruits (namely mandarins) originating in China ([5778/13](#)).

ENVIRONMENT**27th session of the Governing Council of UNEP - EU position**

The Council adopted a draft position of the Union on the status of the EU within the 27th session of the Governing Council/Global Ministerial Environment Forum of the United Nations Environment Programme (UNEP) that will take place in Nairobi on 18-22 February 2013.

For more information see <http://www.unep.org/>.

APPOINTMENTS

Committee of the Regions

The Council appointed Mr Pierrick MASSIOT (France) as member of the Committee of the Regions for the remainder of the current term of office, which runs until 25 January 2015 ([6210/13](#)).
