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OUTCOME OF THE COUNCIL MEETING

3353rd Council meeting

Competitiveness (Internal Market, Industry, Research and Space)

Brussels, 4 and 5 December 2014

Presidents

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Minister for Economic Development

Sandro Gozi
Undersecretary of State for the Internal Market

Stefania Giannini
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Main results of the Council

Industrial competitiveness

The Council adopted conclusions with a focus on the **role of SMEs** and on preparations for the establishment of a roadmap dealing with the challenges and opportunities of European industry. The **tourism** industry deserved special attention by means of the adoption of conclusions and the agreement on a general approach for the review of the **package travel directive**.

After the meeting, the Italian minister for Economic Development **Federica Guidi** made the following comments:

"At the last Competitiveness Council under the Italian Presidency, we wanted to focus attention on growth and jobs. It was no accident that over lunch we discussed the Juncker Investment Plan and the instruments available to the member states to boost growth and employment. We must continue this approach, with commitment and conviction. We also believe that strengthening the governance of the Competitiveness Council - an issue which the Italian Presidency has pursued with determination - can give fresh momentum to an industrial policy which draws on the EU's heritage of traditional skills while focusing on innovation, research and quality of life".

Enhancing the internal market

The Council exchanged views on the priorities for further enhancing the internal market and adopted conclusions on three key subjects: the **smart regulation** agenda, the strategy for the **management of customs risks** to facilitate trade and the enforcement of **intellectual property rights**.

"The Italian Presidency has focused strongly on revitalising the Single Market, in all its dimensions, realising that a powerful impetus is needed in order for us to compete effectively in the global marketplace. Today, through the adoption of Council Conclusions on **Smart Regulation**, there has been a clear signal of the need for the EU to regulate in a simpler and more effective way, making EU legislation more understandable and user-friendly for EU citizens and businesses and reducing the overall burden of EU regulation on SMEs and micro-enterprises. The Council also addressed the protection of **Intellectual Property Rights**, a key factor for our economy. The Council is strongly committed to the fight against intellectual property rights infringements and has encouraged the Commission to consider all possible options to address IPR enforcement", said **Sandro Gozi**, State Secretary for European Affairs.

The Council also confirmed general approaches for the modernisation of safety requirements relating to **personal protective equipment** and **cableway installations**.

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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.

Research and innovation - Space policy

Ministers held a debate on the role of **science with and on behalf of society**. They approved conclusions on three interrelated subjects: progress in the implementation of the **European Research Area**; the reforms, conditions and resources that will contribute towards enhancing European competitiveness with **innovation and research as new sources of growth** and the promotion of **Euro-Mediterranean cooperation** in research and innovation.

Following a debate on the **competitiveness of the space sector**, the Council adopted conclusions on policy guidelines and challenges for underpinning a European space renaissance.

Stefania Gianinni, Italian Minister for Education, Universities and Research, made the following statement:

"To maintain and increase Europe's competitiveness in the global marketplace, the first priority is the functioning of the European Research Area - the "single market" of the third millennium - in which talented researchers can develop joint programmes involving different countries, based on research strategies which have finally been aligned. A concrete example of success in aligning national strategies is the Space sector, which the Italian Presidency has focused on. With the same end in view, we have also drawn attention to the Euro-Mediterranean area with an initiative for a joint programme of research and innovation in the sectors of food systems and water resources".

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ITEMS DEBATED

INTERNAL MARKET

Priorities for enhancing the single market

The Council held a policy debate on the priorities that will lead to enhancing the single market.

Among the priority actions to be taken in order to further develop the single market and increase Europe's economic integration, ministers outlined those with a high-value potential to create growth, including:

- the completion of the single market in sectors such as energy, transport and digital technologies, which will offer real benefits, encourage public-private partnerships and attract new investment;
- the effective implementation of the services directive;
- the further use and application of the mutual recognition principle;
- the reduction of the regulatory burden;
- the careful evaluation of measures in order to bring them into line with the "Think small first" principle to create a favourable environment for SMEs;
- the facilitation of on-line cross-border trade ; and
- the promotion of e-procurement.

All delegations welcomed the commitment by the Commission to present a renewed strategy on services in 2015, which will include identification of the most important obstacles to the smooth functioning of the single market.

Following the debate, the Council adopted conclusions on two major aspects for improving the functioning of the internal market: smart regulation and customs risk management:

Smart regulation agenda

The conclusions deal with a number of relevant issues that will contribute to ensuring that EU regulation is transparent and simple and is achieved at minimum cost, and also that it contributes to fostering competitiveness, growth and jobs, while taking into account the protection of consumers, health, the environment and workers.

Under the [REFIT](#) programme for better regulation, the Commission proposed a number of new initiatives for simplification and burden reduction. It includes repeals of existing legislation and withdrawals of proposals pending in the legislative procedure.

[Conclusions on the Smart Regulation](#)

Customs risk management

In its conclusions, the Council endorsed the EU strategy on customs risk management. The strategy, which was presented by the Commission last summer ([12644/14](#) + [12644/14 ADD1](#)), is aimed at facilitating trade and strengthening the security of the supply chain. The conclusions also call on the Commission and the EU member states to implement the strategy as well as the priority actions contained in its action plan.

[Conclusions on EU strategy and action plan on customs risk management](#)

INDUSTRY

Industrial competitiveness: agenda for growth and jobs

The Council held a debate and adopted conclusions on industrial competitiveness.

The conclusions focus in particular on the role of SMEs and the preparations for the establishment of a roadmap dealing with the challenges and opportunities facing the European industry.

Ministers also heard a presentation of the first report of the Network of SME Envoys, which is a network of national representatives responsible for promoting the interests of SMEs and ensuring that the "Think small first" principle is integrated into policy-making and regulatory proposals at EU, national, regional and local levels throughout Europe.

[Conclusions on Industrial Competitiveness](#)

Tourism industry

– *Europe's cultural heritage contribution to tourism*

The Council adopted conclusions on the contribution of Europe's cultural, natural and maritime heritage to strengthening tourism activity.

The importance of synergies between tourism and culture and their contribution to economic growth and employment was highlighted, among other things, at the European Forum on Tourism organised by the Presidency in Naples, Italy, on 30 and 31 October. On that occasion, the importance of making better use of the opportunities offered by digitalisation and innovation for a high-quality workforce, more sustainable and inclusive mobility and maintaining Europe's position as a top tourist destination was also recalled.

[Conclusions on strengthening tourism by leveraging Europe's cultural, natural and maritime heritage](#)

– *Travel Package Directive*

Following a public debate, the Council agreed on a general approach for the reform of the Travel Package Directive.

The agreement allows negotiations to be launched with the European Parliament with a view to concluding the reform as soon as possible.

The revised directive will extend the current protection for traditional pre-arranged packages to new combinations of travel services (so-called "assisted travel arrangements"), in particular if sold online.

See also [press release](#)

Personal protective equipment: new safety requirements

The Council confirmed, in a public deliberation, an agreement on a general approach for updating the safety requirements applicable to personal protective equipment sold in the internal market ([15735/1/14 REV 1](#)).

The general approach allows negotiations to be launched with the European Parliament with a view to adopting the new regulation.

Personal protective equipment is designed to protect against all kinds of hazards (e.g. heat, flames, chemicals, flying particles, mechanical shocks, etc.) occurring in different environments, be it at home, at work or doing sports. Examples include: head/ear/eye protection (helmets, earmuffs, glasses), breathing protection (gas and dust masks), body protection (clothing providing protection from chemicals, motorcycle outfits and high-visibility jackets), hand/leg/foot protection (gardening gloves, knee pads, safety shoes) and life jackets.

The new regulation will update the current rules under Directive 89/686/EEC. They apply to each individual item intended to be placed and/or put into service on the EU market for the first time. They set out the health and safety requirements and establish the conformity assessment procedures to be complied with by manufacturers. The procedures depend on the severity of the risk involved. The "CE marking" is affixed on products which comply with these harmonised essential health and safety requirements.

The new rules are also intended to improve market surveillance by public authorities without imposing unnecessary burdens and costs on industry.

Cableway installations: new safety requirements

The Council confirmed, in a public deliberation, an agreement on a general approach for updating the safety requirements applicable to cableway installations ([15442/2/14 REV 2](#)).

The general approach allows negotiations to be launched with the European Parliament with a view to adopting the new regulation.

The main types of cableway installations are funiculars, gondolas, detachable chair lifts, fixed-grip chair lifts, aerial tramways, funitels, combined installations (made of several cableway types, such as those of gondolas and chairlifts) and drag lifts.

Their safety, environmental and market compliance requirements are currently covered by Directive 2000/9/EC. Traction by cable and the passenger transport function are the principal criteria determining the scope of the directive, which is applicable to installations built and put into service as from 3 May 2004.

The new regulation will replace Directive 2000/9/EC in order to ensure greater consistency across the EU harmonisation legislation for industrial products.

Cableway installations are unique products adapted to the local conditions and linked to a fixed infrastructure and mobile machinery. Safety components and subsystems are subject to the rules on the free movement of goods and to the conformity assessment and Declaration of Conformity. However, fixed installations fall within the member states' competence and are subject to a licence for construction and an authorisation for putting into service which are granted by the competent public authorities.

The new regulation is also intended to improve market surveillance by public authorities without imposing unnecessary burdens and costs on industry.

RESEARCH and INNOVATION

Science with and on behalf of society

The Council held a debate on the future role of science in society, on the basis of a Presidency document ([15451/14](#)).

Ministers expressed views on how to better promote and integrate responsible research across all policy areas, as well as the conditions for ensuring the commitment of all societal players in developing innovative solutions to major societal challenges. They also shared experiences, practices and reform projects in their respective national research programmes.

They also commended the principles outlined in the Rome declaration, expressed at a conference organised by the Italian Presidency from 19 to 21 November, on the relationship between science and society.

A number of initiatives were listed with a view to improving this relationship, including the need to better communicate to the public and better access to science results, and more involvement of the concept of responsible and ethical research in education systems.

Responsible research and innovation is a process for better aligning research and innovation with the values, needs and expectations of society. It implies close cooperation between all stakeholders in various strands comprising: science education, definition of research agendas, access to research results and the application of new knowledge in full compliance with gender and ethics considerations.

Progress towards the achievement of the European Research Area

The Council exchanged views on the progress that had been made towards the achievement of the European Research Area (ERA) and adopted conclusions.

The conclusions are based on the 2014 progress report on the ERA published by the Commission last September ([13197/14](#)) and on the subsequent ministerial exchange of views of 26 September.

Member states acknowledge that there is a solid basis for the deployment of the ERA. However, many shared the view that action towards full realisation should be speeded up.

The conclusions support the development of an ERA roadmap by mid-2015 in close cooperation with the Commission. This should provide a shared understanding of the ERA principles and concrete measures to implement them, together with a set of tools and best practices.

The development of the ERA, which seeks to achieve a genuine single market for knowledge, research and innovation, is a key component of the Europe 2020 strategy to create growth and jobs.

The [ERA](#) is expected to reinforce excellence for research across Europe, thereby increasing Europe's global competitiveness and its ability to tackle major societal challenges successfully.

[Council conclusions on European research area Progress Report 2014](#)

Research and innovation as sources of renewed growth

The Council adopted conclusions on "Research and Innovation as sources of renewed growth".

The conclusions address the quality, efficiency and effectiveness of public spending on research and innovation (R&I), as well as the priority axes for action and reform in this field.

They build on the Commission communication issued in June 2014 ([10897/14](#)) and the subsequent ministerial exchange of views on 26 September.

On that occasion, member states broadly endorsed the analysis and recommendations contained in the communication, which concentrates on three priority axes for reform: (1) the quality of strategy development and policy-making processes; (2) the quality of programmes, focusing of resources and funding mechanisms; and (3) the quality of institutions performing R&I.

The communication explores how the potential of R&I as drivers of growth can be used to raise the quality of investments in the context of the Europe 2020 strategy.

[Council conclusions on research and innovation as sources of renewed growth](#)

Euro-Mediterranean cooperation for research and innovation

The Council adopted conclusions on a partnership for research and innovation in the Mediterranean area.

The conclusions assess the work carried out under the "PRIMA" (Partnership in Research and Innovation in the Mediterranean Area) initiative, with a view to consolidating a renewed partnership in the region. They also invite the Commission to assess the participation of the Union in a joint programme on the basis of Article 185 of the EU Treaty.

The PRIMA initiative, which has so far involved several EU countries and third country partners in the Mediterranean area, was launched with the aim of creating a long-term structured partnership in research and innovation. It is based on the principles of co-ownership and mutual interest in two specific fields: food safety and water provision, with a view to ensuring sustainable management of common resources and regional socio-economic growth.

[Council conclusions on Partnership for research and innovation in the Mediterranean area](#)

SPACE POLICY

Underpinning the European space renaissance

The Council exchanged views on the competitiveness of the European space sector as a key driver for the European economy on the basis of a Presidency document and a set of questions ([15396/14](#)).

Following the debate, the Council adopted conclusions on orientations and future challenges for underpinning the European space renaissance.

The conclusions convey a strong political message about the importance of a comprehensive and long-term European vision for space.

They focus on the priorities of the European space ambition and the means of achieving them. They also stress that the European space sector must be further strengthened as a motor boosting the European economy, indicating actions in order to tackle upcoming challenges for responding to public policy objectives, user needs and citizens' requests.

Moreover, they address the need for stronger scientific space research to enable faster economic growth, job creation and industrial competitiveness.

In addition, the conclusions encourage the EU, the ESA (European Space Agency) and the member states to harmonise their efforts in developing and implementing European programmes and infrastructures in order to maximise the benefits for European citizens and enterprises.

[Council conclusions on underpinning the European space renaissance: orientations and future challenges](#)

Space exploration

Astronaut Luca Parmitano shared with ministers his experience on board the [International Space Station](#) (ISS), as an illustration of the importance of political endeavours in the space race.

ESA astronaut Luca Parmitano¹, acting as the ambassador for space policy for the Italian Presidency semester, spent 166 days in space conducting over 20 experiments and took part in two spacewalks and the docking of four space crafts for the mission. He landed safely back on Earth on 11 November 2013.

¹ <http://lucaparmitano.com/>

ANY OTHER BUSINESS– ***Investment plan for Europe***

During the informal working lunch, ministers heard a presentation by Commission Vice-President Jyrki Katainen on the main elements of the [Investment Plan for Europe](#), presented by the Commission on 26 November 2014.

Following an exchange of views, the Presidency concluded that the main messages of the debate would be summarised with a view to preparations for the European Council on 18-19 December, as a contribution by the ministers for competitiveness.

– ***Product safety and market surveillance package***

The Council took note of information provided by the Presidency on the state of play regarding two proposals for regulations on market surveillance ([5890/13](#)) and on consumer product safety ([5892/13](#)).

In spite of the high degree of convergence reached by delegations on the package as a whole, there is one outstanding political issue which remains unsolved. It relates to the proposed provision for establishing a mandatory country of origin marking for non-food products.

A number of delegations consider that this provision would improve the traceability of products and consumer information. Other delegations, on the other hand, argue that a mandatory country of origin provision is not justified and could be burdensome for economic operators.

The Presidency invited the Commission to present further evidence on the costs and benefits of the proposed mandatory marking of origin with the aim of moving the negotiations forward.

The Commission confirmed that it is currently gathering additional information and evidence to be presented in early 2015 ([16041/1/14 REV 1](#)).

– ***BlueMed initiative***

The Council took note of information provided by the Presidency on the "BlueMed" initiative ([15592/14](#)).

This initiative seeks to coordinate research and innovation activities to support a new sustainable approach to managing and exploiting the potential of the Mediterranean Sea marine and maritime sectors. Eight Mediterranean member states have so far started to cooperate under the initiative.

– ***Copernicus space programme***

The Council took note of information provided by the Commission about the state of play and next steps of the Copernicus space programme ([16011/14](#)).

Copernicus will contribute significantly to Europe's competitiveness, growth and jobs, and it will produce concrete benefits and applications in many areas, such as climate and the environment, maritime safety and security, agriculture and the prevention and management of disasters, as well as urban planning.

On 3 April 2014, the first Copernicus satellite, Sentinel 1A, was successfully launched from the European space port in Kourou, in French Guyana. High-quality data started to be delivered and made available on a full, open and free-of charge basis to users.

– ***Outcome of the European Space Agency ministerial Council***

The Council took note of the outcome of the ESA ministerial Council that took place in Luxembourg on 2 December 2014.

The meeting focused on three main topics: access to space, the International Space Station and future perspectives for the ESA.

– ***Work programme of the upcoming Latvian Presidency***

The Latvian delegation informed ministers about the Presidency's work programme on competitiveness for the first half of 2015.

The overarching priority of the Latvian Presidency is to achieve a competitive, digital and engaged Europe:

<http://www.es2015.lv/en/home/446-cabinet-of-ministers-to-present-the-priorities-of-the-latvian-presidency>

OTHER ITEMS APPROVED

INTELLECTUAL PROPERTY

Enforcement of intellectual property rights

The Council adopted conclusions stressing its commitment in combating infringements of intellectual property rights ([15321/14](#)).

The conclusions call on the Commission to deliver the actions contained in the EU action plan on the enforcement of intellectual property rights presented on 1 July 2014 ([11533/14](#)), in close cooperation with the member states and all stakeholders, including right holders, intermediaries and civil society.

TRADE POLICY

Preferential trade arrangements - Court of Auditors' report

The Council adopted conclusions inviting the Commission and the member states to follow up on the recommendations of the Court of Auditors' report on the management of [preferential trade arrangements](#).

RESEARCH

EU-Switzerland - Scientific and technological cooperation agreement

The Council authorised the signing and provisional application of an agreement for scientific and technological cooperation with Switzerland associating Switzerland with "Horizon 2020", the EU's framework programme for research and innovation for the years 2014 to 2020 ([15369/14](#)).

The agreement includes the terms and conditions of Switzerland's participation in the Euratom programme 2014-2018 and in the activities carried out by the European joint undertaking for the ITER project on nuclear fusion energy.

The agreement, which was signed on 5 December in Brussels, is applicable retroactively as of 15 September 2014, pending the completion of procedures for its conclusion.

ENVIRONMENT

Fuel quality directive - Calculation methods and reporting requirements

The Council decided to submit the draft Council directive on laying down calculation methods and reporting requirements pursuant to Directive 98/70/EC relating to the quality of petrol and diesel fuels to the European Parliament.

The directive is subject to the regulatory procedure with scrutiny. Provided that the European Parliament does not oppose the adoption of the directive, the Council will adopt it in accordance with Article 5a(4)(g) of Council Decision 1999/468/EC.

TRANSPORT

Commercial road transport - classification of serious infringements

The Council decided not to oppose the adoption by the Commission of a regulation concerning serious infringements of EU rules in commercial road transport which may lead to the loss of good repute of a road transport operator ([13412/14](#) + [13412/14 ADD1](#)). The draft regulation supplements Regulation 1071/2009 and amends Annex III to Directive 2006/22/EC.

The draft regulation establishes a common list of types and degrees of seriousness of such infringements and provides for the maximum frequency of occurrence beyond which repeated serious infringements are to be regarded as more serious.

The Commission regulation is subject to the regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt the regulation, unless the European Parliament objects.

Interbus agreement: international carriage of passengers

The Council decided to authorise the Commission to launch negotiations for an agreement enlarging the scope of the agreement on the international occasional carriage of passengers by coach and bus, the "Interbus Agreement", and to cover the international regular carriage of passengers by coach and bus.

FISHERIES

Effectiveness of European Fisheries Fund support

The Council adopted conclusions on the European Court of Auditors' special report on the effectiveness of European Fisheries Fund support for aquaculture, set out in [15537/14](#).
