

## **COMPETITIVENESS Council**

### **4 and 5 December in Brussels**

On **Thursday 4 December**, the Council will address **internal market and industry issues**.

Ministers will hold a policy debate on the priorities for further enhancing the internal market. Following the debate, the Council is expected to approve conclusions on two concrete aspects for reinforcing the single market: the **smart regulation** agenda and the strategy for **management of customs risks** to facilitate trade. Furthermore, the Council will be invited to agree on a general approach for the modernisation of safety requirements related to **personal protective equipment** and **cableway installations**.

Ministers will also hold a policy debate on **industrial competitiveness**. Following the debate, the Council is expected to approve conclusions with a focus on the importance of taking a sustainable and innovative sectorial approach for the development of European enterprises and of improving conditions for private and public investments. Moreover, the Commission will be invited to present a roadmap for dealing with challenges and opportunities of the European industry. The **tourism** industry, one of the priorities of the Italian presidency, will deserve special attention by means of the adoption of conclusions and of the review of the **package travel directive**. On the latter, the Council will be invited to agree on a general approach.

On **Friday 5 December**, the Council will address **research and innovation issues and space policy**.

Starting with a policy debate on the role of **science with and for the society**, ministers are expected to approve conclusions on three interrelated subjects: the progress in the implementation of the **European Research Area**; the reforms, conditions and resources that will contribute to enhance European competitiveness with **innovation and research as new sources of growth** and the promotion of **Euro-Mediterranean partnership** in research and innovation.

Finally, ministers will exchange views on the orientations and **challenges of the European space policy** with a view to adopting Council conclusions. **Astronaut Luca Parmitano** will share with ministers his experience aboard the International Space Station, as an illustration of the importance of the political endeavour in space exploration.

The sessions will be chaired by Mrs **Federica Guidi**, Minister for Economic Development, Mr **Sandro Gozi**, Undersecretary of State for the Internal Market and Mrs **Stefania Giannini**, Minister for Education, Universities and Research, of Italy.

\* \* \*

---

<sup>1</sup> This note has been drawn up under the responsibility of the press office.

Press conferences:

- internal market and industry: Thursday 4/12 at +/- 16.30;
- research, innovation and space policy: Friday 5/12 at +/- 17.00.

Press conferences and public deliberations can be followed by video streaming:

<http://video.consilium.europa.eu/>

## **INTERNAL MARKET - INDUSTRY**

### **Priorities for enhancing the single market**

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

By means of a questionnaire ([15473/14](#)), the Italian presidency will invite ministers to express views on:

- priority actions to be taken in order to further develop the single market and increase Europe's economic integration, and
- areas with the highest potential to mobilise new investments.

The presidency considers that the beginning of a new institutional cycle, with the new Commission, European Parliament and President of the European Council, provides an opportunity to give a fresh start for a better Europe, focused on re-engaging citizens, delivering prosperity and fostering employment.

Therefore, it represents the right moment for member states to exchange views on the internal market. Further strengthening the EU's internal market is one of the instruments to deliver on the five headline goals of the Europe 2020 strategy for growth and jobs.

In spite of its big success, the single market is not fully exploited yet. Eliminating remaining unjustified barriers, particularly in goods and services, can be of great benefit to citizens. The completion of the single market in sectors such as energy, transport and digital technologies, will offer real benefits, encourage public-private partnerships and attract new investment.

Last June, the EU heads of state and government adopted a Strategic Agenda for the next five years in which there is a commitment to fully exploit the potential of the single market in all its dimensions by: completing the internal market in products and services; completing the digital single market by 2015 and promoting a climate of entrepreneurship and job creation, not least for SMEs.

Following the debate, the Council will be invited to adopt conclusions on two major aspects for improving the functioning of the internal market: smart regulation and customs risk management:

#### **- *Smart regulation agenda***

The conclusions ([16000/14](#)) will deal with a number of relevant issues that will contribute to ensure that EU regulation is transparent, simple and is achieved at minimum cost. Also that it contributes to foster competitiveness, growth and jobs, while taking into account the protection of consumers, health, environment and workers.

These issues will include the renewed efforts to reduce regulatory burdens, without undermining the policy goals of the regulation, undertaken under the REFIT programme, and their benefits for businesses, in particular for SMEs and micro-enterprises.

Under the [REFIT](#) programme for a 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 legislative procedure.

## **- Customs risk management**

The Council is due to endorse, by means of conclusions, the EU strategy plan on customs risk management. The strategy, which was presented by the Commission last summer ([12644/14](#) + [12644/14 add 1](#)), is aimed at facilitating trade and strengthening the security of the supply chain. The conclusions will also call on the Commission and the EU member states to implement the strategy as well as the priority actions contained its action plan.

## **Industrial competitiveness: agenda for growth and jobs**

The Council will hold a debate on industrial competitiveness on the basis of a Presidency policy document ([15758/14](#)).

Firstly, ministers will hear a presentation of the first report of the SME Envoy's network, which is a network of national representatives in charge of promoting SME's interests 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.

Following the debate, the Council is expected to approve conclusions with a particular focus on the importance of taking a modern, sustainable and innovative approach for the development of European enterprises and of improving conditions for investment both from the private and the public sector. The conclusions invite the Commission to present a roadmap dealing with challenges and opportunities of the European industry.

On 25 September, the Council adopted conclusions on mainstreaming industrial competitiveness, with a view to ensuring that aspects related to industrial competitiveness are systematically included in all relevant European policies ([13617/14](#)).

The European Council conclusions of March 2014<sup>2</sup> underlined that "industrial competitiveness concerns should be systematically mainstreamed across all EU policy areas and be part of impact assessments in view of getting a stronger industrial base for our economy", and that "this should go together with competitiveness proofing". Furthermore, the European Council invited the Commission to present a roadmap for taking work forward on the European 'Industrial Renaissance'.

In its call "[For a European Industrial Renaissance](#)", the Commission acknowledged an urgent need to re-focus its strategic approach, prioritising urgent competitiveness-oriented reforms to ensure that all EU policy areas promote the growth, investment and employment needed to fully emerge from the economic crisis.

To that end, it considered that the following priorities should be pursued to support the competitiveness of European industry:

- deepen the mainstreaming of industrial competitiveness in other policy areas;
- maximise the potential of the internal market for products, capitals and services;
- implement the instruments of regional development with national and EU instruments in support of innovation, skills and entrepreneurship;
- encourage investment and facilitate businesses' access to critical inputs, such as energy and raw materials, at affordable prices; and
- facilitate the integration of EU firms in global markets.

---

<sup>2</sup> [7/1/14 REV1](#)

The mainstreaming of competitiveness in specific industrial sectors and the role and place of SMEs in the mainstreaming process were the main subjects discussed at the informal meeting of EU industry ministers held in Milan, Italy, on 21 July<sup>3</sup>.

## **Tourism industry**

### **- Europe's cultural heritage contribution to tourism**

The Council will be called upon to adopt conclusions on the contribution of Europe's cultural, natural and maritime heritage to the strengthening of tourism ([15608/14](#)).

The text aims as well at stimulating competitiveness of the sector, promoting development of sustainable, responsible, high-quality tourism and cultural itineraries and improving skills of tourism workers.

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

The Lisbon Treaty gave new powers to the EU in the area of tourism. Under its Article 195, the EU is empowered to complement the action of member states, in particular by promoting the competitiveness of tourism undertakings. EU action can focus on encouraging the creation of a favourable environment for the development of the tourism sector, as well as on promoting cooperation between member states.

The EU is the world's N°1 tourist destination. With some 1.8 million businesses, employing about 5.2 % of the total workforce, tourism is an important sector of the economy and a source of growth in the EU. Travel, tourism and related sectors account for around 10 % of EU GDP.

### **- Travel Package Directive**

The Council will be invited to agree, in public deliberation, on a general approach for the reform of the Travel Package Directive.

The agreement will enable the Presidency to start negotiations with the European Parliament with a view to concluding the reform as soon as possible.

Consumers buying travel services are already protected by a wide range of EU and national rules. But the travel market has been deeply transformed, notably by the internet, since common rules were adopted 20 years ago, and the new market environment does no longer meet the needs of consumers and businesses.

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.

---

<sup>3</sup> <http://italia2014.eu/en/news/post/guidi-industrial-compact/>

Considering that an overwhelming majority of EU tour operators and travel agents are SMEs, the update of the current directive aims to reduce the average cost of offering packages, by modernising the rules and cutting red tape. By harmonising rules and compliance costs, the new conditions will favour a level playing field from which SMEs will benefit even more than larger operators. Additionally, removing obstacles to cross-border trade will open up more opportunities for businesses, particularly SMEs, to expand their activities in different member states. This will generate a broader choice of travel agents and holiday products and may therefore lead to cheaper prices for consumers.

Last May, the Council took note of a report the progress made in the ongoing reform ([9322/14](#)).

The European Parliament adopted its position at first reading on 12 March 2014.

The Commission presented the draft directive on package travel and assisted travel arrangements on 9 July 2013 ([12257/13](#)), together with a communication on "Bringing the EU package travel rules into the digital age" ([12259/13](#)). The draft directive has close ties with other Union legislation, notably with the Air-Passenger Rights Regulation, which is currently under revision and the Consumer Rights Directive (package travels are not included in the scope of the latter directive).

### **Personal protective equipment: new safety requirements**

The Council will be invited to agree, in public deliberation, on a general approach for updating safety requirements of personal protective equipment sold in the internal market.

The general approach will allow starting negotiations with the European Parliament with a view to adopting the new regulation next year.

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/ears/eyes protection (helmets, earmuffs, glasses), breathing protection (gas and dust masks), body protection (clothing against chemicals, motorcycle suits and high visibility vests), hand/leg/foot protection (gardening gloves, knee pads, safety shoes) and life jackets.

The new regulation will update 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 health and safety requirements and establish the conformity assessment procedure to be respected by manufacturers. The procedure depends on the severity of the risk involved. The "CE marking" is affixed on the products that comply with these harmonised requirements.

The number of injuries has considerably decreased in the EU over the last 10 years thanks to requirements ensuring high quality of products with high level of protective function.

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

Some 4 000 companies are involved in manufacturing personal protective equipment in the EU.

## **Cableway installations: new safety requirements**

The Council will be invited to agree, in public deliberation, on a general approach for updating safety requirements of cableway installations.

The general approach will allow starting negotiations with the European Parliament with a view to adopting the new regulation next year.

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 directive, which is applicable to the installations built and put into service as from 3 May 2004.

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

It will apply to new cableway installations. It clearly excludes cableway installations of historical construction which are at least 30 years old and leaves member states the right to define such categories at national level. The exclusion is also to apply to subsystems and safety components specifically designed for repair and maintenance of such historical cableway installations.

Cableway installations are unique products adapted to the local conditions and linked to 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 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 for the society

The Council will hold a debate on the future role of science in the society.

In order to structure the debate, the Italian presidency will put forward a policy document and a questionnaire ([15451/14](#)). Ministers will be invited to express views on the ways to better promote and integrate responsible research across all policy areas, as well as the conditions to ensure the commitment of all societal players in developing innovative solutions to major societal challenges.

Responsible research and innovation is a process to better align research and innovation to the values, needs and expectations of society. It implies close collaboration of all stakeholders along different strands comprising: science education, definition of research agendas, access to research results and application of new knowledge in full respect of gender and ethics considerations.

This issue was also discussed at the conference "Science, Innovation and Society" that took place in Rome on 19-21 November 2014. The conference endorsed the "Rome declaration", which stressed the collective duty to promote responsible research and innovation in an integrated way, across all relevant policies and activities (<http://www.sis-rri-conference.eu/>).

Previously, the 2013 "Vilnius declaration" of EU research ministers on "Horizons for Social Sciences and Humanities", underlined that a resilient partnership including all relevant players is necessary if research is to serve society.

## Progress towards the achievement of the European Research Area

The Council will be invited to adopt conclusions on the progress made towards the achievement of the European Research Area (ERA).

The conclusions will be 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.

At that occasion, member states considered that there is already a solid basis for deployment of the ERA. However, many shared the view that action towards full realisation should be speeded up.

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

Following a Council request, the Commission has developed the ERA Monitoring Mechanism with the objective of assessing progress in the compliance of ERA at three interrelated levels: national and regional policies, funders and research-performing organisations.

Previously, the Council had adopted conclusions on the progress of the ERA on 21 February 2014 ([6945/14](#)).

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 main priorities identified to develop a reinforced ERA partnership for excellence and growth are:

- more effective national research systems
- optimal transnational co-operation and competition
- an open labour market for researchers
- gender equality and gender mainstreaming in research
- optimal circulation, access to and transfer of scientific knowledge.

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.

### **Research and innovation as sources of renewed growth**

The Council will be invited to adopt conclusions on "Research and Innovation as sources of renewed growth".

The conclusions will be based on the Commission communication issued in June 2014 ([10897/14](#)) and the subsequent ministerial exchange of views of 26 September.

At 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 research and innovation (R&I).

The Commission 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.

The Innovation Union continues to address a wide range of elements that impact on Europe's innovation eco-system and is succeeding in changing it: framework conditions in the EU research landscape are being improved, Europe's knowledge base is being strengthened via more streamlined EU framework programmes, European Regional Development Funds are focusing on smart specialisation strategies, progress is being made towards the completion of the European Research Area and support for innovation skills development is ongoing, amongst other achievements.

However, important gaps remain and need to be filled in order to turn Europe into a more innovative society. The experience gained in the implementation of the Innovation Union commitments can help in identifying better responses to Europe's innovation-related issues.

New growth and employment opportunities should come from providing new products and services derived from technological breakthroughs. Such new opportunities can be the key to creating resilient jobs in knowledge-intensive activities. R&I are therefore to be considered essential to re-launch Europe's competitiveness and its ability to create jobs and tackle societal challenges, putting Europe back on the path to growth.

## **Promotion of Euro-Mediterranean partnership in research and innovation**

The Council will be invited to adopt conclusions on a partnership for research and innovation in the Mediterranean area.

The conclusions will 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.

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

Taking into account the potential mutual benefits for the EU and the Mediterranean neighbour countries in terms of stability, prosperity, economic development and job creation, the Council conclusions will call on the Commission to assess as soon as possible whether a participation of the EU in the PRIMA joint programme on the basis of article 185 of the EU Treaty is the best way for taking forward the renewed partnership.

Article 185 of the EU Treaty enables the EU to participate in research programmes undertaken jointly by several member states following a proposal by the Commission.

Last May, the Council held a first debate on ways to reinforce and further develop scientific and technological cooperation between the EU and Mediterranean partner countries (*see press release [10226/14](#), page 11*).

# SPACE POLICY

## Underpinning the European space renaissance

The Council will exchange of views on the competitiveness of the European space sector as a key driver for the European economy.

Following the debate, the Council will be invited to adopt conclusions on orientations and future challenges for underpinning the European space renaissance ([15944/14](#)).

In order to structure the debate, the Italian Presidency will put forward a policy document and a set of questions ([15396/14](#)).

The outcome of the debate and the conclusions should allow the Council to convey a strong political message about the importance of a comprehensive and long-term European vision for space.

They will provide with a focus on the priorities of the European ambition for space and the means to achieve them.

They are also expected to 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 will address the need for a stronger space scientific research to enable faster economic growth, job creation and industrial competitiveness.

In addition, the conclusions will encourage the EU, the ESA (European Space Agency) and the member states to bring closer their efforts in the development and implementation of European programmes and infrastructures in order to maximise the benefits for European citizens and enterprises.

## Space exploration

Astronaut Luca Parmitano will share with ministers his experience aboard the [International Space Station](#) (ISS), as an illustration of the importance of the political endeavour in the spatial race.

ESA astronaut Luca Parmitano<sup>4</sup>, acting as ambassador for the semester of the Italian Presidency, spent 166 days in space conducting over 20 experiments and took part in two spacewalks and the docking of four spacecrafts for the mission. He landed safely back on Earth on 11 November 2013.

Another historical moment happened on 24 November, when Samantha Cristoforetti, the first Italian woman to fly in space, was launched to reach the ISS, where she will stay for almost 6 months.

---

<sup>4</sup> <http://lucaparmitano.com/>

## OTHER BUSINESSES

The Council will take note of information regarding several subjects, which will include:

- [Investment Plan for Europe](#)
  - state of play of the Product safety package
  - BlueMed initiative
  - Copernicus space programme
  - outcome of the European Space Agency ministerial Council
  - work programme of the incoming Latvian Presidency
-