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3223rd Council meeting

Competitiveness (Internal Market, Industry, Research and Space)

Brussels, 18 and 19 February 2013

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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 the **Single Market Integration**, aimed at monitoring the functioning of the single market. It also took note on state of play of the **Single Market Act** packages, which are made up of priority measures aimed at the completion of the single market by increasing confidence and stimulating growth and jobs 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** of publicly funded research projects, one of the objectives for 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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*In the margins of the Council took place the signing of the international agreement for establishing a **Unified Patent Court**.*

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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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Vice-Minister-President of the Flemish Government and
Flemish Minister for Innovation, Public Investment, the
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Deputy Prime Minister and Minister for the Economy,
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Mr Alexis DUTERTRE

Minister for Economic Regeneration
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Mr Francesco PROFUMO

Mr Massimo VARI

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Minister for Education, Universities and Research
State Secretary for Economic Development

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Deputy Permanent Representative

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Mr Jānis BORDĀNS

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Minister for Justice

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Minister for Fair Competition, Small Business and
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Deputy Permanent Representative

Mr Patrick MIFSUD

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Deputy Permanent Representative

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State Secretary for Entrepreneurship, Competitiveness and
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Minister for Labour

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Mr Gunnar OOM
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State Secretary to the Minister for Trade
State Secretary, Ministry of Enterprise, Energy and
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United Kingdom:

Mr Vincent CABLE

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

Ms Shan MORGAN

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**Preparation for the economic spring EU Summit: Annual Growth Survey 2013**

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.

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 to small and medium-sized enterprises (SMEs), access to finance and the entrepreneurship agenda, including support for the external competitiveness of EU companies;
- the rapid completion of the Single Market Act (SMA) I and moving forward with the SMA II initiatives;
- the maintenance and strengthening of the EU's industrial base;
- to press 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 to 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 under 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 the completion of the single market by increasing confidence and stimulating growth and jobs creation ([5915/1/13](#)).

These measures, to be adopted in co-legislation by the European Parliament and the Council, are currently at a different 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 the modernization of the public procurement, the review of the professional qualifications directive, the simplification of accounting rules and the establishment of a common framework for the development of alternative resolution systems for 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 the Single Market Act I. It includes the modernisation of EU insolvency rules, the deployment of high-speed broadband and the review of the product safety directive.

The Council, which adopted conclusions on the Single Market II last December ([16617/12](#)), looks forward to rapidly examining them, 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 bring new impetus to the internal market.

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 on the current state of play in relation to entrepreneurship policy in the EU put forward by the Presidency ([5862/13](#)).

Ministers exchanged views on the different measures and initiatives carried out at nation level in order to support an entrepreneurial environment capable to make the economy more competitive and innovative.

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

- to promote entrepreneurial education and training in order to support growth and business creation, to give young people the necessary entrepreneurial knowledge and skills and educate the future generations of entrepreneurs, as well as those already active as entrepreneurs;
- the reduction of administrative burdens to businesses;
- to facilitate the greater provision of SME finance;
- to push forward with the digital agenda in order to render more attractive the creation of start ups;
- - to target specific groups whose entrepreneurial potential is not being tapped to its fullest extent or who are not reached by traditional outreach for business.

A follow up to this debate is planned at the informal ministerial meeting of 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 legislative framework on chemicals of the European Union, 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 on substances of very high concern ([5867/13](#)).

Ministers discussed on the main findings of the Commission report on the basis of a Presidency questionnaire ([5863/1/13](#)). The outcome of the debate provides guidance to take the work forward. Ministers for environment are also expected to address the review of REACH 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 to companies in the process of registering substances, and particularly to SMEs. This 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 to provide a clear basis to improve risk management of nanomaterials, while considering that REACH should be the appropriate framework to ensure 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 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 a need for increased collaboration and effectiveness in processing candidates for substances of very high concern – paving a way for these subjects 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 this.

* * *

Open access to scientific information

The Council held a policy debate on open access to scientific information of 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 research framework programme "Horizon 2020". 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 to make open access to scientific publications a general principle of the future research framework programme "Horizon 2020" 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 (ERA).

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 costs 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 concerns on the difficulties facing the steel sector and welcomed the Commission intention to present an action plan to preserve and enhance the competitiveness of the steel sector in Europe by June 2013.

The Commission organised a high-level roundtable on the issue on 12 February 2013. At that meeting, which gathered 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 have been identified for the competitiveness of the steel sector, 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.

The *Single Market Act II* ([14536/12](#)) identified as a key action the improvement of the safety of products circulating in the Union through an update of the General Product Safety Directive, 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 against dangerous and non-compliant product.
- 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 and until the new rules come into effect.

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

Support to internationalisation of EU companies

The Council took note of updated information concerning the “Missions for growth” in third countries carried out by the Commission ([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 establishes the Modernised Customs Code, to take account of developments in customs and other relevant legislation, aligns the regulation to 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 applicable yet 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 Lisbon Treaty.

The Customs Code is published in the [Official Journal of the EU 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 on the competitiveness aspects of the proposals and the 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

EU - ESA (European Space Agency) relations - *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](#)).
