



**COUNCIL OF
THE EUROPEAN UNION**



13265/07 (Presse 207)

PRESS RELEASE

2820th Council meeting

Competitiveness (Internal Market, Industry and Research)

Brussels, 28 September 2007

President

Mr Manuel PINHO

Minister for Economy and Innovation of Portugal

Mr Mariano GAGO

Minister for Science, Technology and Higher Education of
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13265/07 (Presse 207)

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Main results of the Council

*The Council reached a common understanding on main elements related to four proposals aimed at establishing **Joint Technology Initiatives**.*

*The Council held a debate on **competitiveness policy** in an integrated approach, with discussions on industrial policy, SME policy and a strategy for e-skills.*

*Without debate the Council adopted a decision aimed at terminating the **sugar** protocol to the ACP-EC Cotonou partnership agreement, together with a similar agreement concerning sugar imports from India, with effect from 1 October 2009.*

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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.

PARTICIPANTS

The governments of the Member States and the European Commission were represented as follows:

Belgium:

Ms Fientje MOERMAN

Vice-Minister-President of the Flemish Government and
Flemish Minister for Economic Affairs, Enterprise,
Science, Innovation and Foreign Trade

Bulgaria:

Ms Nina RADEVA

Deputy Minister for the Economy and Energy

Czech Republic:

Ms Dana KUCHTOVÁ

Mr Martin TLAPA

Minister for Education, Youth and Sport

Deputy Minister for Industry and Trade

Denmark:

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Minister of State at the Department of Enterprise, Trade
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Secretary General of Industry

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Deputy Permanent Representative

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Federal Minister for Economic Affairs and Labour
Federal Minister for Science and Research

Poland:

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Mr Marcin KOROLEC

Minister for Science and Higher Education
Deputy Minister for Economic Affairs, Deputy State
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Portugal:

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Mr José Mariano GAGO

Minister for Economic Affairs and Innovation
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State Secretary for Research, President of the National
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Mr Dušan LESJAK

Minister for the Economy
State Secretary at the Ministry of Higher Education,
Science and Technology

Slovakia:

Mr Ivan RYBÁRIK
Mr Jozef HABÁNIK

State Secretary at the Ministry of the Economy
State Secretary at the Ministry of Education

Finland:

Ms Nina VASKUNLAHTI

Deputy Permanent Representative

Sweden:

Ms Maud OLOFSSON

Deputy Prime Minister and Minister for Industry and
Regional Development

United Kingdom:

Mr Ian PEARSON

Minister of State, Department for Innovation, Universities
and Skills

Mr Stephen TIMMS

Minister of State, Department for Business, Enterprise and
Regulatory Reform

Commission:

Mr Günter VERHEUGEN
Ms Viviane REDING
Mr Janez POTOČNIK
Ms Meglena KUNEVA

Vice President
Member
Member
Member

ITEMS DEBATED

COMPETITIVENESS / INTEGRATED APPROACH

The Council held a debate on competitiveness policy in an integrated approach, with discussions on the mid-term review of industrial policy and the e-skills strategy, as well as the state of work on the forthcoming mid-term review of small and medium enterprises (SMEs) policy.

Over a working dinner the previous day, the ministers for competitiveness discussed the external dimension of competitiveness policy.

The Council provided its preparatory bodies, with political guidelines, and tasked them to continue negotiations with a view to adopting integrated Council conclusions encompassing these three issues and other aspects related to European competitiveness in the globalised market at the next Council meeting on 22/23 November.

The debate was structured on the basis of the following questions (*12724/07*):

- how could sustainable industrial policy play a more effective role in order to enhance European competitiveness, while addressing global competition as well as climate change and energy challenges, in connection with the implementation of the Lisbon Strategy for growth and jobs; and
- how should the EU develop long-term skills strategies (including e-skills), aiming at reinforcing European competitiveness, in particular of SMEs.

EU delegations showed broad support for the integrated approach in industrial policy and concluded that no major adjustments were required at the present time. Some elements deserved particular attention, such as support for the creation of lead markets in Europe, the need for early consideration of future access to raw materials and the promotion of business and innovation clusters.

They also agreed on the enhanced role of SMEs as an engine for achieving the goals of the Lisbon strategy for growth and jobs.

Ministers also pointed out that a long-term strategy on e-skills was needed in order to provide business with a qualified labour force capable of boosting the competitiveness of European firms. It was also deemed necessary to compensate the current e-skills deficit in the EU.

The debate followed presentations by the Commission of the communications:

- on the mid-term review of the industrial policy (*11686/07*); and
- on e-skills for the 21st century: fostering competitiveness, growth and jobs (e-skills strategy) (*12795/07*);

and of the state of play of the mid-term review of the SME policy.

The mid-term review of the industrial policy describes the current economic situation of EU industry and takes stock of the progress achieved on the horizontal and sectoral initiatives set out in 2005. It also identifies key challenges that European industry might face in the coming years. The integrated approach for industrial policy was launched in October 2005 (*13143/05*) and the Council adopted conclusions in May 2006 (*8799/06*) and May 2007 (*10032/07*).

Commissioner Verheugen anticipated the main elements of the interim review of the SME policy, ahead of its approval by the Commission at the beginning of October. The new policy framework for SME actions was launched in November 2005 (*14434/05*) and the Council adopted conclusions in March 2006 (*6964/06, p. 7*).

Sustainable industrial policy and SME policy were the subject of fruitful discussions at the Lisbon informal Council meeting on 20/21 July in the context of the forthcoming cycle of the Lisbon agenda, with a particular focus on financing, innovation, better regulation, internationalisation, energy efficiency and ways of strengthening SME competitiveness in the global market.

The communication for designing an e-skills strategy issued on 7 September (*12795/07*), is aimed at implementing the main messages incorporated in the declaration adopted at the European e-skills conference in October 2006¹: to adopt a long-term e-skills agenda in order to promote competitiveness, employability and workforce development; to improve cooperation between the public and private sectors in order to ensure a seamless framework linking basic e-skills training and professional development; and to promote professionalism and the attractiveness of jobs and careers in the field of the information and communication technologies.

¹ www.e-skills-conference.org

JOINT TECHNOLOGY INITIATIVES

The Council held an exchange of views on four proposals aimed at establishing joint technology initiatives (JTIs) in the following fields:

- Innovative medicines ("IMI") (9686/07)
- Embedded computing systems ("ARTEMIS") (9685/07)
- Nano-electronics technologies ("ENIAC") (10149/07)
- Aeronautics and air transport ("CLEAN SKY") (10148/07)

The ministerial debate concentrated in horizontal issues with a view to adopting final decisions at the November Competitiveness Council meeting in order to enable a swift start to the four JTIs in 2008.

The Council underlined a number of important political elements which resulted from the discussion:

- The JTIs should be set up under Community law as Community bodies. They should receive Community funding in order to implement the research programmes, notably by awarding funding to selected projects, following publication of calls for proposals.
- They will take the form of real public / private partnerships with a shared responsibility of industry in the management of the joint undertakings. EU member states and the Commission will exercise appropriate supervision over the use of public funds.
- They will have a limited duration of 10 years.
- JTIs will not have the status of international organisations.
- JTIs will have legal personality and will be established on the basis of articles 171 and 172 of the EC treaty.

- They will implement the research programmes by combining public and private funding. The Community will contribute to both the research activities and the running costs.

The Council also tasked the preparatory bodies to continue further technical work based on the political guidelines agreed by the Council.

JTIs are a major new element of the EU's 7th research framework programme (FP7) for 2007-2013. They were envisaged in the specific programme "Cooperation"¹, which implements the FP7, by stimulating cooperation and reinforcing links between industry and research within a transnational framework.

JTIs provide a way of creating new partnerships between publicly and privately funded organisations involved in research, focussing on areas where research and technological development can contribute to European competitiveness and quality of life. The approach proposed by the JTIs signals a change in how Europe promotes industry-driven research, designed to establish European leadership in certain technologies that are strategic to Europe's future.

Innovative Medicines Initiative (IMI)

The IMI aims at increasing the competitiveness of the European pharmaceutical sector by providing a coordinated approach to overcome the research bottlenecks in the drug development process, reducing drug development time and clinical attrition rate for new medicines. This will enable faster access to more targeted medicines and an earlier return on research investment and thus leverage more private investment for further research.

It will include: development of tools and methods to better predict the suitability, safety and efficacy of drugs, intelligent infrastructures for data integration and knowledge management through close cooperation between industry, academia and clinical centres. It will also address education and training gaps to ensure that Europe has the skills to translate research results into benefits for the patient.

The maximum of the Community contribution is estimated at EUR 1 billion (up to 2017).

<http://www.imi-europe.org>

¹ EU Official Journal L 400 of 30.12.2006, p.86.

Embedded computing systems (ARTEMIS)

Embedded computing systems - the invisible electronics and software that impart intelligence to products and processes - are of strategic importance to the competitiveness of important European industrial sectors such as automotive, avionics, consumer electronics, telecommunications, medical systems and manufacturing. Furthermore, the increasing connectivity of these devices creates potential for entirely new markets and societal applications.

ARTEMIS will address the design, development and deployment of ubiquitous, interoperable and cost-effective, yet powerful, safe and secure electronic and software systems. It will deliver reference designs that offer standard architectural approaches for given ranges of applications, middleware that enables seamless connectivity and interoperability, integrated design software tools and methods for rapid development and prototyping.

The maximum of the Community contribution is estimated at EUR 420 million (up to 2017).

<http://www.artemis-office.org>

Nano-electronics technologies (ENIAC)

Nano-electronics is of paramount importance for European competitiveness because its products are key enablers for innovation in other sectors (multimedia, telecommunications, transport, health, environment, industrial processing, etc.).

This initiative will address the need for silicon-based technologies throughout four technology domains: the shrinking of logic and memory devices to increase performance and reduce costs; the development of value-added functions, include sensing, actuating and packaging functions and their embedding with logic and memory to form complex system-on-chip or system-in-package solutions; equipment and materials and design automation.

The maximum of the Community contribution is estimated at EUR 450 million (up to 2017).

<http://www.eniac.eu>

Aeronautics and air transport (CLEAN SKY)

The development of green technologies is key to ensuring the competitiveness of the entire air transport sector. Under the Clean Sky initiative different areas will be addressed, such as an environmentally friendly and cost-efficient air transport system, and air traffic management in support of the Single European Sky policy.

The maximum of the Community contribution is estimated at EUR 800 million (up to 2017).

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These Commission proposals arise mainly from the work of European Technology Platforms and are the result of two years of negotiations with different industry sectors.

At its last summit on 21/22 June the European Council invited the Council to swiftly agree on the first four proposal for JTIs. It also invited the Commission to present as soon as possible the remaining two JTIs on Global Monitoring for Environment and Security (GMES) and Hydrogen and fuel cells, identified in the "Cooperation" research specific programme. Furthermore, the European Council recalled the importance of open and transparent management of all the initiatives.

RESEARCH PROGRAMME ON QUALITY OF LIFE FOR OLDER PEOPLE

The Council held an exchange of views on a draft decision on the participation by the Community in a research and development programme aimed at enhancing the quality of life of older people through the use of new information and communication technologies (ICT), undertaken by several EU member states ("Ambient Assisted Living" programme) (10959/07).

During a public session, delegations gave their positive assessment on the proposal, providing political guidance for further work on a number of issues such as: the selection criteria and funding of projects under the programme, and rules of admission for new members.

The overall objective of the AAL joint programme is to enhance the quality of life of older people and strengthen the industrial base in Europe through the use of ICT. The AAL joint programme has the following specific aims:

- Foster the emergence of innovative ICT-based products, services and systems for ageing well at home, in the community, and at work, thus increasing the quality of life, autonomy, participation in social life, skills and employability of elderly people, and reducing the costs of services for ageing well in the information society, including the establishment of a favourable environment for participation by SMEs.
- Improve conditions for industrial exploitation by providing a coherent European framework for developing common approaches and facilitating the localisation and adaptation of common solutions that are compatible with varying social preferences and regulatory aspects at national or regional level across Europe.

The AAL joint programme provides the legal and organisational framework for a large-scale European programme between Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Hungary, Italy, the Netherlands, Poland, Portugal and Spain and Israel, Norway and Switzerland on applied research and innovation in the area of ICT for ageing well in the information society. They have agreed to coordinate and implement jointly activities aimed at contributing to the AAL joint programme.

The proposal for a programme on "Ambient Assisted Living" (AAL joint programme) is the first of four initiatives based on article 169 of the EC treaty that are planned during the course of the FP7. Article 169 allows for the participation of the Community in research programmes jointly undertaken by several EU member states. The proposal was announced in the "Action plan on ICT and ageing: an i2010 initiative" (10971/07). It is subject to the Council-Parliament co-decision legislative procedure.

ANY OTHER BUSINESS

The Council took note of information regarding the following issues:

- a) The draft regulation establishing a European Institute of Technology.

The Presidency informed the Council about the current state of play regarding this project following the general approach of the draft regulation reached by the Council last June (11058/07), and the vote of the European Parliament on 26 September.

- b) The draft initiative, on the basis of Article 169 of the EC Treaty, for support to high-tech-start-up SMEs (EuroSTARS) (13088/07).

- c) Revision of the "Timeshare" Directive.

The Council took note of written information from the Presidency on the state of play regarding the Commission's proposal on the protection of consumers in respect of certain aspects of timeshare, long-term holiday products, resale and exchange. (13222/07)

- d) Green Paper on the review of the consumer acquis – outcome of the consultation period.

The Council took note of information provided by Ms. Meglena KUNEVA, Commissioner in charge of Consumer Protection, on the outcome of the consultation regarding the Commission's Green Paper on the review of the consumer acquis. (6307/07) - Commissioner KUNEVA indicated that the Commission expected to present its proposal in the second half of 2008.

- e) The follow-up to the informal Competitiveness Council held in Lisbon on 19-20 July 2007.

The meeting was devoted to research and industrial policy matters.

On research, the Council dealt with three key topics: stimulating private investment, increasing public investment and increasing human resources for research and technological development.

Ministers also decided to draft a collective book as a contribution to the December European Council. The book will focus on human resources, private investment and public funding in the field of European research.

On industry, the Council examined the current situation and the perspectives of European industrial policy, SME policy, the situation of the forest-based industry in Europe and the "greening" of industrial policy.

- f) The high level conference on "The future of science and technology in Europe" to be held in Lisbon on 8-10 October.

The conference is part of the consultation on the Commission Green Paper on the future perspectives of the European Research Area (8322/07).

- g) Product safety: update on recent developments.

The Council took note of information provided by Commissioner KUNEVA on her talks with Chinese officials following the problem of toys tainted with lead produced in China and introduced into the European market.

The Commissioner insisted that current EU legislation on safety of products should be properly enforced in member states. She also informed the Council about the steps envisaged by the Commission to increase the protection of consumers against dangerous consumer products.

- h) On-line consultation tool on the Administrative Burden Reduction programme

The Council took note of information provided by Mr Günter VERHEUGEN, Commission Vice-President, on recent developments as regards the Commission's programme for reducing administrative burdens¹ (5924/07)

Commissioner VERHEUGEN informed the Council about the on-line consultation tool which has been created for businesses. It targets their concerns and aims to collect contributions that will help the EU to devise more efficient business legislation.

¹ The "Action Programme for reducing administrative burdens in the European Union" launched in 2007 following the Spring European Council which set a reduction target of -25% by 2012 of administrative burdens resulting from EU legislation.

OTHER ITEMS APPROVED**EXTERNAL RELATIONS****Relations with Switzerland- MEDIA 2007 programme**

The Council adopted a decision approving the signature and provisional application of an agreement between the Community and Switzerland in the audiovisual field, establishing the terms and conditions for Switzerland's participation in the Community programme MEDIA 2007. (12419/07)

Croatia - Agreement on participation in the EU police mission in Afghanistan

The Council adopted a decision approving the conclusion of an agreement with Croatia on its participation in the EU police mission in Afghanistan.

DEVELOPMENT COOPERATION**ACP-EC partnership agreement - Sugar protocol**

The Council adopted decisions terminating the sugar protocol to the ACP-EC Cotonou partnership agreement, together with a similar agreement concerning sugar imports from India, with effect from 1 October 2009.

Since 1975, these arrangements have enabled certain African, Caribbean and Pacific (ACP) states and India to supply sugar on preferential terms to the EU market. However, other measures have been put in place, or will come on stream in 2009, that will provide more attractive and more sustainable conditions for a wider range of developing countries to supply sugar to the EU.

Sugar sector reform under the EU's common agricultural policy, implementation of the EU's "everything but arms" market access for sugar for the least developed countries (LDCs), and the proposed generalisation of these LDC conditions to all ACPs (including the sugar protocol countries) in negotiations on economic partnership agreements with the ACPs – taken together – constitute an improvement and expansion of market access for sugar from developing countries that overtakes the arrangements of the sugar protocol.

For details, see press release *13345/07*.

TRADE POLICY

Anti-dumping - India - Polyethylene terephthalate film

The Council adopted a regulation amending regulation 367/2006 imposing a definitive countervailing duty on imports of polyethylene terephthalate (PET) film originating in India (*12486/07*).

EUROPEAN ECONOMIC AREA

Cooperation in specific fields

The Council approved a draft decision of the European Economic Area (EEA) joint committee with a view on extending cooperation on the Daphne III Programme, which aims to prevent and combat violence against children, young people and women and to protect victims and groups at risk (*12320/07*).

The EEA joint committee must integrate all Community legislation relevant to the EEA agreement in order to ensure the necessary legal certainty and homogeneity of the internal market.
