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I. EU Competitiveness

1. SMEs laud Commission's e-invoicing initiative

In short:

Small businesses welcomed a European Commission proposal to allow tax to be invoiced electronically, which the EU executive said could save companies €18 billion every year.

The new legislation, which still needs the approval of EU finance ministers, aims to eliminate current barriers to 'e-invoicing' but also addresses businesses concerns over the storing of invoices and discrepancies in the content of invoices. Up to €18 billion annually could be saved in the medium-term if EU companies switched to 100% e-invoicing, according to official estimates. But even if take-up were lower, the savings could still be "very significant", the Commission said.

SMEs described the new initiative as a "huge step forward", Gerhard Huemer from UEAPME, which represents more than 12 million small businesses across Europe, told EurActiv. But he said he was sceptical as to whether the proposal will find the approval of the bloc's finance ministers, given reservations from the Spanish and German governments.

More on: <http://www.euractiv.com/en/innovation/smes-laud-commission-invoicing-initiative/article-179035>

2. European research grants becoming 'unattractive'

In short:

European research funding runs the risk of becoming unattractive to researchers if the grant application process is not radically overhauled, Dr. Inge Gräßle MEP (EPP-ED, DE) warned in an interview with EurActiv.

She says the administrative burden placed on universities and businesses is making it costly and time-consuming to apply for European grants. "German research institutes are now saying they are no longer inclined to apply for European money because it's too expensive and too burdensome. They rely on Deutsche Forschungsgemeinschaft (German Research Foundation) grants because it's easier to get them," the MEP states.

Such preference for national funding, says Dr. Gräßle, runs counter to the European Commission's broader goal of fostering greater integration between Europe's researchers by creating a European Research Area.

More on: <http://www.euractiv.com/en/science/european-research-grants-unattractive/article-179162>

3. Commission to push university-business links

In short:

The European Commission is to publish a communication urging universities to strengthen links with businesses. But some in the education sector have expressed reservations about the level of industry input in designing curricula.

Commissioner for Education and Training Ján Figel' said European universities have significant untapped potential, "especially in their ability to establish links with the business community". Speaking at the second edition of the University-Business Forum on 5-6 February, he praised universities that allow industry representatives to sit on boards that review curricula to ensure they are relevant to the labour market.

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"Employers report that many graduates do not have the right mix of knowledge and skills for them. In particular, they ask for more cross-cutting and transferable skills. So, this is a suggestion for academia."

More on: <http://www.euractiv.com/en/innovation/commission-push-university-business-links/article-179234>

4. Business urges vigilance against protectionism and action on trade liberalisation

In short:

BUSINESSEUROPE representatives yesterday discussed the economic and financial crisis with DG Trade Deputy Director General Peter Balas. Companies are concerned that the crises spur protectionist measures around the world, potentially undermining the important role that open markets have to play in generating economic recovery.

The European Union must be vigilant at home and abroad against such actions, including the Buy American provisions in the draft US stimulus package. Mr Balas was also urged to make progress on the Doha Round and free-trade agreements. New liberalisation and guarantees of existing openness will be vital to putting the world economy on track. The Commission needs to push for ambitious conclusions of such agreements.

More on: <http://www.businessseurope.eu/Content/Default.asp?PageID=524&articleid=582>

5. European stimulus packages are not green

In short:

European governments have announced stimulus packages worth billions over the past six months to lift economies out of the economic crisis, but only a tiny fraction of the money will be invested in 'green growth' - climate, energy and environmental measures, a new study reveals.

The largest 13 EU economies have announced economic packages worth €90 billion, or 0.78 percent of their gross national product, from 1 September 2008 to 28 January 2009. But of this only €1.2 billion – 1.3 percent – will be devoted to green investments, according to a new analysis published by Danish weekly, Monday Morning. The study is based on figures from the Brussels based think-tank Bruegel. "Much more could be done on in the areas of energy and climate," said Jakob von Weizsäcker from Bruegel.

The financial aid packages reflect a traditional and outdated way of thinking by European governments, he pointed out. The main tools in the crises kits are a mix of advancing public investments such as for renovating public buildings and transport networks, lowering taxes and aid for certain groups such as children and the unemployed.

More on: <http://euobserver.com/9/27570/?rk=1>

II. Other

1. US Competitiveness Council issues stimulus Action Plan to get the economy back on track

In short:

The Council on Competitiveness' brand new stimulus action plan, Rebound: Three Essentials to Get the Economy Back on Track was crafted by leaders that only the Council brings to the table together—CEOs, labor leaders and university presidents.

Because of this, Rebound is getting strong traction on the policy side. A significant number of provisions in the stimulus package released two weeks ago by the Democratic leadership in Congress are consistent with many recommendations put forth by the Council on Competitiveness in Rebound.

Among these are: bonus depreciation, accelerated expensing for small businesses, \$6.2 billion for low-income families to weatherize their homes and \$300 million for rebates for energy star purchases.

More on: <http://www.compete.org/news/entry/630/council-issues-stimulus-action-plan-to-get-the-economy-back-on-track/>

2. US Competitiveness Council video - President Obama and Council Member, IBM Chairman and CEO, discuss economic stimulus

In short:

On 28 January, IBM Chairman and CEO and member of the Council's Executive Committee, Sam Palmisano, participated in a press conference with President Obama to address the economic stimulus package. Palmisano also participated in a roundtable discussion with President Obama and 12 other business leaders.

More on: <http://www.compete.org/news/entry/629/president-obama-and-council-member-discuss-stimulus-package/>

3. US Competitiveness Council - making America more competitive through tax reform

In short:

Council Member Fred Smith, founder and CEO of FedEx, discusses how tax reform can make American companies more competitive in the global marketplace

It's unfortunate that the United States, which has led the capitalistic world for so long, is woefully uncompetitive in the area of corporate tax policy. We have the second highest corporate tax rate among all Organization for Economic and Cooperative Development (OECD) countries and many other tax policies that simply make it difficult for U.S. companies to compete with those outside the U.S. Is this important to you? You bet—studies, such as one done by Dartmouth's Matthew J. Slaughter in 2004, have estimated that 70 percent of corporate taxes are ultimately borne by the American workforce.

The reality is that our current tax system is particularly onerous for asset-intensive, industrial businesses like manufacturers and transportation companies. For example, Caterpillar, Boeing, FedEx, commercial airlines and automakers use real assets to produce goods and services and provide jobs for millions of workers in the United States. But to maintain or increase the number of jobs and to compete globally, these companies must be able earn an acceptable return on the massive capital expenditures they make.

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How can we make American companies more competitive in the global marketplace and increase the ability of those companies to offer good jobs to American workers?

- accelerate the expensing of capital investment; and
- reduce the corporate income tax rate

More on: <http://www.compete.org/news/entry/621/making-america-more-competitive-through-tax-reform/>