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I. EU Competitiveness

1. Czechs call extraordinary EU summit on protectionism

In short:

The Czech EU Presidency is set to organise an informal EU summit at the end of February, to discuss the economic crisis and the risk of a protectionist trend taking hold across the Union.

Czech Prime Minister Mirek Topolánek made clear on 9 February that the need for an extraordinary meeting was triggered by "protectionist steps and statements" made by some EU leaders and in particular French President Nicolas Sarkozy. France is planning a range of measures to support its ailing car industry, many of which are seen as discriminatory against other EU countries. Specifically, Sarkozy has been advocating the return of production lines to France from Eastern Europe and elsewhere.

The informal meeting is likely to be held at the end of February in Prague, ahead of the mid-March European Council in Brussels. The move is also seen as a response to Sarkozy's previous call for an extraordinary Eurogroup meeting, which Prague had dismissed as unnecessary.

More on: <http://www.euractiv.com/en/euro/czechs-call-extraordinary-eu-summit-protectionism/article-179282>

2. EU spending on R&D slips further behind US

In short:

Europe is drifting further behind the United States in R&D funding, according to a new study, which shows that the EU may never close the research gap with the US if it fails to boost investment in the services sector.

The study conducted by European Investment Bank economist Kristian Uppenberg and published on February 9 by the Centre for European Policy Studies (CEPS), shows that the EU is likely to fall short of achieving the Lisbon Strategy goal of investing 3% of GDP on research by 2010.

While much attention has been given to Europe's lower levels of spending in the area of information and communication technologies, the real long-term challenge could be in services, according to the report.

More on: <http://www.euractiv.com/en/innovation/eu-spending-rd-slips-us/article-179280>

3. Trade: China's red tape costing EU €21 billion

In short:

European firms are losing out on major business opportunities in China due to protectionist policies pursued by the Chinese government, according to Dutch centre-right MEP Corien Wortmann-Kool.

MEPs on February 5 voted on a report urging China to remove non-tariff trade barriers, which cost European companies an estimated €21 billion per year. Excessive bureaucracy, an "undervalued" currency, subsidies for home-grown industry and lack of enforcement of intellectual property rights (IPRs) hinder full market access for many EU companies, the report says.

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Corien Wortmann-Kool (EPP-ED), who served as the Parliament's rapporteur on the issue and is vice-chairwoman of the international trade committee, said doing business in China remains complex for EU firms, but noted that Chinese companies have access to European procurement markets.

More on: <http://www.euractiv.com/en/trade/trade-china-red-tape-costing-eu-21/article-179257>

4. EIB rolls out SME funding scheme

In short:

The European Investment Bank (EIB) is ramping up its support for small and medium-sized enterprises (SMEs) by making up to €30 billion available over the next three years and providing technical assistance to microfinance institutions.

EIB President Philippe Maystadt said loans would be given to banks, which would then pass credit on to small businesses. He said SMEs have been hardest hit by the current downturn and jobs are in jeopardy due to the lack of credit available from banks.

Speaking at a meeting on microcredit schemes, organised by the European Parliament's committee on economic and monetary affairs, Maystadt said the EIB had been asked by member states to prioritise SMEs, and this prompted the bank to devise new lending products.

More on: <http://www.euractiv.com/en/innovation/eib-rolls-sme-funding-scheme/article-179405>

5. ECB pushes for control over financial institutions

In short:

As Europe ponders an overhaul of controls on financial institutions in the wake of major shortfalls revealed by the ongoing crisis, the European Central Bank has repeated its call for its supervision tasks to be extended.

In a speech external in the European Parliament on 12 February, Lorenzo Bini-Smaghi, a member of the executive board of the ECB, called for the central bank to be given powers for both macro-supervision of financial markets in general and, up to a certain point, micro-supervision of single cross-border institutions too.

The idea of a single eurozone supervisory body for macro-supervision is gaining momentum as the current system, based on a patchwork of national overviews, proved to be incapable of foreseeing the massive crash. Even the G20 in London next April is expected to discuss the possibility of a global super-authority in charge of monitoring the world financial markets.

More on: <http://www.euractiv.com/en/financial-services/ecb-pushes-control-financial-institutions/article-179413>

6. A four-pillar strategy for recovery

In short:

On 9 February, President Seillière participated in the twentieth macroeconomic dialogue at political level, chaired by Czech Minister of Finance Mirsolav Kalousek and attended by Commissioners Almunia and Spidla, Eurogroup President Juncker, ECB President Trichet, and social partners.

In order to restore confidence and to pave the way out of recession, President Seillière emphasised the need to act along four lines: a) restoring companies' access to capital, b) implementing national rescue plans in a timely, targeted and coordinated manner, c)

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accelerating structural reforms and d) preventing any protectionist reflexes at both European and global levels. Prior to the meeting, President Seillière and President Juncker had an exchange of views over lunch on the challenges facing the eurogroup at the present time.

More on: <http://www.businessseurope.eu/Content/Default.asp?PageID=524&articleid=594>

7. New challenges for higher education addressed at the second Business-University Forum

In short:

On 5 February, BUSINESSSEUROPE's Director General Philippe de Buck participated in a panel debate on the future of university-business partnerships.

He highlighted the important role of cooperation between higher education institutions and companies and the importance of improving Europe's higher education performance to secure its competitive position. To preserve Europe's economic prosperity, it is crucial to succeed in the race for the brightest and to make innovation and entrepreneurship a priority for higher education.

More on: <http://www.businessseurope.eu/Content/Default.asp?PageID=524&articleid=591>

II. Other

1. US Competitiveness Council - publication “Prepare.”

In short:

Prepare is a collection of current thinking and best practices on a key competitiveness driver: risk intelligence and resilience. Prepare was initially developed as a briefing book for participants in the Risk Intelligence and Resilience Workshop, held in Wilmington, Del., in October 2008. It reflects seminal research and recommendations on risk management and resilience, governance roles and responsibilities, and opportunities to capture opportunity out of adversity.

To download the complete publication, please click [here](#).

More on: <http://www.compete.org/publications/detail/634/prepare/>

2. US Competitiveness Council - publication “Rebound.” - Three Essentials to Get the Economy Back on Track

In short:

Rebound: Three Essentials to Get the Economy Back on Track, is the Council on Competitiveness’ stimulus action plan. It 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. The stimulus package released in January by the Democratic leadership in Congress reflects many recommendations put forth by the Council on Competitiveness.

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. This is extremely encouraging.

To download the complete publication, please click [here](#).

More on: <http://www.compete.org/publications/detail/632/rebound/>

3. US Competitiveness Council - article “Coping with Turbulence.”

In short:

This article appeared in a special edition of the MIT Press Journal, Innovations, at the 2009 World Economic Forum in Davos, Switzerland. The piece is co-authored by Debbie van Opstal, Council on Competitiveness senior vice president, policy and programs.

To download the complete publication, please click [here](#).

More on: <http://www.compete.org/publications/detail/633/coping-with-turbulence/>