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## COMPETITIVENESS DIGEST

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## **I. EU Competitiveness**

### **1. EU budget 2010 counts on innovation for recovery**

*In short:*

**The European Commission on 29 April proposed a bigger budget for 2010 to lift the bloc's economy out of recession.**

The Commission's draft budget, presented yesterday in Brussels, set spending at 122.3 billion euros (\$161.4 billion), compared with 116.7 billion euros planned for 2009. Programmes linked to research and energy would see the biggest funding increase, at 12 percent. "This budget targets measures to help avert an even sharper downturn. Six billion euros will go into research and innovation, while some nine million citizens will receive support through the European Social Fund," European Commission Vice-President Siim Kallas told a news conference.

In relative terms, the budget will grow to 1.04 percent of the EU's economic output, compared with 0.90 percent, partly reflecting increased spending for new East European members, pre-planned in the bloc's long-term budget for 2007-2013.

More on: <http://www.euractiv.com/en/opinion/eu-budget-2010-counts-innovation-recovery/article-181892>

### **2. Small firms disappointed with UK budget**

*In short:*

**SMEs were left unimpressed by the new UK budget unveiled in London yesterday (22 April), despite the launch of a new £250 million job creation scheme, a trade credit insurance plan, and banking reforms.**

UK Chancellor of the Exchequer Alistair Darling placed the emphasis firmly on job creation, devoting £2 billion to helping unemployed people less than 25 years of age. He also increased tax on earnings greater than £150,000 to 50%, announced a £1 billion boost for the housing market and increased taxes on fuel, beer and cigarettes.

His prediction that the economy would shrink by 3.5% sent the value of the British pound tumbling, although he expressed optimism that recovery would begin this year.

However, the Federation of Small Businesses (FSB) complained that the budget had ignored the plight of SMEs. Offering a cautious welcome to the Chancellor's focus on employment, the FSB said more must be done to tackle late payments by private companies and called for firms who fail to pay on time to be "named and shamed".

More on: <http://www.euractiv.com/en/enterprise-jobs/small-firms-disappointed-uk-budget/article-181572>

### **3. Layoffs dwarf job creation across Europe**

*In short:*

**The first quarter of 2009 saw announced job losses outnumber job creation by almost three to one, according to the European Restructuring Monitor (ERM), published by Eurofound.**

The financial sector, auto industry and retail sector were worst hit by the losses, with new employment recorded in discount stores and fast food outlets. 220,000 job losses were recorded by the ERM – the highest since it began to collect statistics in 2002 – with just

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90,000 jobs created. The UK recorded the highest number of announced job losses (63,314), followed by Poland (38,975), Germany (17,461) and France (11,779). For the third quarter in a row, auto manufacture is the sector with the most reported ERM job losses (23,584 jobs).

More on: <http://www.euractiv.com/en/enterprise-jobs/layoffs-dwarf-job-creation-europe/article-181922>

### 4. Patent applications falling across Europe

*In short:*

**Preliminary figures from the European Patent Office (EPO) reveal that the number of applications for new patents is down 7% in the first two months of 2009. This is the first reduction in patent applications in over a decade, sparking fears that Europe's knowledge economy is under threat.**

Applications to the EPO have doubled since 1995, leaving the agency with a backlog of between 400,000 and 500,000 applications. More than half of the applications filed last year were not granted. However, the advent of the financial crisis has brought a sharp downturn in the exponential growth of new intellectual property filings.

An EPO survey of its clients, published on April 27, forecasts a levelling-off of new patent applications in 2009 and 2010, but this study was conducted in mid-2008, and is unlikely to have factored in the recession, which has deepened in the meantime. Early indications for 2009 suggest applications for this year are likely to be down for the first time since the early 1990s.

More on: <http://www.euractiv.com/en/innovation/patent-applications-falling-europe/article-181861>

### 5. Associations seek opportunities from crisis

*In short:*

**Membership of industry associations can help business to emerge from the economic crisis, argued participants at a conference in Brussels on 29 April.**

Urging business to use associations as a "joint platform for being creative," Susanne Zaenker of AISE, an association representing manufacturers of soap, detergents and maintenance products, told the 2009 edition of Kellen Europe's annual Euroconference that the crisis presents a "unique opportunity for associations to take the lead in proposing concrete measures to boost skills".

"We can be quicker and more effective than governments here," she argued. Echoing her comments, Alfons Westgeest, managing partner at Kellen Europe, said associations could help business to cut costs by assuming more of their members' workload. Calling on federations and business to work together to define "who does what," Westgeest said "associations might have to pick up work that is no longer possible in companies, rather than duplicating efforts".

More on: <http://www.euractiv.com/en/pa/associations-seek-opportunities-crisis/article-181923>

### 6. Eurosceptics riding high in social media

*In short:*

**The European Union has to drastically improve its communications strategy if it is to quell Euroscepticism, an expert workshop hosted by the Konrad Adenauer Stiftung heard on 27 April.**

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"One quarter of Germans don't think Germany is benefiting" from membership of the Union, a senior European Commission adviser told the gathering, while 33% of UK voters are "strongly opposed" to the EU, he added.

Another senior Commission official, speaking in a personal capacity, said that although Eurosceptic parties have "limited resources", they have "creative minds" working to leverage new media to get their message out.

The official noted the success on YouTube of UK Conservative MEP Daniel Hannan's recent speech at the European Parliament. Hannan's address has been viewed over 2.25 million times, and was originally spread virally on blogs. This strategy is common among Eurosceptic groups, but the EU executive and "established parties" are conversely "too slow" to react to new media, said the official.

More on: <http://www.euractiv.com/en/pa/eurosceptics-riding-high-social-media/article-181792>

### 7. Think-tanks should join EU lobby register, Kallas insists

*In short:*

**The European Commission sees think-tanks as interest representatives and thus expects them to sign up to its voluntary lobbyists register, Administration and Anti-Fraud Commissioner Siim Kallas announced last week, responding to claims by a leading Brussels think-tank that it had "no intention of signing up as lobbyists".**

Indeed, the Commission took care to name its voluntary scheme "a register for 'interest representatives', not 'lobbyists'," wrote Vice-President Kallas in a letter dated 24 April, seen by EurActiv and addressed to Giles Merritt, founder and secretary-general of the Friends of Europe think-tank.

"A separate category has been created for 'think-tanks', setting them clearly apart from 'public affairs professionals' and direct corporate interest representation. By joining the register, you would therefore not classify yourselves as a lobbyist," the commissioner wrote.

More on: <http://www.euractiv.com/en/pa/think-tanks-join-eu-lobby-register-kallas-insists/article-181651>

### 8. New skills for new jobs

*In short:*

**On 16 April, BUSINESSEUROPE adopted a position paper on the Commission's communication "New Skills for New Jobs". The communication is a timely initiative that rightly emphasises the need to upgrade skills and to match skills and labour market needs better.**

The European Union will need a highly skilled and adaptable workforce in order to remain competitive in the global economy. This will require modern and flexible education and training systems combined with effective mobility and immigration policies.

More on: <http://www.businesseurope.eu/Content/Default.asp?PageID=524&articleid=708>

### 9. Post-2010 Lisbon strategy remains the right framework

*In short:*

**On 22 April, Marc Stocker, Director of Economics Department, met Maria João Rodrigues, Professor at Institute for European Studies at Université Libre de Bruxelles**

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**and special Adviser to the European Commission, to discuss the current crisis and priorities for the Lisbon strategy after 2010.**

On 29 April, Economics Adviser Joana Valente participated in a roundtable at the Committee of the Regions on the future of Lisbon strategy. BUSINESSEUROPE believes that the Lisbon strategy remains the right framework for Europe to emerge stronger from the crisis but that its credibility must be restored. The need for a solid political commitment and focus on areas where the EU role is undeniable was stressed.

*More on:* <http://www.buinesseurope.eu/Content/Default.asp?PageID=524&articleid=713>

### **10. Bosmip II seminar on health and safety and labour law - Croatia**

*In short:*

**On 23-24 April 2009, The Croatian Employers' Association HUP, with the support of BUSINESSEUROPE, organised the 17th BOSMIP II seminar. The event took place in Split, Croatia and concerned health and safety and labour law.**

Two experts from our member federations in Denmark and the Netherlands spoke on labour law and one expert from Estonia on health and safety. Participants came from the employers' federations in the region, from HUP and its members and some people from employers' federations in other Balkan countries.

*More on:* <http://www.buinesseurope.eu/Content/Default.asp?PageID=524&articleid=705>

### **11. Analysing and federating the European assistive technology ICT industry - final report**

*In short:*

**This report represents the final report of the study, "Analysis of the Assistive Technologies Information and Communication Technologies (AT ICT) industry in Europe" for the European Commission.**

The global objective of the study has been to gain information as to the state of the EU AT ICT industry and to develop conclusions and recommendations to what steps can be taken to improve the competitiveness of the companies which form this industry.

For downloading the final report, please click [here](#).

*More on:* [http://ec.europa.eu/information\\_society/newsroom/cf/itemdetail.cfm?item\\_id=4897](http://ec.europa.eu/information_society/newsroom/cf/itemdetail.cfm?item_id=4897)

## **II. Other**

### **1. US Competitiveness Council - President Obama taps Council Leaders to advise on science and technology**

*In short:*

**In a historic speech at the National Academy of Sciences Monday, April 27, President Obama named two Council on Competitiveness members to the President's Council of Advisors on Science and Technology (PCAST) and announced his support for increased investment in scientific research, a key policy that has enjoyed strong and consistent support from the CEOs, university presidents and labor union leaders who comprise the Council.**

"This is a major step forward," said Deborah L. Wince-Smith, president of the Council on Competitiveness. "Increased investment in scientific research is one of our long-standing, core competitiveness principles. We applaud President Obama for his vision and commitment to an issue that will enhance America's prosperity. We are honored that the president selected two of our leaders, Shirley Ann Jackson and David Shaw, to advise him on science and technology. They will provide outstanding service to our nation."

*More on:* <http://www.compete.org/news/entry/693/president-obama-taps-council-leaders-to-advise-on-science-and-technology/>