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I. EU Competitiveness

1. Brussels tables plans for closer EU economic union

In short:

After a weekend that saw the euro zone take unprecedented steps to rescue debt-laden members with a €500 billion aid package, the European Commission is proposing a new set of rules to tighten the bloc's fiscal and economic policies and prevent crises in the future.

Under the [proposal](#), presented on Wednesday (12 May), EU countries will review each others' draft annual budgets before they are adopted at national level.

This system – if approved by EU leaders at a meeting in June – would apply as of 2011 and would introduce closer economic surveillance in the bloc, with an early peer-review system aimed at preventing a repeat of the Greek sovereign debt crisis.

"Let's be clear: You can't have a monetary union without having an economic union," stressed European Commission President José Manuel Barroso.

More on: <http://www.euractiv.com/en/priorities/brussels-tables-plans-for-closer-eu-economic-union-news-494130>

2. EU relations with neighbouring nations on right track

In short:

The EU's strategy of offering neighbouring nations financial aid and other incentives to embrace reform is paying off.

A review of the [European neighbourhood policy](#) it has strengthened trade and other ties between the EU and countries to the east and south. However the policy has been more successful in driving economic reform than in bringing about democratic change.

"What is essential for the future is to go up a gear on democratic and political reforms where progress has been real but generally slower," said commissioner Štefan Füle.

The policy was introduced in 2004, the same year 10 countries – mostly in Central Europe - joined the union, shifting the border almost 1 000 kilometres to the east and reunifying Europe after decades of Cold War division. In reaching out to its new neighbours, the EU sought to prevent the emergence of new dividing lines in Europe and to foster security and stability on its borders.

More on: http://ec.europa.eu/news/external_relations/100512_2_en.htm

3. EU must put single market 'back on stage', says Monti

In short:

The EU's 20-year-old single market is at a critical juncture and needs to be fully completed to further boost Europe's crisis-battered European productivity and competitiveness, reveals a report presented yesterday (10 May) by former Italian Commissioner Mario Monti, who was tasked with coming up with a comprehensive new strategy.

On the basis of an extensive consultation process, Monti has drawn a map of new legislative proposals to improve the EU's single market that the Commission should present by July.

Presenting his report to European Commission President José Manuel Barroso before the European Parliament's internal market committee yesterday, Monti urged the EU to remove the remaining bottlenecks that are hampering innovation and dampening Europe's growth potential.

"There is now a window of opportunity to bring back the political focus of the single market," he argued.

More on: <http://www.euractiv.com/en/enterprise-jobs/eu-must-put-single-market-back-stage-says-monti-news-494013>

4. Northern EU cities still location of choice for business

In short:

'Northern countries' such as Finland, Germany and Sweden remain the favourite locations of businessmen, thanks to good start-up advice and access to finance, a new study has found.

The third edition of the 'European Cities Entrepreneurship Ranking', which identifies the most attractive cities for starting a business, was published yesterday (10 May).

This year's overall winner is Frankfurt, followed by the Swedish city of Malmö and Polish capital Warsaw. Other cities among the top ten include Hamburg, Berlin, Lisbon, Helsinki, Cologne, Lyon and Stuttgart.

More on: <http://www.euractiv.com/en/enterprise-jobs/northern-eu-cities-still-location-choice-business-news-494007>

5. Survey paints 'bleak' jobs picture in EU cities

In short:

An EU survey asking citizens in 75 European cities to assess their quality of life has found that while people perceive a clear decrease in the availability of jobs, most people seem to be coping financially in the current recession.

The survey contacted city-dwellers in all EU member states as well as candidate countries Croatia and Turkey, covering all capital cities of the aforementioned states, together with between one and six more cities in the larger countries.

The Eurobarometer threw up some predictable results but also a number of surprises. The key comparison, one EU source noted, is with the 2006 survey of the same name. Given the onslaught of the global recession since late 2008, the economic backdrop behind the two polls could hardly be more different.

More on: <http://www.euractiv.com/en/regional-policy/survey-paints-bleak-jobs-picture-eu-cities-news-493943>

6. Commissioner offers preview of Research and Innovation Strategy

In short:

The EU's forthcoming Research and Innovation Strategy for Europe will focus on the major societal challenges, have a broad definition of 'innovation' and seek to remove bottlenecks to the flow of knowledge, European Commissioner for Research, Innovation and Science Máire Geoghegan-Quinn has announced.

The Commissioner was speaking at the European Technology Platforms conference in Brussels, Belgium on 11 May. The Research and Innovation Strategy represents a major plank of the wider Europe 2020 Strategy that sets out the actions needed to help Europe emerge from the economic crisis as a 'smart, sustainable and inclusive economy'. Among other things, the Europe 2020 strategy reiterates the goal of boosting research and development (R&D) spending in Europe to 3% of GDP (gross domestic product); R&D spending in the EU is currently below 2%.

The Research and Innovation Strategy will be published by September of this year, so that EU leaders can discuss it at their Autumn European Council meeting.

'As the Research and Innovation Commissioner, my job is to help create the conditions for a more dynamic Europe. A Europe where innovative firms want to do business, and where talented people want to live and work,' stated Mrs Geoghegan-Quinn. 'One of my first tasks is to draw up a new Research and Innovation Strategy that sets out how we intend to drive forward the research and innovation parts of Europe 2020.'

More on:

http://cordis.europa.eu/fetch?CALLER=EN_NEWS&ACTION=D&SESSION=&RCN=32099

7. Europe Moving to Restore Growth and Sustainability

In short:

A new European Stabilization Mechanism, announced May 9, is helping underpin confidence in Europe after a period of financial market stress, triggered by concerns over government solvency in several countries.

The European Union and the European Central Bank (ECB) have adopted a comprehensive package of measures to stabilize financial markets and support the adjustment of European economies. The European Union has also committed to accelerating structural reforms, strengthen fiscal discipline, and establish a permanent crisis resolution framework.

These measures will help restore stability, but Europe urgently needs to restore strong and sustainable growth. As discussed in the IMF's biannual [Regional Economic Outlook](#) (REO) written before the European Stabilization Mechanism was established, the ongoing recovery remains patchy and less dynamic than in other regions, reflecting the legacy of the crisis, and the situation in Greece created turmoil in financial markets that reduced risk appetite and lowered confidence.

More on: <http://www.imf.org/external/pubs/ft/survey/so/2010/CAR051010A.html>

8. Agreed EU Support Model Boosts Confidence, Says IMF

In short:

The European Union's new stabilization mechanism provides a template for future EU cooperation with the IMF to help support troubled European economies, with Greece acting as a model for joint action, IMF officials said.

IMF Managing Director Dominique Strauss-Kahn has welcomed the weekend measures by the European Community and the European Central Bank (ECB) to strengthen economic and financial stability in the eurozone as a big step forward. European bond markets and the euro have been battered by market concerns about high debt levels in some eurozone countries.

"The IMF will play its part, in the interests of the international community, in addressing the current challenges," Strauss-Kahn said in a press statement. "In particular, we stand ready to support our European members' individual adjustment and recovery programs through the design and monitoring of economic measures as well as through financial assistance, when requested, in conjunction with the new European Stabilization Mechanism (ESM)."

More on: <http://www.imf.org/external/pubs/ft/survey/so/2010/NEW051110A.htm>

9. EU advisor calls for firm commitment on Western Balkans

In short:

The Reflection Group which recently published a report about the challenges facing Europe between now and 2030 would like 2014 to be the benchmark date by which Western Balkan countries should be given firm assurances on their EU accession, Kalypso Nicolaidis, a member of the group, told EurActiv in an exclusive interview.

Kalypso Aude Nicolaidis, a Franco-Greek professor of international relations at the University of Oxford, admitted that the members of the group, chaired by former Spanish Prime Minister Felipe González, "didn't have the room to be more specific" on enlargement.

However, she said all the group's members were extremely committed to EU membership for the Western Balkans.

Since Bulgaria and Romania joined the bloc in 2007, the EU has been extremely careful not to give dates for concluding accession negotiations with candidate countries or target membership dates to any EU hopeful.

Only Croatia is believed to be able to conclude accession negotiations in the course of this year, ahead of joining the Union in 2012. Other Western Balkan countries such as Serbia, Macedonia, Montenegro, Bosnia and Herzegovina and Albania remain in the dark as to their EU perspectives.

More on: <http://www.euractiv.com/en/enlargement/eu-advisor-calls-for-firm-commitment-on-western-balkans-news-494181>

10. Merkel: EU must tackle economic divide

In short:

As the euro plunged to an 18-month low on Friday (17 May) amid mounting fears that recent austerity measures would hurt already fragile growth in the eurozone, German Chancellor Angela Merkel denounced speculation against the single currency but said the EU could overcome the problem only by tackling the yawning gap between Europe's strongest and weakest economies.

"We've done no more than buy time for ourselves to clear up the differences in competitiveness and in budget deficits of individual eurozone countries," she told the German Federation of Trade Unions on Sunday.

"If we simply ignore this problem we won't be able to calm down this situation," Merkel added.

A \$1 trillion rescue package agreed a week ago had merely bought time for the euro zone to clear up the differences in competitiveness and indebtedness between member nations. But Europe's leaders could calm the situation only by sorting out the big economic divergence among the 16 countries which use the common currency.

More on: <http://www.euractiv.com/en/merkel-eurozone-must-bridge-members-economic-gap-news-494197>

11. Forfás publication: Future Skills Needs of the Wholesale and Retail Sector

In short:

Attracting and developing talent in the wholesale and retail sector will enhance productivity and drive competitiveness.

Minister for Lifelong Learning, Sean Haughey TD, launches Expert Group report on skills needs for the wholesale retail sector.

While employment growth is not forecast to return to the wholesale and retail sector in the short term, the sector continues to provide significant employment accounting for over 14 per cent of jobs in the country, according to a new report published today by the Expert Group on Future Skills Needs. Future Skills Needs of the Wholesale and Retail Sector finds that the industry will continue to be a relatively high turnover sector in comparison to the rest of the economy, and will provide important opportunities for people that have lost their jobs to re-engage with the labour market. It is also a vital sector for entrepreneurship and small Irish businesses offering a broad spectrum of career paths to people at all skill levels.

- Publication: [Future Skills Needs of the Wholesale and Retail Sector \(PDF, 154, 2,123KB\)](#)

More on:

<http://www.forfas.ie/media/EGFSN%20Wholesale%20Retail%20ONLINE%20FINAL.pdf>

II. Other

1.Council on Competitiveness Commends Energy Bill as a Critical Step Toward Regulatory Certainty- American Power Act Echoes Council's Comprehensive Energy Policy Roadmap

In short:

On 12 May, the Council on Competitiveness president & CEO, Deborah L. Wince-Smith, issued the following statement regarding the Senate's unveiling of the American Power Act:

"This bill is a definitive step toward achieving the regulatory certainty that American businesses – both large and small -- desperately need in order to accelerate their investment and innovation in sustainable energy solutions of all kinds. The Council on Competitiveness has consistently called for this type of movement, and we are excited to see legislation that will boost U.S. energy competitiveness without placing a burden on our economic recovery.

"We believe consideration of this legislation should be accorded a strong sense of urgency. American businesses cannot remain on the sidelines and American citizens in the unemployment lines, while our global competitors capture the wealth and job creation of the clean energy economy."

Visit <http://www.compete.org> to download complete report.

III. Events

1. The European Economic and Social Committee

The EESC President, Mario Sepi, has decided that the 2010 biennial conference should address education as a fundamental tool for combating social exclusion. The biennial will take place on 20-22 May in Florence, at the premises of the Istituto degli Innocenti.

Learning, knowledge and understanding are the keys to sustainable social inclusion.

More than a quarter of Europeans are affected by social exclusion. Its causes are wide and varied and include poverty, disability, membership of an ethnic minority, difficulties in cultural integration, and job insecurity.

In line with his programme and mandate, the President of the European Economic and Social Committee, Mr Mario Sepi, has decided that the 2010 Biennial Conference should address the issue of education as a fundamental tool in combating social exclusion of all kinds. This three-day conference in Firenze will bring together Italian and European personalities, as well as many civil society organisations, in order to debate the links between education and social exclusion. The results of the debates will be used concretely to feed the EU institutions' work in responding to the European citizens' expectations in this domain.

More on: <http://www.eesc.europa.eu/organisation/president/Sepi/biennial/2010/index-en.asp>