

COUNCIL OF THE EUROPEAN UNION



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PRESS RELEASE

3049th Council meeting

Competitiveness (Internal Market, Industry, Research and Space)

Brussels, 25-26 November 2010

Presidents Mr Jean-Claude Marcourt

Deputy Prime Minister of the Walloon Government and Minister for the Economy, SMEs, Foreign Trade and New

Technologies

Ms Sabine Laruelle

Minister for SMEs, the Self-Employed, Agriculture and

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Mr Vincent Van Quickenborne

Minister for Enterprise and Simplification

Mr Benoît Cerexhe

Minister of the Brussels Capital Regional Government, with responsibility for Employment, Economic Affairs, Scientific Research, Fire Prevention and Emergency Medical Aid

of Belgium

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Main results of the Council

The Council discussed the core components of a **new industrial policy** contained in the flagship initiative of the **Europe 2020 strategy** for the creation of jobs and growth.

The 7th Space Council was held on 25 November in partnership with the European Space Agency, and a resolution on the challenges facing European space systems was adopted.

Under "Any other business" ministers took note of information concerning the possibility of initiating an enhanced cooperation procedure between several member states as a way forward with a view to creating an **EU patent system**.

The Council exchanged views on the key elements for implementing the "Innovation Union" strategy and adopted conclusions.

The Council reviewed the achievements regarding the **European Research Area** and the next steps for completing it. To this regard, it adopted conclusions on **joint programming for research** projects.

The Council welcomed the efforts made so far to improve the management of the **ITER** experimental project on nuclear fusion, and reaffirmed the need to create the best conditions for ensuring the success of the project and to continue efforts in costs reduction.

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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.

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Commission:

 Mr Antonio TAJANI
 Vice-President

 Ms Máire GEOGHEGAN-QUINN
 Member

 Mr Michel Barnier
 Member

ITEMS DEBATED

INDUSTRY

An industrial policy for the globalisation era

The Council discussed the best way to adapt the EU's industrial structures and policies to turn them into an engine for growth and job creation able to respond to the challenges arising from globalisation.

The debate took place on the basis of a questionnaire tabled by the Presidency (<u>16050/10</u>) and of the Commission communication "An integrated industrial policy for the globalisation era: putting competitiveness and sustainability at centre stage". Ministers also took note of accompanying reports on competitiveness in the individual member states and the 2010 Competitiveness Report¹.

The debate focused on the priority measures to be implemented, notably for the benefit of small and medium-sized enterprises (SMEs), and on how to articulate the EU's industrial, commercial and competition policies effectively.

Ministers also highlighted a number of key elements for achieving a successful transition towards a safe, sustainable, low-carbon, resource-efficient and competitive knowledge-based economy, including:

- the development of strong synergies between the industrial policy and other relevant EU initiatives, such as the Single Market Act, smart regulation, the Innovation Union, the Digital Agenda, etc.;
- providing enterprises with a smart, predictable and simpler regulatory framework and creating a better business environment for SMEs, including access to financing;

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- preventing market fragmentation;
- the promotion of clusters of innovation across the EU;
- taking into account the entire value chain, which starts with access to raw materials;
- making it easier for EU companies to operate in third country markets.

This was the first ministerial discussion on industrial policy since the European Council's adoption, last June, of the Europe 2020 strategy for jobs and growth, which underlined the need for an ambitious new industrial policy.

The outcome of the debate paves the way for the preparation of Council conclusions to be approved at the Competitiveness Council meeting on 10 December.

The Commission communication, which is one of the seven flagship initiatives of the Europe 2020 strategy¹, places industrial policy at the centre of the new growth model for the EU economy, by proposing a framework that will stimulate economic recovery and employment. This new framework is intended to help Europe's industry to seize the opportunities created by the transformation of the global business environment.

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Over lunch, industry ministers held an informal debate on the upcoming review of the Small Business Act.

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http://ec.europa.eu/europe2020/index_en.htm

SPACE

7th Space Council

The meeting of the 7th Space Council between the EU and the European Space Agency (ESA¹) took place in the margins of the Competitiveness Council.

It was co-chaired by Ms Sabine Laruelle, president-in-office of the EU Council, and Mr Giuseppe Pizza, president-in-office of the ESA. Mr Antonio Tajani, Vice-president of the Commission, and Mr Jean-Jacques Dordain, Director General of the ESA, attended the meeting.

Following a policy debate, the Space Council endorsed a resolution on the orientations to be taken so that Europe can continue to develop world-class space infrastructures and applications, and to rely on efficient space systems to serve its citizens.

The discussions and the final resolution addressed key space-policy related issues, including:

- 1. How to ensure that operational space infrastructures make an efficient contribution to the competitiveness and innovation potential of the European economy.
- 2. The best way to ensure the swift implementation and exploitation of the flagship projects « GMES » (Global monitoring for environment and security²) and « Galileo» (the European satellite navigation system).
- 3. What action to take next so that all European citizens can draw the full benefit of space-related investments.

The resolution also calls upon the EU and the ESA to work together to develop an overall space strategy in order to

 make for new economic growth and job creation, foster innovation potential and support world-class scientific progress;

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http://www.esa.int

http://www.gmes.info/

- respond to public policy objectives and user needs at regional, national and European level;
 and
- contribute to the development of scientific and technical ambitions.

For the full text of the resolution see *press release*.

After the debate, the Space Council took note of information provided by the EU Presidency on the outcome of a conference on space exploration that took place in Brussels on 21 October 2010, as well as on activities to foster the utilisation of space in the service of African citizens, including future action to be endorsed by the EU-Africa Summit, to be held in Libya on 29 and 30 November.

The Lisbon treaty, which entered into force in December 2009, has enshrined space policy as an EU competence, thus strengthening its political dimension.

The legal basis for the Space Council is a framework agreement between the EU and the ESA that came into force in May 2004. The agreement provides a common basis for the progressive and joint development of a coherent European space policy. It establishes regular joint meetings between the Council of the EU and the Council of the ESA at ministerial level, known as the "Space Council", to coordinate and facilitate cooperative activities. The 6th Space Council meeting took place in Brussels on 29 May 2009 (10500/09).

RESEARCH

New EU strategy for innovation

The Council discussed on the future "Union for innovation" strategy and adopted conclusions.

The conclusions contain key messages with a view to:

- creating the right conditions for a globally competitive innovation environment;
- maximising the impact and efficiency of resources; and
- improving the governance and monitoring process at all levels and in all sectors.

They also include a roadmap for actions and initiatives.

The text of the conclusions is reproduced <u>here</u>.

European Research Area

The Council took stock of the progress in the development of the common European Research Area (ERA) and on upcoming initiatives leading to its completion, particularly on the following topics:

Securing the knowledge ERA

The Council took note of a Presidency report on the progress in the realisations of the ERA: 16191/10.

The launch of the process towards a full realisation of the ERA started in May 2008 with the determination to develop a long-term vision of European research (9076/08). This process should alleviate the current fragmentation of research in Europe and promote coordination in academic and industrial spheres. It pays particular attention to the promotion of free movement of knowledge.

The five current ERA initiatives (research infrastructures, joint programming, researchers' partnership, international science and technology cooperation and knowledge-sharing) should be further developed in governance and implementation.

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Joint programming for research on major societal challenges

The Council adopted conclusions on the ongoing process for programming initiatives (JPIs) and the establishment of guidelines for their practical implementation.

The conclusions are reproduced here.

Evaluation of the Seventh research framework programme

The Council heard a presentation on an interim evaluation report carried out by an independent group of experts of the EU's 7th framework programme for 2007-2013 (FP7). The report, published on 18 November¹, includes recommendations for improving the implementation of the FP7.

International scientific cooperation

The Council took note of a progress report by the president of the Scientific Forum of International Cooperation (SFIC), Mr Volker Rieke, which includes the EU/India partnership roadmap in research and innovation". India has been chosen by the SFIC as a strategic partner for developing a pilot project in the field of management of water resources (http://ec.europa.eu/research/era/docs/en/india-pilot-initiative-concept-note.pdf).

ITER experimental reactor for nuclear fusion

The Council examined a cost reduction plan for the ITER project² and the progress made for improving the governance of the project, as well as on the current state of play of ongoing budgetary negotiations.

The Council welcomed the efforts made so far to improve the management and governance of Europe's involvement in delivering ITER, as well as the first proposals on reducing and containing costs. The Council also reaffirmed the need to create the best conditions for ensuring the success of the project and to continue efforts in order to further reduce costs, in line with the Council conclusions of 12 July 2010.

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fp7_intierim_evaluation_expert_group_report.pdf

The members of the ITER organization are the EU, China, India, Japan, Republic of Korea, Russia and the United States. The fusion demonstration reactor will be constructed in Cadarache, France (http://www.iter.org/).

To this end, the Commission submitted a report on the management and governance improvements already taken at EU and international level, and on the measures to be explored at the longer-term in order to reinforce the governance and the management of the ITER project (16142/10).

In the conclusions adopted on 12 July (<u>11902/10</u>), the Council:

- reaffirmed its strong commitment to the successful completion of the project and called for measures for cost containment and savings in order to limit to EUR 6.6 billion the European contribution to the construction phase;
- asked for improvements in the governance and management of the project; and
- considered that an additional funding for 2012-2013 of maximum EUR 1.4 billion should be found within the overall ceiling of the current multiannual EU general budget. The Commission presented a proposal in this respect on 20 July (<u>12614/10</u>), which is currently under discussion in the context of the 2011 budget process.

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Over lunch, research ministers held an informal debate on the current 7th and the future 8^{th} research framework programmes.

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OTHER BUSINESS

EU patent system: request for an enhanced cooperation procedure

In public deliberation, and at the request of the Netherlands and Swedish delegations, the Commission expressed its opinion on the possibility of initiating an enhanced cooperation procedure on a future EU patent system.

The request follows a letter sent by several member states asking the Commission to consider the feasibility of proposing enhanced cooperation in this area, should it receive a request to propose such cooperation in the near future.

Several member states expressed views on this issue and the Council legal service provided an explanation of the compatibility of this kind of enhanced cooperation with the EU treaty, as well as the procedural steps to initiate it.

The Presidency announced that this topic would be added to the agenda for the next Competitiveness Council meeting scheduled for 10 December.

Clean and energy-efficient vehicles

The Council took note of the progress made by the Commission (16961/10) in the implementation of the EU strategy on clean and energy-efficient vehicles adopted on 25 May 2010 (10151/10).

In this regard, the Council also took note of a joint declaration signed by the Belgian, Bulgarian, German, French, Irish, Lithuanian, Portuguese, Slovenian and Spanish delegations on the promotion of electric cars in Europe (14028/10).

Space policy

Vice-president Tajani presented the chapter devoted to space policy contained in the Commission communication "An integrated industrial policy for the globalisation era: putting competitiveness and sustainability at centre stage".

Conferences organised by the Belgian Presidency

The Council took note of the outcome of the following conferences:

- "SMEs, Research and Innovation. From idea to market: turning knowledge into profit", held in La Hulpe on 17 and 18 November (16949/10);
- "European Industry in the face of Industrial Transformation", held in Seraing on 15 and 16 November (16818/10).

Clinical trials partnership with developing countries

The Council took note of information on a proposed second phase of the European and Developing Countries Clinical Trials Partnership (EDCTP) (16501/10).

On 27-28 September 2010, the Belgian Presidency organised a member state meeting that aimed at reaching a consensus on a second phase (2011-2020) of the EDCTP. The EDCTP was the first European project under article 169 (currently article 185 of the EU treaty), which enables the EU to co-fund research programmes undertaken jointly by several countries.

Work programme of the incoming EU Presidency

Mr Zoltan Cséfalvay, Minister of State of Hungary, briefed the Council on the work programme in the field of research under its Presidency in the first half of 2011. Its priorities are in line with the combined programme prepared by the Spanish, Belgian and Hungarian presidencies covering the period January 2010 to June 2011 (16771/09).

High-level seminar on research in Estonia

Delegations were invited to a High-level seminar on research that will take place in Tartu (Estonia) on 14 and 15 January 2011.

OTHER ITEMS APPROVED

JUSTICE AND HOME AFFAIRS

Visa waiver - Northern Mariana Islands and Taiwan

The Council adopted a regulation updating the lists of the third countries whose nationals must be in possession of visas when crossing the external borders of EU member states and those whose nationals are exempt from that requirement (55/10, 15401/10 and 15401/1/10 ADD1 REV 1).

The regulation, which amends regulation 539/2001, follows an agreement with the European Parliament at first reading.

For more information see press release <u>16851/10</u>.

TRANSPORT

Rights of bus and coach passengers

The Council rejected the European Parliament's second-reading amendments (<u>11713/10</u>) to the draft regulation on bus and coach passengers' rights on which the Council had agreed in its first-reading position (<u>5218/10</u>) in March 2010. This means that a conciliation procedure will be launched in accordance with article 294 of the Lisbon treaty. Once a meeting of a conciliation committee composed of representatives of both institutions has been convened, the committee has a maximum of eight weeks to find a compromise.

The objective of the proposal is to strengthen the rights of bus and coach passengers as regards compensation and assistance in the event of accidents, non-discrimination and assistance to persons with disabilities or reduced mobility, rights in the event of delays or cancellations, information to be provided to passengers and handling of complaints.

RESEARCH

New infrastructures under the 6th research framework programme - Council conclusions

The Council adopted conclusions on a report by the European Court of Auditors on design and construction support schemes for new research infrastructures under the 6th research framework programme. The conclusions are set out in document <u>15267/10</u>.