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THE EUROPEAN UNION**



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Competitiveness (Internal Market, Industry and Research)

Brussels, 1-2 March 2010

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P R E S S

Main results of the Council

*The Council adopted conclusions on industrial policy, following a debate on key objectives for establishing the principles for a **new industrial policy** with a continuing focus on sustainable growth and employment.*

*In preparation for the next Spring European Council, ministers for competitiveness held an exchange of views on the future **strategy for the creation of growth and jobs**.*

*The Council adopted a resolution aimed at enhancing the enforcement of **intellectual property rights** in the internal market.*

*The Council adopted conclusions on the **mobility and careers of researchers**. It also adopted conclusions on ways for improving the structure of the **European Research Council**.*

*Without discussion, the Council adopted a decision introducing restrictive measures against **Eritrea**. It also adopted its position at first reading on a draft regulation on **trade in timber**.*

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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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ITEMS DEBATED

NEW INDUSTRIAL POLICY - Council conclusions

The Council held an exchange of views on key objectives for establishing the principles for a new ambitious industrial policy with a continuing focus on sustainable growth and employment.

In particular, Ministers stressed the importance of sustainability, eco-efficiency, operational key indicators as well as inclusion of innovative sectors like the space into the scope of the new industrial policy. They underlined the need for a new networked and knowledge-triangle oriented approach in industrial policy, focussing on strengthening the knowledge base and sustainability, stressing the necessity of a strong link between the new industrial policy and the upcoming European research and innovation plan.

The new policy needs to combine the horizontal policies with concrete sectoral initiatives. As a first step in this direction, Ministers invited the Commission to present an Action plan for clean and energy-efficient vehicles, including the growing role of fully electric cars and plug in hybrids.

In addition, EU delegations highlighted the following aspects:

- 1) required industrial restructuring and transformation needs to be managed in a socially responsible way.
- 2) The "credit crunch" was still considered a serious problem, in particular for SMEs, which are called to play a central role in the recovery process. It was acknowledged the importance of improving SMEs regulatory framework and the implementation of the Small Business Act in order to stimulate business activities.
- 3) The cohesion and the awareness of different starting positions in member states will have to be taken into consideration in the new industrial strategy.
- 4) With regard to the external dimension, Ministers called for a proactive raw materials strategy, warned of the risk of carbon leakage and underlined the importance of an appropriate international regulatory framework in order to achieve a global level playing field.

Finally, Ministers called for a proactive new role of the Competitiveness Council in the framework of the EU 2020 strategy.

At the end of the debate the Council adopted the conclusions set out in document [6391/10](#).

INTELLECTUAL PROPERTY RIGHTS IN THE INTERNAL MARKET - Resolution

The Council adopted the following resolution aimed at enhancing the enforcement of intellectual property rights in the internal market: [6363/10](#).

NEW EUROPEAN STRATEGY FOR JOBS AND GROWTH

The Council held exchanges of views on a new EU strategy for the creation of growth and jobs, following presentations by the Commission on the main elements of its communication on the EU 2020 strategy, which is to be published on 3 March.

The outcome of the debates, together with the Commission communication and the preparatory work to be provided by relevant Council formations, will allow the Spring European Council (25 and 26 March) to concentrate on the general framework of the strategy.

Both ministerial configurations, industry/internal market ministers on 1 March and research ministers on 2 March, examined key aspects to start designing the architecture of the future strategy from their respective fields of responsibility.

On the basis of questionnaires submitted by the Presidency ([6070/1/10 REV](#) and [6389/10](#)), the discussions focused on the best possible actions to be taken at European level in order to foster competitiveness, thus contributing to the new strategy for growth and jobs.

Delegations highlighted the need for setting up ambitious, realistic and clear objectives involving political commitment for member states.

The debates showed a high degree of convergence on several dimensions to be taken into account in view of the launching of the future strategy, including:

- the importance of deepening the single market, to give it a new political impetus and to keep it attractive for third countries by avoiding protectionism;
- the necessity to reinforce a European industry capable of making progress in the new challenges towards a sustainable and green economy;
- the convenience of setting objectives close to the concerns of European citizens, considering their social dimension and favouring geographical cohesion;

- the opportunity of placing research and innovation at the heart of the different EU policies in the new agenda;
- the focus of research in the major upcoming societal challenges, such as climate change, energy, food security, health and demography; and
- the development of the European Research Area.

Ministers also made interventions on the concrete use of appropriate tools to better achieve these targets. It was mentioned:

- investment in innovative technologies;
- the reinforcement of the physical infrastructure of transport and energy networks;
- the development of key elements to benefit from the full potential of the internal market: the digital agenda, the protection of industrial and intellectual property rights, the facilitation of electronic transactions, the implementation of the services directive, etc.;
- the improvement of the regulatory framework for enterprises, in particular for SMEs, and the improvement of their conditions on access to financing and to innovation;
- the simplification of the available instruments for scientific research and their efficient use;
- the promotion of human capital (education and training, better conditions for researchers, etc.); and
- the strengthening of the three sides of the "knowledge triangle": education, business and research.

The new strategy is also expected to combine a successful exit from the general economic crisis with an ambitious structural reform agenda with actions at both EU and national levels.

The crucial role that the Competitiveness Council will have to play in the coordination, implementation and monitoring of the future strategy was also acknowledged.

EUROPEAN RESEARCH COUNCIL: REVIEW OF ITS STRUCTURE AND MECHANISMS - Council conclusions

The Council adopted the following conclusions on the review of the structures and mechanisms of the European Research Council: [6666/10](#).

MOBILITY AND CAREERS OF EUROPEAN RESEARCHERS - Council conclusions

The Council adopted conclusions on the mobility and careers of researchers and agreed to forward them to the employment and social policy ministers for an exchange of views on 8 March.

The conclusions are set out in [6362/2/10](#)

EUROPEAN EARTH OBSERVATION PROGRAMME (GMES) AND ITS INITIAL OPERATIONS (2011-2013)

The Council took note of a Presidency progress report ([6069/10](#)) on a draft regulation on the European Earth observation programme (GMES) and its initial operations (2011-2013).

The draft regulation is aimed at establishing GMES as an operational programme by providing additional funds for its initial operations, in order to enable a gradual build-up of capabilities up to the end of the current EU financial framework in 2013.

The proposal, which was presented by the Commission in May 2009 ([10285/09](#)), is currently under examination by EU experts with a view to reaching an early agreement with the European Parliament. The main outstanding issues of the proposal are the funding for 2011 to 2013, the governance and the treatment of data and the information policy.

GMES is an EU-led initiative to develop Europe's own operational Earth observation capacity in order to collect information about the planet's physical, chemical and biological systems or, more generally, monitoring of the natural environment. It draws on both space-based (i.e. satellites) and ground-based installations. Data collected via satellites are processed to provide information services allowing better management of the environment and enhancing security for citizens.

BALTIC SEA RESEARCH PROJECT ("BONUS-169 PROGRAMME")

During a public session, the Council took note of a Presidency report on the ongoing work aimed at approving the participation by the Community in a research project in the Baltic Sea ("BONUS-169 programme") undertaken by several EU countries ([6046/10](#)).

The Commission and the Baltic countries made statements highlighting the importance of the project for the Baltic region.

BONUS-169 is a joint research programme undertaken by the eight Baltic Sea member states (Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland and Sweden) in support of the Baltic Sea region's sustainable development.

Its main objective is to provide an effective response to key challenges in the region in relation to environmental protection and sustainable development, tourism, aquaculture, food safety, maritime transport and socio-economic issues ([15234/09](#)).

BONUS-169, which is in line with the objectives of the European strategy for maritime research and the Union's strategy for the Baltic Sea region, is to be considered as a pilot case for other similar regional initiatives. Moreover, the initiative is also intended to help the establishment and structuring of the European Research Area in the region.

OTHER BUSINESS

Ministerial working lunch

Over lunch on 1 March, ministers exchanged views on priority areas for reinvigorating the single market and the links between market integration in goods, services, labour and capital and the social and citizens' dimensions of Europe. The informal debate followed an introduction by Mr Mario Monti, president of Bocconi University, who has been entrusted with the mission of drawing up a report on the future of the internal market.

Mr Antonio Tajani, new commissioner for industry and entrepreneurship, and Mr Michel Barnier, new commissioner in charge of internal market and services, also attended the ministerial lunch.

The research ministers' informal working lunch on 2 March was devoted to the development of the European Research Area and targets and indicators to measure it, with the participation of the new commissioner for research, innovation and science, Mrs Máire Geoghegan-Quinn.

Copenhagen Conference on climate change: implications for European industry

The Commission presented oral information on the outcome of the Copenhagen Conference of December 2009 and its impact on EU efforts for climate change and transforming Europe into a low-carbon economy.

Informal Competitiveness Council on 8 and 9 February

The Presidency briefed the Council on the outcome of the informal Competitiveness Council meeting that took place in San Sebastián, Spain, on 8 and 9 February ([6760/1/10](#)).

At the meeting, ministers responsible for research discussed the upcoming challenges with regard to the European Research Area. During the second part of the meeting the Spanish Presidency undertook to promote a European strategy on electric vehicles and to continue the debate at the Competitiveness Council in May.

Electric vehicles: standardisation

The Presidency and the Commission provided information on the state of play and the steps to be taken with a view to adopting a harmonised type-approval system for both purely electric (propelled exclusively by the power stored in their batteries) and hybrid vehicles (combination of electric propulsion with internal combustion engines), taking into account environmental performance ([6827/10](#)).

Development of the internal market - Services directive

The Council took note of the state of transposition of the directive on services into national law, as it stands two months after the expiry of the transposition deadline. A report delivered by the Commission ([6817/10](#)) points out the need for urgent action on several issues and in a number of EU member states.

This directive, adopted in 2006, aims at eliminating obstacles to trade in services, allowing the development of cross-border operations, bringing down prices and improving quality and choice for consumers. The Council adopted conclusions on this subject on 16 February 2010 ([6060/10](#)).

The Commission also presented the following three reports:

- The Internal Market Scoreboard No 20: state of play of implementation by member states of internal market directives into national law;
- Report on the SOLVIT system (an online internal market problem-solving network);
- Report on the “Citizens Sign Post Service”, a service that provides personalised advice to individual citizens in relation to the rights they enjoy under single market rules.

Moreover, the Commission presented statistics on the use of the Internal Market Information (IMI) system in 2009. IMI is an electronic tool developed to improve communication between member states' administrations for a more effective day-to-day cooperation in the implementation of internal market legislation ([6922/10](#)).

ITER experimental fusion reactor project

The Council took note on preparations carried out by the Commission with a view to the forthcoming meetings of the Council of the ITER International Fusion Energy Organisation. It also took note of the appointment of Mr Frank Briscoe (UK) as the new director of the "Fusion for Energy" Agency, the joint undertaking that manages Europe's contributions to the ITER project (<http://fusionforenergy.europa.eu/>).

Public-Private partnership initiatives

The Commission presented a report on the development of the following public-private partnership (PPP) initiatives: "Factories of the future", "Energy-efficient buildings" and "Green cars". The three PPPs will commit €3.2 billion over the period 2010-2013, with half coming from private sources and half from the EU's Seventh framework programme for research.

This will be one of the main topics of the upcoming conference entitled "The European framework programme: from recovery to sustainability", scheduled to take place in Valencia, Spain, on 13 and 14 April.

On 19 November 2009, the Commission presented its communication entitled: "Mobilising private and public investment for recovery and long-term structural change: developing PPPs".

The Commission also submitted a report on a PPP for the future of the Internet ([6807/10](#)), following its proposal for a EU-wide Internet innovation strategy, presented in October 2009. Current research efforts on the future Internet are addressed in more than 90 EU-funded projects involving some €400 million.

Event on information and communication technologies for energy efficiency

The Council took note of the outcome of the second edition of the high-level event on information and communication technologies for energy efficiency that took place in Brussels on 23 and 24 February. On 9 October 2009 the Commission adopted a recommendation on this subject ([14450/09](#)).

Euro-Mediterranean conference on education, research and innovation

The Council took note of information by the Slovenian delegation on the preparations for the Euro-Mediterranean ministerial conference on higher education, research and innovation that will take place in Brdo, Slovenia, on 25 April.

OTHER ITEMS APPROVED**COMMON FOREIGN AND SECURITY POLICY****Restrictive measures (Eritrea - Iraq - Liberia - Somalia)****Eritrea**

The Council adopted a decision ([5534/10](#)) imposing restrictive measures against Eritrea in line with United Nations Security Council resolution (UNSCR) 1907 (2009).

For more details, see ([6383/10](#)).

Iraq

The Council adopted a decision amending common position 2003/495/CFSP on Iraq, implementing UN Security Council (UNSC) resolution 1905 (2009) ([5789/10](#)).

UNSC resolution 1905 (2009) extends, until 31 December 2010, the arrangements for depositing proceeds from export sales of petroleum, petroleum products and natural gas into the *Development Fund for Iraq* and the immunity from legal proceedings of certain Iraqi assets, as referred to in UNSC resolutions 1483 (2003) and 1546 (2004).

In addition, the Council adopted a regulation amending regulation 1210/2003 concerning certain specific restrictions on economic and financial relations with Iraq ([5791/10](#)), in order to implement the above mentioned measures at Community level.

Liberia

The Council adopted a decision amending the current restrictive measures on arms against Liberia in order to implement the resolution 1903 adopted by the United Nations Security Council on 17 December 2009.

Somalia

The Council adopted a decision amending common position 2009/138/CFSP concerning restrictive measures against Somalia, in order to bring it in line with UN Security Council (UNSC) resolution 1907 (2009) ([5502/09](#)).

Last December, the UN Security Council adopted resolution 1907 (2009) introducing additional restrictive measures against Somalia and calling upon all States to inspect, in accordance with their national legislations and consistent with international law, all cargoes to and from Somalia, in their territory, including seaports and airports, provided that there exist reasonable grounds to believe that the cargo contains items prohibited under the arms embargo to Somalia.

In February 2009, the Council adopted common position 2009/138/CFSP implementing UNSC resolution 1844 (2008), which introduced restrictive measures against those who seek to prevent or block a peaceful political process, or those who threaten the Transitional Federal Institutions (TFIs) of Somalia or the African Union Mission in Somalia (AMISOM) by force, or take action that undermines stability in Somalia or the region.

TRADE POLICY

Anti-dumping - Imports of furfuryl alcohol from China

The Council adopted a regulation amending regulation 1202/2009 imposing a definitive anti-dumping duty on imports of furfuryl alcohol originating in China following a 'new exporter' review pursuant to regulation 1225/2009 ([6334/10](#)).

ENVIRONMENT

Register for biocidal products

The Council decided not to oppose the adoption of a Commission decision to establish a register for biocidal products.

Under the regulatory procedure with scrutiny, the Council can oppose an act which exceeds the implementing powers of the Commission, is not compatible with the aim or content of the basic instrument or does not respect subsidiarity or proportionality if the regulatory committee previously supported the envisaged measures.

Trade with illegally harvested timber*

The Council adopted its first-reading position on a draft regulation laying down the obligations of operators who place timber and timber products on the European market ([6527/1/10 REV 1](#) + [6527/1/10 ADD 1 REV 1](#) + [5885/10](#) + [5885/10 ADD 1](#)). The Netherlands voted against, while the United Kingdom abstained. The future regulation is aimed at minimising the risk of placing illegally harvested timber and timber products on the EU market. During a written procedure completed on 29 January 2010, the Council reached political agreement on its first-reading position.

For further details, see [5688/10](#).
