



Uachtaránacht na hÉireann ar
Chomhairle an Aontais Eorpaigh
Irish Presidency of the Council
of the European Union
eu2013.ie

**Presentation by Mr Richard Bruton, Minister of Jobs, Enterprise and
Innovation to the Industry Research and Energy Committee of the
European Parliament, Brussels**

Wednesday 23/1/2013

[Check against Delivery](#)

Honourable Members of the European Parliament,

Madame Chairman, Vice-Chairs and members of the ITRE Parliamentary
Committee,

Ladies and Gentlemen,

I would like to thank you for the opportunity as Council Presidency to outline
to the ITRE Committee the priorities and actions for the Irish Presidency on the
issues of Industry and Entrepreneurship. My Colleague Mr Sean Sherlock,
Minister for Research and Innovation, will shortly outline the Presidency
priorities under the Research and Space Agenda.

Both Minister Sherlock and myself are delighted to be here today and we very
much look forward to a good working relationship with the European
Parliament. Since the Lisbon Treaty came into force, the competences of the
European Parliament have been broadened where it now co-decides on the
vast amount of EU legislation. The European Parliament now has a very
important role in the whole EU co-decision process and plays a vital role in the

democratic process at EU level representing citizens. Indeed its role has now also developed towards building constructive partnership with the National Parliaments. This helps to bring about more Parliamentary accountability both at the European and at the National levels. Under our Presidency we will adopt a pragmatic and constructive approach to engagement with the Parliament.

I met some of you when you visited Dublin last October and we had a very good meeting.

I would like to thank colleagues from the Cypriot, Danish and Polish Presidencies for advancing some of the key measures under discussion today.

SMEs and Entrepreneurship

As Presidency Ireland will seek to stimulate growth and job creation by bringing forward measures proposed by the Commission to reduce the regulatory burden on SMEs and by advancing the Entrepreneurship agenda. It is crucial that Europe increases its appetite for entrepreneurship and supports new entrepreneurs in creating new businesses. Potential and actual founders of new enterprises must be supported to give them the best chance to create and grow their SMEs, especially during the start-up phase and the most difficult and crucial first five years.

Ireland welcomes the recent Commission communication on the Entrepreneurship 2020 Action Plan and supports the objectives of this framework proposal, particularly the focus on the fostering and promotion of entrepreneurs, entrepreneurship and an entrepreneurial culture at a European and National level. This Action Plan will enable us to create a more entrepreneurial Europe. It is Ireland's intention to hold an orientation debate

on this proposal at the February Competitiveness Council. Ministers will also be invited to discuss among other things entrepreneurship as a regional issue at the Presidency's Informal Competitiveness Council on 2/3 May next.

We all acknowledge that SME's are the backbone of the European economy and an important contributor to growth and employment in the Union.

We are prioritising several measures that will help SMEs tap into more public procurement opportunities, and get better access to credit and research funding. Securing agreement on the Programme for the competitiveness of Enterprises and small and medium-sized enterprises (COSME) will be one way of providing this assistance and other supports. This is important for small countries that are highly dependent on the SME sector and indeed this area is a particular focus of my own Ministerial remit.

In this regard, Ireland very much supports the general aim of this programme to strengthen competitiveness and sustainability of EU enterprise, encourage an entrepreneurial culture and promote the creation and growth of SMEs. In particular, we welcome the proposed equity facility for growth-phase investment which will support the development of the EU wide Venture Capital market, as well as the Loan Facility which will provide direct or other risk-sharing arrangements with financial intermediaries to cover loans for SMEs.

As you are aware the Multiannual Financial Framework (MFF) sets the overall budgetary framework for the EU for the period 2014-2020. The outcome of negotiations on the MFF will dictate the prospects for progress on COSME and will be of major interest to all small business stakeholders.

As I said as part of the Irish Presidency an Informal Competitiveness Council will be held in Dublin on Friday 3 May. The focus of this Council will be on “SME’s as a driver of European Growth” where the Council will address real issues for SMEs as we attempt to negotiate our way out of the current economic crisis. Issues to be discussed will include access to finance, regional entrepreneurship and global opportunities for SMEs.

In addition to the Informal Council the Commission will host its SME Finance Forum on Thursday 2 May 2013 in Dublin in association with the Informal Competitiveness Council. As you are aware this Forum was set up to monitor the market situation and to explore new ideas to improve access to finance for SMEs. This high-level Forum will bring together the Presidents/Secretaries general of business organisations, banks and other financial institutions as well as Commissioner Tajani, MEPs and representatives of the EU Presidency. Some possible topics for discussion include; alternative sources of finance, guarantees and the credit review office. Commissioner Tajani will be able to report on conclusions from this forum to the Informal Competitiveness Council the following day.

Industry issues

Globalisation is changing the way industrial sectors and firms cooperate. The European Competitiveness Report 2012 stresses the increasingly important role of global value chains for EU industry, a point which is also emphasised in the EU flagship initiative ‘An integrated industrial policy for the globalisation era’. Greater focus is needed to the manufacturing value-chain and the

services that support it and help to design and market new goods and services. This new perspective requires a different approach to industrial policy that takes increased account of the inter-linkages and a focus on encouraging the formation of networks and clusters which facilitate technology transfer between domestic firms and foreign Multinationals. This is something that we will address during our Presidency

The Irish Presidency will build on the progress already made in reducing business costs by the administrative burden reduction programmes carried out by the Commission and Member States. We welcome the Commission's recent Communication on EU Regulatory Fitness and look forward to the second Communication, focusing on SMEs and micros, expected in spring 2013. We intend to have Conclusions adopted by the Competitiveness Council in May, responding to these two Communications.

I believe we all have common goals: evidence-based policy; modernisation of processes and institutions; evaluation of our success at achieving our goals; improving efficiency; removing unnecessary burdens, and so on.

We must push forward to find new ways of reducing the overall burden of regulation for small business. We must listen to business, find out where regulation is most burdensome; and then do what we can to reduce these burdens. We must continue to work together to ensure that Smart Regulation delivers real and tangible benefits for industry, especially SMEs and micro-enterprises, through creating the business environment which will enable European enterprise to flourish and create growth and jobs. In this respect, I am sure that we share the same goals.

The Presidency welcomes the Commission proposals in relation to the State Aid Modernisation (SAM) initiative. As we know the objectives of this reform process, particularly the need for greater clarity, transparency, predictability and rationalisation of the procedures with a focus on bringing cases to a timely and satisfactory conclusion.

The State Aid Modernisation initiative is timely in that State aid policy now needs to look beyond the financial crisis and be more than ever supportive of the goal of achieving a strong, dynamic, integrated and contestable single market.

The State aid regime can benefit from greater simplicity and clarity, greater flexibility for Member States within safeguarded limits, more transparency and more of an economics-based approach.

I am sure we all agree that the Commission should focus its resources where possible on larger cases or those which involve more serious damage to competition and allow Member States greater responsibility for 'smaller aids'. Therefore, economically insignificant aid should be approved more quickly or exempted.

While we should at all times recognise that while the State Aid regime is important in ensuring that we have a level playing field within the common internal market, the EU as a bloc is often competing with third countries for mobile Foreign Direct Investment (FDI) and recognition should be given to the positive benefits for the EU economy and society of facilitating FDI (particularly, hi-tech FDI).

In this regard, State aid is also being provided by third countries to undertakings and we believe that this is an aspect that would benefit from continued consideration by the Commission.

The Irish Presidency will be chairing the Working Party on Competition. The Presidency's objective will be to seek agreement on the Procedural and Enabling Regulations that govern the State Aid Controls framework at the May 2013 Competitiveness Council.

The above two proposals were adopted by the Commission on 5 December 2012. They are not subject to the Ordinary Legislative Procedure, and the Parliament is only consulted on these proposals. However, may I assure you of the intention of the Irish Presidency to take your comments and concerns very seriously indeed and to make sure that they are properly debated and scrutinized in the Council before adopting these Regulations.

The focus of these priorities clearly demonstrates the importance Ireland attaches to creating the right conditions and environment in Europe in order to promote growth and jobs and help European businesses to grow and internationalise.

I would like to thank you for your attention and now my colleague Minister Sean Sherlock will outline the priorities in the Research and Space agenda. We will both be happy Chairman to take questions from the Committee.

ENDS