



# Euro News

The UK Network of Euro Info Centres

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# Questions and Answers

## Question:

What is a long-term supplier's declaration?

## Answer:

A long-term supplier's declaration is a document that states that the goods you are supplying on a regular basis are of EU origin. This in turn allows your customer to raise an EUR1 movement certificate when the goods he buys from you are sold to another customer in a country outside the EU but giving preference to goods of EU origin. The EUR1 enables the end customer to pay a reduced or nil rate of duty on the goods thanks to a bi-lateral trade agreement between the EU and the destination country.

Preferential rates of duty are given only to goods that qualify as originating in the EU. Preference does not apply to goods that have been imported from outside the EU and are in free circulation. You therefore need to be fully satisfied that the goods you are supplying meet the requirements. The rules of origin for tariff preferences can be found in Customs Notice 828. A long-term supplier's declaration may normally be valid for a period of up to one year from the date of making out the declaration. The customs authorities of the country where the declaration is made out lay down the conditions under which longer periods may be used.

The long-term supplier's declaration is completed on company headed notepaper and the exact wording can be found in Customs Notice 827.



# Thinking of franchising in Europe?

Then you should visit a new website dedicated to franchising in Europe that was created by Hertfordshire Euro Info Centre. The website was first presented at Business Start-up Show in London in Olympia on 17 and 18 November 2006, the UK's biggest exhibition for small businesses. Hertfordshire Euro Info Centre was manning a stand, delivering presentations and answering questions from businesses relating to EU issues and to franchising in particular.



You will find on the new website:

- Case studies: concrete examples of businesses that succeeded in franchising in Europe.
- Articles: easy reading articles dedicated both to franchisors and franchisees on practical (tips and keys questions before choosing a franchise) and legal issues (European franchise legislation, how to deal with a franchise dispute, intellectual property, competition law).
- Useful links: business support organisations at EU and national level and in particular institutions involved in franchising.

Details can be found on

[http://www.createproject.org.uk/resources\\_franchising\\_eu.asp](http://www.createproject.org.uk/resources_franchising_eu.asp)

# Revolutionary Displays Puts Sales Consultants in a Spin

A revolutionary new display device which could transform in-store promotions has been launched in the UK. The iDRIUM OMNI allows two-dimensional displays such as information panels and advertisements to be viewed from any angle, 360 degrees, at the same time.



The English company charged with delivering the state-of-the-art device - called the OMNI - learnt of the product through the European Information Centre North West's Business Opportunities Service.

Now Merseyside-based Europeia believes it can generate more than £1 million in sales of the device in the short to medium term.

Director, Phil Fitzpatrick, said: 'Through working closely with the EIC, we have been able to effectively advertise for partners through its system of network offices across Europe. When we got the response about OMNI, we were so excited by the product that we flew to Slovenia to see the device first hand.'

The OMNI works by spinning a 2D display at around 1,800 revolutions per minute. The effect is that, no matter what angle people view it from, the display always appears to be directed straight at them.

Because it is an obvious focal point, FIFA - who carried out the first pilot of the device at this summer's World Cup - found that the device immediately became a meeting point, wherever it was placed.

'We quickly saw the potential for this to be used in all sorts of venues, from supermarkets, to car showrooms, to airports and even casinos,' said Phil. 'We are really looking forward to working with its manufacturers to deliver sales not just in the UK, but working with our sister company in Paris, across Europe.'

## Revolutionary Displays Puts Sales Consultants in a Spin

A decorative graphic on the left side of the page consisting of several yellow and grey stars of varying sizes, arranged in a pattern that suggests movement or a trail, set against a light blue background with faint geometric shapes.

EIC North West manager, Mark Critchley, said: 'It is easy to see that a unique product like the OMNI has the potential to be a real success in the UK and across Europe. But without local partners to develop it in terms of sales and marketing, there is a chance its owners would never realise that potential. Thankfully, through the EIC network, its developers have found sales development partners with a fantastic pedigree for doing just that.'

It is not the first time Europeia - and its sister company in Paris of the same name - have used the EIC, the European Commission's flagship business information and advice network. 'We first helped Phil at a business co-operation clinic last March,' said Mark. 'Since then, Europeia has used our service to gain interest from companies in Czech Republic, Romania and Ukraine. It has also used the service to help UK clients grow their sales in the likes of Portugal, Italy, France, Sweden, Iceland and Germany.'

# Belgrade: City of the Future

Elspet Edmunds, World Trade Events Executive, London Chamber of Commerce, investigates the reintegration of Serbia into the international community.



## A well-deserved award

Serbia may be a country with a notoriously turbulent political history, but it now can look forward to a bright and prosperous future. In March this year, Serbia's capital city of Belgrade secured the top regional award as 'City of the Future: Southern Europe', placing it firmly alongside London and Paris as one of the best places in Europe to do business. This award, presented at the Financial Times/FDI magazine sponsored contest 'Cities and Regions of the Future', is a deserved compliment for a country that has worked hard to shrug off its negative connotations.

News of conflicts and political unrest has greatly eclipsed reports of economic success in recent years. The Milosevic-era mismanagement of the economy, an extended period of economic sanctions and the damage to Yugoslavia's infrastructure and industry during the NATO air strikes in 1999 left the economy in apparent disrepair.

Seven years on, and with stabilisation measures and a market reform programme implemented by the government, there is huge potential in Serbia for attracting foreign investments. Following the independence of Montenegro, since 5 June 2006, the Republic of Serbia has been the legal successor of the State Union of Serbia and Montenegro, and now stands alone as a thriving market.

## Belgrade: City of the Future

### Serbia's advantages

Serbia is positioned in the heart of the South East Europe Free Trade Area, providing duty-free access to a regional 55 million people market - a region with the highest growth rate in Europe.

Moreover, Serbia is the only country outside of the Commonwealth of Independent States that benefits from a free trade agreement with Russia, offering customs-free access to its market of 150 million people.

Serbia boasts a highly skilled and educated workforce, competent authorities, modernised infrastructure and low corporate tax rates. These impressive credentials prompted UK companies to sit up and take notice, and 2005 imports of UK goods and services totalled £94 million.

Many multinational corporations have established their presence in Serbia, and more specifically in Belgrade, and consequently many of the leading world companies do business there. Some of the success stories in Belgrade and Serbia concern US Steel, British American Tobacco, Microsoft and Michelin.

Dragan Zupanjevac, Head of Economic Affairs at the Embassy of the Republic of Serbia, chaired the recent LCCI-hosted seminar 'Discover the Opportunities in Serbia and Montenegro'. He said: 'Both exports from the UK to Serbia (machinery, chemical products, pharmaceuticals) and Serbian exports to the UK (car tyres, steel products, textiles, frozen fruit) are increasing.'

Advantages of doing business in Serbia include, 'two main transport corridors, the River Danube and corridor number 10 leading from Central Europe to Greece, Bulgaria and Turkey, pass through Serbia. Belgrade is only a two and half hour flight from Heathrow, and both British Airways and JAT Airways fly there daily,' he added.

## Belgrade: City of the Future

A decorative graphic on the left side of the page consisting of several yellow and grey stars of varying sizes, arranged in a pattern that suggests the European Union flag. The stars are set against a light blue background that also features a large, faint arrow pointing upwards and to the right.

The seminar's sponsor, Milan Novkovic, Managing Director of Q-Sphere Technologies, said: 'We have been running various businesses in Serbia for almost 10 years now. They are all managed from London and the largest one is in IT with around 100 software developers. Most of our employees there take five years to get basic degrees in electronics and computing (BSc) and come out of university with exceptional theoretical knowledge.'

He continued: 'Serbia is a society more biased towards sciences, so these people stay 'hands-on' for a longer period of time than their western counterparts. All this, after some years of experience, turns them into formidable engineers. Telecoms and regulatory infrastructure are already acceptable and improving fast so it is our plan to carry on expanding and outsourcing to that region.'

### **The political risk aspect**

The political risk attached to doing business in Serbia is still high compared to other countries in Central Europe but it is decreasing at a significant rate. The European Commission and the government of Serbia are currently planning to prepare the country for joining the European Union in between 2012 and 2015, if possible, together with Montenegro, Bosnia and Herzegovina and the Republic of Macedonia.

Although Belgrade may not be able to match the culture of London or Paris, in terms of business opportunities it is without doubt a city of the future.

# Olympic Update

## Centrepiece to be ready in 2011



The procurement process for the team to build the Olympics Stadium for the London Games started on 25 July. The deadline to express your interest in the project was 4 September and invitations to participate in the actual bidding process were dispatched to selected candidates on 21 September. The contract will start in January 2007 and the Olympic Delivery Authority expects the Stadium to be completed by the first quarter of 2011. The Olympic Stadium, which will be the centrepiece of the Olympic Park in East London, will be an 80,000-seat venue and will host the opening and closing ceremonies as well as the track and field events. The size of the stadium will be reduced after the Games but will still have the capacity to host athletic events, concerts and cultural and community events. The Olympic Delivery Authority is looking for a team that can 'combine design innovation with construction excellence to create a stage fit for the Olympians and Paralympians of 2012'.

Changes have also been made to the timetable for some of the venues to ensure the most efficient use of resources. All venues should be completed in time for test events and minimum one year before the Games starts. The venues should however not be completed too early to avoid running up maintenance costs while they are not in used.

## London 2012 partners

Banking, insurance, utility services, oil and gas, automotive and telecommunications companies will this year be offered the opportunity to become official partners of the Games. Chris Townsend, Commercial Director for the London 2012 Games Organising Committee said: 'Successful partners companies will have exclusive access to a range of powerful business benefits and opportunities as well as Games programmes and properties

## Olympic Update

through their association with Games organisers. These companies will play a key role in helping to stage the 2012 Games and will help to create history for London, the UK and the Olympic and Paralympic Movement.'

The first sectors to get the opportunity to bid for partner status will be the banking and insurance sectors. The invitation to tender was due in October but was not published at the time of writing. Partner companies must be able to demonstrate their commitment to the London 2012 Organising Committee's vision to 'stage spectacular Games that inspire young people and leave long-lasting economic, social and environmental benefits for the communities in London and the UK'. It is expected that the first successful partner companies will be announced before the end of March 2007 enabling them to maximise the benefits of their Games partner status for almost six years.

### **HSE tough on health and safety**

The HSE has welcomed the integration of health and safety into the '2012 Construction Commitments'. Stephen Williams, HSE's Chief Inspector of Construction said: 'This is a golden opportunity for those involved in construction to showcase to the world this country's ability to build the infrastructure for the Games on time, to quality and with an exemplary health and safety record.' The Olympic Delivery Authority has assured the HSE that all Olympic work will be carried out to the health and safety standards set down in the '2012 Construction Commitments'. The HSE intends to adopt a similar approach to the construction of the Olympic Park as it has taken to Terminal 5, i.e. being involved early in both the design and the construction phase. The Sydney Games in 2000 achieved zero fatalities and the HSE has met with the people who led on health and safety for the Sydney Games to learn from their experiences.

# UEAPME: Improving Small Businesses' Access to Public Procurement

## Public procurement and SMEs

The issue of a better involvement of small businesses in public tenders has been in the spotlight lately, due to recent discussions on innovation and 'smart' procurement at EU level as well as to the ongoing revision of the agreement on public procurement (GPA) at the World Trade Organisation.



Image: © European Community, 2006

The public procurement market is a very important one, accounting for 16 per cent of the EU GDP, approximately 1.500 billion EUR. SMEs are the 'backbone' of the European economy, contributing to up to 60 per cent of the EU GDP and counting for 99.8 per cent of the total number of EU enterprises. Facilitating SMEs' access to public procurement is therefore crucial to promote competitiveness, job creation and innovation.

According to UEAPME, the European SME employers' organisation, European crafts and small businesses need better access to public tenders. First of all, access to procurement markets is a decisive innovation factor for SMEs, because public demand can trigger demand-driven innovation. All enterprises, not just a few 'national champions', must be able to access the innovation market and take advantage of it. Secondly, facilitating the access of SMEs to public tenders will put more players on the market, thereby promoting fair and effective competition and innovative solutions. This, in turn, would benefit public authorities.

Access to public procurement markets for SMEs varies significantly across Member States, with regional-based tendering structures generally performing better than centralised ones. In some Member States the use of general contractors becomes more and more common, especially in the construction sector, which discriminates against SMEs. Centralised procurement agencies are also becoming a common feature, which is generally not in the interest of SMEs. UEAPME therefore urges to

## UEAPME: Improving Small Businesses' Access to Public Procurement

make SME participation in public procurement a matter of concern in every Member State.

At a time where PPPs (Public-Private-Partnerships) are the subject of a heated European debate, their potential threat for SMEs, especially in the construction sector, must not be ignored. The significant contract size of most PPP projects and their pre-financing requirements prevent SMEs from applying as direct private partner in the vast majority of cases. A part of the construction works is likely to be moved away from traditional 'SMEs public markets' to PPP markets dominated by large companies.

UEAPME therefore recommends the adoption of a number of instruments to support and simplify the participation of SMEs in public procurement markets at national, European and international level.

### **National level**

At national level UEAPME asks contracting authorities to create favourable conditions for the participation of SMEs in public tenders, while at the same time respecting the existing European and international legal framework.

UEAPME urges Member States to divide tenders into smaller lots whenever this is feasible. For instance, technical parts of a project could be awarded separately from other aspects. Authorities should also take into consideration that current EU rules allow for some flexibility in awarding contracts. For instance, up to 20 per cent of the total project amount can be exempted from international tendering and be awarded under national rules.

Public procurement can be an important driver for innovation in the SME sector. Therefore, public contractors should use 'smart'

## UEAPME: Improving Small Businesses' Access to Public Procurement

procurement procedures to encourage innovation and find innovative solutions if appropriate. 'Smart' public procurement is an innovation-oriented and performance-based tendering system, describing public authorities' needs in a broad and on-prescriptive way (examples are 'pre-commercial procurement' or 'competitive dialogue'). It is an important means to support innovative SMEs.

UEAPME also believes that rules for building consortia in different Member States must be simplified, for example, by accepting that not all members of a consortium must fulfil all requirements as regards economical and financial standing or technical and professional ability. This may be a good way to enhance the participation of SMEs in public tenders.

The decentralisation of public tenders, i.e. the use of regional and local structures for public procurement, would support participation of SMEs too. Centralised procurement agencies should only be used where economically necessary and most profitable.

Contracts should be awarded to the economically most advantageous tender (EMAT) instead of the lowest price. EMAT-based awards would allow SMEs to better sell their high technical expertise.

Complex EU procedures should only be used with regard to public contracts exceeding current thresholds. However, sufficiently long advertisement periods should also be observed for tenders below the threshold fixed by the Public Procurement Directive 2004/18/EC. Finally, UEAPME would welcome a prior publication obligation of public tenders below the EU thresholds, in order to make it easier for SMEs to participate.

## UEAPME: Improving Small Businesses' Access to Public Procurement

### EU level

At European level, UEAPME invites the European Commission to elaborate a Communication about the importance of SME participation in public tenders, which should be accompanied by recommendations at the Competitiveness Council. UEAPME also suggests the launch of a study to analyse the current situation in the EU Member States, in order to identify best practices and come up with workable recommendations.

UEAPME thinks that it is also very important to consider the needs of SMEs in the field of technical and quality standardisation, being closely connected to public tenders.

The next revision of the PPP (Public-Private-Partnership) should be used to impose the award to the EMAT. The lowest price should only be allowed when duly justified. Forthcoming legislation on PPP (concessions and maybe institutionalised PPP) must therefore facilitate the participation of SMEs and guarantee transparency in the award process.

UEAPME supports the Commission's view that the competitive dialogue procedure, as provided for by the Directive on Public Procurement 2004/18/EC, should be applied to purely contractual PPPs (act of award designated as a 'public contract').

### International level

At international level, UEAPME highlights the need to redress the existing asymmetry between Europe and its main trading partners, most of which asked and obtained the exclusion of their SMEs from the scope of the GPA (Government Procurement Agreement) at the WTO. Hence, they are allowed to implement various measures strengthening SMEs' access to public procurement. There is a need to focus on innovative SMEs and create a level playing field for small businesses worldwide, either

## UEAPME: Improving Small Businesses' Access to Public Procurement

at WTO level by revising the GPA agreement or by bilateral and unilateral actions.

Fair and workable rules on SME participation in public tenders should be a matter of concern for Member States, for the EU and for the WTO.



# Grants in December 2006

December is the end of the current grant budget period (2000-06). The trick for grant searchers is to find an 'old' budget that is underspent so that desk officers are desperate to get rid of the money. Alternatively the preparation of a grant programme which starts on 1 January 2007 will have a full budget in the opening months of next year. Either way it is about to be a busy time for grant seekers and donors.

A selection of current grants are as follows:



- **CULTURE 2007 PROGRAMME (2007-2013)** is to support the mobility of people in the cultural sector and their works and to encourage intercultural dialogue. Applications from private or public bodies need to be submitted by 28 February 2007.
- **THE EUROPEAN NEIGHBOURHOOD AND PARTNERSHIP INSTRUMENT** has been approved by the European Parliament and grants will shortly be available for dialogue and co-operation with partners in countries bordering the EU.
- **IDEAL\*IST - PARTNER SEARCH SERVICE** is a free partner search service for IST research projects and it also provides support for SME participation in relevant IST conferences with a view to meet potential partners. Application can be made at any time.
- **THE RENE DESCARTES PRIZE** is an award for collaborative research and will call for applications in January as a part of the FP7 programme.
- **7TH RTD FRAMEWORK PROGRAMME (2007-13)**, the long awaited first call for proposal for this will open on 22 December 2006.
- **STOCKHOLM CHALLENGE AWARD** rewards pioneering IT projects which benefit people and society. The award helps

## Grants in December 2006

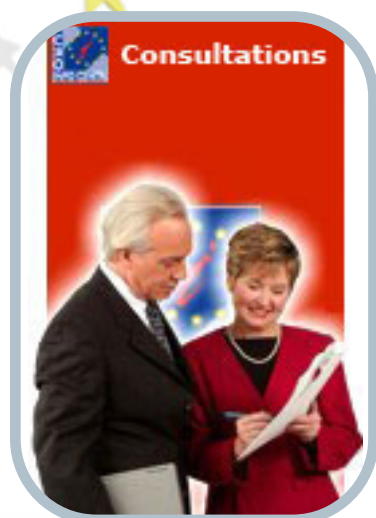
build networks between entrepreneurs across borders and will be open for entries on 1 January 2007.

Peter Matthews worked for the European Commission and now advises on how to complete applications for Grantfinder projects. He also specialises in global trade and investment funding support and soft loans from the EU to Eastern Europe, Northern and Sub-Saharan Africa and South East Asia.

Contact the London Euro Info Centre if you are interested in any of the above or if you are interested in the Euro Info Centre carrying out a special search for funding entitlement for your organisation. See [www.londonchamber.co.uk](http://www.londonchamber.co.uk)

# Consultations

Here we provide a selection of current consultations that are of interest to SMEs.



## **Improving the efficiency of the enforcement of judgements in relation to cross-border debt in the EU**

*Closing date: 31 March 2007*

The problems posed by cross-border debt recovery risk constitute an obstacle to the free circulation of payment orders within in EU and distorts the proper functioning of the Internal Market. Late payment and non-payment jeopardise the interests of both businesses and consumers and the fact that there are big differences between how efficient Member States are at recovering debt may also distort competition. The European Commission therefore believes that Community action is needed and are inviting stakeholders to send it their comments.

For more information, please visit:

[http://ec.europa.eu/justice\\_home/news/consulting\\_public/news\\_consulting\\_public\\_en.htm](http://ec.europa.eu/justice_home/news/consulting_public/news_consulting_public_en.htm)

## **VAT treatment of vouchers**

*Closing date: 12 January 2007*

In a recent consultation paper on the VAT treatment of vouchers and related issues, the European Commission lists what it believes are the main problems with the current VAT treatment of vouchers caused by outdated provisions or inconsistencies in the interpretation of existing rules. The European Commission is inviting interested parties to comment on a possible reform of the current VAT treatment of vouchers based on this consultation paper.

The consultation document and additional information are available at:

## Consultations

[http://ec.europa.eu/taxation\\_customs/common/consultations/tax/article\\_2992\\_en.htm](http://ec.europa.eu/taxation_customs/common/consultations/tax/article_2992_en.htm)

### **Road safety**

*Closing date: 19 January 2007*

The European Commission has found that more than 14,000 lives could be saved and 680,000 injuries avoided on European roads each year if traffic rules were thoroughly checked and sanctioned. The Commission is therefore keen to improve the enforcement of road safety rules, i.e. making sure that they are being applied. To assess the possibility of further action at EU level, the Commission has published a consultation paper on cross-border enforcement and would like to hear what businesses, road users, public authorities, etc. think.

The consultation document and additional information are available at:

[http://ec.europa.eu/transport/roadsafety/enforcement/introduction\\_en.htm](http://ec.europa.eu/transport/roadsafety/enforcement/introduction_en.htm)

### **UK implementation of the Environmental Liability Directive**

*Closing date: 16 February 2007*

The proposed Environmental Liability Directive aims to prevent and remedy environmental damage and in particular damage to habitats and species protected by EU legislation, damage to water resources, and land decontamination which presents a threat to human health. The Department of Environment, Food and Rural Affairs is seeking your view on how the Directive could be implemented in England, Wales and Northern Ireland.

To access the consultation package, please visit:

<http://www.defra.gov.uk/corporate/consult/env-liability/index.htm>

## Consultations

### **Global Europe**

The EU's Market Access Strategy in a changing global economy

A consultation paper

*10 November 2006-12 January 2007*

This consultation paper asks for your views on the European Union's Market Access Strategy, and the ways in which it might be improved. The paper is set out in four sections:

- The context: the EU's Market Access Strategy in a changing global economy
- Identifying, prioritizing and tackling barriers to trade
- The Market Access Database
- Conclusions: new approaches to working together.

In each section, your comments are invited and you can participate in the on-line consultation by accessing

[http://ec.europa.eu/trade/issues/sectoral/mk\\_access/cs101106\\_en.htm](http://ec.europa.eu/trade/issues/sectoral/mk_access/cs101106_en.htm).

# Information Roundup

## UK SMEs still experience problems when doing business in Europe

A 3D rendering of a globe with a blue and white building structure inside, surrounded by yellow stars, set against a background of a light blue and white geometric pattern.

A recent report by the UK Euro Info Centre network shows that UK businesses still experience problems when doing business in Europe although the free circulation of goods, services and people was introduced with the entry into force of the Single Market in 1992. Smaller businesses (1 - 49 employees) appear to be suffering more than bigger businesses and they often have to rely on external sources/services when problems arise. France and Germany have, in the period 2003-2005, been the main culprits when UK SMEs encountered problems doing business across borders. Following its accession to the EU, Poland joined France and Germany as a main culprit.

So why are these countries the main offenders? Cases indicate that France's rather inflexible public authorities together with hidden trade barriers, for example, requests for extra tests, cause problems. Germany's rather stringent bureaucracy together with its high environmental standards are likely to give a few headaches. Poland only joined the EU in May 2004 which means that Polish companies and authorities are still adapting to new practices and rules. In addition, the Polish administrative system is very similar to the French one.

Almost 60 per cent of the companies the UK Euro Info Centres spoke to between 2003 and 2005 were finding it difficult to locate the information they needed. UK companies also found that EU and national rules and regulations were difficult to understand and restricted them when carrying out their business. The areas of public procurement, customs, CE-marking requirements, taxation and the supply of services continue to cause major problems for companies when doing business both nationally and within the EU.

## Information Roundup

### Website

A useful website dedicated to EU affairs with information on all EU policies (articles, interviews, latest news etc.) can be accessed at [www.euractiv.com](http://www.euractiv.com).

### Work experience for EU officials

How can EU officials' understanding of SMEs be improved? The 'Enterprise Experience Programme' developed by Eurochambres in co-operation with Directorate General for Enterprise and Industry of the European Commission and two other business support organisations sets out to do this. The overall objective of the programme, which will run until 2009, is to provide a reality-check for EU officials working on enterprise policy and thereby improve policy making. Under the programme, SMEs across the EU will welcome an EU official into their business for a week 'exposing' him to business life and the challenges that SMEs face on a daily basis. For more information on the programme, visit:

[www.eurochambres.eu/activities/EnterpriseExperience.shtml](http://www.eurochambres.eu/activities/EnterpriseExperience.shtml)  
or contact Ms Typhaine Beaupérin at Eurochambres on tel +32 2 282 08 58 or e-mail [beauperin@eurochambres.eu](mailto:beauperin@eurochambres.eu) if you would like to invite an EU official into your business.

### Patents and R&D expenditure

The Statistics in Focus publication analyses the breakdown of patent applications to the European Patent Office (EPO) by institutional sectors, showing the patenting activity of EU enterprises. The main findings show that the business enterprise sector dominates the patenting activity both in the EU and the US and that patenting is less expensive in the EU than in the US. The publication also analyses the results of the patent Scorecard 2006.

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Statistics in Focus: Science and Technology No.16, 2006  
(9.11.06) (European Commission: Eurostat)

### **Bulgaria and Romania set to join the EU on 1 January 2007**

In its final monitoring report on the preparedness of Romania and Bulgaria for EU membership, the European Commission recommended that the countries join the EU on 1 January 2007 provided that they address a number of outstanding issues. The Commission recommended the enlargement after both countries have shown great progress in adopting the EU acquis communautaire and have addressed many of the challenges of EU membership. To avoid any potential risks, the Commission has set down a number of measures to accompany the accession of Bulgaria and Romania. A mechanism for co-operation and verification of progress in the area of judicial reform and the fight against corruption and organised crime will be set up.

Furthermore, to protect the EU's financial interests, a special regulation concerning agricultural spending has been adopted. Other EU rules are already in place to provide full measures to counter risks in areas such as food safety, free movement of workers and environmental issues.

Romania and Bulgaria's accession remains subject to the outstanding ratification of the Accession Treaty in Germany, Belgium, France and Denmark. The inclusion of Romania and Bulgaria will bring a further 30 million people into the EU, thereby completing the EU's historic fifth round of enlargement and creating a union of almost half a billion citizens.

### **SAD harmonisation**

For those involved with importing and exporting the information they are required to supply to Revenue & Customs may change. This is as a result of the EU progressing towards aligning the

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rules for completion of the Single Administrative Document (SAD) Customs declaration across all EU Member States.

SAD harmonisation introduces changes to the way that import, export, warehousing, transit and community status declarations are completed.

For more information access [www.hmrc.gov.uk](http://www.hmrc.gov.uk) then click on import&export and finally on SAD Harmonisation.


### **New strategy on EU trade policy and competitiveness**

The European Commission has adopted a new strategy to integrate trade policy into the EU's competitiveness and economic reform agenda. This has resulted in a policy review where the focus is on the opening up of new external trade markets and ensuring that European companies are able to compete fairly in foreign markets. Furthermore, it commits the EU to keeping its own markets open, arguing that in a global market, Europe needs to import to export. The EU cannot push for openness of foreign markets while retaining barriers of its own. The policy review suggests that an open market is not just a lowered tariff - rather it is a market in which European companies get a fair deal, with freedom to compete and legal protection when they do. The objective of the new strategy is to deliver growth and jobs for the benefit of EU citizens and companies. This strategy is expected to strengthen the Lisbon objectives as well as the EU's initiatives within the WTO and bilateral trade and lead to a possible reform of the EU's anti-dumping instruments.

### **Website: Towards FP7 - Your gateway to the preparation of the Seventh Framework Programme**

Towards FP7 provides a gateway to the latest developments on the preparation of the Seventh Framework Programme (FP7) and

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A decorative graphic on the left side of the page consisting of several yellow and grey stars of varying sizes, arranged in a pattern that suggests the European Union flag.

its essential features. It gives you the latest news and events on FP7 as well as the key milestones towards FP7 in the roadmap. A 'What's next' section lists the forthcoming events and similar content (Council, Parliament meetings, etc.) leading up to the adoption of FP7 and helps you to follow the approval process via a flowchart with links to the different stages and relevant documents. Besides being the main tool for EU research funding, FP7 is crucial for the realisation of the European Research Area and the development of the knowledge economy and society in Europe. It is proposed for seven years (2007-2013) with a budget of 10 billion euro per year. Whether you are a newcomer to European research funding, or an experienced project participant, FAQs and Guidance will help you to find your way through the next Framework Programme.

The service also aims to provide a highly visible communication platform to follow current discussions on the future of the European research policy and the upcoming Seventh Framework Programme. As the legislative process evolves, more information will be added to this service.

(European Commission: Publications Office)

EC, 2006, <http://cordis.europa.eu/fp7/home.html>

### **EU acts against new threats from liquid explosives**

As a result of the unveiling of the plot to set off bombs using explosive liquids on aircrafts between the UK and the US, the European Commission adopted a regulation restricting liquids that passengers can carry past screening points and on board aircraft on 5 October. The restrictions will apply to all flights departing from any airport within the EU, regardless of their destination and the nationality of the carrier, thus ensuring the same level of protection throughout the EU. The regulation affects cabin baggage only. The new rules apply to all liquids, as screening equipment cannot differentiate water from explosives. Permission to carry small items of toiletries and perfume has

## Information Roundup

been granted and the new regulation also makes an exemption for medicines and dietary requirements. Liquids and perfumes bought beyond the boarding pass control are also permitted onboard aircraft.

The impact and effect of the new rules have also been considered by the Commission as it is essential to minimise delays without compromising security. Measures such as plastic bags for liquids and the removal of coats and jackets at checkpoints will be taken to help screeners do their job. Electrical items including laptops will need to be removed from bags. Finally, the regulation limits the size of cabin baggage to a maximum of 56 cm x 45 cm x 25 cm for the next six months. The Commission has proposed to actively assist the Member States and the associations representing airlines and airports in their efforts to inform passengers before the regulation comes into force this month.

### **Fighting spam, spyware and malicious software**

The Commission has called on all regulatory authorities and stakeholders in Europe to step up the fight against spam, spyware and malicious software. Despite existing EU legislation to outlaw spam in Europe it continues to suffer from illegal online activities from inside the EU and from third countries, the Commission underlines in a new Communication. The Communication stresses that although internet safety is on the political agenda for some time, national authorities should step up their actions to prosecute illegal online activities.

Press Release IP/06/1629 (27.11.06) (European Commission: DG Communication)

### **The European Court rejects gender pay challenge**

The European Court of Justice (ECJ) has ruled that employers can pay women less than their male colleagues if their length of service is shorter because they have taken career breaks to raise children. The employers do not have to justify pay structures based on length of service unless a worker can provide evidence that they are being discriminated against. The ECJ rejected a claim by Ms Bernadette Cadman, who argued that her employer, the Health and Safety Executive, was unjustified in paying her male colleagues of the same rank more simply because they had worked for longer.

Ms Cadman sued the HSE in 2001 after finding out her salary was several thousands pounds lower than her male colleagues. An employment tribunal had ruled in her favour but was overturned on appeal and the case was referred to the ECJ. The ECJ ruled that employers wishing to reward workers for their experience because it makes them better at their job can use length of service as a criterion in setting pay. The ruling should not bring about any radical change to workplace practices as the judgment will not give employers a free hand to discriminate against working mothers and neither will it open the floodgates to equal pay claims.

### **Services Directive reaches final stage**

The Services Directive which aims to facilitate the provision of cross-border services by removing obstacles to the free movement of services in the internal market reached its final stage with the European Parliament approving the Council common position with minor changes on 15 November 2006. The final position adopted by Parliament broadly reflects the Parliament's first reading position achieving a balance between competition and social protection.