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Competitiveness (Internal Market, Industry, Research and Space)

Brussels, 29 and 30 November 2018

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¹ • 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>).
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ITEMS DEBATED

INTERNAL MARKET AND INDUSTRY

Platforms-to-business regulation

The Council agreed on a general approach ([13876/18](#) + [13876/18 ADD 1](#) + [13876/18 ADD 2](#)) concerning the proposed regulation.

The main goal of the regulation is to establish a transparent, predictable and reliable **online platform** ecosystem for business users within the EU. To that effect, it imposes a number of **transparency requirements** on online platforms, as well as the obligation to set up **effective redress mechanisms**.

[See press release.](#)

Single market programme

The Council agreed on a **partial general approach** concerning the proposed regulation. ([14257/1/18 REV 1](#))

Ministers welcomed the inclusion of **tourism**, a significant source of revenue and jobs in several EU member states.

They also stressed the importance of **synergies with the InvestEU programme**, in particular for the financing of small- and medium-sized enterprises.

The objectives of the draft single market programme are to:

- improve the governance of the internal market;
- strengthen the competitiveness of EU industry, in particular of small and medium-sized enterprises;
- promote standardisation in the EU;
- ensure high levels of consumer protection and product safety;
- promote human, animal and plant health and animal welfare;
- provide a framework for the production and dissemination of high quality EU statistics.

The regulation brings together activities financed during the period 2014-2020 under six predecessor programmes (1. European statistical programme; 2. COSME, the programme for small and medium-sized enterprises; 3. Consumer programme; 4. Programme supporting specific activities in the field of financial reporting and auditing; 5. Regulation relating to the food chain, animal health and animal welfare, plant health and plant reproductive material; 6. Regulation supporting the involvement of consumers and other financial services end-users), but it also includes some new initiatives.

The regulation specifies the non-EU countries associated with the programme. It indicates the eligible actions, entities and beneficiaries and regulates the evaluation process.

The Commission has proposed a financial envelope of around €4.1 billion for the period 2021-2027. This includes €1.68 billion for contributing to human, animal and plant health and welfare, €1.0 billion for improving the competitiveness of small and medium-sized enterprises and €188 million for enhanced consumer protection in Europe. The final amounts will depend on the agreement reached on the next multiannual financial framework.

General vehicle safety regulation

The Council agreed on a **general approach** concerning the proposed regulation. ([14467/18](#))

The regulation aims to strengthen technical requirements concerning the safety performance of motor vehicles and their trailers by introducing a broad range of **advanced safety measures** that the relevant vehicle categories would have to have as standard equipment.

[See press release.](#)

Future EU industrial policy strategy

On the basis of a presidency report on recent discussions on the governance and mainstreaming of EU industrial policy ([14217/18](#)), the Council adopted a set of **conclusions** stressing the need for a future **comprehensive and long-term EU strategy on industrial policy**. ([14221/18](#))

In the same context, the Council took note of information from the presidency on the need to review aspects of the REACH regulation that weigh heavily on the competitiveness of EU small- and medium-sized enterprises.

Competitiveness check-up - Future of the Single Market

The Council took note of a presentation by the Commission of the Commission Communication on the single market in a changing world. ([14633/18](#) + [14633/18 ADD 1](#))

The Council took also note of a report by the Commission and by the chair of the High Level Group on Competitiveness and Growth.

Finally, the Council took note of a study commissioned by the Czech, Danish, Finnish and Irish delegations on "Making EU trade in services work for all - Enhancing innovation and competitiveness throughout the EU economy".

Following these presentations, and on the basis of a presidency note ([14003/18](#)), ministers exchanged views on the future of the single market. More specifically, ministers exchanged views on the type of actions needed to reap the full benefits of a true single market within the EU, including more efficient enforcement of the rules. The outcome of these discussions will be fed into the debate of the December European Council.

Ministers were unanimous in praising the single market as the key factor promoting economic growth within the EU.

Several ministers stressed the need for a holistic approach, which addresses not only goods and services but also data, in an effort to unlock the untapped potential and new opportunities in the digital era.

Serious economic analysis and consultation of the users should precede any legislative initiative.

Finally, several ministers agreed on the need for better and faster implementation of the existing EU legislation, as well as for more effective enforcement at both national and EU level.

The single market facilitates the integration of EU businesses in European and global value chains and strengthens their internal and external competitiveness.

This was acknowledged by the European Council in its [conclusions of 22 March 2018](#), which called on the Commission to present, by the end of the year, an assessment of the functioning of the internal market and remaining barriers to intra-EU trade of goods and services.

The 'competitiveness check-up' allows ministers to put forward priorities and respond to urgent issues and developments in the real economy.

It is a regular working method that was established in 2015 with the aim of improving the role of the Competitiveness Council as regards the analysis of horizontal and sectoral economic issues as well as the monitoring of competitiveness mainstreaming.

In practice, it is based on a presentation by the Commission of the latest figures and trends related to micro-economic issues, with ministers being invited to respond and provide input on possible implications for EU companies and citizens.

Any other business

– Functioning of the EU on certain categories of horizontal aid

The Council was informed by the presidency of the recent adoption of amendments to the Enabling Regulation (Council Regulation (EU) 2015/1588) aimed at improving the interplay of EU funding programs with State aid rules.

– Regulation on supplementary protection certificates for medicinal products

The Council took note of information from the presidency on progress achieved so far on this file.([14248/18](#)) Several delegations, as well as the Commission, urged the presidency to try to obtain an agreement within the Council by the end of the year.

– Report of the SME Envoy Network

The Council took note of the annual report of the SME Envoy Network.([14611/18](#))

– Work programme of the incoming presidency

The Council took note of information from the Romanian delegation on the work programme under the Romanian presidency (first semester of 2019).

SPACE

Space programme regulation

The Council took note of a presidency progress report on the proposed EU space programme ([13987/18](#)). On the basis of a presidency note ([14181/18](#)), ministers exchanged views on the main outstanding issues with a view to providing political guidance for further work on this file.

Several ministers praised the rapid progress achieved so far on the proposed regulation and stressed the need for the Council to agree on a negotiating mandate by the end of the year with a view to launching negotiations with the European Parliament as speedily as possible.

There was broad support for a sound governance for an effective and efficient implementation of the space programme.

The regulation should clarify the roles of the Commission, member states, the EU agency in Prague and the European Space Agency (ESA) and reinforce and streamline cooperation between them.

Autonomous, secure and efficient access to space, coupled with increasing reliance on EU systems and technologies, were mentioned as one of the main objectives to be pursued.

The future EU space policy should be flexible in order to adapt to the rapidly changing space ecosystem. It should be able to seize the opportunities offered by the so-called New Space, while ensuring long-term stability and the continuity of existing EU space programmes, such as Galileo, Copernicus and EGNOS.

Finally, several ministers stressed the need to foster the emergence of new business models and to open the market to small- and medium-sized enterprises and start-ups.

The proposed regulation aims to ensure:

- high-quality, up-to-date and secure space-related data and services;
- greater socio-economic benefits from the use of such data and services, such as increased growth and jobs creation in the EU;
- enhanced security and strategic autonomy of the EU;
- the role of the EU as a leading actor in the space sector.

It aims to do so by proposing to:

- simplify and streamline the existing EU legal framework on space policy;
- provide the EU with an adequate space budget to continue and improve upon existing space flagship programmes, such as EGNOS, Galileo and Copernicus, as well as to monitor space hazards under the 'space situational awareness' programme (SSA) and cater for access to secure satellite communications for national authorities (GOVSATCOM);
- establish the rules for the governance of the EU space programme;
- standardise the security framework of the space programme.

The proposed regulation is part of the follow-up to the Commission's Communication on a space strategy for Europe.

Any other business

- ***'EU Space for Business' (Space conference, Graz, 5-6 November 2018)***

The Council took note of a report by the presidency on the outcome of the above-mentioned conference. ([14618/18](#))

- ***Work programme of the incoming presidency***

The Council took note of information from the Romanian delegation on the work programme in the space sector under the Romanian presidency (first semester of 2019).

RESEARCH AND INNOVATION

Council conclusions on the governance of the European Research Area

The Council adopted conclusions on the review of the support structure of the European Research Area (ERA) and on ERA's ability to respond to future challenges. These suggest steps forward towards intensified cooperation in order to achieve a well-functioning European Research Area.

ERA is a unified research area in which researchers, scientific knowledge and technology circulate freely and through which the EU and its member states strengthen their scientific and technological bases, their competitiveness and their capacity to collectively address global challenges.

It was set up following the 2012 Commission Communication on 'A Reinforced European Research Area partnership for Growth and Jobs'.

ERA's priorities are:

- More effective national research systems
- Optimal transnational co-operation and competition
- An open labour market for researchers
- Gender equality and gender mainstreaming in research
- Optimal circulation, access to and transfer of scientific knowledge including via digital ERA.

Read the Council's conclusions ([14516/18](#))

Horizon Europe package

The Council took note of a progress report on the specific programme implementing Horizon Europe. ([14264/18](#)) The Council also adopted a partial general approach on the framework programme (Horizon Europe).

See [press release](#).

Any other business

– ***Work programme of the incoming presidency***

The Council took note of information from the Romanian delegation on the work programme in the research sector under the Romanian presidency (first semester of 2019).

OTHER ITEMS APPROVED

INTERNAL MARKET AND INDUSTRY

Conclusions on better regulation

The Council adopted a set of conclusions in reaction to the European Court of Auditors' special report on the ex-post review of EU legislation.

The conclusions are contained in document [14137/18](#)

FOREIGN AFFAIRS

Relations with Kyrgyzstan

The Council approved the position of the European Union in view of the 16th meeting of the EU-Kyrgyz Republic cooperation council taking place in Brussels on 10 December 2018. The cooperation council discusses, at ministerial level, the political dialogue element of the EU-Kyrgyz Republic partnership and cooperation agreement, in force since 1999.

[EU-Kyrgyz Republic relations](#)

[Delegation of the European Union to the Kyrgyz Republic](#)

Small arms and light weapons in the Western Balkans

The Council adopted the EU statement on the roadmap for a sustainable solution to the illegal possession, misuse and trafficking of small arms and light weapons (SALW) in the Western Balkans by 2024.

France and Germany launched an initiative and a roadmap for comprehensive SALW control in the Western Balkans in Podgorica, Montenegro, on 1-2 February 2018. The Council takes note of the intention of the Commission and the EEAS to support the coordination and monitoring of the implementation of the roadmap objectives as of 2020.

[Small arms and light weapons \(EEAS\)](#)

EUROPEAN ECONOMIC AREA

EEA Agreement - Incorporation of EU legislation

The Council adopted a decision establishing the EU position to be taken in the Joint Committee of the European Economic Area (EEA) concerning an amendment to Annex IX (Financial Services) to the EEA Agreement ([13114/18](#)).

The aim of the decision is to incorporate into the EEA Agreement Regulation (EU) 2015/847 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006.

TRANSPORT

International aviation carbon offsetting and reduction

The Council adopted a decision on the position to be taken on behalf of the EU within the International Civil Aviation Organisation (ICAO), in respect of the first edition of the International Standards and Recommended Practices on Environmental Protection - Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) ([14330/18](#)).

ENVIRONMENT

Protection of wild rhinoceroses and elephants

The Council decided not to oppose the adoption of a Commission regulation amending the Commission regulation ([EC](#)) No 865/2006 laying down detailed rules concerning the implementation of the Council regulation ([EC](#)) 338/97 on the protection of species of wild fauna and flora by regulating trade therein ([14163/18](#) and [12887/18 +ADD 1](#)).

This amendment establishes that horn or ivory from live rhinoceroses and elephants or from their progeny may not enter commercial trade or commercial activities within the Union. In addition, these animals shall not be subject to trophy hunting outside of their historic range.

The Commission decision is subject to the so called regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt the decision unless the European Parliament objects.

Solidarity and just transition - Silesia Declaration

The Council authorised the Commission to support the adoption of the Silesia Declaration on solidarity and just transition on behalf of the European Union ([14545/18](#)).

The declaration is an a signal to the international community, showing the EU commitment to the implementation of the Paris Agreement and pertinent in the context of the future of Europe debate and in the long term EU strategy for the reduction of greenhouse gas emissions.

AGRICULTURE AND FISHERIES

Pesticides: maximum residue levels for various substances

The Council decided not to oppose the adoption of two Commission regulations amending regulation 396/2005 as regards maximum residue levels for

- linuron (13343/18 + 13343/18ADD1 + 13343/18ADD2) and
- chlorantraniliprole, clomazone, cyclaniliprole, fenazaquin, fenpicoxamid, fluoxastrobin, lambda-cyhalothrin, mepiquat, onion oil, thiacloprid and valifenalate ([13927/18](#) + 13927/18ADD1 + 13927/18ADD2) in or on certain products.

Regulation 396/2005 establishes the maximum quantities of pesticide residues permitted in products of animal or vegetable origin intended for human or animal consumption. These maximum residue levels (MRLs) include, on the one hand, MRLs which are specific to particular foodstuffs intended for human or animal consumption and, on the other, a general limit which applies where no specific MRL has been set. MRL applications are communicated to the European Food Safety Authority (EFSA) which issues a scientific opinion on each intended new MRL. Based on EFSA's opinion, the Commission proposes a regulation such as those listed above to establish a new MRL or to amend or remove an existing MRL and modifying the annexes of regulation 396/2005 accordingly.

EU-Morocco Sustainable Fisheries Partnership Agreement

The Council:

- adopted the decision to sign, on behalf of the EU, the Sustainable Fisheries Partnership Agreement between the European Union and the Kingdom of Morocco, the implementation protocol thereto and the exchange of letters accompanying the agreement ([14365/18](#));
 - adopted the regulation on the allocation of fishing opportunities under the Sustainable Fisheries Partnership Agreement between the EU and the Kingdom of Morocco and the implementation protocol thereto for a period of four years ([14382/18](#));
 - reached agreement in principle on the decision on conclusion ([14367/18](#)) and to forward it as well as the text of the agreement, the implementation protocol and the exchange of letters ([12983/18](#)) to the European Parliament for its consent, after the signing of the protocol by the parties.
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