

Presentation by the Minister of Commerce, Industry and Tourism to the ITRE Committee of the European Parliament, Brussels 10/7/2012

Honourable Members of the European Parliament,

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

Ladies and Gentlemen,

My presence today at the European Parliament, and specifically before the ITRE Committee, is a continuation of the established practice by the Presidency of the Council to brief you on the priorities and actions it undertakes to promote during its six-month term for the issues of Industry, Entrepreneurship and Energy.

However, far beyond my response to established practices, my presence here is a declaratory act of my respect towards the institution of the European Parliament and the crucial role it plays in making the EU more democratic, so that it can come closer to its citizens and be able to listen to them more effectively. Besides, the main message and basic effort of the Cypriot Presidency is for a better Europe, first and foremost for its citizens.

Since the Lisbon Treaty came into force, the competences of the European Parliament have been broadened to make it a co-legislator with the Council. As representatives here of the Presidency of the Council of the European Union, we express our readiness to work closely with the European Parliament, so as to promote successfully the files we are going to handle in the second half of 2012 in the fields of our responsibility in relation to industry, entrepreneurship and energy.

In this my initial intervention I shall concisely present the basic policies and secondary issues we shall be dealing with in the next six months, as they have been agreed in the context of the TRIO Presidency. On this occasion, I would like to thank both the Polish and the Danish Presidencies for the cooperation we had throughout this period, and also to congratulate them on the successful handling of important files they undertook.

1. ENTERPRENEUSHIP/SMALL AND MEDIUM SIZE COMPANIES

It is important that Europe seems to have decided to return to growth again. And growth means, amongst other things, the promotion of policies that strengthen entrepreneurship and in particular the Small and Medium Size Companies. This issue shall constitute the flag ship of our Presidency in the field of Competitiveness. The current economic crisis cannot be countered with measures of strict austerity alone. There is a simultaneous requirement of

measures for the development and support of the Small and Medium Size Companies, which are known to constitute the backbone of the European economy, encouragement of innovation and creation of conditions for employment, thus contributing to the maintenance of social cohesion.

In this context and following the agreement reached at the Competitiveness Council of 30th May 2012, the Cypriot Presidency shall promote the proposal of a Regulation by the European Parliament and the Council for the Competitiveness of businesses and Small and Medium companies (2014-2020) and exert every effort for convergence with the European Parliament.

What is of primary importance during the current period is for all the competent institutional bodies of Europe to send a strong political message for the need of substantial and immediate support to entrepreneurship and the Small and Medium Businesses in particular, which are undoubtedly worse hit by the financial crisis.

Towards this aim we shall also concentrate on highlighting the importance of entrepreneurship for the young people, fostering a business culture since an early age, strengthening of entrepreneurship among special population groups, as well as affording a second chance to honest businessmen, who were unlucky enough to live through bankruptcy. Under the prevailing economic circumstances, Europe needs a new generation of businessmen, who, with the proper support, will be able to develop their ideas and transform them into new products and services.

The issue of entrepreneurship shall be deliberated thoroughly at the informal Competitiveness Council, which will take place in Nicosia on 18 and 19 July. In parallel with the above initiatives, emphasis will be given to the monitoring of the implementation course, both by the Member States and the Commission, of the integrated Act for Small and Medium Enterprises, the Small Business Act, through the relevant report that will be presented by the European Commission.

The Cypriot Presidency considers that it is particularly important, exactly four years after the adoption of the Small Business Act for Small and Medium Size Enterprises, to review the progress that has been made and locate the actions and policies that must be further reinforced.

Taking into consideration all the above, the aim of the Cypriot Presidency is the adoption of political conclusions for Entrepreneurship by the Competitiveness Council that will take place on 10 December 2012.

2. INDUSTRIAL POLICY

The Cypriot Presidency considers that the Industrial sector is also of paramount importance for the economic development and prosperity of Europe. Improving the competitiveness of European industry may reduce the cost and prices of goods, improve quality and promote innovation, in this way contributing to the creation of new jobs and the increase of production in the economy as a whole.

The processing industry and related services represent more than 50% of employment in the private sector, 75% of exports and 80% of private investment in Research and Development in the European Union.

In this direction, we support the new industrial policy, which constitutes one of the seven emblematic initiatives of the **Europe 2020** Strategy, and during our presidency we intend to examine the impending Announcement by the European Commission through the review of its implementation course. The Cypriot Presidency considers that in the light of the present financial situation, it is important to locate the secondary initiatives of the industrial policy that must be strengthened and propose the suitable changes or and improvements.

Also at the sectional level, the initiative on raw materials, the car industry sector, the basic technologies of general application, as well as the ship-building industry will be examined.

The aim of the Presidency is the adoption of relevant conclusions for industrial policy at the Competitiveness Councils.

Finally, let me inform you that during our Presidency there will take place in Cyprus the following events, which you are invited to attend:

- Congress on Co-operative Institutions, 28-29 September, in Nicosia.
- European Business Network Congress, 22-24 October, in Paphos.
- Small and Medium Business Congress, 15-16 November, in Nicosia.

3. Energy

Having referred to our initiatives regarding the Industrial policy sector, please allow me to turn now to our policies in regard to the Energy sector.

The safe, sustainable and economically accessible energy, which will contribute to European competitiveness and to intelligent and viable development without social exclusions, constitutes a priority for Europe. Action at Union level can and must give added value to this objective and the Cypriot Presidency will commit itself to carrying on the important work achieved so far.

The modernization and development of the European energy infrastructures and the interconnection of networks across borders is of special importance in ensuring the functioning of the internal energy market and the expression of solidarity between member states, the security of energy supply for the Union, as well as the promotion of energy

efficiency and development of new and sustainable forms of energy. The regulation proposal related to the guidelines for the trans - European energy infrastructures is high on the agenda of the Cypriot Presidency. Given the need for speedy commencement of specific projects, we would agree to the objective for an agreement on the first reading before the end of the year.

Something like this, of course, would be feasible if certain strict deadlines were kept. It would help in this direction if **ITRE finished with the amendments the soonest possible**, the proposed modifications, so that the Council might start to examine them. In order to meet the deadlines it is also important not to have any delays due to parallel discussions on the new multiyear fiscal framework and the Connecting Europe Facility. It is the responsibility of us all to make a timely delivery of the regulations and the regulatory framework that will govern the development of energy infrastructure of European interest and to ensure the achievement of our joint objectives for a 20% decrease in green - house emissions, 20% increase in the share of sustainable energy sources in the ultimate energy consumption and an increase of the percentage of energy efficiency to 20%.

The Union has a stake in maintaining the domestic production of oil and natural gas, for reasons of security of energy supply, as well as for the maintenance of jobs and business opportunities for the European economy.

Despite the fact that it is not possible to fully eradicate the risks stemming from most human activities, including offshore hydrocarbon activities, the safety and integrity of projects should be safeguarded, as well as the maximum protection of European citizens and of the environment. The Cyprus Presidency has set the proposed regulation for the safety of offshore activities for the investigation, exploration and production of oil and natural gas among its priorities. We shall seek progress in the discussions within the Council, as well as with the European Parliament, where the start of negotiations seems feasible.

By way of information, let me add that this topic, as well as the security of the European Union energy supply, will be the object of a discussion at the Ministerial Conference we shall be holding in Cyprus on 9 November, in cooperation with the European Commission, the participation of the Member States and the countries of the Southeastern Mediterranean. The Mediterranean, as we know, is a closed sea. Consequently, any measures we may take as the EU do not suffice for its protection.

In this effort we must also involve our neighbours. On the basis of this rationale we are organizing this Conference, which we hope will conclude with a Joint Declaration on the principles, measures and policies that we must implement in order to limit the risks and accidents, and also to protect the environment when offshore activities of hydrocarbon investigation or exploration are undertaken.

I now pass to another subject. Following the Announcement of the European Commission for the Renewable Energy Sources, the Cypriot Presidency has set as target the adoption of Council Conclusions. We believe that further increase in the share of the renewable energy sources requires parallel policies, such a promoting the suitable infrastructure and interconnections and completing the internal energy market. During the discussions our aim

is to take into consideration the directions given by the European Commission through its Announcement for the Energy Roadmap 2050.

For the time horizon beyond 2020, the announcement recognizes that without the suitable framework, the development of renewable energy sources would be slowed down. We share this view. Therefore, we propose that a process gets under way to prepare future policy choices and landmarks for 2030. Due to the importance of this issue, not only for the Council but also for the Parliament, we have sent invitations for the participation of MEPs to the informal discussion we shall have on 17 September in Cyprus.

Also, during our six-month Presidency, we hope to reach agreement with the European Parliament on the Regulation proposal for the labeling of energy efficiency in office equipment (Energy Star). We believe that the Energy Star programme, which follows an Agreement between the United States of America and the European Union, will contribute to the achievement of the 20% energy saving target until 2020. In parallel, of course, a speedy conclusion on this issue would close an existing legal gap, given that the current agreement has expired.

At this point I would like to thank you for your attention and I am at your disposal for questions.