

Items covered:

- Environment - F-gases	
Cyprus invites AREA	p.2
News about the Austrian Industrie Gasverordnung	p.3
News about the infringement case against Denmark	p.4
California concerned about climate change	p.5
- Education & vocational training	
The Refrigeration Craftsman (Leonardo) project proposed for award	p.6
ETPC Energy Management Technician project	p.7
AREA presence at symposium for renewable energy systems	p.7
Reminder about EUROPASS	p.8
- Standardisation	
StandarDay	p.9
TC 182 work program	p.10
- European Parliament	
Wallström about Strasbourg	p.11
- Member States	
UK helping to clean air; France has large system installed in Le Louvre	p.13
- News from our Members	
Svaz CHKT	p.14
- Sister associations	
REHVA, EURAMMON, ORGALIME	p.14
- Events	p.19

President : J. JACQUIN - SNEFCCA F - e-mail : contact@snefcca.com
Past President : N. MITCHELL - RACG/HVCA UK - e-mail : nem@normanmitchell.co.uk
Vice-President : Ch. SCHOLZ - VDKF D – e-mail : info@vdkf.org
Treasurer : J. HOOGKAMER - NVKL NL - e-mail : joh@fme.nl
Director : A. ZOLTAN – HKVSZ HU - e-mail : zoltan.attila@hkvsz.hu
General Secretary : R. BERCKMANS - AREA - e-mail : robert.berckmans@area-eur.be

Editorial

Dear Members,

On September 5, the Board has approved the following AREA guidelines :

EU minimum requirements
(with reference to EC 842/2006)
on

Training and certification for personnel and companies
involved in installation, maintenance, inspection and repair
of refrigeration, air conditioning and heat-pump systems and equipment

In order to become an official AREA position, 2/3 of the Full Members, having a quorum, have to vote in favour.

I personally believe that this issue is of utmost importance. So voting is essential : either for or against the proposal, this is another matter.
But voting is a moral obligation.

I trust the maturity of our association,

Yours sincerely,



Robert Berckmans
Secretary General

Environment

F-Gas Regulation issue

Invitation received from Cyprus :

Dr Charalambos Hajipakkos
Senior Environment Officer
Environment Service
Ministry of Agriculture, Natural Resources and Environment
Nicosia, 1411,
Cyprus

“The Environment Service of the Ministry of Agriculture, Natural Resources and Environment of Cyprus, in Cooperation with TAIEX, organizes on the 25 September a seminar on Regulation 842/2006 on F-gases and Directive 2006/40/EC on emissions from air-conditioning systems in motor vehicles.

We intend, at the seminar, to have presentations from DG Environment as well as the industry. Considering the above we shall be grateful if you afford the time to make a presentation at the above seminar.”

Past President Mitchell will represent AREA.

Result of the review for the national Austrian "Industrie-Gasverordnung"

Source : EPEE, August 22

Summary of Mr. F. Busch, DG :

The Regulation of Industrial Gases regulates the Emissions of Fluorinated Gases (HFCs,PFCs,SF6). It is part of the Austrian national climate strategy.

The plan for a review is to adapt the Regulation to the latest state of technical developments and to find justification for possible exemptions for a sustained use of f-gases beyond 2008.

There are a number of alternatives for f-gases as refrigerant, like hydrocarbons, ammonia and CO2 but all these substitutes have certain peculiarities which prohibit their unrestrained use. For that reason a number of RAC applications should be exempted from a ban of the use of fluorinated gases.

Hydrocarbons are flammable, their unrestrained use is limited up to a charge of 150 g. A use up to 500 g depends on the solution of certain safety problems. Even if the safety problems are solved and the range of applications for the use of hydrocarbons is widened this means a tremendous additional financial burden in comparison to f-gases:

- ammonia as possible alternative for fluorinated gases makes only sense for bigger industrial installations (100 kw or in specific cases 50 kw);
- CO2 is seen as the refrigerant of the future but it is still in the testing phase. There are a number of pilot projects with promising results.

If the Ministry of Environment follows the recommendations of the review-which has been prepared by an independent institute-we can expect a number of exemptions for a ban in applications like

- commercial plug-in systems
- mobile room a/c
- single commercial units
- combined commercial units
- industrial systems
- room a/c
- building a/c
- heat pumps
- mobile rac
- cooling containers
- most foams, sprays and aerosols.

Again, it depends on the willingness of the Ministry up to which degree they intend to follow these recommendations.

Infringement case against Denmark

EPEE answer to the letter of the Commission sent mid-August informing of the intention to drop the case against Denmark :

Mr J Garcīa Burguès
Head of Unit A2, Infringement
Directorate A - Communication, Legal Affairs and Civil Protection
DG Environment
Rue de la Loi 200
1049 Brussels

Brussels, 7 September 2006

Re: EPEE response to Commission proposal to close EPEE complaint 2003/4441

Dear Mr Garcīa Burguès,

I am writing to you in response to your letter of 14 August in which the Commission proposes to close the complaint 2003/4441 against Denmark.

EPEE welcomes the opportunity to respond as complainant to this proposed course of action. EPEE believes it is wrong for the Commission to look to close the infringement at this present time for the following reasons:

1. The complaint alleged that the Danish legislation infringes EC Treaty rules on the free movement of goods. Article 9 of the F-Gas Regulation expressly states that stricter national measures must be compatible with the Treaty. From your letter we conclude that the Commission believes that Member States may maintain stricter national measures and that Denmark has notified its measures, but says nothing about whether Denmark's legislation is compatible with the Treaty or shed any light on the justification provided to show this compatibility. In the past as the Commission does not appear to have found that the Danish legislation is compatible with the Treaty, all of the conditions for applying Article 9 of the F-Gas Regulation have not been satisfied. From EPEE's understanding there have been no fundamental changes to this legislation as notified and the infringement procedure therefore remains justified.
2. EPEE continues to believe that this proposed unchanged approach of the Danish order is not environmentally justified and proportionate in its current form, because there are less restrictive means to achieve the same level of environmental protection. EPEE also considers that the legislation includes unjustified barriers to trade and so be contrary to EC Treaty rules on the free movement of goods (Articles 28-30). This new procedure comes under the auspices of the F-gas Regulation and Article 95 so these barriers will also affect the Internal Market.

We find it unusual that your letter:

1. does not refer to any justifications and if the law (and accompanying justification) are to be accepted without any review or comment, given that the text of the F-gas Regulation (quoted in your letter) says that the law must be accompanied by a justification;
2. includes no evidence or comment on the compatibility with the treaty of the Danish notified law, which again is a requirement included in Article 9 of the F-gases Regulation. Such an approach would seem to indicate that there should be a review process to judge whether it is compatible with the treaty – i.e. a new process under Article 95 should be undertaken, or a continuation of the current process in order to make this judgment. Again your letter does not refer to such a procedure.

Your letter also incorrectly states that the Danish legislation covers the use of, import and export of HFCs in Denmark. The Danish Regulation rather includes a selective ban of the import, sale and use of HFCs, PFCs and SF6s, but not their export from Denmark, which had raised concerns regarding potential discrimination.

We have formulated our position on the basis of the information contained in your letter and conclude from this that the Commission must continue to pursue the infringement procedure against Denmark. Should there have been a change in approach in the Danish legislation, as notified; to the Commission on the 2 June 2006 we would be grateful to review any information available on this so as to be fully informed in our response to the decision to close the pending infringement procedure.

We remain open and available to discuss this issue and our position with you and your team in the near future.

With kind regards,



Friedrich P Busch
Director General

CC:

- Laurence Graff, Deputy Head of Unit, Unit C2 Market based instruments including Greenhouse gas emissions trading, DG Environment
- Peter Horrocks, Administrator, Unit C2 Market based instruments including Greenhouse gas emissions trading, DG Environment
- Maciej Gorka, Head of Unit, Unit C5 Application of Art. 28-30, DG Enterprise
- Wolfgang Hehn, Deputy Head of Unit, Unit G2 Chemicals, DG Enterprise
- Nicolas Imbert, Administrator Unit G2 Chemicals, DG Enterprise

California wants to terminate greenhouse emissions

Source : Euractiv, September 1, 2006

“California will be the first US state imposing strict limits on the emissions of carbon dioxide. With its new policy, Schwarzenegger's state confirms that US states and many American businesses are listening to EU arguments about climate change

Republican Governor Arnold Schwarzenegger has brokered a deal with California's Democratic legislators on curbing the emissions of greenhouse gases and combatting global warming. The agreed Global Warming Solutions Act aims at cutting greenhouse gas emissions to 1990 levels by 2020.

Although the deal does not specify specific regulatory mechanisms to reach this goal (it does not mention a European-like cap-and-trade system), the initiative confirms that states, regions and local authorities are starting to put pressure on the US federal government to change its policy on global warming. Lots of important US industries have joined the ranks of those who are taking climate change seriously.

California is the world's 12th largest source of carbon dioxide emissions.

The "bottom-up" shift of American opinion on climate change could have major implications for the international community's efforts to define a new global climate change policy post-2012.”

Education & vocational training



**Leonardo da Vinci
The European Refrigeration Craftsman**

Nice message received from the Commission on September 13 :

“There will be a big conference in Helsinki on 4-5 December 2006 with the objective to highlight the importance of LdV programme in implementing the Copenhagen process. A small exhibition of the selected LdV projects will be organised as a part of the conference. The exhibited projects will also be awarded a best practice award - the Helsinki Award. A representative amount of projects will, furthermore, be published in a compendium handed out to the delegates.

As the Refrigeration Craftsman project corresponds well to the Copenhagen objectives, I would like to suggest it to participate to the competition of the projects to be selected. If you have any additional material or information of possible new developments concerning this project, please let me know.

Kind regards

Rea Brunila”

Project Manager

Education, Audiovisual and Culture Executive Agency
Unit P3 – Leonardo da Vinci
BOUR Office 1/27
B-1049 Brussels



had the pleasure to communicate that the project "**Energy Management Technician in EU**" had been accepted by the European Commission with a total evaluation of 1 that indicates the value of the project and the interest on the part of the EU in this subject. AREA, our Members ANEFRYC (Spain), HRACA (Hungary) and ATF (Italy) will be partners in charge of dissemination of the expected results.

Reminder of the objective :

*“Energy savings, alternate energies, environment protection, energy control systems...
A technician’s professional profile knowing and mastering energy management is essential in various sectors of society.
Some countries within the EU have begun the vocational training of these technicians, establishing studies to create this type of professionals (example: France). In some others, this is accomplished by means of courses which are not part of the country’s education system. And in others, there are vocational training credits for professionals who have attended extra courses in these subjects.*

*ETPC proposes the creation of an European professional profile, targeted to the competence convergence within the decisions that affect the energy savings and the use of alternative energies.
The operating scope of this professional technician will be transversal within different activity sectors.”*

News from EHPA European Heat Pump Association

EHPA and the Austrian institute Arsenal Research organize the following event

TRACE
Training and Certification Symposium for Renewable Energy Systems
October 4th – 5th 2006
TECHbase, Giefinggasse 2, 1210 Vienna, Austria

The symposium focuses on training & certification systems and the quality aspects of further education in renewable energy systems. Running programmes will be presented and their experiences exchanged – such as EU-CERT.HP, the EU project European Certified Heat Pump Installer Programme.

Renewable energy systems are playing an important role in the efforts for a sustainable use of the world’s resources. While technologies for renewable energies develop and markets boom,

the link between high quality products and a highly competent workforce should not be neglected. Both, high tech energy systems and well-trained installers must be guaranteed. This quality aspect and, consequently, the acceptance of RES will be sustainably supported by specialized further education and certification programmes in RES.

The symposium TRACE aims to provide information on training and certification programmes in RES as well as a communication platform for exchanging experiences and inviting new partners to join the activities.

Target groups of the event are organisations, institutions specialised and interested in RES trainings, trainers and representatives of energy agencies, certification institutions, branches and guilds as well as stakeholders on national and European level. TRACE invites new countries to join the training programmes.

AREA will be represented by our Director Attila Zoltan (HU HKVSZ).

Speakers will include Mr. William Gillett of Intelligent Energy Europe, Mr. Li Zhu – ISPQ accreditation and certification system, Mr. Trevor Johnston – Renewable Energy Installer Academy of Ireland, and an Austrian specialist on certification of persons according to ISO EN 17024.

General information and registration details are provided online:

http://www.cer2.net/web/index.php?option=com_content&task=view&id=157&Itemid=27

Maybe is it useful to remind what is EUROPASS?

Opening doors to learning and working in Europe

What is Europass

Whether you are planning to enrol in an education or training programme, looking for a job, or getting experience abroad, it is important to be able to make your skills and competences clearly understood.

Europass is a new way of helping people to:

- make their skills and qualifications clearly and easily understood in Europe (European Union, EFTA/EEA and candidate countries);
- move anywhere in Europe.

Europass consists of five documents:

- two documents ([Europass curriculum vitae \(CV\)](#) and [Europass Language Passport](#)) you can fill in yourself; and
- three other documents ([Europass Certificate Supplement](#), [Europass Diploma Supplement](#) and [Europass Mobility](#)) filled in and issued by competent organisations.

Europass is supported by a network of [National Europass Centres](#).

Europass has been established by the [Decision No 2241/2004/EC](#) of the European Parliament and the Council of 15 December 2004 on a single transparency framework for qualifications and competences.

Standardisation

StandarDay

On the occasion of the World Standards Day, CEN is organizing its first StandarDay in Brussels on 17 October 2006.

It is a one day training session for newcomers to EU standardization and people who need to know more about it.

For more information, please visit www.cenorm.be

**Draft agenda
for the 24th meeting of CEN/TC 182
in Ostend on 2006-10-24/25**

- 1 Opening of the meeting (13.00 h)**
- 2 Roll call of delegates**
- 3 Adoption of the draft agenda**
- 4 Nomination of the resolutions committee**
- 5 Report of the secretariat on the progress of work**
- 6 CEN/TC 182/WG 2 Design and testing**
 - 6.1 Report of the convenor
 - 6.2 prEN 12693
Refrigerating systems and heat pumps – Safety and environmental requirements –
Refrigerant compressors
 - 6.3 Actions with regard to the report
- 7 CEN/TC 182/WG 6 Revision of EN 378**
 - 7.1 Report of the Convenor
 - 7.2 Revision of EN 378
 - 7.3 Actions with regard to the report

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- 8 CEN/TC 182/WG 7 Pressure equipment in refrigerating systems**
- 8.1 Report of the Convenor
- 8.2 prEN 14276-2
Pressure equipment for refrigerating systems and heat pumps – Part 2:
Pipings – General requirements
- 8.3 Actions with regard to the report
- 9 CEN/TC 182/WG 9 Tightness of components and revision of EN 1736**
- 9.1 Report of the convenor
- 9.2.1 Work item 0182040 "Tightness of components"
- 9.2.2 Revision of EN 1736
- 9.3 Action with regard to the report
- 10 CEN/TC 182/WG 10 Eco-design requirements**
- Report of the convenor
- 11 Revision of EN 13313**
- Appointment of a convenor 
- 12 Revision of EN 14624**
- 13 ISO/TC 86**
- 13.1 ISO/TC 86/SC 1/WG 1
- Report of the meeting of the ISO/TC 86/SC 1/WG 1 ad hoc group held on 2006-07-26 in Quebec
 - Report of the ISO/TC 86/SC 1 meeting on 2006-09-27/28 in Korea
- 13.2 ISO/TC 86/SC 8/WG 5
- Report of the ISO/TC 86/SC 8 meeting on 2006-09-25/26 in Korea
- 14 Any other business**
-

European Parliament

Article of Euractiv of September 6

Wallström: "Strasbourg has become a negative symbol"

“Commissioner Margot Wallström knows that this autumn the Commission must somehow handle the issue of a million signatures on a petition that argues for the European Parliament to have only one seat.

Although she realises that the issue will be up to the Council, her mind is made up: "Something that was once a very positive symbol of the European Union reuniting France and Germany has now become a negative symbol – of wasting money, bureaucracy and the insanity of Brussels institutions," she says in an interview with the magazine E!Sharp.

She advises the EU to be careful: "One has to try to both explain why it was placed there and pay respect to that, but also say that times have changed and now this is impractical and too expensive."

Trade Commissioner Peter Mandelson has said: "I like the parliament in Strasbourg. But it is very hard to justify the cost," while Commission President José Manuel Barroso has refused to comment on the petition, since he cannot act upon it.

Emmanuel Vallens of JEF, Young European Federalists, is also for one seat, but states that it should in fact be in Strasbourg: "What motivates the media is not where the Parliament is, but whether it is powerful or not. Power is a matter of competence, not of geographical location. If its competences were stronger, having the EP away from Brussels would not prevent MEPs from summoning Commission or Council officials or travelling to Brussels from time to time." Presidential hopeful, France's Interior Minister Nicholas Sarkozy gave his full backing in June 2006 to Strasbourg as seat for the EP. He cites it as a "symbol of Franco-German reconciliation and of European Unity".

Placing the planned European Institute of Technology, EIT, in Strasbourg, has been suggested as a possible bargaining chip, if the EP should eventually only sit in Brussels."

Member States

United Kingdom

New help to clean the air

To help organizations respond to the challenges of climate change the British Standards Institution (BSI) has published three new international standards intended for use not just by environmentalists but all government departments, businesses and organizations.

Global initiatives to limit greenhouse gas (GHG) concentrations in the Earth's atmosphere rely on the quantification, monitoring, reporting and verification of GHG emissions and/or removals, driven largely by the Kyoto Protocol which became part of international law on 16 February 2005. The Kyoto Protocol identifies the need for a standardized process for reporting climate change emission or removal inventories, and promoting their formal verification and validation by third parties.

NEW international standards - BS ISO 14064:1-3

Nigel Carter, BSI committee chairman of SES/1/-/5 Greenhouse Gas Management said:

" The challenge of climate change remains high on the agenda of large corporate energy users. BS ISO 14064 provides an alternative and transparent process for verifying GHG emissions and for validating potential projects for offsetting removals."

" The market for offsets in climate change emissions continues to grow. Outside the realms of the EU and the regional trading schemes, ISO 14064 offers a unique medium for companies wishing to validate capacity internationally or verify offsets they are seeking to acquire. In

addition, the imminent publication of the complementary standard ISO 14065, will give competent bodies the opportunity to establish schemes for accredited verifiers and validators bringing the ultimate authority for transactions.”

BS ISO 14064 parts 1-3 provides guidance at both the organization and project levels for the design, compilation, maintenance and reporting of GHG inventories; the planning and monitoring of project performance as well as guidance for those managing validation or certification of GHG assertions.

BS ISO 14064-1:2006 Greenhouse gases. Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals

BS ISO 14064-1 details principles and requirements for designing, developing, managing and reporting organization- or company-level GHG inventories. It includes requirements for determining GHG emission boundaries, quantifying an organization's GHG emissions and removals and identifying specific company actions or activities aimed at improving GHG management. It also includes requirements and guidance on inventory quality management, reporting, internal auditing and the organization's responsibilities in verification activities.

BS ISO 14064-2:2006 Greenhouse gases. Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emissions reductions or removal enhancements

BS ISO 14064-2 focuses on GHG projects or project-based activities specifically designed to reduce GHG emissions or increase GHG removals. It includes principles and requirements for determining project baseline scenarios and for monitoring, quantifying and reporting project performance relative to the baseline scenario and provides the basis for GHG projects to be validated and verified.

BS ISO 14064-3:2006 Greenhouse gases. Specification with guidance for the validation and verification of greenhouse gas assertions

BS ISO 14064-3 details principles and requirements for verifying GHG inventories and validating or verifying GHG projects. It describes the process for GHG-related validation or verification and specifies components such as validation or verification planning, assessment procedures and the evaluation of organization or project GHG assertions. BS ISO 14064-3 can be used by organizations or independent parties to validate or verify GHG assertions.

France

News received from EFCTC ([European Fluorocarbon Technical Committee](#)) on August 29

THE LOUVRE, PART OF PARIS DISTRICT COOLING WITH HFC-134a : ONE OF THE LARGEST CIRCUITS IN THE WORLD

A new cooling delivery station to the Louvre Museum in Paris has attracted the attention to the Paris cooling water network, the first in Europe and one of the largest in the World, with a total length of 52 km and a cold water storage of 12 000 m³.

The [production of cold](#), based on HFC-134a, has a total capacity of 164 MW cooling.

Cold water is sent to five decentralized delivery stations at the temperature of 4C and returned at around 14C.

District cooling provides the cooling needs for the air conditioning of hundreds of buildings (offices, hotels, stores) and for the cooling of computers rooms, cold rooms, etc.

Source : http://www.climespace.fr/nos_metiers/la_production_de_froid.html

News from our Members

Svaz CHKT

The new postal address of our Czech Member is :

Svaz CHKT
[Freyova 27/82](#)
[190 00 Praha 9](#)

The phone/fax numbers and email address remain the same.

The website has been updated.

Sister Associations

REHVA

REHVA beta version Dictionary on-line :

Do you need to translate HVAC terms into your language? Visit [beta version of on-line REHVA dictionary!](#)

EURAMMON

The members of eurammon elected Monika Witt as the new chair of the executive board at their general meeting on 4 and 5 May 2006 in Prague. Georges Hoeterickx, Thomas Spänich and Franz Kaltenbrunner were also confirmed in their office.

"Since climate relevant technologies do not stop at borders, eurammon stands up internationally for sustainable solutions in the air-conditioning and refrigeration industry", says Monika Witt, chair of the executive board of eurammon, the European initiative for natural refrigerants. "For this purpose we have access to a broad network of members, who come from 17 countries - including the USA, Australia and South Africa. It is our goal to advise designers and endusers of refrigeration systems in a competent manner and support them in their decision to use natural refrigerants. eurammon is also a contact for the interested public and politicians in all aspects regarding natural refrigerants."

Monika Witt (42) is managing director of Th. Witt Kältemaschinenfabrik GmbH in Aachen. She studied mechanical engineering at the RWTH Aachen and finished with a diploma in the field of process engineering. Later she worked as project engineer for air separation plants at Messer Griesheim GmbH in Krefeld and at MG Industries USA, before she joined the family

business Th. Witt Kältemaschinenfabrik in 1996, where she took over the managing position in 1998. Monika Witt succeeds Holger König.

Georges Hoeterickx (51) is marketing manager at Baltimore Aircoil N. V. Belgium. The native Belgian studied at De Nayer University, from which he graduated as an electro-mechanical engineer. In 1989 Hoeterickx obtained his Master of Business Administration from Limburg University.

Franz Kaltenbrunner (66) is managing partner of the KWN Engineering-GmbH, headquartered in Seekirchen/Salzburg, Austria. The Austrian is a graduate of the Höhere technische Lehranstalt - Maschinenbau in Linz. Since 1962 he has been exclusively working in the field of refrigeration technology for various national and international refrigeration companies in Austria and neighbouring countries. In 1989 Kaltenbrunner founded KWN Engineering-GmbH with the objective of bringing innovative measures to the planning and construction of refrigeration plants.

Thomas Spänich (42) is manager for customized systems for engineering and sales at Grasso GmbH Refrigeration Technology, Berlin. Furthermore, within Grasso GmbH he is responsible for the marketing department. Spänich studied thermal and hydraulic mechanical engineering at the Technical University of Dresden and obtained his degree in refrigeration technology in 1990.

ORGALIME POSITION PAPER **on the creation of a European Private Company Statute**

Commission Communication COM (2003) 284 final

Brussels, 3 August 2006

1. Introduction

Orgalime represents the interests of the European mechanical, electrical, electronic and metalworking industries at the level of the EU. Our members include, at the present time, 35 national trade federations representing some 130,000 companies in 24 European countries. These industries, which include mainly SMEs, employ some 10 million people and account for around 1,598 billion euro of output.

Orgalime believes that if substantial achievements have been attained in the development of the internal market for goods, there are other areas where companies still face serious problems. One of these is the entry barrier for companies, particularly SMEs with limited financial and personnel resources, who wish to set up Europe-wide company structures. These companies still face both administrative problems and costs when setting up European-wide company structures. A simplification of the regulatory framework of the EU in this area would therefore be welcome and would represent a concrete step forward in the Commission's simplification agenda.

2. Background

In Lisbon, the then 15 EU Member States set themselves a new strategic target: they want to make the EU the most competitive and dynamic knowledge-based economy of the world by 2010. This target can only be achieved by improving and simplifying the European legal framework for companies. Through effective deregulation on European as well as on national level, costs and bureaucratic burdens for companies must be reduced in order to strengthen the position of European enterprises for global competition.

EU decision-makers often emphasise correctly the importance of SMEs for the European economy. The European Commission recently announced a more pragmatic, comprehensive and inclusive policy for SMEs and committed itself to the “Think Small First Principle”. Now it is time to present concrete proposals for the improvement of the legal and economic framework for SMEs.

The "Societas Europaeae" (SE) came into force in 2004. The final agreement among Member States with respect to the SE was a major breakthrough in European company law and should motivate and even oblige decision-makers as well as stakeholders to create a Europe-wide type of company tailored to SMEs. In order to prevent competitive disadvantages for SMEs compared to bigger companies, SMEs must also obtain the possibility to organise their Europe-wide business activities by using a European company statute. Moreover, the European Commission Consultation on Future Priorities for the Action Plan on Modernising Company Law and enhancing Corporate Governance in the EU shows that the Commission correctly intends to base company law reforms on the interest and requirements of companies. This is the right approach.

3. SMEs need a European Private Company

a) Current difficulties to establish subsidiaries

The 2001 report of the European Commission on SMEs comes to the conclusion that the activities of SMEs become more and more international. This is particularly true for companies of the engineering industry which must operate Europe-wide and even global due to their very specific products which are in many cases individual configurations to solve specific problems of their customers. However, experience shows that for SMEs in particular the formation of subsidiaries in other countries is often very complicated and costly.

A medium-sized engineering company intending to organise its distribution and service activities Europe-wide has to deal with 25 very different national company law systems within the EU. Therefore, extensive counselling is needed with respect to the requirements for setting up a company and to other company law provisions. This causes significant costs as well as insecurities and difficulties for the internal planning of the Europe-wide distribution and service network. These problems are not limited to the formation of a subsidiary. They occur also in cases of restructuring and during the daily management of the company.

b) Survey shows strong SME support for the EPC

On the occasion of the European Commission Consultation on Modernisation of EU Company Law in 2002 an Orgalime member association conducted a survey among 75 elected companies. The results of the survey clearly showed that companies disapproved of the fact that they have had to set up subsidiaries under, at that time, 15 different legal systems. The survey demonstrated the clear need for the creation of a European Private Company (EPC). 95% of the companies would, if possible, set up new subsidiaries in EU Member States as an EPC. The vast majority of the companies (66%) would even have chosen an EPC as the legal form for subsidiaries if national labour and tax provisions were applicable. 54% of the companies stated that they would be interested in transforming existing subsidiaries into an EPC.

Companies consider it as an outstanding advantage if they would no longer have to deal with (at that time) 15 different company law systems any longer and that, therefore, costs would be reduced for counselling regarding the formation and the drafting of a company statute. Moreover, they expect more transparency with respect to risks, such as company and management liability. Beyond legal aspects, companies emphasise benefits with respect to the organisation of the group. This includes the creation of uniform structures specifically for all management bodies of the various companies, which would make it easier to control the different subsidiaries.

Moreover, companies considered the following aspects to be important:

- Better legal certainty particularly with respect to the formalities of a shareholders meeting to be complied with;
- More flexibility regarding the registration of an EPC;

- Simplifying cross border mergers;
- Better transparency of mergers;
- Uniform financing of companies with respect to the issue and transformation of shares.

The psychological barrier to set up subsidiaries under a system, which is unfamiliar to the company, should not be underestimated. This lack of transparency negatively affects the willingness of SMEs to take risks. Access to foreign markets is much easier for SMEs if they can realise it by using a familiar legal form for their subsidiaries.

c) New feasibility study confirms results of 2002 survey

The European Commission launched a feasibility study on a new European legal statute for SMEs in 2003. The final results that were published in December 2005 argue for the EPC. One out of two companies interviewed endorses the creation of a European statute for SMEs. Companies with an annual turnover of more than 5 million euro are the most favourable. This does not come as a surprise, as those companies in particular have the potential to found subsidiaries in other Member States where they then encounter the above-mentioned difficulties.

The feasibility study also proves how important a 'European label' of an EPC for SMEs really is. This 'European label', which would not be attained through company law harmonisation, would not just have a marketing result. The authors of the study correctly point out, that it would also facilitate SME cross-border activities. The EPC structures would be known by business partners in other EU Member States so that all partners would know with whom they are dealing. Thus, the study assumes that for example it will be much easier for a SME from country X to do business with and to gain the confidence of an enterprise from country Y if it possesses a European status with characteristics known to its partner than if it is organised in an unknown legal form of a company according to the national law of country X.

d) EU enlargement increases advantages of the EPC

The creation of a European company statute responding to the need of SMEs to operate under flexible and unbureaucratic provisions would present a further important step towards more deregulation. Such a European type of company is even more important in the light of both the past enlargement, as well as the future EU enlargement (Romania and Bulgaria), since the advantages for the enterprises increase with every accession of a new Member State and, moreover, the economical integration of the new Member States in the Common Market is facilitated.

4. Major requirements an EPC must fulfill

Although the need for an EPC is obvious, enterprises will only accept such a new type of company if a number of basic requirements are fulfilled. Reduced bureaucracy and costs are vital, particularly for SMEs. Therefore, the incorporation of an EPC should be as simple as possible and must not incur high administrative costs for the founder of the new company. Moreover, flexibility is essential for SMEs.

a) Incorporation

SMEs need an instrument, which allows them to set up subsidiaries on the basis of the same rules in every Member State. Due to a number of reasons, already existing European company statute forms, such as the European Economic Interest Group (EEIG) and the SE, are not tailored to the needs of SMEs. The very strict requirements for the incorporation are only one of the reasons why companies refrain from setting up an SE and an EEIG respectively. Too strict requirements with respect to the European character of the EPC (for example joint establishment of an EPC by two companies from different Member States) must be avoided. It is sufficient if the company intending to set up an EPC proves business activities in at least two Member States.

Moreover, SMEs will only use the EPC if the minimum capital is not prohibitive. A possible and realistic solution would be to apply Article 6 of the second Company Law Directive 77/91/EEC, which provides € 25,000 as share capital.

b) Freedom of contract

It is very important for SMEs that they can structure their companies in a way best suited for their individual requirements. Such flexibility can only be guaranteed if the rules governing the EPC are based on the freedom of contract principle. SMEs would not use an inflexible European company statute, which would therefore in our opinion remain largely unused.

c) Complementary application of national law

SMEs have serious problems with the existing differences for the incorporation and management of limited companies within the EU. Companies expect the differences to vanish if the EPC is introduced and, consequently, counselling and information costs to decrease. This can only be achieved if the complementary application of national company law provisions is excluded. Moreover, it must be clear that in the first place, shareholders must be able to regulate all important issues in the memorandum of association. Only in the second place and with respect to a limited number of elementary issues, Europe-wide provisions may apply. An EPC statute must not provide cross-references to national company law. Such a mixture between EU and national provisions would create rather more than less need for information and counselling. SMEs depend on an EPC statute including clear and exhaustive provisions. Problems of interpretation must be solved Europe-wide by the European Court of Justice. Certainly issues of general civil law (conclusion of contracts, authority for directors) play an important role in company law as well. These issues should further on be dealt with on the basis of national civil law, as they do not cause extensive counselling and information costs. The complicated questions of company law are the crucial problem, which has to be solved as soon as possible.

5. Summary and Conclusions

The establishment of subsidiaries in EU Member States entails significant difficulties and high costs for SMEs. Due to 25 very different national systems of company law, extensive counselling is needed with respect to the requirements for setting up a company and to other company law provisions. This causes significant costs as well as uncertainties and difficulties for the internal planning. The psychological barrier to set up subsidiaries under a system, which is unfamiliar to the company, should not be underestimated either. Lack of transparency regarding liability issues and other obligations prevents SMEs from setting up subsidiaries in different EU Member States.

There is a strong interest of European companies in the creation of an EPC. The EPC is needed to establish a level playing field for SMEs after bigger companies were given the possibility to organise their Europe-wide activities in a European type of company, the SE. As far as the structure and the content of a possible EPC statute is concerned, it must be clear that business would only accept and use the EPC, if the incorporation is as simple as possible and does not incur high costs. The statute must provide the founder of an EPC with a high degree of flexibility. The requirements with respect to the European character of the EPC (e.g., joint establishment of an EPC by two companies from different Member States) must not be too strong. It is sufficient if the company intending to set up an EPC can prove business activities in at least two Member States. Moreover, complementary application of national company law provisions and crossreferences to national company law should be avoided.

Orgalime would see the statute of the EPC as concrete move in the direction of simpler and better regulation in the internal market.

ORGALIME THE EUROPEAN ENGINEERING INDUSTRIES ASSOCIATION

Bd A. Reyers 80 - Diamant Building - B-1030 - Brussels – Ass. Intern. A.R. 12.7.74 - VAT BE 0414341438

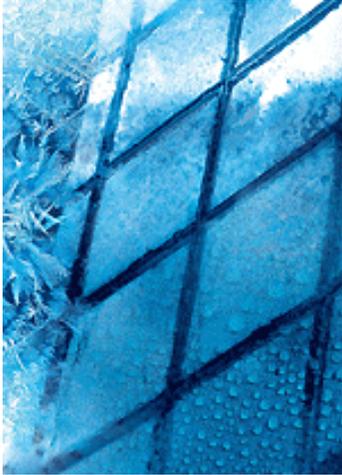
Tel. 32 2 706 82 35 - Fax 32 2 706 82 50 - secretariat@orgalime.org - www.orgalime.org

Events

PRESS RELEASE

17 August 2006

New location opens up enormous development potential for this traditional trade fair



IKK in Stuttgart from 8 to 10 October 2008

IKK, the leading trade fair for refrigeration and air conditioning, will open its doors for the first time at its new location in Stuttgart from 8 to 10 October 2008. The move to the highly modern trade fair centre in Europe's leading high-tech region will offer the International Trade Fair for Refrigeration, Air Conditioning and Ventilation - an event boasting a long tradition - enormous development potential which has long been demanded by exhibitors and will be utilised to the full in cooperation with the advisory panel.

The head offices of world leaders in the manufacture of refrigeration, air conditioning and ventilation systems, as well as of renowned plant construction companies are located in the area around the Stuttgart Trade Fair Centre. In addition, most of the planners, architects and engineers in Germany are domiciled in this area along with the motor vehicle construction industry and automotive component suppliers as key customers of the refrigeration and air conditioning industry. The new venue for IKK therefore lies in the key to markets for both exhibitors and visitors, which means that the costs of attendance at the trade fair can be kept low an important economic factor, especially nowadays. Then there are the excellent transport links, which are unrivalled in Europe. The exhibition halls at the new Stuttgart Trade Fair Centre are located in a triangle between the airport, motorway and trunk road. It is only a short walk from the airport and the train station to the Trade Fair Centre a great advantage for an event such as IKK with its strong international character.

However, the outstanding location conditions were not the only important factor in moving IKK to Stuttgart. The specific know-how of the trade fair organisers also played a major role. The Project Team has many years of experience in the refrigeration and air conditioning industry and is known personally to decision-makers from industry, commerce and craft trades. The change of staff can therefore take place without any problems. The portfolio of Messe Stuttgart also contains successful trade fairs for related industries, for example eltefa, Trade Fair for Electrical Engineering and Electronics, or R + T, International Trade Fair for Roller Shutters, Doors/Gates and Sun Protection, which, similar to IKK, has developed from a national event for craft trades into the world's leading event without neglecting its roots.

In line with the request by important sectors of the industry and the specialist retail trade, IKK will be held every two years at its new location in Stuttgart. The owner of the trade fair, IKK Messe-, Wirtschafts- und Informationsdienste GmbH, will use the odd years to cooperate with ISH-Aircontec in Frankfurt, where the focal point will be building services.

PRESS RELEASE

17 August 2006

Chillventa Nürnberg Exhibitors Group' expands



Nine more companies and BIV join the group Chillventa Nürnberg – New international trade fair for Refrigeration – Air Conditioning & Ventilation – Heat Pumps from 15-17 October 2008

26 companies and five organizations from the refrigeration and air conditioning industry set up the 'Chillventa Nürnberg Exhibitors Group' on 27 July 2006. Other major companies and a well-known training institution have joined the group in the meantime. The declared support of BIV is also an important signal and there is a good response to the Nürnberg location from abroad.

As at 17 August 2006, more well-known national and international companies and the first training institution have joined the 'Chillventa Nürnberg Exhibitors Group' with the aim of providing active support and being at the new exhibition in Nürnberg in 2008. The new members are the following companies and institutions in the refrigeration and air conditioning industry:

- Armacell GmbH
- Bundesfachschule Kälte-Klima-Technik, Maintal and Niedersachswerfen
- cool it Isoliersysteme GmbH
- Danfoss Wärme- und Kältetechnik GmbH
- Fujitsu General (Euro) GmbH
- Grasso GmbH
- Walter Roller GmbH & Co.
- Schick Gruppe GmbH & Co. KG

- Temprite Company, USA

Encouraging response from the German refrigeration plant assembly trade

On 14 August 2006, the executive board of the Bundesinnungsverband des Deutschen Kälteanlagenbauerhandwerks BIV also unanimously declared its support for the 'Chillventa Nürnberg Exhibitors Group'. BIV is the German federation for the refrigeration plant assembly trade and represents a total of 1,100 refrigeration and air conditioning contractors via its 19 state guilds. As a member of the exhibitors group, BIV will represent the interests of an important part of the national trade visitors in the development of the new Chillventa trade fair and actively co-operate in the exhibitors committee.

In addition, ten Italian companies from the industry have declared their intention to keep Nürnberg as their exhibition venue in 2008. This group includes well-known companies like Zanotti, LU-VE, Technoblock and dixell.

New Internet site offers the latest news

With immediate effect, the 'Chillventa Nürnberg Exhibitors Group' reports continuously on the current position on its new Internet site at www.ausstellerkreis-chillventa.info. The site also provides background information about the initiative and download facilities.

The background:

The aim of the 'Chillventa Nürnberg Exhibitors Group' and its initiative is to set up the new international trade fair for the refrigeration and air conditioning industry at the Nürnberg venue under the new brand name of 'Chillventa' by 2008. The purpose of the new event is to integrate the interests of all segments of the refrigeration and air conditioning industry into the development of a modern exhibition concept. NürnbergMesse has been requested to implement the new concept and will be pleased to do so after 21 October 2006. The exhibitors group was set up by the following companies and industry organizations on 27 July 2006:

- ACE Klimatechnik GmbH Airwell • AL-KO Therm GmbH • Association of European Refrigeration Compressor and Controls Manufacturers (ASERCOM) • Axair GmbH • Bitzer Kühlmaschinenbau GmbH • Bock Kältemaschinen GmbH • Carrier GmbH & Co. KG • Christof Fischer GmbH • Climaveneta Deutschland GmbH • Copeland GmbH • Daikin Airconditioning Germany GmbH • Deutscher Kälte- und Klimatechnischer Verein DKV • ebm-papst GmbH • Fachinstitut Gebäude-Klima e.V. (FGK) • Hans Güntner GmbH • Ilkazell Isoliertechnik GmbH • Informationszentrum Wärmepumpen und Kältetechnik e.V. (IZW) • Kriwan Industrie-Elektronik GmbH • Küba Kältetechnik GmbH • LG Electronics Deutschland GmbH • MTA Deutschland GmbH • Reiss Kälte-Klima GmbH & Co. KG • Rosenberg Ventilatoren GmbH • Robert Schiessl GmbH • Stulz GmbH • TEKO Gesellschaft für Kältetechnik mbH • VDMA-ALT • Th. Witt Kältemaschinenfabrik GmbH • Wurm Systeme GmbH & Co. KG • York Deutschland GmbH • Ziehl-Abegg AG

International Institute of Refrigeration IIR Conference **Ammonia Refrigeration Technology - for Today and Tomorrow** to be held on April 19-21, 2007 in Ohrid, Macedonia.

Key speakers:

Anders Lindborg (Sweden): "The Future for Ammonia as a Refrigerant"

Predrag Hrnjak (USA): "Heat Transfer Issues in NH₃ and CO₂"

Andy Pearson (UK): "Extending the Life of Ammonia Systems"

Bjorn Palm (Sweden): "Ammonia in Small Refrigeration and Heat Pump Systems"

Lambert Kuijpers (Netherlands): "Ammonia Refrigeration in International Technology Assessments"

Zahid Ayub (USA): "Current and Future Prospects of Enhanced Heat Transfer in Ammonia Systems"

Anders Lindborg,
President of the Scientific Committee

Risto Ciconkov
President of the Organising Committee

For more information :

www.mf.ukim.edu.mk/web_ohrid2007/ohrid-2007.html

ristoci@ukim.edu.mk
