

<b><i>Introduction</i></b>
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Ladies and Gentlemen,

I welcome you in Amsterdam, at the conference ‘Simple is Better - effective regulation for a competitive Europe’. The conference is an important event in the Dutch presidency calendar. The aim of the conference is to discuss issues of Better Regulation and to focus on the simplification of concrete cases. But before you start I would like to tell you a story that stresses the importance of our discussion about making regulation simpler.

*At the beginning of the 20<sup>th</sup> century a man in Eindhoven invented the first light bulb. He started a company to sell these lamps and soon his company grew bigger and bigger. The money he made he invested in his own research laboratory to further stimulate product innovation. This strategy made his company one of the world's biggest electronic companies. But during the 1970's and 80's the competition from other, especially Asian, companies became stronger and stronger. The company lost ground and needed to change strategy if it wanted to be able to survive. So during the 1990's it carried out a major restructuring program to become strong and competitive again. The company focused on ‘making things better’. But better things did not always mean less complex things... Fortunately they slowly re-invented the light and they realised that things should not only be better but also simpler.*

What can we all learn from this story? There is a strong parallel between the story and the challenges the European Union faces in its ambition to become the most competitive economy in 2010. For example, in Europe we care about our environment and with this in mind we invented a lot of rules to protect it. However, we have become so inventive and productive in this area that nobody seems to understand the rules and obligations anymore. If we want to achieve our goal we need rules to be better and simpler!

<b><i>BR in Nederland</i></b>
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Amsterdam is a city that is usually not associated with rules and regulation...But believe me; the Netherlands has its fair share of rules that can be made simpler and better. Did you know that until recently companies had to use different wage definitions in their accounting system, one for the benefit of tax authorities and another one on behalf of the social security authorities?

Another example is that until recently companies had to publish in our state newspaper the fact that they had deposited their annual account with the Chamber of Commerce! Not only do we publish a state newspaper, we also made sure it gets enough customers!

The Dutch government reduces the administrative burden with 25% in 2007. To achieve this, all Dutch ministries have measured their administrative burden using a uniform and transparent method, called the Standard Cost Model. These measurements provided us with so much information, that we easily found reduction proposals covering 18% of the overall volume of 16,4 bln per year. These proposals include solving the problems concerned with wage definitions and obligatory publications, which I just mentioned. We expect to identify additional measures to fulfil our 25% target (€4 bln) soon.

According to a study from the Netherlands Bureau for Economic Policy Analysis this leads to a structural increase of the Dutch GDP of 1.5%. If we would deal with the Administrative Burden in a coordinated action of all member states and the European Commission, this could even lead to a structural increase of 1.7% GDP.

This shows the importance of better and simpler regulation for the Lisbon agenda. It's important to intensify the work on Better Regulation. Not only on a national level, but also on EU level.

<b><i>BR in EU</i></b>
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To strengthen the instruments in the field of Better Regulation my colleagues from Ireland, Luxembourg and the United Kingdom and I have made a unique commitment to keep the issue of Better Regulation on the European agenda throughout 2004 and 2005. Elements of this commitment include:

- Further development of Impact Assessments procedures, particularly focusing on the economic and competitiveness aspects.
- Developing a method to measure administrative burden on business
- Identifying priority areas of existing community law for simplification
- Developing regulatory indicators to measure the quality and the pace of reform of regulation at both EU and Member State level
- Improving regulatory structures and processes in Member States

Better Regulation is a process which will only deliver results when it is carried through over a longer period of time.

The last couple of years significant progress has been made in the EU. Examples of simplification can be found in the field of VAT and Statistics, among other things. The Commission in particular should be commended for the steps they have taken so far and their commitment to make further progress.

But we are not there yet. There are still a lot of areas that need further simplification. A good example of such an area is labeling. In the conference package you received this morning, there is a can with a real Dutch delicacy called ‘Stroopwafels’. These ‘Stroopwafels’ have been freshly bought last Monday at a bakery store. They were packed in blank packaging. Because of our rules on food labeling, yesterday the organisers of the conference had to label all these packages. Is this really necessary, wouldn’t you have eaten them if the labels were not on it? I don’t think so.

I think this can be done in another way, a way that’s better and simpler. Gladly you’re going to discuss this later on today.

<b><i>Focus NL Voorzitterschap</i></b>
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As I said earlier, the Dutch presidency considers progress on Better Regulation very important. We follow a three track approach:

- Together with the European Commission we develop a method to measure the Administrative Burden on EU level. The ECOFIN is the council formation in which we discuss this track.

- Together with the Irish presidency we have asked the Member States for input for the simplification program. The input was huge and now we are trying to coordinate all this input through the Competitiveness Council.
- And finally: the Netherlands would also like to see that procedures to decide upon simplification proposals become more efficient.

<i><b>Conclusie</b></i>
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Because of the importance of Better Regulation we are very pleased with the presence and the contribution of the European Commission as lead player. We combine that with:

(1) a contribution of the renowned think tank OECD on a proper Better Regulation infrastructure;

(2) tomorrow: presentations on the indicators for better lawmaking and my 'pet project' Administrative Burden;

and (3) concrete discussions on simplification proposals in the afternoons;

Putting all this together, I am convinced that this conference will deliver results that can be important for the future.

Remember that governments exist to help make our lives, and the lives of businesses, easier and more productive. So why is it often such a hassle, full of complexity and frustration?!

Lets make things better, lets keep it simple!!