



IN THIS ISSUE

VAT 2

ERIK KRUIDERINK'S
OPENING
SPEECH 3

MISCELLANEOUS 4

ERIK KRUIDERINK'S OPENING SPEECH 2009

Opening of the General Assembly of UNIEP on Friday, 8 May 2009 in Luxembourg by Mr Erik Kruiderink, chairman of UNIEP: Ladies and gentlemen, representatives of national painting and maintenance companies' associations which are members of UNIEP, members of the Luxembourgian national organisation: Welcome to the General Assembly. We are pleased that you could all attend. Today and tomorrow, we are the guests of the Fédération des Patrons Peintres et Vitriers du Grand Duché de Luxembourg. I would like to



German master church painter Markus Ullrich prepares a historic copper bowl for leaf gilding

start our meeting by thanking our Luxembourgian friends for their invitation, for organising the meeting and especially for their enthusiasm and friendship. The world has been turned upside down. After an almost

fatal financial crisis, the global economy has ended up in a recession. Changes occurred at astounding speed. In my own country (The Netherlands), it was still
[continued on page 3]

UNIEP's General Assembly 2009 in Luxembourg



VAT - UNIEP MEMBERS WILL HAVE TO CONVINCE THEIR OWN GOVERNMENT

The European Council reached a political agreement on the use of reduced rates of value-added tax (VAT) in certain sectors.

It adopted a key issues paper outlining the main policy objectives to be set for 2009 as concerns economic and financial affairs, as well as a report on the 2009 update of the EU's country-specific recommendations to member states regarding their economic and employment policies.

In the list of services, for which Member States can apply reduced VAT rates in future, private housing (dwellings) the construction of new entities and the material is not included (see detailed wording below), only repairing of these. On the other hand books (in all physical means – i.e. printed, audio, CD-ROM) have been included.

The concrete wording in the ECOFIN conclusions is: “... REACHED POLITICAL AGREEMENT that all member states, by amending directive 2006/112/EC, should have the option to apply reduced VAT rates on a permanent basis.

Without prejudice to ANNEX III of directive 2006/112/EC services in Annex IV of directive 2006/112/EC
 Minor repairing of bicycles, shoes and leather goods, clothing and household linen (including mending and alteration);
 Window-cleaning and cleaning in private households;
 Domestic care services such as home help and care of young, elderly, sick or disabled, hairdressing,
renovation and repairing of private dwellings, excluding materials which account for a significant part of the value of the service supplied.
 Restaurant services.
 Books on all physical means of support;”

Want to read the ECOFIN decision? http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/misc/106575.pdf

Renovation and repairing of private dwellings can apply to reduced VAT rates



Photo: Credit "The Council of the European Union"

UNIEP'S PRESIDENT ERIK KRUIDERINK OPENED THE GENERAL ASSEMBLY IN LUXEMBURG

[continued from page 1]
 assumed in August 2008 that the economy was growing. A few weeks later, predictions pointed downward. The real estate market is in turmoil. The mortgage crisis was the beginning, the stagnating building market the midpoint and the drop in rates on the stock markets, together with greatly reduced confidence in future developments, formed the provisional end. **The painting and maintenance sector is directly affected.** After all, our main task is to keep real estate in good condition. We see the following trends in the European market: Stagnating financing by banks and other financial institutions. The billions in support for European banks has disappeared directly in the banks' own assets. The societal role of banks in financing the core business of the companies has shifted to the second stage; Stagnating development in construction of new homes; Lagging demand for maintenance of real estate, particularly from private clients. They are taking a wait-and-see attitude and deferring maintenance spending for a while; Painting and maintenance companies being pushed out by building companies in the business-to-business market; intensifying competition; Incentives from governments and public clients (housing corporations) to present orders and stimulate the economy; Great caution among painting and maintenance companies to hire employees. In short: a vacillating labour market; Confusion regarding training of professionals in our trade. In the short term, the labour market is weak. In the long term, as early as 2010-11, there will be a tight labour market again. Operating contrary to the cycle is not viable in the period in which it is actually necessary, because companies are having difficulties and are not immediately willing to invest.
 Ladies and gentlemen, this means there is a lot of work to be done. Organisations like ours are there to help solve problems. An international approach is needed

more than ever. The individual European economies are each open economies and very dependent on each other. The existence of the Euro zone has prevented worse things from happening and has proved to be an important stabilising factor.
 UNIEP advocates tax facilities for painting and maintenance work. There has been a **low VAT rate** of 6% in the Netherlands since 2000. This is possible because the European Union has issued a directive enabling states to place labour-intensive services under a lower VAT rate than the normal rate. This is now finalised, so there are options at the national level.
 The 2010 paint directive is also important to the trade and should be implemented this year. UNIEP has continually held the position that it is not up to painters to implement the directive. The main responsibility lies with the paint industry, which is united at the European level in CEPE. It is important for all of you to monitor developments closely and help your members learn to work with the new paints. It is astounding that the European authorities are working at designing a follow-up to the 2010 directive and ramping up the requirements even more. **UNIEP warns that the sequence of changes must truly stop now. The limit of possibility has really been reached.** Together with CEPE, we will not only monitor the developments but also raise them for discussion as necessary and exert influence on European regulators. Enough is enough!
 Speaking of CEPE, I can tell you that co-operation between both organisations improved significantly in 2008 and 2009. UNIEP is participating in CEPE's Deco Paint Group and there are exchanges of opinions and views. More generally, UNIEP is continuing to improve in terms of finding its place in the European region. Cooperation between UEAPME, which incorporates UNIEP's secretariat, results in better and faster information. UNIEP thereby operates better, using the knowledge and experience of UEAPME.

Ladies and gentlemen, the painters' trade is a labour-intensive one. This means that everything related to labour is important to us. UNIEP therefore takes positions regarding the directive on work hours in Europe. **The basic principle is that companies must have room to produce at times that suit the needs of clients.** Furthermore, and very specifically for our trade, seasons and weather conditions must be taken into account. In other words, our companies must be able to make optimal use of opportunities within the working time regulations.
 Education and training is an important area of attention in our trade. Good professionals are generally scarce and we must constantly focus on education. I wish to mention specifically the Leonardo project run by our Danish colleagues, which aims to harmonise training for painters across Europe and to align levels in the future. Later this afternoon, Mr Kutten will tell you more about this project.
 Thanks to the co-operation of our German friends, **UNIEP is represented at the expert level in CEN/TC 139 'Paints and Varnishes'** by Mr Heinrich Bartholemy. This provides us with an entrance into the world of standardisation of paints and varnishes.
 Our trade is very important to the quality of our existence. What would the world look like without colour? Moreover, together we provide lasting maintenance. We are experts in maintenance, not only of houses and offices, but also of bridges, electricity poles and so on. Metal conservation is a separate trade, but one that has much to do with painting and conservation. There is currently no European organisation for metal conservation. There should be one, and UNIEP will make contact with metal conservation businesses in the coming months. Both types of activity are incorporated in my own organisation and this should be possible at the European level as well.

Financial crisis: The painting and maintenance sector is directly affected

Friends, we still have work to do today, so I will wrap things up. UNIEP belongs to you and is there for you. The management works to make UNIEP a professional representative of interests of and for painters, maintenance and metal conservationists. We are on our way to achieving this. We will really need each other in the next few years. We are counting on the support of the national organisations and on all your dedication. Our trade is a fine one and definitely deserves to be seen on a European scale.

UNIEP's president Erik Kruidrink



MISCELLANEOUS

Planning of **UNIEP's General Assembly at the international trade fair "Farbe – Ausbau & Fassade"**, 24-27 March 2010 in Munich:

24 March, 9:00 a.m. official opening with exhibition tour 7:00 p.m. Bavarian evening.
25 March, 10:00 a.m. UNIEP General Assembly, 7:00 p.m. "UNIEP Come Together".

Proposed hotels for accommodation:

a) Ininside Premium Hotels New Munich Trade Fair, Humboldtstraße 12, 85609 Aschheim-Dornach, tel. 0049 89 940050, single room 199, double room 229 incl. breakfast. Booking will have to be made before 1 October 2009.

www.ininside.de, contact: Ms. Lopez.

b) "Schiller 5" Hotel & Boardinghouse, Schillerstraße 5, 80336 Munich, tel. 0049 89 515040. single room 185 incl. breakfast, no double rooms. Booking will have to be made before 20 December 2009. www.schiller5.com, contact: Mr Clausnitzer.

Other bookings possible via www.hrs.com or www.hotel.de.

The final conference of **UNIEP's Leonardo da Vinci Project PaintingSkills** is scheduled for 21 September 2009 in Milano (Italy). All members of UNIEP are invited to participate in this important event where the project results will be published. UNIEP produced a short trailer to announce the online tool PaintingSkills. It will be available on UNIEP's web site and can already be seen at

<http://www.youtube.com/watch?v=znFETq0zzu4>

As special issue of UNIEP's newflash on this important event will follow within short.

Venue of the final PaintingSkills Conference:

Hotel Michelangelo
Via Scarlatti 33
20124 Milano

Speakers will be:

Luigi Caimi, President,
Italian Painting Association Anvides

Nils Kruse, Head of the
Danish Leonardo Office
with Cirius, Denmark

Adriana Gluhak, Project
coordinator, UNIEP

Olav Dagsleth, Head of
the vocational training
department MLF, Norwegian
Association of Masterpainters;
Ole Andreas Klaveness

Ole Draborg, Managing
Director, Danish Association
of Masterpainters

Jos Ebbing, Project manager
with the Italian Painting
Association Anvides &
Virginio Trivella, Director,
Trivella spa

Steffen Grösser, Management
Assistent,
Hauptverband Farbe

Ernesto Alonso, Project
Manager with the Spanish
Painting Association AN-SPI
& Alain Kutten, Director
of Kutten s.r.l., Luxembourg

David Sunderland,
Bagnalls & Sons Ltd.

Moderated by Jos Ebbing
& Adriana Gluhak



THE MEMBERS OF UNIEP

AUSTRIA *Die Maler* – Austrian Federal guild of painters, varnishers and plasterers

DENMARK *Danske Malermestre* The Danish Federation of Masterpainters

FINLAND *Suomen Maalarimestariliitto* Master painters association in Finland

GERMANY *Hauptverband Farbe* Main Association for Paint, Design and Building Protection in Germany

HUNGARY *SZMTOI Szobafesto* Mazolo Tapétázó Országos Ipartestület

IRELAND *MPDI Master Painters & Decorators of Ireland*

ITALY *ANVIDES*, National Association of Restorers, Decorators, Plasterers and Varnishers

LUXEMBURG *Fédération des Patrons Peintres et Vitriers du Grand-Duché de Luxembourg*, Federation of Painters and Glaziers of Luxembourg

NORWAY *MLF, Maler- og byggtapetsermestrenes Landsforbund* The Norwegian Association of Painting Contractors

THE NETHERLANDS *FOSAG*, Royal Dutch Association of Master

painters and Decorators and Glaziers

SPAIN *ANSPI*, National Federation of Painting Contractors

SWEDEN *Målaremästarna* – The Swedish Association of Painting Contractors

SWITZERLAND *SMGV* Swiss Association of Painters and Plasterer Contractors

UNITED KINGDOM *PDA*, Painting & Decorating Association

USA *PDCA*, Painting and Decorating Contractors of America

UNIEP

Rue Jacques de Lalaing 4
B-1040 Brussels

Phone: +32 2 2850 724

FAX: +32 2 230 78 61

E-mail: l.fischer@ueapme.com

www.uniep.eu

Editor, photos, concept and design: Dr. Ludger Fischer

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