



Interview with Alain Lamassoure, Chairman of the European Parliament's Budgets Committee



Author: Alain Lamassoure

Negotiations over the European budget are in full swing. The 2012 budget has not yet been settled, negotiations over the 2013 budget are in stalemate, and those concerning the Multi-annual financial framework are the focus of bitter discussion between the European institutions and the Member States. In a European interview Alain Lamassoure (EPP, FR) Chairman of the European Parliament's Committee on Budgets, give us his interpretation of the situation.

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Financial Crisis :

Paralysis in the discussions over the European Budget for 2012 and 2013



On 13th November 2012 the Finance Ministers of the 27 EU Member States adopted the corrective project no. 5 for the European budget 2012 thereby releasing financial aid totalling 670 million euros for the Solidarity Fund - a total that will benefit Italy. At the same time the ministers met to reach a conciliation agreement with the European Parliament for the European budget 2013. The latter refused to address discussions without the Council having accepted corrective project no.6 for the budget 2012 designed to cover payment appropriations of various programmes, to a total of 9 billion euros. Ministers wanted to address the issue of the 2012 budget and that of 2013 together. The conciliation procedure therefore failed... [Read more](#)

Mario Draghi speaks at the Bocconi University

On 15th November 2012 the President of the European Central Bank, Mario Draghi delivered a speech on the occasion of the inauguration of



the academic year of the Bocconi University in Milan. He explained how the financial markets had interfered with the monetary policies before going on to talk of the corrective, sometimes unconventional corrective measures, taken by the European Central Bank. Nevertheless he stressed that these measures were due to be completed by greater economic and monetary integration and that the Member States also had to continue their work at home... [Read more](#)

Report on Financial Stability in Germany



On 14th November 2012 the Bundesbank in Germany published its report on financial stability 2012 (Finanzstabilitätsbericht 2012). According to this report five years after the start of the economic crisis, the danger for the banking sector in Germany continues and has not declined in comparison with last year. Spain and Italy still owe 59 billion euros to the German banks. If the crisis worsens in the euro zone the German financial system will suffer serious consequences. The Bundesbank is recommending the German banks to plan for more mergers... [Read more](#)

Adoption of the 2013 budget in Austria



The Austrian Nationalrat approved the 2013 budget on 16th November 2012 with the support of both Social Democratic (SPÖ) and Conservative (ÖVP) MPs. The 2013 budget anticipates a public deficit of 3.2% of the GDP and an overall debt ratio of 75.4% of the GDP in 2013. However the latter is due to fall as of 2014, in line with the austerity plan of 28 billion euros decided upon by the government last spring, explained the Finance Minister Maria Fekter. The government is estimating fiscal revenues of 68.7 billion euros and spending to a total of 75 billion... [Read more](#)

Moratorium on the eviction of indebted owners



The Spanish government announced a two-year moratorium on 15th November 2012 on the eviction of the most vulnerable indebted owners, an emergency measure taken after the rise in difficult situations linked to the economic crisis. For humanitarian reasons evictions will be frozen for two years "for the most vulnerable groups" notably large families and dependent people" announced the government's spokesperson Soraya Saez de Santamaria... [Read more](#)

Latvia wants to join the euro



On 15th November 2012 the Latvian Parliament adopted a finance bill for 2013, 55 votes in support, 38 against. Prime Minister Valdis Dombrovskis declared that in 2013 the government's priorities would be economic growth, the improvement of the demographic situation and wage increases for employees in the public sector, and that it was the country's goal to adopt the euro on January 1st 2014. However Latvia needs the agreement of the European Central Bank and of the Commission to join the euro, a decision that is expected in the first half of 2013... [Read more](#)

The Portuguese recession confirmed according to the Bank of Portugal



The Portuguese economy is due to contract by 1.6% next year according to forecasts published on 13th November 2012 by the Bank of Portugal which is more pessimistic than the government and troika (EU-ECB-IMF) about the recessive impact of the austerity measures. "In 2012 and 2013 we are due to witness a fall in economic activity to a total of 3% and 1.6% respectively," indicated the Portuguese Central Bank according to its autumn economic bulletin whilst the government and its creditors were expecting a recession of 3% this year and 1% next year. The Bank of Portugal, which in its previous forecasts was counting on stagnation in 2013, justifies this new forecast explaining that "domestic demand will only be compensated for in part by the positive development of net external demand"... [Read more](#)

Contraction of the British Economy



The British economy may contract in the fourth quarter said the governor of the Bank of England, Mervyn King on 14th November 2012 during the presentation of the institution's quarterly report on an economy which is still suffering under the pressure of the euro zone crisis. "The immediate economic outlook remains difficult," he declared in spite of a temporary exit of the recession in the third quarter thanks to the Olympic Games. The Bank of England also reduced its 2013 forecasts now estimating growth of around 1% for most of the year... [Read more](#)

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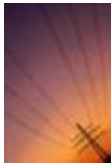
Commission :

The Commission suggests a 40% goal for the representation of women on company boards



On 14th November 2012 the European Commission proposed a directive that aims to achieve a 40% quota of women in non-executive posts on company boards that are quoted on the stock exchange, except for SME's by 2020. As for public companies, this date has been brought down to 2018. Businesses that do not achieve this threshold will have to use the comparative analysis of the qualifications of each candidate by implementing clear and non-discriminatory criteria. The Commission indicates that in terms of equal qualification the under-represented candidate will have to be selected... [Read more](#)

The National Energy Markets still too protected



In order to complete the internal energy market the European Commission adopted a plan indicating measures to follow to achieve this on 15th November 2012. The first series of measures comprises systematic prosecution in the event of infringement on the part of the Member States that still have not transposed the rules relative to the functioning of the internal market and competition in area of energy, the deadline for which was set at March 2011. The second series involves the means of action made available to consumers: incentives to change provider easily, installation of smart meters, price transparency etc ... Finally the Commission will take measures in view of guaranteeing the flexibility of the market and in order to avoid competition distortions... [Read more](#)

Action Plan to protect water resources



The European Commission published a report on 14th November 2012 on the measures to take to protect water resources in the EU. The Commission is recommending three main actions. It stresses the need for a better implementation of existing European and national legislation. It then suggests a better integration of the goals linked to water in other areas such as agriculture, transport and energy. It finally insists on the need to fill in gaps in the present legislative framework, notably in terms of the definition of water recycling standards... [Read more](#)

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Parliament :

Tonio Borg speaks to the European Parliament



On 13th November 2012 MEPs questioned Maltese Tonio Borg, who is to replace John Dalli as European Healthcare and Consumer Protection Commissioner. He notably promised to jump start the legislative procedure on tobacco rapidly, to counter conflicts of interest better and to be more vigilant about the agencies under his authority. According to Klaus-Heiner Lehne, Chair of the Conference of the Parliament's Committees Chairs, Mr Borg's speech was deemed "positive from a general point of view" by the competent committees. Parliament welcomed "the competence, the European commitment and the independence of the Commissioner to be. However some MEPs said they were concerned about "issues that are not directly linked to the portfolio of the Commissioner designate." Parliament will adopt a non-binding resolution during the plenary session... [Read more](#)

Competition to take part in the Nobel Prize ceremony



On 13th November 2012 the President of the European Council, the European Commission and the European Parliament together with the European Youth Forum launched a competition designed for young Europeans on the theme of peace in Europe. The presidents declared that "the Nobel Peace Prize 2012 is not just the acknowledgement of the EU's past achievements." The winners will go with the EU's official delegation to Oslo for the award of the Nobel Peace Prize on 10th December. Moreover the prize money will be paid to a fund for children who have become the victims of conflict... [Read more](#)

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Council :

Conclusions on the development of military capabilities



On 19th November 2012 the EU Defence Ministers called for a strengthening of military capabilities in the European Security and Defence Policy, since the Union was a guarantee of security. This strengthening must take the shape of the pooling and sharing of military capabilities between Member States... [Read more](#)

Germany :

Germany sets out details of the plan to withdraw its troops from Afghanistan



The German Defence Minister Thomas de Maizière and Foreign Minister Guido Westerwelle announced on 14th November that Germany would continue the progressive withdrawal of its troops from Afghanistan - its goal being to reach a contingent of 3,300 troops in February 2014 ie 30% less than the 4,760 troops stationed there at present. Germany and its partners in NATO decided that they would progressively withdraw their troops from the country by 2014. With around 4,800 troops there at present, Germany has the third biggest contingent in Afghanistan in the international security assistance force (ISAF, under NATO command), far behind the UK (9,500) and the USA (68,000)... [Read more](#)

A Rise in Immigration in Germany due to the Crisis



Immigration increased by 15% in Germany in the first half of 2012 due to an influx of people from European countries affected by the crisis, announced the German statistics office on 15th November 2012. The majority of these immigrants come from countries in Central Europe, with Poland coming first (89,000 immigrants in the first six months). Arrivals from Greece rose by 78%, +6,900 people in comparison with the same period last year. Immigration from Spain increased by 53% (+3,900 people), likewise from Portugal (+2000 people)... [Read more](#)

Angela Merkel on an official visit to Lisbon



German Chancellor Angela Merkel travelled to Lisbon on 12th November 2012 to show support to her Portuguese counterpart Pedro Passos Coelho. During a joint press conference Ms Merkel said that Lisbon was implementing the international aid plan, which the country has benefited from since May 2011 "in an excellent manner". Pedro Passos Coelho said that his austerity plan was the only way possible. "We are aware of the difficulties but we think that it is the only way to move forwards," he said. The Chancellor also met Portuguese President Anibal Cavaco Silva before talking to a group of business heads... [Read more](#)

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Bulgaria :

Bulgarian/Russian Agreement on the South Stream gas pipeline

Bulgaria and Russia signed a final agreement on 15th November 2012 on the building of a the Bulgarian section of South Stream thereby enabling the launch of the construction of this gas pipeline on 7th December, announced Gazprom Chairman Alexei Miller. "We have signed the final



investment decision regarding the Bulgarian section of South Stream and we are moving towards its completion," he declared during a press conference, recalling that agreements over the gas pipeline's future trajectory had already been signed with other countries. "Bulgaria is going to be a major point of transit for Russian gas towards Europe," he added... [Read more](#)

Spain :

22nd Ibero-American Summit



The 22nd Summit of the Heads of State and government of Latin America, Spain and Portugal decided to create a Ibero-American centre for private arbitration to enable the rapid, simplified settlement of disputes between companies. In their final declaration adopted on 17th November 2012, after two days of debate, the participants committed to "strengthening clear, stable, dependable rules that help to foster national and foreign investments. " The legal security surrounding investments has interested Spain since the start of the Repsol affair in Argentina. The Argentine government expropriated the subsidiary YPF of this Spanish oil company to a total of 51% at the beginning of May which sparked off a serious diplomatic crisis between Madrid and Buenos Aires; since then the Spanish group has started procedures to win financial compensation because of this... [Read more](#)

France :

Meeting between Angela Merkel and Jean-Marc Ayrault in Berlin



On 15th November 2012 French Prime Minister Jean-Marc Ayrault spoke with German Chancellor Angela Merkel in Berlin. During a joint press conference they discussed the close links between France and Germany and the fifty years of the Elysée Treaty, which will be celebrated on 23rd January 2013. The German Chancellor highlighted the need for Germany to have a strong French partner in order to develop a strong Europe. Jean-Marc Ayrault explained that the quality of social dialogue in Germany was a source of inspiration and respect... [Read more](#)

Ministerial Meeting on European Defence



On 15th November 2012 the Weimar Group+ which brings together the Foreign and Defence Ministers of Germany, France, Spain, Italy and Poland met in Paris. They re-iterated their will to promote an ambitious European policy in the area of security and defence. In their opinion this policy must have greater responsibility in this area notably via greater involvement in key regions in terms of security and via greater sharing of the burden within the transatlantic community. They call on Member States who are interested to step up their cooperation and for them to pool some of their resources so that better more effective capabilities and strategic structures can be developed... [Read more](#)

French President Visits Poland



On 16th November 2012 French President François Hollande made an official visit to Poland. During his speech to the both Chambers of Parliament, he highlighted all of the links, challenges and common interests the two countries shared. After recalling the common history that links France and Poland together he said he wanted to see Poland take up its rightful place in European integration and notably in the euro zone. He spoke of common interests shared by France and Poland in terms of Defence, the Mediterranean and eastern partnerships and the common European policies (CAP, Cohesion Funds). Given all of these links he said he wanted to provide new impetus to bilateral cooperation via an annual intergovernmental meeting... [Read more](#)

Greece :

Austerity cannot be the only solution



On 14th November 2012 the General Director of the Institute of International Finance, Charles Dallara gave a speech in Athens to the Union of Greek Banks. Paying tribute to the leaders and population of Greece for their courage in the face of the crisis, he criticised the approach that is only based on austerity that has been adopted to consolidate public accounts. He then explained that "austerity alone condemns not only Greece, but also all of Europe to the probability of a painful era." He called to take measures to revive growth in both Greece and in Europe... [Read more](#)

Italy :

Mario Monti's government's results in Italy one year on



On 17th November the head of the Italian government Mario Monti defended the difficult austerity measures introduced in the country during the first year of his term in office, stressing that without them the euro zone would have imploded or collapsed completely. "Today it is possible that without the austerity measures introduced by the government the euro zone would no longer exist," stressed the Prime Minister's services in a document entitled "One year on - the government, Italy, the citizens - Travel Log... [Read more](#)

Poland :

German/Polish Intergovernmental Consultations



On 14th November 2012 German Chancellor Angela Merkel received Polish Prime Minister Donald Tusk in Berlin. Simultaneous to this meeting the federal Minister for Foreign Affairs, Guido Westerwelle met his Polish counterpart Radoslaw Sikorski as part of the German/Polish intergovernmental consultations. They spoke of topical issues concerning the international and European political arena and notably the EU budget. After this discussion Ms Merkel and Mr Tusk gave a joint press conference. They notably intend to establish joint projects in the areas of transport and defence (Smart Defence)... [Read more](#)

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Ukraine :

Yulia Tymoshenko ends her hunger strike



On 15th November 2012, the jailed Ukrainian oponent Yulia Tymoshenko agreed to end her hunger strike, which began on 29th October in protest against the fraud that had occurred in the last legislative elections. This decision was announced by her German and Ukrainian doctors. On 13th November 2012 the Ukrainian court of Kyiv in Kharkiv again postpond Yulia Tymshenko's trial for tax fraud. The next hearing is set for 23rd November 2012... [Read more](#)

Council of Europe :

The Council of Europe and Albania adopt a cooperation framework



On 16th November 2012 the Council of Europe and the Albanian authorities adopted a three year cooperation programme covering the period 2012-2014. This programme plans for funding to a total of 9 million euros for the implementation of reform in the areas of human rights, the rule of law and democracy... [Read more](#)

Report on Ukraine by the Council of Europe's anti-torture committee



On 14th November 2012 the Council of Europe's Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (CPT) published a report on Ukraine. The latter follows the most recent visit to Ukraine by a CPT delegation in November/December 2011. Interviews and medical information show that many people are the victim of poor physical treatment when they are arrested or

interrogated by the police. According to the CPT "our information leaves no doubt about the fact that police violence is common place and that people are in great danger." Moreover the committee puts forward a certain number of recommendations, notably the enhancement of the role played by judges and the writing of a conduct codes for police interrogations... [Read more](#)

UN :

Two former Croatian generals acquitted by the ICTY



On 16th November 2012 two former Croatian generals Ante Gotovina and Mladen Markac were acquitted and released by the Appeal Tribunal of the ICTY. They had been accused on 15th April 2011 by the ICTY of crimes against humanity and the infringement of laws or customs of war after they attempted to force the Serb population out of the area of Krajina in Croatia between July and September 1995. They were condemned respectively to 24 and 18 years in prison... [Read more](#)

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The Security Council extends the EU stabilisation force in Bosnia-Herzegovina



On 14th November 2012 the UN Security Council extended the mandate of the EU's multi-national stabilisation force in Bosnia-Herzegovina (EUFOR-ALTHEA) for a period of one year. The vote came just after a debate on the country's situation. In resolution 2074 the Council requests that all political leaders in Bosnia-Herzegovina refrain from making declarations that lead to dissension and to make real progress towards European Union integration... [Read more](#)

Eurostat :

Inflation decreases



According to figures published by Eurostat on 15th November 2012 annual inflation decreased by 0.1% in October 2012 in comparison with the previous month, dropping to 2.5% in the euro zone and 2.6% in the European Union. Over one year inflation has been below 1.5% in Sweden and Greece but higher than 4% in Hungary, Estonia and Poland... [Read more](#)

Euro zone records a trade surplus in September



According to figures published by Eurostat on 16th November 2012 the euro zone recorded a goods trade surplus of 9.8 billion euros with the rest of the world in 2012. For the entire Union the trade balance lay at -12.6 billion euros in September, against -10.6 billion one year ago... [Read more](#)

Economic Stagnation



On 15th November Eurostat indicated that the euro zone's GDP had decreased by 0.1% in the third quarter of 2012 in comparison with the previous quarter and that it has increased by 0.1% in the EU... [Read more](#)

Eurobarometer :

Europeans two years away from the European Elections of 2014



The European Parliament presented the analyses of the results of its survey "Two years to go to the 2014 European elections" undertaken between 2nd and 17th June 2012 amongst 26,622 citizens from the 27 EU Member States. These analyses show that citizens' opinions about how they feel about belonging to the EU are linked to their country belonging to the euro zone or not. Citizens who belong to the Economic and Monetary Union are said to feel more European than the others. Most of those interviewed think that their "vote" does not count in the EU although the number of those who think that their vote does in fact count, is rising. Nearly 3/5ths believe that the best way to make their voice heard comprises voting in the European

elections... [Read more](#)

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Studies/Reports :

The Védrine Report: Towards European Defence



On 14th November 2012 former French Foreign Minister, Hubert Védrine delivered his report to François Hollande on the place of France in NATO. The report notably presents an assessment of the effects France's return to the integrated military command of NATO has had and also looks into the means to revive positive impetus for European Defence... [Read more](#)

Reduction in Healthcare Spending in Europe



On 16th November 2012 the OECD and the European Commission published a joint report on healthcare spending in Europe entitled "Health at a Glance: Europe 2012". This report shows that for the first time since 1975 health spending has contracted because of savings being made by the States in a bid to reduce their public deficits. Whilst they rose on average by 4.6% between 2000 and 2009, this spending dropped by 0.6% in 2010. Public health and prevention programmes have been notably affected by these reductions. The report warns about the long term effects on people's health because of this reduction in healthcare spending... [Read more](#)

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More and more synthetic drugs in Europe



On 15th November 2012 the European Monitoring Centre of Drugs and Drug Addiction published its annual report. The latter notes that Europe is facing an increasing number of new synthetic drugs. 49 new substances were detected in 2011 and already more than 50 in 2012. This variety of sometimes "obscure" substances are sold on the black market and also legally over the internet. Moreover the report stresses that these drugs are difficult to identify. "It is likely that most users know nothing about what they are taking and the effects they might have in terms of their health and they ignore all the legal implications that taking these drugs might have." The European Monitor is also concerned about the increasing number of HIV infections amongst intravenous drug users, in Greece and Romania; the crisis is increasing risky behaviour and reduces the capabilities of the public authorities... [Read more](#)

Culture :

Paul Gauguin - The Prints



Until 20th January 2013 the Kunsthaus in Zurich is presenting almost all of the prints on wood made by Paul Gauguin (1848-1903), better known for being one of the founding fathers of modern painting than for his graphic art. Most of the prints show - unlike his paintings - nocturnal sides of tropical paradise... [Read more](#)

Pictures of People



Various images of people are the leitmotif of the new exhibition presented in the Frieder Burda museum of Baden-Baden. Famous pieces of work by Georg Baselitz, Gerhard Richter and Sigmar Polke are on show alongside less famous artists of the new generation some of which have never been shown before - such as Tim Eitel, Susanne Kühn, and Simon Pasiëka. The exhibition is on until 6th January 2013... [Read more](#)

Van Dyck Exhibition at the Prado Museum

As of 20th November 2012 the National Prado Museum is devoting an exhibition to Van Dyck (1599-1641). 92 Antwerp paintings are on show - from his first works to his paintings inspired by Italian painters and Rubens. The exhibition is open until 3rd March 2013... [Read more](#)



"Bohemian" Exhibition at the Grand Palais



The Grand Palais in Paris is devoting an exhibition to "Bohemians" until 14th January 2013. This exhibition highlights the immense change in the status of the artist from the middle of the 19th century, as well as the fundamental contribution made by nomadic people in the construction of European identity. The exhibition includes over 200 works of art from Turner, Courbet to Manet, Van Gogh and Matisse...

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Agenda :



19th November
Luxembourg
Foreign Affairs Council



19th to 22nd November
Strasbourg
Plenary Session of the European Parliament



20th November
Brussels
General Affairs Council

Eurogroup Meeting



22nd and 23rd November
Brussels
Extraordinary European Council devoted to the budget



26th and 27th November
Luxembourg
Education, Youth and Culture Council

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