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The Foundation on





The Letter's team wishes you a Very Merry Christmas and a Happy New Year. We thank you for your loyalty and support. We'll be back with our New Year's issue on 7th January 2013.

France and Turkey - new horizons for a secular relationship



Author: Laurent Fahius

As part of a partnership with the Turkish Policy Quarterly the Robert Schuman Foundation has published a text by French Foreign Minister Laurent Fabius entitled "France and Turkey: new horizons for a secular relationship" published in this review on 30th November last as well as an article by Nigar Goksel, editor in chief of this review on Euro-Turkish relations. Read more

Contents

Front page! : Atlas/EU - Diversity - Television - Balkans Elections : Czech Republic Financial Crisis : Italy - Eurogroup - Poland - France - Spain - Bulgaria - Slovakia - Hungary - Estonia European Council : Conclusions Commission : Singapore - Businesses - Automotive Parliament : Finance - Budget - Digital - Central America - Patent - Albania Council : Banking Supervision - Competitiveness - Diplomacy Court of Justice : Parliament/Strasbourg Germany : Taxation/Switzerland Estonia : Reshuffle France : 2013 Budget Lithuania : Government Malta : Dissolution Czech Republic : Reshuffle Romania : Government UK : Libor - Energy Ukraine : Government UN : Serbia Eurostat : Employment - Inflation - External Trade Studies/Reports : Euro Zone - Budget - Demography Publications : Crimea Culture : Concert/Vienna

Agenda | Other issues | Contact

Front page! :

Purchase the second edition of the Permanent Atlas of the European Union!



The Robert Schuman Foundation is publishing the second revised edition of the Permanent Atlas of the European Union. This reference work presents the Union, its institutions and each of the Member States via their history, their culture and their statistics. A unique publication, it offers free access to an internet site

www.atlas.permanent.eu, on which this data is permanently updated providing everyone with constant access to better information on Europe and its Member States, Order it on-line!.. Read more



The second Diversity Forum will take place on 21st December next. Devoted to women's involvement and their success in the professional world it will address all types of themes (recruitment, mentoring, equal pay, promotion, access to the executive board etc ...) More than 2000 participants are expected to discuss how to improve diversity with the best experts in a series of workshops and with the support of 60

exhibitors. It is obligatory to enrol. You only have a few days left join up!.. Read

Talking Europe hosts Daniel Cohn-Bendit

Audiovisuel extérieur de la France (AEF), the Foundation is broadcasting its latest programme "Talking Europe" on its site - this week's quest is Daniel Cohn-Bendit - co-President of the Greens group

in the European Parliament. He is interviewed by the Robert Schuman Foundation's Chair Jean-Dominique Giuliani. Daniel Cohn-Bendit reviews the crisis in Europe and pleads for greater federalism... Read more

European Future of the Balkans



The Robert Schuman Foundation is organising two meetings on the prospects of the European integration of Montenegro and Kosovo. On 19th December 2012 it will be speaking to Aleksandar Andrija Pejovic, the Montenegrin Secretary of State-Negotiator in Chief for EU Membership "on the issues at stake in the enlargement of Europe for Montenegro during the crisis" and on 20th December it will meet Vlora

Citaku, European Integration Minister for Kosovo, on the "prospects of Kosovo's European integration.".. Read more

Elections:

The first presidential election via direct universal suffrage in the Czech Republic



The Czechs are being called to ballot on 11th and 12th January next to elect the President of the Republic by direct universal suffrage for the very first time. Since Vaclav Klaus (Democratic-Civic Party, ODS) has been in office for the last ten years and has undertaken two successive

mandates, he cannot stand again. If no candidate wins an absolute majority on 12th January next a second round of voting will take place on 25th and 26th January. Nine candidates are running: Jan Fischer (independent), former Prime Minister (2009-2010); Jiri Dienstbier (CSSD); Milos Zeman (SPOZ), former Prime Minister (1998-2002); Premysl Sobotka (ODS), Vice President of the Senate; Karel Schwarzenberg (TOP 09), former Foreign Minister; Zuzana Roithova (KDU-CSL), MEP and former Minister; Tatana Fischerova (independent), actor; Vladimir Franz (independent), composer; Jana Bobosikova (SBB)... Read more

Financial Crisis:

Italy's debt rises over 2000 billion euros



Italy's public debt rose above the 2000 billion euro mark in October 2012 said a document published on 14th December 2012 by the Central Bank of Italy. It lay at 2,014,693 billion euros in October 2012 against 1,995,143 billion in the previous month and 1,916,402 in October 2011. Even though Italy has benefited over the last few

months from a downward trend in interest rates as it has refinanced its debt - these remain high in comparison with those applied to other euro zone countries... Read more

Eurogroup results on Cyprus and Greece



The 17 Eurogroup Ministers indicated on 13th December 2012 that they were satisfied with the reforms undertaken by Cyprus to consolidate its economy and declared that an agreement for finanancial Massistance was due to be concluded soon. They also approved the

release of the tenth tranche of aid in the second support plan to Greece totalling 49.1 billion euros, 34.3 billion of which will be paid within the next few days... Read

The Diet approves the government's 2013 budget



On 12th December 2012 the Diet, the lower chamber in the Polish Parliament approved the 2013 budget by 233 votes in support, 221 against. Amongst other things this budget is anticipating growth of 2.2% in the GDP, a 4% increase in exports, 2.8% in imports, an increase in domestic demand of 1.7% and investments of 0.7%, as well as an average 2.7% rate of inflation. As for employment it is due

to grow by 0.2% and the gross average salary in th national economy is due to increase by $4.6\%\dots$ Read more

Decrease in French payroll employment figures in the third guarter of 2012



On 11th December 2012 the French National Institute for Statistics and Economic Studies (INSEE) published its payroll employment forecasts for the third quarter of 2012. According to the latter the third quarter confirms the decrease observed in the second quarter (-16,000 posts) with a fall of 47,000 posts. In industry, employment has decreased by

0.2% (-5,500 posts)... Read more

New record public debt in Spain



On 14th December 2012 the Bank of Spain announced that the Spanish public debt reached a new historic high at the end of September totalling 77.4% of the GDP. The country's debt increased by 10.7 points in comparison with the same period one year ago, thereby rising easily over the limit set by the EU's Stability Pact

(60%)... Read more

IMF Report on Bulgaria



On 13th December 2012 the IMF delivered its report on the Bulgarian economy. It notes some positive aspects (healthy public finances, better absorption of European funds) and negative points also (weak growth, high unemployment, an uncertain entrepreneurial and financial environment). It puts forward measures to undertake in order to

consolidate the positive aspects and to improve those which are not so good: save budgetary surpluses, develop privatisation, strengthen the solidity and effectiveness of the banking system increase spending on infrastructures and reform the labour market... Read more

The Slovakian Parliament approves the 2013 budget



On 13th December 2012 the Slovakian Parliament approved the 2013 budget which anticipates a major reduction in the public deficit down to 2.94% of the GDP in comparison with that of 4.6% expected in 2012. "The budget is based on the principle of solidarity, including

austerity measures against monopolies, banks, companies and individuals with high incomes," declared Prime Minister Robert Fico... Read more

Austerity Budget in Hungary



On 11th December 2012 the Hungarian Parliament adopted, 278 votes in support, 79 against and one abstention, the 2013 budget based on a public deficit forecast of 2.7% of the GDP, growth of 0.9% of the GDP and an inflation rate of 5.2%... Read more

Estonia approves the 2013 budget with a public deficit of 0.7% of the GDP



On 12th December 2012, the Riigikogu (Estonian Parliament) adopted the finance bill for 2013, 55 votes in support, 37 against - it is forecasting a public finance deficit of 0.7% of the GDP. Estonia's GDP is due to grow by 3% in 2013. Its spending will total 7.7 billion euros,

ie 1.1% more in comparison with 2012 and its revenues will total 7.5 billion euros, ie an increase of 2.2%... Read more

European Council:

Main Decisions of the European Council



On 13th and 14th December 2012 the 27 Heads of States and government came to agreement on a roadmap for the completion of the Economic and Monetary Union on the base of greater integration and solidarity. The President of the European Council, Herman van Rompuy is invited to deliver his work by June 2013 on the coordination

of national reforms, the social dimension of the EMU, the competitiveness and growth contracts and the deepening of the single market. They started work on the European Semester 2013 based on an annual assessment of growth undertaken by the Commission. They also decided to launch work on the development of the common security and defence policy (CSDP) and they will look into the issue again in December 2013... Read more

Commission:

Free Trade Agreement between EU and Singapore



On 16th December 2012 the EU concluded a free trade agreement with Singapore after more than two years of negotiation - it is the EU's thirteenth most important trade partner where more than 8000 European businesses are established, indicated the European Commission. The agreement which still has to be approved by the

political authorities on both sides was agreed after the final negotiations in Singapore between the European Commissioner for Trade, Karel de Gucht and the Singapore Trade Minister, Lim Hng Kiang. The trade of goods and services between the EU and Singapore totals 74 billion euros. This trade increased by 40% between 2009 and 2011 and the EU's trade balance with this country is in surplus... Read more

European Company Law and Corporate Governance



On 12th December 2012 the Commission published an action plan to establish a legal framework enabling greater shareholder engagement and better business viability. The Commission intends first to strengthen transparency concerning corporate governance so that shareholders and the public are better informed by companies and so

that the latter know what their investors' policies are. Investor engagement must be improved, notably regarding remuneration. Finally, in order to support European business growth cross-border operations must be facilitated with particular attention being paid to SMEs... Read more

The Commission addresses fiscal obstacles that are impeding the transfer of private vehicles between States



In a communication on 14th December 2012 the Commission highlights that the lack of fiscal harmonisation on private cars is leading to a fragmentation of the single market but also to the risk of double taxation for private parties and businesses. In 2010 these taxes represented nearly 1.9% of the Member States' overall fiscal revenues.

Moreover the Commission has announced the "basic rules that have to be respected" and the "best practices" that the Member States should apply, notably those regarding the reimbursement of a share of the registration tax for vehicles transferred permanently from one country to another... Read more

Parliament:

European Parliament gives the go-ahead on financial transaction tax



On 12th December 2012 MEPs approved by 533 votes in support, 91 against and 32 abstentions, the Council's proposal to allow enhanced cooperation in the area of the tax on financial transactions between 11 Member States in the euro zone (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia, Spain). These

The European Parliament approves the Budget



On 12th December 2012 MEPs approved the budgetary package that plans for the contribution of delayed payment appropriations in the 2012 budget to a total of 6.1 billion euros, the payment in 2013 of the balance of 2.9 billion euros for the same backlog and the adoption of the 2013 budget. MEPs adopted the 2013 budget of 132.2 billion euros

in payment appropriations, which corresponds to 0.99% of the European GNI... Read more

Completion of the European Digital Market



MEPs adopted report on 11th December 2102 which puts forward several social, economic, technological and fiscal measures in order to benefit from the electronic trade to the full, since this is still largely fragmented in Europe. The ideas retained are amongst others, support to SME's so that they are included in electronic trade more easily and

thereby help them develop, the securing of cross-border transactions, notably in terms of delivery and VAT, with a lower tax rate on electronic cultural products and better mechanisms to settle litigation... Read more

Approval of the EU-Central America Association Agreement



On 11th December 2012, after five years of negotiation, the European Parliament ratified the association agreement between the EU and Central America (Costa Rica, Guatemala, Honduras, Panama, Nicaragua and Salvador) which will lead to the opening of markets in both

regions and should facilitate access of European businesses in key sectors for employment and growth. MEPs also ratified the free trade agreement with Peru and Colombia signed on 26th June 2012 which involves the progressive lifting of customs duties on exports and imports as well as the liberalisation of the services and procurement markets. These agreements should also foster the respect of human and social rights and the protection of the environment and also promote regional integration in Latin America... Read more

Other link

The European Patent is born



On 10th December 2012 the 27 Ministers for Competitiveness came to a political agreement over the creation of a single European patent. The next day MEPs approved three texts on the single patent, its linguistic regime and the competent jurisdiction. On the same day the

EU's Court of the Justice rejected Italy and Spain's arguments which challenged the trilingual linguistic regime (German, French, English) of this patent. On 17th december Ministers approved the two regulations enabling the implementation of the single patent. The European patent is due to enter into force on 1st January 2014 after more than 30 years of negotiations... Read more

Other link | Other link | Other link

"Yes but .." to Albania's candidate status



In a non-legislative resolution adopted on 13th December 2012 MEPs estimated that Albania should be acknowledged as a candidate for membership of the European Union. However this acknowledgement should only be given if Albania undertakes the administrative, judiciary and political reforms necessary for the democratsation and

modernisation of the country. Albania must also continue its work to protect its minorities. The legislative elections of 2013 will be observed carefully and will be considered as an indicator of the country's political maturity... Read more

Council:

Agreement on single banking supervision

On 13th December the 27 Economy and Finance Ministers approved two texts in view of establishing a Single Supervision Mechanism in the



banking sector Europe-wide. The first provides the ECB with a supervisory role, and the second reforms the European Banking Authority... Read more

European Patent, Single Market, Customs, Innovation and Research



On 10th and 11th December 2012 the Industry and Research Ministers confirmed the political agreement involving the single European patent. They adopted conclusions on the priorities for the Single Market II Package: fully integrated transport and energy networks; cross-border mobility for citizens and businesses; a digital economy and the promotion of social entrepreneurship, notably via the establishment of consumer

confidence. They approved the launch of a series of customs actions in view of countering intellectual property infringements; they agreed on the foundations of a customs programme 2014-2020. They also agreed on a specific programme to support research and innovation over the period 2014-2020 and on the strategic innovation agenda of the European Institute for Innovation and Technology... Read more

Middle East, Syria, Mali



On 10th December 2012 the 27 Foreign Affairs Ministers prepared the EU-Russia Summit that will be taking place on 21st December next. They called on Israel and Palestine to find an area of entente. In their opinion sustainable peace between the two side inevitably entails a solution including two States. As far as Syria is concerned, Ministers

received Ahmed Moaz Al-Khatib, the president of the National Coalition of the Syrian Revolutionary Opposition Forces, acknowledging him as the legitimate correspondant of the Syrian people. Extremely concerned about the situation in Mali, they approved the idea of crisis management in view of an operation that will guarantee military training for the armed Malian forces... Read more

Court of Justice:

The HQ of the European Parliament is in Strasbourg



On 13th December 2012 the European Union's Court of Justice annulled a vote by the European Parliament which had decided to split the plenary sessions of October 2012 and 2013 to limit the time spent by MEPs in Strasbourg. All of the European Parliament's Plenary Sessions must now take place in Strasbourg which remains, in line with

the treaties, the HQ of the European Parliament... Read more

Germany:

No German/Swiss Fiscal Agreement



The draft fiscal agreement between Germany and Switzerland was finally rejected on 12th December 2012 after the failure of the bid to achieve reconciliation in Germany between the government majority, which supports the text and the leftwing opposition, which is against it. The German government turned to the Conciliation Committee in an

attempt to save the rejected text at the end of November 2012 via the Upper Chamber of the German Parliament (Bundesrat)... Read more

Estonia:

Two new ministers in Estonia



The Estonian Social Affairs Minister, Hanno Pevkur was appointed on 10th December 2012 by President Toomas Hendrik IIves as Justice Minister in replacement of Kristen Michal, who resigned after an affair involving the illegal financing of a political party. Mr Pevkur is replaced in Social Affairs by Taavi Roivas, Chair of the European Affairs Committee at the Riigikogu (Parliament)... Read more

France:

The 2013 draft budget adopted on second reading by the National Assembly



On 14th December 2012, the 2013 draft budget was adopted on second reading by the National Assembly. This draft anticipates 24 billion euros more in taxes, a burden shared by households and businesses, as well as 10 billion euros in savings on spending. It will be assessed by the Senate on 18th December... Read more

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Lithuania:

The New Lithuanian Government is sworn in



On 12th December 2012 the new Lithuanian government was sworn in after parliament had approved its 2012-2016 programme, 83 votes in support, 39 against and 9 abstentions. The latter seems "to take on board the economic and financial situation, and it will be implemented with success," commented Prime Minister A. Butkevicius. After the

general elections on 14th and 28th October last the 16th Lithuanian government comprises the Social Democratic Party (LSDP), the Labour Party (DP), the Order and Justice Party (TT) and the Electoral Action for Lithuanian Poles (LLRA). It includes 2 women out 15 members... Read more

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Malta:

Dissolution of Parliament on 7th January and new elections on 9th March 2013



On 10th December 2012 the Maltese Parliament voted against the 2013 budget put forward by the government. The latter, which now finds itself in the minority, requested the dissolution of parliament which will occur on 7th January. Legislative elections will now take place on 9th March 2013. Prime Minister Lawrence Gonzi presented his

resignation to President George Abela on 11th December 2012... Read more

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Czech Republic:

Three New Ministers in the Czech Republic



On 12th December 2012 during a ceremony that was broadcast live by public television, Czech President Vaclav Klaus appointed Karolina Peake, Chair of the LIDEM party (centre-right), as Defence Minister, Zbynek Stanjura (ODS) as Transport Minister and Petr Mlsna (no party allegiance) as a Minister without a portfolio, to be head of the

goverment's Legislative Council, a post which had remained empty after the departure of Karolina Peake... Read more

Romania:

Victor Ponta appointed Prime Minister in Romania



On 17th December Romanian President Traian Basescu asked outgoing Prime Minister Victor Ponta to form a new government thereby quelling fears of a new political crisis. The centre-left coalition led by Mr Ponta, the Social Liberal Union (USL), won nearly 60% of the vote in the general elections that took place on 9th December... Read more

UK:

First arrests as part of the Libor affair



In a press release on 11th December 2012 the British Serious Fraud Office said that three people ad been arrested in connection with the investigation into the Libor affair. Three British men aged 33, 41 and 47 "were arrested and taken to a police station in London to be

questioned about the Libor manipulation affair". These initial arrests mark a new phase in the authorities' action in the affair which irrupted at the end of June 2012 when Barclays Bank revealed that it was going to pay £290 million to put an end to the investigations undertaken by the British and American regulators into the

manipulation of British Libor and European Euribor interbank rates over the period 2005-2009... Read more

Green light for shale gas drilling



British Energy Minister gave the greenlight for the resumption of exploratory hydraulic fracturing (fracking) for shale gas on 13th December 2012 - the decision was accompanied by further controls in order to prevent seismic risks... Read more

Ukraine:

Ukraine: Mykola Azarov re-appointed as Prime Minister



On 13th December 2012 the Ukrainian parliament approved the reappointment of resigning Prime Minister Mykola Azarov during a tumultuous session. 252 MPs supported his candidature out of the 226 required. This vote was due to take place the day before but had been postponed after violent clashes in the hemicycle between opposition

MPs and those of the ruling party, the Party of Regions. The three opposition parties, the Batkivchtchina Alliance, close to Yulia Tymoshenko, the Udar Party led by boxer Vitaly Klitschko and the Nationalist Movement Svoboda, which have more than 170 MPs, announced that they had not voted for Mr Azarov. In a resolution adopted on 13th December 2012 the European Parliament regrets that the "general elections [...] did not meet international standards". The country has to "show its commitment to real democracy before any agreement can be signed.".. Read more

Other link | Other link

UN:

A former Serb commander convicted to a life sentence by the ICTY



On 12th December 2012 Zdravko Tolimir, former deputy commander of the Serb Army of Bosnia (VRS), was sentenced by the first chamber of the ICTY to life in prison. He was found guilty of genocide, crimes against humanity, and war crimes committed in 1995, after the fall of the enclaves of Srebrenica and of Zepa in Bosnia-Herzegovina... Read more

Other link

Eurostat:

Employment contracts by 0.2% in the euro zone and the EU



According to figures published by Eurostat on 14th December 2012 employment in the euro zone and in the EU contracted by 0.2% in the third quarter of 2012. The building industry is the most heavily affected sector... Read more

The Euro Zone's Annual Inflation down to 2.2% (EU: 2.4%)



According to figures published by Eurostat on 14th December 2012 the annual inflation rate was down to 2.2% in November in the euro zone and to 2.4% in the European Union. This rate is below 1% in Greece and Sweden and higher than 5% in Hungary... Read more

10.2 billion euro trade surplus in the euro zone



According to estimates for October 2012 published by Eurostat the euro zone recorded an international goods trade surplus of 10.2 billion euros with the rest of the world, in comparison with -0.7 billion in October 2011. In October 2012 in comparison with September 2012

exports, corrected according to seasonal variations, decreased by 1.4% whilst imports increased by 0.6%. Regarding the EU in October 2012, the deficit is due to total 9.4 billion euros in comparison with -11.3 billion in October 2011. In October 2012 in comparison with 2012 exports, corrected according to seasonal variations, declined by 1.7% whilst imports increased by 0.3%... Read more

Studies/Reports:

Euro Zone: Immediate Measures for Effective Governance



In an article published on 10th December 2012 Synopia, which comprises a group of eminent experts in European affairs, who are assessing new governance ideas are putting forward a series of four measures that would be applicable immediately without any

modifications being required to the treaties to reform the EU's institutional practices. It suggests, on the basis of a Franco-German initiative, that the Eurogroup, together with a full time President and spokesperson for the euro zone, be the place for in depth discussion of economic policy and for it to have greater political authority; that the euro zone summits be the place in which the major guidelines of national policy be discussed; that the Commission strengthen its statistical tools, simplify those accumulated over the last few years and that it be the independent body necessary for a better coordination of national policy; and finally that the national parliaments have greater involvement in the European decisions taken by their governments, also in the work of the Eurogroup President and specifically that they meet as the euro zone... Read more

The European Court of Auditors says it is satisfied with the follow-up of its audit reports



The European Commission has taken on board and applied a vast majority of the recommendations made by the European Court of Auditors according to a report by the latter published on 14th December 2012. This report "Follow-up of the European Court of

Auditors' Special Reports" reviews the introduction of recommendations included in seven special reports published by the Court. Hence the Auditors' Court notably observes improvements in the management of certain sectors of the European budget... Read more

Why there are no more children in Germany



The German Institute for Demography (Bundesinstitut für Bevölkerungsforschung) has published a new study that analyses demographic development in Germany and the reasons why there are have been less and less children since the 1970's. The reasons are

various, and cannot be applied generally to all of Germany. The main reason is the development of mentalities. Some privilege their professional career to the detriment of having a family thinking that raising children and also going to work are incompatible... Read more

Publications:

Crimea between Russia and Ukraine



The European Voisinages collection, with the support of the Robert Schuman Foundation, has published a book by Emmanuelle Armandon entitled "Crimea between Russia and Ukraine, a conflict that did not take place." Via the study of the secessionist movement that emerged in the region at the beginning of the 1990's, the author analyses the Crimean imbroglio and the threat that the "Crimean issue" means for the stability

of the new Ukrainian State and its relations with Russia... Read more

Culture:

New Year's Concert 2013

The Philharmonic Orchestra of Vienna's New Year's Concert 2013, the most popular annual classical music concert, will be conducted for the second time by Franz Welser-Möst, the General Musical Director of the State Opera of Vienna and Musical Director of the Orchestra of Cleveland. As every year enrolment to attend the concert for New Year 2014 via a lottery system will be open from 2nd to 23rd January 2013... Read more

Agenda:



17th December Brussels Environment Council



18th and 20th December Brussels Agriculture and Fisheries Council



20th and 21st December Brussels Transport, Telecommunications and Energy Council



21st December Brussels EU-Russia Summt

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