



The European Budget Agreement 2014/2020: the end of a "slight" budgetary suspense?



Author: Nicolas-Jean Brehon

The European Council of 7th and 8th February 2013 is due to finalise an agreement on the next multi-annual financial framework (MFF) for the period 2014/2020. This agreement will bring 18 months of negotiations to an end. What kind of compromise might be expected or is predictable? What lessons can we learn from this negotiation?

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Front page! :

Talking Europe hosts Stefan Füle



As part of the partnership between the Robert Schuman Foundation and the Audiovisuel extérieur de la France (AEF), the Foundation is broadcasting its most recent programme on its site "Talking Europe", whose guest this week is Stefan Füle, EU Commissioner for Enlargement and Neighbourhood Policy. He is interviewed by the Chairman of the Robert Schuman Foundation, Jean-Dominique Giuliani. In July, Croatia is expected to be the newest member of the European Union. But as Europe faces its biggest existential crisis yet, can it afford to grow even bigger?.. [Read more](#)

Financial Crisis :

Decline of German unemployment in January



According to figures released by the Federal Labour Agency (Arbeitsagentur) published on 31st January 2013 the number of unemployed in Germany - according to seasonally adjusted data - decreased by 16,000 in January to 3.14 million. The unemployment rate lies at 7.4%... [Read more](#)

Spain: GDP contraction faster than anticipated in the fourth quarter



On 30th January 2013 the Spanish National Statistics Institute (INE) has published the provisional figures on the GDP in the fourth quarter. The latter contracted by 0.7% in comparison with the previous report. The Spanish economy did however record a contraction of 1.37% over the whole year of 2012 - which is better than forecast by the government led by Mariano Rajoy, which was anticipating a GDP shrinkage of 1.5%... [Read more](#)

"Difficult" Economic Perspectives for Hungary in 2013



On 28th January 2013 in the wake of a two week mission to Budapest to analyse the state of Hungarian public finances, the IMF maintained that the country's economic perspectives would still be difficult in 2013. In spite of a reduction of the budgetary deficit the Hungarian economy is in the midst of a recession, the second in four years with declines in consumption and investments, whilst the level of unemployment remained high. In the IMF's opinion a new economic policy is required to guarantee sustainable budgetary adjustment mid-term in order to foster growth and confidence and to repair the financial sector - that is affected by specific taxes - and to promote structural reforms... [Read more](#)

Italy: unemployment up in December to 11.2%



According to a provisional estimation published on 1st February 2013 by the Italian National Statistics Institute (Istat) unemployment in Italy rose by 0.1 point in December to lie at 11.2% of the working population. This is the highest level since 1999 on a quarterly basis. In December 2012 it rose by 1.8 percentage points on a yearly basis. A total 36.6% of 15-24 year olds are unemployed (December 606,000 people) ie 0.2 points less than in November and 4.9 points more than a year ago. The government hopes for a recovery in growth during 2013 but the continued rise in unemployment is feeding a feeling of resentment towards the political classes just three weeks from the general elections planned for 24th-25th February... [Read more](#)

Slowing of the Polish Economy in 2012



On 29th January 2013 the Polish Central Statistics Office (GUS) published figures on the economy in 2012. Domestic demand increased by 0.1% with a GDP rise of 2% in 2012. This represents a net slowing of the economy in comparison with 2011 - a year during which domestic demand rose by 3.4% with GDP growth of 4.3%. This study also stresses that the Polish economy has progressively slowed over 2012 with a net decline of private consumption during the fourth quarter 2012... [Read more](#)

Romania: IMF and European Commission Declarations



Since mid-January IMF and European Commission experts have been in Bucharest. On 29th January 2013 they published a declaration pertaining to Romania's economic situation. The second poorest State in the EU has reduced its budgetary deficit to 3% of the GDP but is also lagging behind in terms of implementing various structural reforms, such as the privatisation of businesses and improving its ineffectual healthcare system. The IMF therefore gave Romania extra time (three months) to respect its commitments... [Read more](#)

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European Council :

European Council Activities in 2012



On 4th February 2013 the European Council published its activity report 2012. It lays out details in six chapters of achievements made in terms of the economy or employment on an international level. It includes all of the Council's decisions taken in 2012, as well as the entire text of the budgetary treaty... [Read more](#)

Commission :

Towards a Single Retail Trade Market



The European Commission has presented a European action plan for retail trade. It suggests the strengthening of the means available to the consumer, notably in terms of information, making the sector more competitive, thanks to the internet for example, re-balancing the supply chain to make it more sustainable, fostering innovation and strengthening the international dimension. The finalisation of a single retail market should enable support to the sector which is vital for the European economy. In the main it comprises SME's... [Read more](#)

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The Commission adopts the fourth railway package



On 29th January 2013 the European Commission adopted the "fourth railway package" comprising a series of legislative proposals designed to diversify the supply and improve the quality of railway services. The Commission is suggesting that the European Railways Agency (ERA) become a one-stop-shop for the delivery of authorisations for the marketing of railway vehicles, in a bid to reduce costs and deadlines linked to an entry onto the market of a new operator. In order to guarantee a true European network the Commission wants to strengthen the independence of the network's managers so that they can control all of the daily maintenance operations, plan investments and establish timetables themselves... [Read more](#)

Slight improvement of the respect of the rule of law in Romania



In a special report on Romania published on 30th January 2013 the European Commission reveals that the country may be back on the right path if it continues to meet the Commission's recommendations. This report stresses that Romania has implemented a certain number of recommendations delivered by the Commission in July 2012, focusing on the re-establishment of the rule of law. However the Commission says it is still "extremely concerned" about the attacks made against the independence of the legal system, the instrumentalisation of the media and the lack of integrity of some politicians in office. It also stresses that the most difficult recommendations have not yet been implemented... [Read more](#)

Council :

Conclusions of the Agricultural and Fisheries Council



On 28th January 2013 the EU's 27 Agriculture Ministers debated the project to reform the Common Fisheries Policy. They spoke in support of the landing obligation and the discard ban. Ministers called for the administrative simplification of the European Maritime and Fisheries Fund and some called for a reform of the financing criteria. They also discussed the harmonisation of technical measures and the checking of active fishing boats in the seas around Norway. Regarding the Common Agriculture Policy ministers adopted the reform agenda put forward by the Presidency and stressed that the progress made would be conditioned by the adoption of the Multiannual Financial Framework (MFF) at the next European Council... [Read more](#)

Strengthening of ENISA



On 1st February 2013 the European Council and Parliament came to agreement to redefine the missions of the European Union Network and Information Security Agency (ENISA). The new rules should strengthen the effectiveness of this agency, notably by providing it with the means to help Member States in the event of cyber-attacks and by creating a rapid response force... [Read more](#)

Diplomacy :

Conclusions of the Council on Mali, Syria and Egypt



On 31st January 2013 the EU's 27 Foreign Ministers welcomed the progress made by the Malian and French troops in Mali and called for continued international commitment in the field. The EU said it was satisfied after the Donors Conference and are encouraging the ECOWAS and the African Union (AU) to step up the deployment of the International Support Mission to Mali (MISMA) under African command. Regarding Libya the Ministers approved the operational planning of a European support mission for the management of the Libyan borders, in order to help the country's government manage migratory flows. Finally, they noted the situation in Egypt and Syria in view of the European Council on 7th and 8th February... [Read more](#)

Court of Justice :

The Court upholds passenger rights in "extraordinary circumstances"



The European Court of Justice (ECJ) decided on 31st January 2013 that it supported the compensation of airline passengers that were prevented from travelling due to the eruption of the Icelandic volcano, Eyjafjoll in April 2010. This catastrophe caused the biggest interruption of air traffic since the Second World War. Hence the Court warned Ryanair, and all airlines that they had to compensate passengers whose flight was cancelled due to "extraordinary circumstances"... [Read more](#)

Germany :

Munich Conference on Security



The 49th Munich Security Conference took place in Munich from 1st to 3rd February 2013. Discussions focused mainly on the military mission in Mali and on the situation in Syria. The conference also provided an opportunity for the US and Iran to enter into dialogue. On 2nd February American Vice-President Joe Biden said that Washington was ready to meet the representatives of the Teheran government. The Iranian Foreign Minister, Ali Akbar Salehi answered the next day that his country was ready to negotiate adding that it had to be a negotiation between "equals". Iran is suspected of enriching uranium for military purposes... [Read more](#)

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Recruiting Young Europeans and Fostering Intra-European Mobility



Just as 7.5 million young Europeans are without work Germany is struggling to recruit qualified labour. For the time being European youth mobility mainly faces a linguistic hurdle. To remedy this the German government is introducing targeted language lessons for young Europeans who are looking for work. Moreover a budget of 140 million euro is anticipated for this purpose in 2013. A new information site was launched on 28th January 2013 by the German Labour Minister, Ursula von der Leyen. 40 businesses have joined the government initiative... [Read more](#)

Extension of the Bundeswehr's mandate in Afghanistan



On 31st January 2013 MPs in the Bundestag extended the mandate of the German army in Afghanistan, 435 votes in support, 111 against and 39 abstentions. The mandate will last until February 2014 and is anticipating 3,300 soldiers deployed by the end of February 2014... [Read more](#)

Spain :

Polemic over the suspected illegal funding of the People's Party



In an inquiry published on 31st January 2013 the Spanish newspaper "El Pais", revealed, with supporting evidence, that several leaders of the Spanish People's Party (in office) have received sums of money from private companies. According to this investigation Mariano Rajoy, the leader of the government, is said to have received these payments for the last eleven years. On 2nd February 2013 Mariano Rajoy firmly denied having received undeclared money. For transparency's sake he will publish all of his revenues next week. In a country, which is hard hit by unemployment and austerity

measures, this corruption scandal has rapidly turned into a political crisis. The opposition party leader, Alfredo Perez Rubalcaba, is demanding the resignation of the head of government whilst Spanish journalists are demanding explanations... [Read more](#)

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France :

New Franco-German Training Programme



On the occasion of the 50th anniversary of the Elysée Treaty the Franco-German Office for Youth (OFAJ) launched a new cross-border training programme. French Youth Minister Valérie Fourneyron and the Ambassador for Germany in France, Susanne Wasum-Rainer launched "Praxes" on 31st January 2013 thereby opening the way to a Franco-German trainee status - which is an all time first... [Read more](#)

Shale Gas Issue re-assessed in France



On 31st January 2013 the Parliamentary Office for the assessment of scientific and technological choices (Opecst) which brings together MPs from the National Assembly and the Senate decided unanimously to undertake a feasibility study on "alternative techniques to hydraulic fracking for the extraction of shale gas." This technology which enables the extraction of the underground gas has been banned since July 2011 because of its impact on the environment. However it continues to divide the political parties as far as its use it concerned. An intermediary report will be presented in the spring before a final report is delivered in autumn 2013... [Read more](#)

Visit by the French President in Mali



On 2nd February 2013 less than one week since the conquest of the towns in the north of Mali by French and Malian troops, French President François Hollande travelled to Mali together with his Foreign Minister Laurent Fabius, Defence Minister Jean-Yves Le Drian and the Minister for Development, Pascal Canfin. "I have undoubtedly experienced the most important day of my life", declared the French President. During his press conference in Bamako, François Hollande also spoke of the fate of the French hostages kidnapped in Sahel suggesting that "the time had come to free them"... [Read more](#)

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Italy :

Mario Monti's European Tour



After having met with the President of the European Council, Herman van Rompuy in the morning of 31st January 2013, the head of the Italian government Mario Monti travelled to Berlin later in the day to discuss the multi-annual financial framework 2014-2020 with German Chancellor Angela Merkel. The latter - whilst declaring that she was optimistic - insisted on the difficulty of these negotiations, with the Italian head notably requesting "a reform of the rebate system" which some Member States benefit from. On 3rd February the French President hosted the Italian government head just days before the European Council on 7th and 8th February 2013. After this François Holland said that "the conditions for an agreement had still not been achieved"... [Read more](#)

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Fiat-Chrysler Merger in 2014?



Fiat CEO Sergio Marchionne announced on 3rd February 2013 in Turin that he intended to merge with the American group Chrysler in 2014... [Read more](#)

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Latvia :

Latvia wants to join the euro zone in 2014

On 31st January 2013 the Saeima (Latvian Parliament) approved on



final reading the draft bill prepared by the Finance Minister which focuses on the introduction of the euro in Latvia as of January 2014. This bill was supported by 52 MPs, 40 voted against and there were 2 abstentions. The Commission and the European Central Bank must now give their opinion. It is expected mid-2013... [Read more](#)

The Netherlands :

The Dutch State nationalises the SNS REAAL Bank



On 1st February the Dutch state nationalised the bank and insurance groups SNS Reaal for a total of 3.7 billion euros. The deadline set by the Dutch Central Bank to find a solution for the SNS Reaal was reached in the night of 31st January 2013, and so Finance Minister Jeroen Dijsselbloem deemed that nationalisation was inevitable... [Read more](#)

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UK :

Launch of a British pro-European political group



On 30th January 2013 several British politicians launched a pro-European group called "British Influence", just days after the announcement by British Prime Minister David Cameron that he would organise a referendum on the maintenance or not of the UK in the EU. This non-partisan group notably brings together two government members, Conservative Kenneth Clarke and Liberal Democrat Danny Alexander as well as former Labour Minister and former European Commissioner, Peter Mandelson. The group intends to "counter europhobia and to promote a reform and growth programme that will serve British national interest".. [Read more](#)

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Polish, the second most spoken language in England and Wales



Polish is the second most spoken language in England and Wales after English, ahead of Punjabi and Urdu, according to results of a census in 2011 published on 30th January 2013 by the Office for National Statistics in the UK. Hence 546,000 people speak Polish in England and Wales... [Read more](#)

NATO :

NATO Concerns over Defence Budget Reductions



On 31st January 2013 Anders Fogh Rasmussen, NATO's Secretary General, called on the Alliance's member States to maintain military budgets in spite of the economic crisis and public finance pressure in order to retain a high level of security. In NATO's annual report, Anders Fogh Rasmussen believes that excessive cuts in arms spending might have a threefold consequence: a reduction in NATO countries' influence; a slowing in economic activity and an impediment to innovation. Of the 28 NATO members, which is still the world's leading economic power only three of them - USA, UK and Greece - devoted more than 2% of their GDP to defence last year - the minimum threshold set by the organisation... [Read more](#)

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Eurostat :

Unemployment in Europe



On 1st February 2013 Eurostat announced that unemployment in December 2012 lay at 11.7% in the euro zone and at 10.7% in the EU. These two figures are stable in comparison with November 2012. In comparison with December 2011 the unemployment rate has increased by 1% in the euro zone and by 0.7% in the 27 Member States. The lowest unemployment rates in December 2012 were recorded in Austria (4.3%) , in Germany (5.3%), in Luxembourg (5.3%), as well as in the Netherlands (5.8%). The highest unemployment rates in Europe are to be found in Greece (26.8% in October 2012) and in Spain (26.1%)... [Read more](#)

Euro Zone Annual Inflation Rate down to 2%



Eurostat indicated on 1st February 2013 that annual inflation in January lay at 2%, down in comparison with December when it rose to 2.2%. Regarding the main elements of inflation in the euro zone, energy (3.9% against 5.2%) is due to comprise the highest annual rate in January followed by food, alcoholic drinks and tobacco (3.2%, stable in comparison with December), services (1.7% against 1.8% in December) and industrial goods - energy apart (0.8% against 1% in December)... [Read more](#)

Industrial Production Prices down by 0.2% in the euro zone and in the EU



In December 2012 in comparison with November 2012 the industrial production price index recorded a decrease of 0.2% both in the euro zone and in the EU according to estimates published by Eurostat, the EU's statistics office on 4th February 2013. In November prices also dropped by 0.2% in the two areas. In December 2012 compared with December 2011 industrial production prices rose by 2.1% in the euro zone and by 1.9% in the EU. In comparison with 2011 the average industrial production price increased in 2012 by 2.6% in the euro zone and by 2.7% in the EU... [Read more](#)

Studies/Reports :

New Report on Drug Trafficking in Europe



On 31st January 2013 the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) published a report on drug trafficking in Europe. This report reveals several trends in the drugs market: a polymorphous, dynamic, fluid market, the diversification of the transit in and supply of drugs, the rise of the EU as a major area of production and as a source of expertise in this domain. The Commissioner for Internal Affairs, Cecilia Malmström, stressed the specific place of cannabis in Europe and called on Member States to coordinate their action in view of effectively fighting this problem... [Read more](#)

Human Rights Watch report 2013



On 31st January 2013 Human Rights Watch published its annual assessment of human rights in the world. The report particularly highlights the regimes born of the Arab Spring, which too often ignore the respect of Human Rights and whose challenge remains the construction of democracies which subscribe to these principles. Assessing nearly 90 countries, the report also denounces human rights issues within the the EU, pointing to problems in 10 Member States as far as immigration or discrimination are concerned. Human Rights Watch thereby stresses that the EU's institutions and its Member States have not adhered to their commitments as laid out in the EU's Charter of Fundamental Rights... [Read more](#)

The fight to counter cybercrime is to be stepped up in Europe



On 31st January 2013 the European Union Information and Security Agency (ENISA) published a new report on the biggest pan-European cybersecurity exercise ever undertaken "Cyber Europe 2012" available in 23 languages. The international exercises in cybersecurity rallied public authorities, the major banks, telecoms from various countries in order to test their capacity to respond in the face of attacks like this. Hence it was revealed that knowledge of procedures and information flows are vital for rapid, effective response. It also emerges that countries find it difficult to take necessary crisis management decisions. To remedy this decisions are to be taken at more strategic levels... [Read more](#)

Presentation of a report on the hidden economy in Bulgaria



On 31st January 2013 the Center for the Study of Democracy in Sofia (Bulgaria) presented a report on the hidden economy in Bulgaria. This study reveals that the black economy declined in the country over the period 2011-2012. Hence only 3% of the population was working on the black in

2012 in complement to their main work, against 5.9% in 2009. The share of the hidden economy in business has also declined slightly over the last two years with the index measuring the parallel economy totalling 2.7% in 2010 against 2.4% in 2012. The report concludes with a certain number of recommendations that aim to reduce the black economy even further in Bulgaria... [Read more](#)

Culture :

Exhibition: Diversity Destroyed. Berlin 1933-1938



The German Historic Museum (Deutsches Historisches Museum) in Berlin is hosting an exhibition on the changes that occurred in the German capital between 1933-38. The exhibition is called "Diversity Destroyed. Berlin 1933-38". It covers the projects of more than 40 museums, associations, and foundations. The exhibition is open until 10th November 2013... [Read more](#)

Charlemagne European Youth Prize



The deadline to submit entries for the 2013 Charlemagne European Youth Prize has been extended to 18th February 2013. This prize organised jointly by the European Parliament and the International Foundation for the Charlemagne Prize of Aachen is awarded to projects drawn up by young people aged 16 to 30, and which aim to promote understanding between the peoples of different European countries. The winning projects must promote models for young people living in Europe and provide real examples of life within the same community. Amongst the projects selected feature "youth" exchange programmes, artistic and internet projects... [Read more](#)

63rd International Film Festival in Berlin



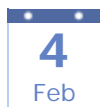
From 7th to 17th February 2013 more than 400 films will be showing as part of the 63rd International Film Festival of Berlin. 19 of them will be running for the Golden Bear award. This year women and independent films along side characters "fighting pitiless systems" will be the central themes. The Festival's Director, Dieter Kosslick declared this just a few days ago. The jury will be chaired by Chinese director Wong Kar Wai... [Read more](#)

35th Short Film Festival in Clermont-Ferrand



For the 35th year running the Short Film Festival of Clermont-Ferrand (1st to 9th February 2013) will be devoting a retrospective to India. During this event 180 films from the world over will compete against one another. Some 3000 professionals are expected to attend. Last year there were 145,000 cinema-goers. As every year there will be three competitions: a French one including 66 films, an international one comprising 74 films and a "Labo" competition which brings together "different" scientific films... [Read more](#)

Agenda :



4th February
Brussels
"General Affairs" Council



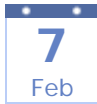
4th-7th February
Strasbourg
Plenary Session-European Parliament



7th February



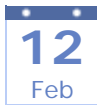
Frankfurt
ECB Council of Governors



7th and 8th February
Brussels
European Council



11th February
Brussels
Meeting of Euro Zone Finance Ministers



12th February
Brussels
Economy and Finance Council

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Publishing Director: Pascale Joannin

Contact/Suggestions

info@robert-schuman.eu

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