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The Foundation on





## It is indeed vital for Europe to have a high, active profile in the South Mediterranean



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## Front page! :

The crisis and enlargement into the Balkans



The French Institute of Skopje, with the support of the Robert Schuman Foundation, is organising a series of conferences in Skopje on "The crisis and the candidate countries for EU membership". The first conference entitled "Why has there been a crisis?" will take place

on March 1st. Frank Lirzin, an expert working for the Foundation and an economist specialised in monetary policy issues, the European economy and macro-finance, will be taking part in the debate alongside some Macedonian political leaders... Read more

## Talking Europe hosts Victor Ponta

Audiovisuel As part of the partnership between the Robert Schuman Foundation and Audiovisuel extérieur de la France (AEF), the Foundation is de la France and Audiovisuel exterieur de la France (AEF), the Foundation is broadcasting its latest programme 'Talking Europe' on its site, whose guest this week is Romanian Prime Minister Victor Ponta. He said he

was satisfied with the fact that the horsemeat scandal had been "acknowledged by France as being its responsibility and not that of Romania." After having attempted

to impeach President Basescu last summer he said he was not "friends with him but now entertained appeased relations which worry the EU less.".. Read more

#### Elections:

## Outgoing President of the Republic, Serzh Sarkisian is re-elected in the first round



Outgoing President of the Republic Serzh Sarkisian (Republican Party, HHK) was re-elected in the first round of the presidential election in Armenia on 18th February 2013. He won 58.64% of the vote ahead of Raffi Hovannisian, leader of Heritage (Zharangutiun, Z) supported by the Socialist Labour Party (HASK) led by Moses Shahverdian who won

36.75% of the vote. Five other candidates each won less than 3% of the vote. Turnout totalled 60.09% of the vote - 9.16 points less in comparison with the first round of the previous presidential election on 19th February 2008... Read more

## Nicos Anastasiades, the new Cypriot president



The leader of the Democratic Assembly (DISY), Nicos Anastasiades supported by the Democratic Party (DIKO), was elected to the presidency of the Republic of Cyprus in the second round of the election on 24th February. He won 57.48% of the vote ahead of the former Healthcare Minister (2011-2012) Stavros Malas (Progressive

Workers' Party, AKEL), who won 42.52% of the vote. Turnout totalled 81.58%, ie - 9.26 points less in comparison with the second round of the previous election on 17th and 24th February 2008. Nicos Anastasiades will officially take over from Demetris Christofias as the head of Cyprus on March 1st next... Read more

#### Election Results in Italy



The worst scenario finally emerged in the parliamentary elections that took place in Italy on 24th and 25th February. The leftwing coalition led by Pier Luigi Bersani won 29.54% of the vote, taking 340 seats in the Chamber of Deputies pulling just ahead of the rightwing coalition led by former President of the Council Silvio Berlusconi (PdL) which won 29.18% and 124 seats. In the upper chamber, the Senate, the left

came first with 31.63% of the vote (and 113 seats) but this is too weak a lead to be able to form a majority, since the rightwing coalition won 30.72% of the vote and 116 seats. The Five Stars Movement (M5s) led by Beppe Grillo won 25.55% of the vote and 108 seats in the Chamber of Deputies and 23.79% of the vote and 54 seats in the Upper Chamber. The centrist coalition led by the outgoing President of the Council Mario Monti came fourth; it won 45 seats in the lower chamber and 18 in the Senate. The coalition Civil Revolution led by Antonio Ingroia did not achieve the threshold of 10% of the vote to be able to have a representation in parliament... Read more

#### Financial Crisis:

## Growth outlook still weak according to the European Commission



On 22nd February 2013 the European Commission published its economic forecasts. In this report it notes a "disappointing" economic performance in Europe in spite of the improvement on the financial markets and believes that growth recovery (0.1% in 2013) will come more from exports than domestic consumption, which is still weak. The

Commission believes that the unemployment rate will total 11.1% in 2013 in the EU and 12.2% in the euro zone. Inflation is due to slow however reaching 1.7% and 1.5% respectively. The Commission believes however that the risks of a downturn in growth prospects are "high"... Read more

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## Mariano Rajoy's speech on the state of Spain



On 20th February 2013 during the annual debate on the state of the country the head of the Spanish government Mariano Rajoy defended the austerity policy which he has been undertaking since 2011 as he spoke to MPs. "It has cost us blood and tears, but the boat has not sunk," he declared. Recalling that 5,965,400 Spanish were still without

work, he maintained that his government's priority was to turn this trend thanks to

a series of "second generation" reforms, notably to stimulate employment and the activity of SMEs. On 23rd February tens of thousands of people demonstrated in Madrid in protest against austerity and corruption at a time when Spain is under the threat of an explosive cocktail of unemployment, recession and is questioning the institutions that have been shaken by a series of scandals... Read more

## Cyprus: bank requirements estimated at 8.86 billion euros



The banking system in Cyprus, which is extremely vulnerable because of the Greek crisis, needs help that might total 8.86 billion euros, as part of a rescue plan for the island - accroding to a Pimco Funds report published on 22nd February by the official agency CNA. The Pimco investment fund was asked to undertake an audit of the Cypriot banks'

needs by the EU, the ECB and the IMF - from whom Cyprus has asked for financial aid to avoid bankruptcy. The Pimco audit covers the portfolio of the Bank of Cyprus and the Popular Cyprus Bank, likewise the Hellenic Bank, the Greek Alpha Bank Cyprus, the Eurobank Cyprus and a panel representing around 63% of the cooperative credit institutions. On the Troika's request Cyprus has already adopted a series of austerity measures representing 7.25% of the GDP over four years... Read

#### UK::loss of the triple A



Just as the UK is about to plunge into recession the country witnessed the withdrawal of its triple A for the first time since 1978 by the ratings agency Moody's. Analysts estimated that this sanction would only effect the markets slightly. Taking down the rating a notch to "Aa1" Moody's spoke on 22nd February 2013 of the UK's "continuing weak

midterm outlook" and said that it was now expecting the country's subdued economic activity to "extend into the second half of the decade"... Read more

## Portugal: the government anticipates recession of 2% in 2013



On 20th February 2013, the Portuguese Finance Minister Vitor Gaspar reviewed his country's economic forecasts downwards. During a speech to parliament he declared that according to his "provisional estimation" the GDP would contract by 2% in 2013 instead of 1%. As a result a further year would be necessary to absorb the country's debts. The

minister hopes for a similar proposal when the Troika's assessment mission next visits the country (Commission, IMF, ECB) to discuss the reforms implemented by the Portuguese government... Read more

## Commission:

#### Internal Market Scoreboard



According to the internal market scoreboard published on 19th February 2013 by the European Commission the Member States have achieved their best scores in terms of transposing European regulation

over to national law. Although the single market is playing a vital role in bringing the European economy out of stagnation it does not automatically lead to advantages. Indeed for the goals targeted by the directives to be achieved they must be transposed within the set timetable. The average transposition deficit dropped from 6.3% in 1997 to 0.6% in 2012. According to this publication Ireland, Malta, Estonia and Sweden have achieved the best results by transposing the greatest number of directives over to their national legislation... Read more

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## Passive smoking declines in the European Union



According to a report published on 22nd February 2013 by the European Commission the protection against secondary tobacco smoke has improved significantly in the Union. In 2012 28% of Europeans were exposed to it in drinking establishments, a figure that has dropped in comparison with the 46% in 2009. This report dissipates fears of seeing the smoking ban affect the revenues of bars and restaurants negatively.

It shows that the economic effects have been limited or neutral over time. However it does illustrate the delay in application on the part of some Member States, who do not yet have full legislation to protect public health and which do not apply it completely either... Read more

## A trade agreement with the US but not at all costs



On 21st February the European Commissioner responsible for trade, Karel de Gucht explained the advantages of the launch of negotiations for a free-trade agreement between the EU and the US to the European Parliament's International Trade Committee. MEPs supported this move but said that this agreement would not be made just any price. On 15th February 2013 the European Commission asked the

Council to give its go ahead to negotiations as part of a new international agreement on the trade of services... Read more

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#### Parliament:

#### Agreement on the "two pack": strengthening budgetary discipline in the euro zone



On 20th February 2013 an agreement was reached between the European Parliament and the Commission on the "two-pack" which completes the budgetary rules that were already tightened in 2011 by the "six-pack"; this means that sanctions will be set on countries more rapidly if they do not respect the budgetary deficit and public debt

goals. Now Member States will have to present their draft budgets to Brussels before presenting them to their own parliaments. The Commission may then issue an opinion but not a veto. If the recommendations are not followed by action it could threaten to impose financial sanctions on the countries which find themselves in excessive deficit. In exchange for this tightening in budgetary discipline Parliament achieved concessions in support of growth. The agreement has to be adopted by Parliament during a vote in the March plenary session... Read more

## Banks at the heart of the debate between Mario Draghi and MEPs



As he spoke to the Economic and Monetary Affairs Committee on 18th February 2013, the President of the European Central Bank, Mario Draghi, declared that "potential inflationist bubbles still exist and are threatening the euro zone's economy and that the possible effects of the euro's exchange rates on inflation had to be watched carefully." The exchange rate should not be reduced therefore. Mario Draghi stressed

that the banks needed a single, strong supervisory system with common rules for the settlement of crises. MEPs asked the ECB to increase bank loans granted to the real economy... Read more

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## Parliament puts forward a new way to distribute seats



On 19th February 2013 the European Parliament's Constitutional Affairs Committee debated the reform of the number of MEP seats per Member State, in view of respecting the maximum number of MEPs (751) set by the Lisbon Treaty and in order to be able to integrate Croatia. MEPs suggested a principle whereby no more than one seat

would be lost by a State but none would be gained either. 12 Member States will have to relinquish one seat by the next European elections in 2014 (Romania, Greece, Belgium, Portugal, Czech Republic, Hungary, Austria, Bulgaria, Ireland, Croatia, Lithuania, Latvia). This proposal was adopted 21 votes in support 1 abstention. Germany will lose three seats since the temporary measure granted to cover the period 2009-2014 is coming to an end. But will this principle ensure fair representation?.. Read more

## Council:

## Growth, Steel, Research on the Competitiveness Council's agenda



On 18th and 19th February 2013 the 27 Ministers responsible for competitiveness (internal market, industry, research and space) debated the annual growth assessment 2013 in view of the European

Council on 14th and 15th March next. They assessed the European steel industry which has been one of the most affected by the economic crisis and exchanged views on an action plan set out by the Commission to stimulate enterprise in Europe (Entrepreneurship 2020). In the area of research they discussed open access to scientific information on the part of projects receiving public aid. Finally they reviewed the joint programming of activities in the area of research as well as progress made with the ITER project... Read more

#### Biofuels and the European Energy Market



On 22nd February 2013 the 27 Energy Ministers debated the draft directive put forward by the European Commission designed to promote biofuels whose CO2 emissions are limited. The European Parliament is due to vote in July 2013. They also worked on the completion of the European Energy Market stressing the need to complete it by 2014 and the need for greater consumer involvement... Read more

## Single jurisdiction for the European patent



On 19th February 2013 signed the international agreement establishing the Unified Patent Court which will ensure the implementation of European legislation in all of the participating Member States. This specialist court will have three main tasks: to prevent the multiplication of the processes in the various national jurisdictions, to prevent contradictory decisions being made, and to reduce the costs linked to

these affairs. Three Member States must now ratify the agreement before it can enter into force... Read more

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## Measures for insular and outermost regions



On 25th February 2013 the 27 Agriculture Ministers adopted two specific regulations for the EU's outermost regions as well as for the islands in the Aegean Sea. After an agreement with the European Parliament these texts should support agriculture in areas that face specific difficulties, such as their size and demography, their remoteness and their lack of infrastructures... Read more

## Diplomacy:

#### Conclusions of the Foreign Affairs Council



On 18th February 2013 the 27 Foreign Ministers formally approved the launch of the mission to train the Malian army. Its goal is to support the training and reorganisation of the Malian Armed Forces. They also welcomed the initiative taken by the President of the National Coalition Forces in the Syrian revolution and opposition eader, Moaz al-Khatib, in

view of political dialogue aiming to achieve the necessary conditions to reach a peaceful transition for a future without Bachar al-Assad. Moreover the EU firmly condemned the nuclear test undertaken by North Korea on 12th February last asking it to refrain from undertaking any further tests... Read more

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#### The new northern dimension



On 18th February 2013 the third ministerial meeting of the new Northern Dimension rallying the EU, Iceland, Norway and Russia led to the acknowledgement of the key role played by the Northern Dimension on the stability and cooperation in the north of the European continent and stressed the contribution this made to Euro-Russian relations. Ministers welcomed the progress made in view of

extending this cooperation to regions in the Baltic and Barent Seas and reviewed the partnerships concluded over environment, health, cultural and economic plans... Read more

#### Germany:

## Speech on Europe by German President Joachim Gauck

On 22nd February 2013 in his speech on Europe German President Joachim Gauck pleaded for greater European integration. He called for



greater effort in continuing unification. Speaking to 200 guests he stressed that the European project had to focus more on the citizens. He recalled that Germany was not trying to set a "diktat" on Europe:

"It is my deep belief that in Germany more Europe does not mean a German Europe. It means rather, a European Germany." In regard to the UK the president called on the country to stay in the EU... Read more

## Angela Merkel defends the European budget before the Bundestag



In a declaration to the Bundestag, the lower chamber in the German Parliament, Chancellor Angela Merkel called on the European Parliament on 21st February 2013 to approve the 2014-2020 budget negociated during the European Council on 7th and 8th February last. In virtue of the Lisbon Treaty, the European Parliament now has to

adopt the Union's multiannual financial framework... Read more

## The German government speaks up for Europe



It was rather an unusual trailer that the Germans watched a few days ago in the country's cinemas. A small 50 second film made by the German government, the European Commission and the European Parliament vaunts the advantages of European integration. The film

conveys a message: together we can overcome everything. European integration is synonymous to peace, freedom and prosperity... Read more

#### Bulgaria:

## Resignation of the Bulgarian Government



On 20th February 2013 Bulgarian Prime Minister Boyko Borissov announced that his government was resigning. For several days tens of thousands of people have been demonstrating against a rise in electricity tariffs and have denounced the "mafia" like relationship between political leaders and the energy companies. "We have our

dignity and our honour. The people granted us power, today we are giving it back," declared Boyko Borrisov. On 21st February the Bulgarian Parliament accepted the government's resignation, 209 votes in support, 5 against and 1 abstention. Since the parties are against the formation of an interim government early general elections will be organised in the spring said Bulgarian President Rossen Plevneliev... Read more

#### France:

## François Hollande visits Athens



French President François Hollande travelled to Greece on 19th February 2013. During a press conference with Antonis Samaras, Greek Prime Minister, he announced that the 0.8% growth rate forecast by his government for 2013 would not be achieved. The President's visit provided an opportunity to recall the support and the

links of friendship that unite the two countries. Both leaders concluded economic parternships, notably in sectors where privatisation is necessary (transport, airports electricity). In this context the French President met 40 Greek company heads. France also suggested the integration of FREMM type frigates for hydrocarbon exploration in the Aegean Sea, the use of which would enable Greece to achieve a stronger energy position in Europe... Read more

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## Draft bill on banking reform adopted by the National Assembly



The draft bill relative to banking reform was adopted on first reading in the National Assembly on 19th February 2013, 315 votes in support, 161 against. This text, which is not as ambitious as the one announced by François Hollande during his campaign or the one mentioned in the Liikanen Report presented by the European Commission just some months ago, notably anticipates obliging financial establishments to

register their more speculative activities in autonomously financed branches by 2015.

The text is to be examined by the Senate as of 18th March 2013... Read more

## 50th anniversary of the International Agricultural Show



The International Agricultural Show is being held until 3rd March in Paris. All of the actors in the agricultural world are gathering there and will be presenting their work. Moreover this year the show is celebrating its 50th anniversary, the central theme being "agriculture"

at the heart" of people, towns, the arts and the regions... Read more

#### Latvia:

#### Latvia announces its decision to integrate the euro zone in 2014



On 22nd February 2013 Latvian Prime Minister Valdis Dombrovskis declared that his country would make a formal request in March to enter the euro zone. Latvia would become the 18th country to use the single currency on 1st January 2014. "In March Latvia will request the European Commission to prepare a convergence report stating that we

are respecting the Maastricht criteria," declared Mr Dombrovskis to Parliament. In his opinion becoming a member of the euro zone will help his country increase its investment flows, reduce interest rates and reduce the cost of transactions. Finance Minister Andris Vilks said that Riga would present its request to the Commission during a meeting on 4th March... Read more

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#### Poland:

# The Polish Parliament gives the go-ahead to the ratification of the European Budgetary Pact



On 20th February 2013 the lower Chamber of the Polish Parliament, (Sejm) gave the greenlight to the ratification of the European Budgetary Pact (282 votes in support, 155 against). Following Parliament's agreement Polish President Bronislaw Komorowski has to

ratify the text thereby making the country the 17th European State to adopt the budgetary pact. Finance Minister Jacek Rostowski recalled, during the vote, that Poland's participation in this pact would help strengthen the country's influence within the EU. The Robert Schuman Foundation has updated its site with a summary table of the ratifications in the various countries across the Union... Read more

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## Ministerial reshuffle in Poland



On 20th February 2013 Polish Prime Minister Donald Tusk announced a "slight but interesting" ministerial reshuffle. Finance Minister Jacek Rostowski will become Deputy Prime Minister and retain his ministry at the same time. Interior Minister Jacek Cichocki will be replaced by Bartlomiej Sienkiewicz. The Prime Minister also announced that a more

extensive ministerial reshuffle was planned mid-year, since some ministers have been in office for nearly six years... Read more

## Meeting of 11 European Foreign Ministers in Gdansk



On the invitation of the head of Polish diplomacy Radoslaw Sikorski, the Foreign Ministers of the member countries of the Visegrad group and the northern and Baltic countries (Slovakia, Czech Republic, Hungary, Sweden, Denmark, Finland, Iceland, Norway, Estonia, Latvia

and Lithuania) met in Gdansk on 20th February 2013. Notably they discussed the fight to counter the economic crisis, European energy cooperation, and the means to increase competitiveness in the Union. The ministers looked into the strengthening of the Eastern partnership in 2013... Read more

## Eurostat:

## Trade surplus with Ukraine

On 22nd February 2013 Eurostat indicated that the EU had made an 9.3 billion euro surplus in its trade in goods with Ukraine in 2012. Trade with Ukraine represents 1% of all EU goods trade, of which it is



the 22nd trade partner. In the EU Germany, Poland and Italy are Ukraine's main trade partners... Read more

#### Eurobarometer:

## The Parlemeter, image survey of the European Parliament



The latest survey (Parlemeter) of the European Parliament by Eurobarometer has just been published. Undertaken amongst 26,739 citizens the survey confirms that the crisis is the focus of all concern. 51% of Europeans (+7 in comparison with 2006) say they are interested in European affairs. The image the Europeans have of the

European Parliament has remained almost stable over one year and over the period 2007-2012; it is neutral for most Europeans (43% +2 in comparison with 2007). 75% of Europeans think that the European Parliament plays an important role and 54% hope that it will play a greater role in the future compared to now... Read more

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## Survey on EU citizenship



According to a latest Eurobarometer survey on European citizenship which was published on 19th February 2013, 46% of those interviewed were aware of what being a "citizen of the European Union" meant. 36% said that they were adequately informed of their rights as a European citizen; 88% were aware that this enabled them to live in

any Member State. Overall those interviewed know most of the rights linked to Union citizenship, notably the right to address the Union's institutions (89%), free movement (88%), non-discrimination based on nationality (82%), consular protection (79%) and participation in the citizens' initiative (73%)... Read more

## Studies/Reports:

## Mario Monti's Italy: reform in the name of Europe



On the eve of the Italian elections on 24th and 25th February 2013, the Enterprise Institute published a paper on "L'Italie de Mario Monti: la réforme au nom de l'Europe" which tries to see what lessons France can learn from this. Even more than Germany Italy is a testing ground for the calibration of political reform and growth strategies for the euro zone States. With his historical/economic analysis of the Italian situation Alain

Fabre acknowledges that some of these reforms need consolidation. The issue at stake in the Italian elections involves Italy's ability to transform Monti's "technical experiment" into political capital... Read more

#### Budgetary austerity leads to a reduction in arms sales



According to figures published on 18th February 2013 by the SIPRI (Stockholm Peace Research Institute), in 2011 budgetary austerity led to a reduction in the sales of a 100 of the world's biggest arms groups (except for China). Taking account of inflation the total turnover of a

100 of these groups contracted by 5% in comparison with the previous year... Read more

#### Publications:

#### European Union Competition Law and Policy



Lextenso publishing has released the fourth version of the work by François Souty entitled "Le droit et la politique de la concurrence de l'Union européenne". The author explains that this policy has changed since 1957. He shows that it is not just at the service of financial interests, but also of citizens, consumers, workers, manufacturers and distributors... Read more

## The Fine Arts Palace in Brussels pays tribute to Francis Bacon



From 28th February to 19th May the Fine Arts Palace in Brussels is hosting an exhibition "Changing States: Contemporary Irish Art and Francis Bacon's Studio". On this occasion the incomplete works, paintings and archive materials from Francis Bacon's workshop run alongside the work of Irish artists who followed him and who have made their contribution to the art world since 2000. The exhibition, which has used

major collections from the Irish Museum of Modern Art and the "Hugh Lane" Museum in Dublin as its source, conveys themes such as the place of the individual in present ideological systems or the process of artistic creation... Read more

#### Re-opening of the Kunstkammer in Vienna



The Kunstkammer of Vienna will open its doors again on 1st March 2013. The museum will be presenting some rare imperial treasures and also objects from the Habsbourg curiosity cabinet. The collection has one of the most remarkable Art Cabinets in the world and presents precious objects dating back to the Midde Ages, the Renaissance and the Baroque Period... Read more

## Exhibjtion "Marc Chagall, from one war to another"



As part of the events celebrating its 40th anniversary the National Marc Chagall Museum in Nice is putting on an exhibition "Marc Chagall, from a war to another" until 20th May 2013. Some of the work undertaken by the artist between the two world wars are on show. The exhibition highlights the most secret, most unknown part of Chagall's work - his drawings - since 60 drawings, gouaches and collages are on show... Read

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#### Felix Ziem at the Petit Palais



The Petit Palais is putting on an exhibition of around 100 works until 4th August 2013 by Ziem (paintings, water colours, and drawings) that have been brought together under the name of "J'ai rêvé le beau". Renowned for his Mediterranean skies and his landscapes of Venice and Constantinople the French painter is believed to be one of the precursors of Impressionism. Water and sky occupy a predominant place in his luminous landscapes which made him famous. Moreover the painter's travel diary,

his sketches and his copies of the Italian and Dutch masters will also be on show... Read more

## Agenda:



24th and 25th February General and Senatorial Elections in Italy



25th February Brussels **EU-Ukraine Summit** 



25th-26th February Agriculture and Fisheries Council



28th February Brussels Employment, Social Policy, Healthcare and Consumer Council





5th March Brussels Economy-Finance Council







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