



The Foundation's Letter team wishes you all the best after the summer break

## Outgoing Chancellor Angela Merkel is the favourite in the German general elections on 22nd September



Authors: Corinne Deloy,  
Helen Levy

Just one month before the German elections on 22nd September the Robert Schuman Foundation has published a detailed study of the issues at stake in this election. It was written by Corinne Deloy, author of the European Elections Monitor.

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### Front page! :

#### European resilience or a respite to take advantage of



In an editorial published on his site the Chairman of the Robert Schuman Foundation, Jean-Dominique Giuliani, believes that "the European Union has resisted the crisis, the euro has proved that it can last, that Europe is strong". However in his opinion we must "now make full rapid use of this respite and complete the reforms. No one is saying that recovery will be easy but this is the price we have to pay to recover the competitiveness of the European economy," he maintains... [Read more](#)

#### European Prize in support of European Citizenship



For the third consecutive year the "Civisme, Défense Armées Nation" association (CIDAN) together with the European Association for Security and Defence as well as the Robert Schuman Foundation have launched the European "Citizenship, Security and Defence" Prize which is placed under the High Patronage of the President of the European Council. Open to all EU citizens this prize is designed to reward particularly remarkable action in support of the development of European citizenship as well as "European awareness of security and defence" defined as a civic chapter of the security and defence policy (CSDP). The deadline for candidates is set for 31st October 2013. The prize will be

awarded during the Security Conference in Berlin in November 2013... [Read more](#)

## Elections :

### Norway: the rightwing opposition may return to power on 9th September



3.5 million Norwegians will be renewing 169 members of the Storting (Parliament) on 9th September next. After eight years of social democratic government, the time might have come for political alternation. Indeed, according to a poll by VG the rightwing opposition might return to power. The Conservative Party is due to win 31.9% of the vote, ahead of the Labour Party with 27.5%. The Progress Party is due to come third with 14.2%. Far behind these parties the Liberal Party is due to win 5.6%; the Christian Democratic Party 5.5% and the Centre Party 5.3%. Finally the Socialist Left Party would be excluded from parliament since it is due to win 3.3% of the vote. Altogether the right is due to win 57.2% of the vote (43% without the Progress Party) against 36.1% for the left... [Read more](#)

## Financial Crisis :

### The German GDP rises by 0.7% in the second quarter of 2013



According to the Federal Statistics Office (Destatis) and figures published on 14th August 2013, the German GDP increased by 0.7% which is higher than expected and mainly due to a catching up effect after a lifeless first quarter. The German economy stagnated in the first quarter said the Federal Statistics Office... [Read more](#)

### Cyprus: the troika (ECB, IMF, Commission) satisfied with initial progress



According to a joint declaration by the European Commission, the ECB and the IMF on 31st July 2013 Cyprus is "progressing well" in the implementation of the fiscal measures requested in exchange for an international bail out plan. The fiscal measures that have been introduced by Nicosia as part of the plan have led to "better results" than forecast but there are still "major uncertainties" and prudence is still necessary. Whilst "there is still great uncertainty" the IMF sees no reason to revise its forecasts that are already pessimistic for the Mediterranean island over the next few years... [Read more](#)

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### Spain: recession in the second quarter and decrease in unemployment in July



Spain remained in recession in the second quarter but the contraction in its GDP was moderated to -0.1% according to official statistics published on 30th July 2013. This is the same figure put forward by the Bank of Spain which is forecasting a return to the positive in the third quarter. The country, which has been in recession for the last two years, witnessed a 0.8% contraction in its GDP in the third quarter then 0.5% in the first quarter of 2013. Moreover the number of people registered for unemployment in Spain declined in July for the fifth consecutive month but the level remains high at 4.7 million announced the Employment Minister on 2nd August 2013. In July there were 64,866 unemployed less than in June (-1.36%). This trend was confirmed by the National Statistics Institute (INE) which uses a different calculation method and is used as a reference announcing on 25th July a decrease in unemployment in the 2nd quarter, the first in two years down to 26.62%... [Read more](#)

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### France: GDP rises by 0.5% in the second quarter 2013



According to figures published by INSEE in France in August 2013 in the second quarter of 2013 the GDP increased by 0.5% after a contraction of 0.2% in the previous two quarters. This is the highest increase witnessed since the first quarter of 2011. Annual growth mid-year lies at +0.1%... [Read more](#)

### Greece: further aid from the IMF totalling 1.72 billion €

The IMF announced on 29th July 2013 the release of a further tranche of aid to Greece totalling 1.72 billion euros as part of the bail out undertaken together with the leaders of the euro zone. This fifth tranche of aid on the part of the IMF brings the total amount granted to Athens by the organisation since the announcement of the country's



more

rescue to 8.24 billion euros it was revealed in a press release... [Read](#)

### Portugal emerges from recession in the second quarter: GDP up by 1.1%



Portugal has emerged from recession with a GDP up by 1.1% in the second quarter of 2013 for the first time in over two years indicated the National Statistics Institute (Ine) on 14th August 2014. After ten consecutive quarters of contraction, the GDP increased by 1.1% in the second quarter in comparison with the three previous months but it had declined by 2% over one year said Ine... [Read more](#)

### Growth of 0.6% in the GDP in the second quarter in the UK



The recovery of the British economy accelerated in the second quarter with GDP growth of 0.6% according to the Office for National Statistics (ONS) published on 25th July 2013. Year on year growth lay at 1.4%. These figures herald a 0.3% acceleration in growth recorded in the first quarter which enabled the country to avoid a further dip into recession. According to the ONS the four sectors of activity (agriculture, production, construction and services) all experienced growth between April and June in comparison with the previous quarter. The greatest contribution to GDP growth came from services (0.48 growth points)... [Read more](#)

### Commission :

#### Towards a more competitive, effective defence and security sector in Europe



On 24th July the European Commission presented a communication including an action plan that aims to strengthen the effectiveness and competitiveness of the European defence and security sector. The Commission wants to take measures that will consolidate the internal defence market, to promote a more competitive defence industry and to foster synergy between the civilian and military areas. Energy, space and dual capacity (civilian and military) are also involved. This document will be studied at the European Council in December which will be devoted in part to defence... [Read more](#)

#### Payment Transactions: new rules in the interest of consumers and retailers



On 24th July 2013 the European Commission adopted a legislative package comprising a new directive on payment transactions (DSP2) as well as a draft regulation relative to interchange commissions on credit-card payment operations. The proposal aims to enable the promotion of the single digital market by making payments by internet cheaper and safer, both for retailers as well as consumers. It is expected that retailers will make major savings thanks to the reduction in commissions they have to pay to their bank and that consumer will profit from the ensuing reductions in prices. Moreover this proposal will enable cheap effective e-payments without a credit card, which provides better protection from fraud and improves user rights... [Read more](#)

#### Fishing quotas



On 22nd August 2013 the European Commission presented its proposals on fishing opportunities in the Baltic Sea in 2014. Noting that stocks have increased over the last few years the Commission is suggesting an increase in the quotas of cod and herring. The salmon quota is to be maintained at its present level and those for sprat and plaice reduced by 10% in order to replenish stocks. Moreover the Commission announced on 8th August that it would implement reductions on States which had gone beyond their quotas in 2012. Maria Damanaki European Commissioner for Fisheries maintained that "our priority is to ensure that the rules are applied to all rigorously and fairly..." [Read more](#)

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[Amicable agreement between the EU and China on solar panels](#)



On 27th July 2013 the European Commission announced that it had come to an "amicable solution" with China on the import of solar panels. "We have found an amicable solution to the solar panel affair between EU and China that will lead to a new balance on the market long term as far as prices are concerned," indicated the European commissioner responsible for trade, Karel de Gucht. The agreement entered into force on 6th August. Hence Chinese businesses which take part in the price commitment will be exempted from anti-dumping duties as of 6th August, whilst companies which do not take part will have to pay increased anti-dumping duties which were announced on 5th June 2013... [Read more](#)

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#### The Commission fills in legal gaps to guarantee the unitary protection of patents



On 29th July the European Commission suggested completing the legal framework for the creation of a unitary patent protection across Europe by updating the EU's tools governing legal competence and the acknowledgement of decisions ("the so-called Brussels I regulation"). These preparations will modify the path to a specialised European jurisdiction: a unified jurisdiction of the patent. Once the agreement regarding this jurisdiction has been approved and implemented businesses and inventors will be able to protect their patents more easily. This jurisdiction will enjoy a specialised competence to settle disputes over patents thereby helping those involved avoid complicated procedures in as many as 28 national courts... [Read more](#)

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#### PRISM Affair: the WP29 addresses the European Commission



The WP29, the group of European Data Protection Authorities has turned to the European Commission and launched an independent assessment of the American personal data monitoring system named PRISM, indicated the French body responsible for freedom on the internet in a press release on 19th August 2013. The American National Security Agency (NSA) which supervises PRISM is accused of spying on electronic communications worldwide exchanged on line such as on Facebook, Google, Skype as part of this programme according to revelations made by former American NSA consultant Edward Snowden. The personal data of European citizens are transferred and used by the USA without the knowledge of Europeans citizens and without them having any means to defend themselves in the American courts. The WP29 "believes that it is its responsibility to assess the precise effect of the PRISM programme on the protection of European citizens' private life and data" and it has therefore turned the Vice-President of the European Commission Viviane Reding on 13th August last to "request clarifications on the American legislation in terms of the surveillance of European citizens and this programme," says the text... [Read more](#)

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#### The economic confidence index increased in the euro zone and in the EU in July 2013



According to figures published by the European Commission on 30th July 2013 the economic confidence index increase by 1.2 points in the euro zone and by 2.4 points in the EU following a trend observed since May. The business confidence index in the euro zone increased by 0.14 points to 0.53... [Read more](#)

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#### Diplomacy :

##### The EU is to suspend the provision of security equipment and arms to Egypt



During an extraordinary meeting in Brussels on 21st August 2013 the 28 Foreign Affairs Ministers toughened up their stance against the new Egyptian regime by suspending the delivery of security equipment but maintained aid to the population and re-iterated their desire to help the country emerge from the crisis. They "condemned quite clearly all acts of violence" that have led to the deaths of hundreds of people since the beginning of the week. "The EU believes that the recent operations undertaken by the Egyptian security forces were exaggerated and have led to an unacceptable number of deaths and injured." At the same time they firmly condemned "the acts of terrorism such as the murder of policemen in the Sinai, the destruction of several churches and the targeting of the Copt community." Most of these attacks have been blamed on the supporters of the Muslim Brotherhood of former president Mohamed Morsi... [Read more](#)

## The ECB still sees the danger of a contraction in the economy



The President of the European Central Bank (ECB) Mario Draghi warned on 1st August 2013 that the dangers of a contraction continued to weigh over the euro zone's economy in spite of an obvious stabilisation. The ECB maintained its main rate at 0.5%. In view of these dangers the governor's board is "expecting that interest rates will remain low for a long time," warned Mario Draghi... [Read more](#)

## Belgium :

### Progress towards creating a European passenger data file



Nine EU countries (Germany, Belgium, France, Italy, Luxembourg, Netherlands, Poland, UK and Sweden) asked on 1st August 2013 for the creation of a European personal data file of passengers on airlines to prevent the departure of young Europeans to areas of conflict and also to counter terrorism. This file "will help the competent authorities to detect and monitor the movements of these people, in order to spot and prevent, often young, vulnerable people, who might be tempted to risk their life by travelling to war zones and also possibly to prevent the ordering of attacks in Europe and to counter certain serious crimes" stressed the Belgian Interior Minister Joëlle Milquet and her French counterpart Emmanuel Valls... [Read more](#)

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## Spain :

### Mariano Rajoy explains the "Barcenas" affair to Parliament



On August 1st 2013 during an extraordinary session with MEPs the head of the Spanish government Mariano Rajoy explained the corruption scandal in which his name has been quoted . "I am appearing before the MEPs to provide the necessary clarification to the situation we are experiencing," maintained Mariano Rajoy adding that he intended to deny the "lies and manipulation" and ruled out resignation on his part. "I made a mistake by trusting someone who did not deserve it," he added quoting Luis Barcenas, the man who managed the finances of the People's Party for twenty years and who is said to have paid illegal money to several leaders. The Prime Minister admitted that the party had paid "additional remuneration" to some of its leaders for their "work". These sums "were paid legally and were included in the accounts." On the same day the party's second in command in Spain, Maria Dolores de Cospedal, denied the existence of a parallel accounting system in the party as she appeared as a witness during an audition held by the judge who is investigating this scandal... [Read more](#)

## France :

### New military programming law 2014-2019



French Defence Minister Jean-Yves le Drian presented a draft bill on 2nd August 2013 relative to military programming over the period 2014-2019. This draft bill implements the guidelines of the French defence policy for the next six years following the White Paper on defence and national security published on 29th April 2013. Many goals have been identified, some of which are causing friction: reduction in numbers of staff, both military and civilian, to total 242,779 people in 2019, the "sanctuarisation of the Defence Budget; industrial investments (submarines; helicopters, aviation), renewal of equipment (MRTT, A400M, missiles). Information, future equipment, cyberdefence and Europe will be privileged... [Read more](#)

### Western Balkans Summit



The French President took part on 25th July 2013 in an informal summit with the countries of the Western Balkans organised together with the Slovenian President Borut Pahor, and Croatian President Ivo Josipovic. The heads of State of Serbia, Kosovo, Montenegro, Bosnia, Macedonia and Albania were present. As part of the process to bring these countries closer to the EU this summit shows the will on the part of the Western Balkans to coordinate better and to foster mutual understanding. François Hollande stressed the need for economic, political and institutional reform. The French president also offered France's help to find a solution to the conflict between Greece and Macedonia over the name of the latter... [Read more](#)

## Czech Republic :



## Dissolution of the Czech Parliament, early elections on 25th and 26th October



Czech MPs decided on 20th August 2013 to dissolve the lower chamber of parliament. Early general elections, which are supposed to put an end to the political crisis caused by the collapse of Petr Necas's government, are due to take place this autumn. "Of the 147 voters, 140 MPs approved dissolution - seven voted against" observed the leader of the chamber, Lubomir Zaoralek. A qualified 3/5th majority ie 120 of the 200 MPs were required for this decision which follows parliament's refusal to approve the "government of experts" led by Jiri Rusnok. The general election will take place on 25th and 26th October according to a decision taken by Czech President Milos Zeman on 23rd August 2013... [Read more](#)

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## Romania :

### Romania concludes a new agreement with the IMF and the EU



On 31st July 2013 Romania, the IMF and the EU concluded negotiations on a new two year agreement together with a credit line of four billion euros. The new agreement, the third since 2009 still has to gain the approval of the IMF's board, probably in September. Romania must however focus on stepping up reform, notably in terms of energy and transport and consolidate the economic stability that has been achieved under the previous agreements. "Structural reforms will help Romania to use its economic growth potential more effectively." The IMF has revised its growth forecast upwards from 1.6% to 2% in 2013 and is counting on a 2.25% increase of the gross GDP in 2014. Exports and agriculture are due to drive growth... [Read more](#)

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## Aviation :

### EADS becomes the Airbus Group



The EADS board approved a major decision on 31st July 2013. EADS which is determined to remain a world leader both in the commercial aviation sector as well as in terms of defence and space is now called "Airbus Group". It also decided to integrate the activities of Airbus Military, Astrium, and Cassidian within one defence and space group, named "Airbus Defence & Space", which brings together all of the group's space and defence activities except for military helicopters. Airbus Defence & Space's HQ will be in Munich and this division will be led by Bernhard Gerwert. Eurocopter is still a separate division but will be called Airbus Helicopters. The implementation of this new structure is planned for the beginning of next year whilst the change in name is to be approved by the General Assembly of Actionholders in 2014... [Read more](#)

## Eurostat :

### The euro zone and EU's GDP up by 0.3%



Over the second quarter of 2013 the GDP increased by 0.3% in the euro zone as well as in the EU in comparison with the previous quarter according to estimates published by Eurostat, the EU's statistics office on 14th August 2013. Over the first quarter of 2013 growth rates lay respectively at -0.3% and -0.1%. In comparison with the same quarter of the previous year the GDP adjusted to seasonal variations registered a decline of 0.7% in the euro zone and 0.2% in the EU over the second quarter of 2013 against -1.1% and -0.7% respectively in the previous quarter... [Read more](#)

### Euro zone's international goods trade in surplus by 17.3 billion euro



According to the first estimates for June 2013 published by Eurostat on 16th August 2013 the euro zone recorded an international goods trade surplus of 17.3 billion euro with the rest of the world compared with +12.8 billion in June 2012. The balance recorded in May 2013 lay at +14.5 billion , in comparison with +6.2 billion in May 2012. In June 2013 in comparison with May 2013 exports adjusted to seasonal variations increased by 3% and imports by 2.5%. The first estimates for the balance of trade in goods outside the EU for June 2013 indicate a surplus of 9.9 billion euro against -1 billion in June 2012. In May 2013 the balance lay at +15.7 billion against -5.2 billion in May 2012. In June 2013 in comparison with May 2013 exports adjusted to seasonal variations remained stable and imports increased by 1.8%... [Read more](#)

Unemployment at 10.9% in the EU and 12.1% in the euro zone



According to figures published by Eurostat on 31st July 2013 the unemployment rate adjusted according to seasonal variations lay at 12.1% in June 2013 in the euro zone, which was stable in comparison with May. In the European Union unemployment lay at 10.9% which is down in comparison with the 11% noted in May. The rates have increased in comparison with June 2012, when they lay at 11.4% and 10.5% respectively. According to Eurostat estimations 26,424 million men and women were out of work in June 2013 in the EU including 19,266 million in the euro zone. In comparison with May 2013 the number of unemployed decreased by 32,000 in the EU and by 24,000 in the euro zone. Compared with June 2012 unemployment had increased by 1,080 million people in the EU and by 1,129 million in the euro zone... [Read more](#)

#### Annual inflation rate of the euro zone stable 1.6%



The annual inflation rate in the euro zone was estimated at 1.6% in July 2013, stable in comparison with June according to an estimate published by Eurostat, the European Union's statistics office, on 31st July 2013. Regarding the main elements of inflation in the euro zone, food, alcoholic drinks and tobacco experienced the highest annual rate in July (3.5% against 3.2% in June) followed by energy (1.6% stable in comparison with June), services (1.4% stable compared with June) and industrial goods (energy apart - 0.4% in comparison with 0.7% in June)... [Read more](#)

#### Eurobarometer :

##### Public Opinion in Europe



According to the results of the most recent Eurobarometer survey published on 23rd July 2013 six EU citizens in ten feel "European" and want to learn more about their rights but less than half (46%) know what these are. In spite of the crisis in 19 countries out of 28 those who say they are optimistic about the EU's future outnumber those who say they are pessimistic, except in France where more than half of those interviewed (52%) say they are "pessimistic" about the continent's future. An absolute majority (51%) of Europeans support the euro: a 2/3 majority (62%) of those who live in the euro zone support the single currency... [Read more](#)

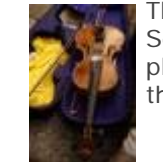
#### Culture :

##### 70th International Venice Film Festival 2013



The 70th International Venice Film Festival organised by the Biennale of Venice will be taking place from 28th August to 7th September 2013. In all 20 films will be taking part in the competition. The Opening Film is "Gravity" by Alfonso Cuaron with George Clooney and Sandra Bullock. The jury in this, the 70th Festival, will be chaired by Italian Bernardo Bertolucci... [Read more](#)

##### Music Festival of La Chaise-Dieu



The 47th Music Festival of La Chaise-Dieu is taking place until 1st September 2013. Classical music concerts and conferences will be taking place in the religious buildings of the region, ranging from the Roman to the Baroque... [Read more](#)

##### Classical Music Festival Montreux-Vevey



On 67th Classical Music Festival of Montreux-Vevey will take place from 31st August to 12th September 2013. It will notably host the Royal Philharmonic Orchestra London and the Saint-Petersberg Philharmonic Orchestra as well as conductors and soloists from the world over... [Read more](#)

##### Night of Choirs Festival

For the last five years the Abbey of Villers at Villers-la-Ville - 30km from Brussels has offered a series of concerts on two consecutive evenings. This music festival will take place on 30th and 31st August this year. Six musical formations (the children's choir of Munich, the choir of the town



of Rome ...) are offering a concert which will be performed in the most remarkable places of this historical site... [Read more](#)

#### Agenda :



4th September  
50th anniversary of the death of Robert Schuman



9th September  
General Elections Norway



9th-12th September  
Plenary Session of the European Parliament

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#### The Letter's Editorial Team :

Pauline Massis Desmarest, Pierre Thibaudat

**Chief Editor: Pauline Massis Desmarest**  
**Publishing Director: Pascale Joannin**

Contact/Suggestions  
[info@robert-schuman.eu](mailto:info@robert-schuman.eu)

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