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The Letter in PDF format

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The European Foreign and Security Policy: Common policy or aggregation of national diplomacies?

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In spite of the launch of a foreign policy and then a common defence policy the European Union has not really overcome the Westphalian stage in the way it approaches its international relations. More often than not it is divided over major issues and crises. It does not want to go to war. The solution to stalemate can only be pragmatic: by working more together, by formulating European interests and by developing common tools. 2014 will be a year of change for the institutions – possibly an opportunity for revival. **Read more**



Financial Crisis : Germany - Greece - World Bank - Troika Commission : SME -Employment - Extremism Parliament : Greece - Food - Environment - Waste - Free Movement - Public Procurement Council : Diplomacy - Financial Markets ECB : Woman/Board Germany : Energy Cyprus : Energy France : Franco-German -Austria Greece : Erasmus + Hungary : Elections - Russia Lithuania : Euro Netherlands : Gas Czech Republic : Prime Minister UK : Energy - Scotland Ukraine : Repression - Russia Switzerland : Taxation Aeronautics : Airbus Space : Rosetta Eurostat : Trade - Inflation Studies/Reports : Piracy -Bulgaria/Romania - World Risks Culture : Exhibition/San Marino - Art/Brussels -Art/Bordeaux - Iceland/Paris

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Financial Crisis :

Germany: growth slows in 2013 but the budgetary deficit is below forecasts

Growth in the Germany economy slowed in 2013. After 0.7% in 2012 and 3.3% in 2011 the GDP growth rate totalled 0.4% in 2013 indicated the Federal Statistics Office (Destatis) on 15th January 2014. However the German economy grew by around 0.25% in the fourth quarter of 2013, in comparison with the third said Destatis. Moreover Germany's budgetary deficit in 2013 emerged to be below previous forecasts at 22.1 billion euro, thanks to lower spending than previously planned. This is three billion less than the 25.1 billion euros planned for previously added the Finance Ministry in a press release - however it did say that from December on it would probably be doing better than previously announced... Read more

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Greece registers a budgetary surplus in 2013 Greece achieved a primary budgetary surplus (excluding servicing the debt) "of at least 800 million euro," in 2013 in view of the State's



budgetary results over twelve months announced the Deputy Finance Minister Christos Staikouras on 14th January 2014. The State's budget over the twelve months of 2013 point to a surplus of 691 million euros, according to documents put forward by the ministry to the press which

having integrated the local civil service accounts should lead to a primary surplus as mentioned by the minister: this surplus was one of the main macroeconomic goals for Greece in 2013 as well as the condition set by its creditors to a future alleviation of its debt... Read more

2014, a turning point for the world's economy, according to the World Bank



On 14th January 2014 the World Bank published its Global Economic Prospects. It announced that "the world's economy is at a turning ill point": growth is gathering pace in developing countries and high income countries are recovering. The President of the World Bank Group, Jim Yong Kim did however say that risks continued to weigh

over developing countries and that the latter should introduce structural reform to manage these risks. The world's GDP growth is due to rise from 2.4% in 2013 to 3.2% in 2014 and to 3.4% in 2015 according to the international organisation's forecasts... Read more

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Effectiveness of the Troika: hearings with Olli Rehn, Jean-Claude Trichet and Klaus Regling



In order to assess the effectiveness of the Troika (ECB, IMF, European Commission) the European Parliament's Economic and Monetary Affairs Committee held hearings with European Commissioner Olli Rehn on 13th January 2014, former ECB President Jean-Claude Trichet on 14th January and the ESM Executive Director, Klaus Regling on 15th January. MEPs concluded that "the European mechanism to counter the crisis needed true democratic accountability and clear channels of responsibility. They concluded that it should take the social impact of its decisions more into account and have the ability to correct policy recommendations when they were seen to be inadequate... Read more

Commission:

New rules on financing risk



On 15th January 2014 the European Commission adopted new guidelines establishing the terms by which Member States can grant aid designed to facilitate financing access on the part of SMEs, small midcaps and innovative midcaps. Some SMEs and midcaps, which are in the first stages of development, experience difficulties in finding financing even when they are potentially interesting. State aid can help

make good the financing deficit, not by replacing existing financing sources, but by helping to attract new capital to the businesses via well-designed financial tools and fiscal measures... Read more

Strengthening the European employment network



On 17th January 2014 the European Commission put forward a proposal that aims to strengthen the European employment network (EURES) in order to increase the number of job offers, improve workers' recruitment chances and help employers fill their vacancies faster and in a more adequate manner. Moreover this proposal will

enable citizens - who so want to - to work abroad. In its proposal the Commission suggests increasing recruitment transparency and strengthening cooperation between Member States... Read more

Stepping up the fight to counter radicalisation and violent extremism



On 15th January 2014 the European Commission presented a communication covering 10 areas in which Member States and the Union are being called to step up work to prevent all forms of radicalisation and violent extremism. Amongst the measures being put forward the Commission suggests the creation of a European network

on the knowledge of violent extremism, the design of training for front line workers and the grant of financial support to projects that fight to counter terrorist propaganda which now employs modern means of communication and the social

media. Finally the Commission invites Member States to introduce programmes that encourage the members of extremist groups to give up their violent actions... Read more

Parliament :

Priorities of the Greek Presidency

2014

Stimulating growth and employment, continuing work on banking union and an immigration policy based on greater solidarity are amongst the priorities of the Greek Presidency of the Council of the Ministers of the European Union. These were presented by Greek Prime Minister Antonis Samaras on 15th January 2014 to MEPs. The President

of the European Commission, José Manuel Barroso stressed that the EU's main goal was to restore growth, competitiveness and employment... Read more

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Toughening up foodchain controls



On 14th January 2014 MEPs adopted 659 votes in support, 24 against and 8 abstentions a non-legislative resolution which calls on the EU to review the functioning of the food chain, to step up control and to review labelling legislation, following food fraud which has included for example the marketing of horsemeat as beef... Read more

Reduction of CO2 gases on light commercial vehicles



On 14th January 2014 MEPs adopted 552 votes in support, 110 against and 12 abstentions the reduction of CO2 emissions totalling 203g/Km at present in force to 147g/Km by 2020 in new light commercial vehicles sold in the Union. The target of 147g/km by 2020 represents average maximum emissions allowed per manufacturer in the Union for

all vans over 2.610 tonnes empty and 3.5 tonnes loaded. The legislative draft is the focus of an agreement with Member States and also requests the introduction of more reliable tests for CO2 emissions... Read more

MEPs want to reduce plastic waste

On 14th January 2014 a non-legislative resolution advocated by MEPs suggested a European strategy to reduce plastic waste in the environment. They also called for a ban by 2020 on the most dangerous plastic materials and on some bags. Finally the proposed the integration of specific objects into European legislation in terms of the collection and sorting of waste... Read more

MEPs support free movement and reject the purchase of citizenship

On 16th January 2014 MEPs adopted a resolution firmly challenging the position of some of the Union's leaders who want changes and restrictions to be made in terms of the freedom of movement. They deemed that proposals limiting the number of migrants in the EU were contrary to the Treaty. Moreover MEPs said they were concerned about several

systems introduced in various Member States, particularly in Malta which are leading to the sale of national and therefore European citizenship. In this sense they adopted a resolution 560 votes in support, 22 against and 44 abstentions... Read more

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New European regulations on public procurement



MEPs adopted a new European regulation on public procurement and concession contracts which were the focus of an agreement with the Council in June 2013. These measures will enable a better price/quality ratio during the conclusion of concession contracts or during the attribution of work, goods and services. Moreover SMEs will be able to submit their tender more easily. Finally stricter measures on subcontracting have been planned for... Read more

Council:

Launch of an EU military operation in Central Africa and support to the Peace Conference on Syria

During a Foreign Affairs Council the 28 ministers approved the launch



of an EU military operation in Central Africa in support of the African and French forces, with soldiers who would be responsible for making Bangui safe. Moreover they provided their support to the Peace Conference on Syria that will take place on 22nd January 2014 in

Geneva. They then encouraged the Afghan authorities to conclude negotiations for a partnership and cooperation agreement. They condemned the violence meted out to pro-European demonstrators in Kyiv and criticised the repressive laws introduced by the Ukrainian authorities. They condemned the violence and called on the different political parties and the military to protect the population by bringing the violence to an end. Finally the Union lifted several restrictive measures against Iran for a six month period in order to encourage Teheran to implement the joint action plan concluded on 24th November 2013 in Geneva and to reduce a part of its nuclear activities... Read more

Agreement on Financial Markets (MiFID)



An agreement of principle was reached between the European Parliament and the Council to provide a better framework for the financial instruments' markets in order to limit speculation and to reestablish investor confidence that has been challenged by the crisis. This agreement that was clinched on 15th January 2014 enabled the

end of stalemate more than two years after the European Commission's presentation of its proposal to revise the European directive on the financial instruments' markets, the so-called MiFID. The new European bill will help make the "financial markets safer and more effective, protect investors better, limit speculation on the commodities' markets and regulate high frequency trading," which relies on financial transactions that are completed within nanoseconds... Read more

ECB :

Sabine Lautenschläger on the ECB board



On 16th January 2014 MEPs approved the appointment of German Sabine Lautenschläger to the board of the ECB in replacement of Jörg Asmussen. Ms Lautenschläger 49, is the Vice-President of the German Central Bank where she is responsible for monitoring credit establishments. She was put forward by the Council of the European Union on 7th January... Read more

Germany :

Ever more electricity from renewable sources in Germany



In 2013 renewable energies provided 23.4% of the electricity used in Germany according to the Federal Association of Energy and Water Industries (BDEW). This is a new record. In 2012 the figure rose to 22.8%. These developments are in line with the German "energy revolution" (Energiewende). The latter aims to emerge from nuclear

power and replace of coal powered stations by more modern, less pollutant means by 2022. The Energiewende's main goal is however to move over towards a new era: by 2050 renewable energies will provide 80% of the electricity consumed in Germany... Read more

Cyprus :

The British government interested in the Cypriot energy sector



On the occasion of the meeting between British Prime Minister David Cameron and Cypriot President Nicos Anastasiades on 15th January 2014 the British and Cypriot Energy Ministers as well as company heads in this sector met to deepen cooperation in the energy sector and invited entrepreneurs to join them in their discussions... Read more

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France :

Announcement of Franco-German cooperation in energy, defence and the economy



On 14th January 2014 during his third press conference since the start of his five year mandate French President François Hollande announced; amongst other things, his proposals for Europe in 2014. He stressed that the EU had achieved some major results in 2013 in terms of the euro zone (notably banking union). In 2014 he notes that it is time for Europe's revival. In his opinion initiatives must first come from France and Germany. Three proposals have been made in this sense: economic and social convergence; coordination for energy transition; a Franco-German couple for European Defence. The French President would like an economic and monetary union with a government specific to the euro zone that has goals such as growth and employment and also financial capacities... Read more

Employment and growth in Europe: a common goal for France and Austria



On 16th and 17th January 2014 French Prime Minister Jean-Marc Ayrault travelled to Austria where he met Austrian Chancellor Werner Faymann. After a meeting on 16th January the two heads of government announced that growth and employment should be the two countries' common goal. They called for joint work to help Europe emerge from the crisis. The French Prime Minister maintained that

"Europe still needed a perspective" and suggested that Austrian social dialogue should serve as an example. He also met the Austrian President Heinz Fischer... Read more

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Greece :

Launch of Erasmus + programme



On 16th January 2014 the "Erasmus+" programme was launched at the Athens Academy by the Commissioner for Education, Culture, Multilinguism and Youth, Androulla Vassilou, together with the Education Minister Constantine Arvanitopoulos and the Culture and Sports Minister Panos Panayiotopoulos. More than four million people are due to benefit from an EU grant to study, acquire professional experience or do voluntary work abroad over the next seven years. Erasmus+ will have a budget of 14.7 billion €, ie 40% more than the previous programmes in 2007-2013... Read more

Hungary :

General Elections in Hungary



Hungarian President Janos Ader indicated on 18th January 2014 that Budapest had chosen 6th April to hold the next general elections. "I have chosen 6th April as the official election date," he indicated in a press release saying that he had chosen this date so that the country

could have a new government as quickly as possible ... Read more

Hungary and Russia sign a nuclear cooperation agreement



On 14th January 2014 Hungarian Prime Minister Viktor Orban met Russian President Vladimir Putin in Moscow. They discussed trade relations between the two countries. In the press release the two men stressed that Russia, after Germany and Austria, was Budapest's third most important trade partner. They announced the signature of a

nuclear cooperation agreement aiming to build two new nuclear power units in Parsk which guarantees 40% of Hungary's electricity production... Read more

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Lithuania :

The Lithuanian Government commits to adopting the euro in 2015



On 15th January 2014 the Lithuanian government approved a draft bill on the introduction of the euro in Lithuania. The project was put forward by the Finance Minister and still has to be approved by the Seimas (Parliament). The bill plans for the change in currency and the practical organisation this will demand. It has also been submitted to

the ECB. This follows the declaration to the press by the Lithuanian Prime Minister Algirdas Butkevicius on 14th January 2014: "We have agreed to have the euro in Lithuania on January 1st 2015." He then stressed that the adoption of the euro would stimulate the Lithuanian economy by facilitating trade, foreign investment and the creation of jobs... Read more

Netherlands :

Reduction of natural gas production in the Netherlands

The production of natural gas in the Netherlands - Europe's second most important producer - will be reduced by 20% after a series of



earthquakes. This will create a major problem for the State indicated the Dutch government on 17th January 2014. "The problem with the earthquakes affects all of the Dutch," declared the Economic Affairs Minister Henk Kamp during a press conference... Read more

Czech Republic :

Bohuslav Sobotka appointed Prime Minister



On 17th January 2014 Czech President Milos Zeman appointed Bohuslav Sobotka as Prime Minister. A list of ministers is to be approved by the end of the January. Mr Sobotka, leader of the Social Democratic Party (CSSD), committed to increasing pensions and minimum salaries whilst maintaining the deficit below the 3% threshold. He said he supported the respect of the budgetary pact rules set out by the European Union... Read more

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UK :

Shale gas - the focus of the British government's priorities



On 13th January 2014 the British Prime Minister announced that local authorities would enjoy major benefits if they gave the greenlight to the use of local shale gas reserves. Hence they would have the right to 100% of the profits made from the use of these resources (instead of the usual 50%) which should bring them around 2 million euro per year. According to a report by the Energy Department more than half of the British

subsoil holds shale gas. The government sees an opportunity to revive the British economy in this... Read more

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The Independence of Scotland?



As the September referendum over Scotland's possible independence approaches the British government has published a series of reports on the advantages of Scotland remaining within the UK. On 17th January 2014 the 9th report was published; it looks into the advantages that Scotland enjoys in terms of Foreign Policy and its membership of the EU. British Foreign Affairs Minister William Hague indicated in four

points the advantages enjoyed by the Scots: the British diplomatic network across the world, the British government's ability to defend Scotland's economic interests via this network, the strength of the British network to guarantee the safety of its inhabitants; and the difficulties Scotland might encounter vis-à-vis the EU in terms of joining the latter and being able to remain out of the euro zone and the Schengen Area... Read more

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Ukraine :

Violence and repressive laws: the Ukrainian president promises to create a committee



On 19th January 2014 more than 200,000 opponents demonstrated in Independence Square (Maidan) in protest against the adoption of further laws that step up repression. Tension was acute between the police and demonstrators and 100 people were injured. Given the rise in violence and following a meeting with Vitaly Klichko with the Ukrainian

president, the latter announced that he was going to create a committee with the representatives of the opposition in order to bring the crisis to an end. On 16th January the Ukrainian parliament, dominated by MPs from the Party of Regions, adopted laws that were severely criticised by the opposition and the international community. These texts toughen sanctions taken against demonstrators rallied in the Maidan. The unauthorised installation of tents and tribunes in public places is now punishable by 15 days in prison. Moreover prison sentences ranging up to five years are now possible if people prevent access to official buildings. Defamation on the internet will also be punished. On 20th January 2014 European Foreign Ministers who, met in Brussels, deplored the violence meted out to pro-European demonstrators in Kyiv and criticised the repressive laws introduced by the Ukrainian authorities. The head of the EU's diplomacy Catherine Ashton also expressed her concern just a few days prior to this... Read more

Ukraine draws closer to the customs union set in place by Russia



On 15th January 2014 the Ukrainian government approved a cooperation programme extending until 2020. It aims to increase trade and investments with the customs union offered by Russia, Belarus and Kazakhstan. With this programme Ukraine believes that it will increase bilateral trade flows by 10% to 15% and investments by garamme place for cooperation in the commercial and economic areas

15%. The programme plans for cooperation in the commercial and economic areas, in energy, transport, technical regulations, scientific research and in cross-border cooperation... Read more

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Switzerland :

EU/Switzerland Negotiations on the Taxation of Savings



On 17th January 2014 in Bern, Switzerland and the EU held their first meeting on revising the agreement on the taxation of savings. The aim was to set the "technical means of the negotiations." The meeting followed the adoption on 18th December 2013 by the Swiss government of a negotiation mandate on the revision of the agreement

on the taxation of savings concluded with the European Union. For its part the European Commission was asked in May last by the EU's Council of Finance Ministers 'Ecofin' to renegotiate this agreement with Switzerland. The EU would like to close the lacuna in the present agreement which does not apply to all forms of savings, in a bid to prevent people from avoiding taxation as they protect themselves behind shell-companies... Read more

Aeronautics :

Airbus achieves an historical trade record



The European company Airbus declared on 13th January 2014 that it had achieved an historic trade record both in terms of the numbers deliveries and orders of planes used in the world. In its press release Airbus maintained that it had risen above its 2013 goals having delivered 626 planes (493 A320, 108 A330, 25 A380) to 93 clients (15

of whom are new). The company which is established in Toulouse registered 1,619 orders ie 11 more than the previous year. Finally Airbus takes the lead in the aeronautics industry with 5,559 planes in use, whose value is said to total 809 billion dollars (around 591 billion euros). At the end of its press release the company added that it had taken on 3000 people over 2013... Read more

Space :

European probe Rosetta wakes up



On 20th January 2014 the European probe, Rosetta woke up after 31 months of deep space slumber. The space probe was launched in 2004 to analyse the comet 67P/Churyumov-Gerasimenko. With this probe the European Space Agency is hoping to understand the development of the solar system from its beginnings. The probe is due to meet the

comet in the summer 2014 and follow it until 2015. It has completed 7 billion km since its launch in March 2004 and took around 6 hours to wake up completely... Read more

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Eurostat :

Surplus in euro zone and EU goods trade

According to the first estimates published by Eurostat on 15th January 2014 for the month of November 2013 the euro zone registered an international goods trade surplus of 17.1 billion euro with the rest of the world in comparison with +12.5 billion in November 2012. The balance registered in October 2013 lay at +16.8 billion, in comparison with +9.6 billion in October 2012. In November 2013 in comparison with 2013 exports adjusted to seasonal variations decreased by 0.2% and imports by 1.3%. Regarding the EU the surplus lay at 3.4 billion euro against -3 billion in November 2012. In October 2013 the balance lay at +4.8 billion against -10.2 billion in October 2012. In November 2013, in comparison with October 2013, exports adjusted to seasonal variations decreased by 0.6% and imports by 1.4%... Read more

Inflation at 0.8% in the euro zone

On 16th January 2014 Eurostat indicated that inflation in the euro zone was slightly down in December 2013 lying at 0.8%, whilst it lay at 0.9% in November. In December 2012 inflation lay at 2.2%. The euro



zone's monthly inflation rate totalled 0.3% in December 2013. In the EU inflation remained stable totalling 1%. The lowest annual rates were in Greece (-1.8%), Cyprus (-1.3%), Bulgaria (-0.9%) and in Latvia (-0.4%)... Read more

Studies/Reports :

Less maritime piracy in 2013 according to the International Maritime Bureau



The International Maritime Bureau (IMB) registered 264 acts of maritime piracy in the world in 2013, the lowest number in seven years, which can be explained by the decline in the number of attacks off the coasts of Somalia. The level of world piracy dropped by 40% since 2011, a year in which attacks of Somalia peaked at 237 attacks

indicates the annual IMB report. In 2013 only 15 incidents were recorded off the Somali coasts in comparison with 75 in 2012. In this regard since 2008 the EU has been undertaking a military operation to help dissuade the pirates, as well as to prevent and punish acts of piracy... Read more

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The fiscal impact of Romanian and Bulgarian immigration



The political portal of the Centre for Economic Policy Research, VoxEU has published a study by Joakim Ruist entitled "The Fiscal Impact of unlimited immigration from Romania and Bulgaria." The analysis focuses on Sweden which has never limited immigration from these two EU member states. It shows that this liberal regime has provided a

positive contribution to Swedish public finances. The study analyses the effects that this might have on EU Member States... Read more

Gap between rich and poor - the main danger to the world in 2014

WORLD ECONOMIC FORUM On the occasion of the publication of the 2014 "Global Risks" Report by the World Economic Forum, the international organisation points to the growing gap between rich and poor in a press release dated 16th

January. Disparity in revenues, is according to the report, the risk that is mostly likely to have impact worldwide within the next ten years. The survey, which is used as a base in the report, was undertaken by over 700 experts across the world and analyses the world impact of 31 global risks in the next decade. After income disparity, meteorological events are the most likely to cause systemic shocks globally. Unemployment, under-employment and climate change as well as cyberattacks follow after that... Read more

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Culture :

Leonardo's world in San-Marino



Until 16th March 2014 the Congress Hall Kursaal in San Marino is devoting an exhibition to the work of Leonardo da Vinci. The exhibition is showing models of around 200 of da Vinci's inventions and machines. It is also possible to see the digitial models of his works including "The Last Supper" and his self-portrait, appreciating the original colours... Read more

BRAFA: inauguration of the antiques fair in Brussels



The antiques fair in Brussels, the so-called BRAFA (Brussels Antiques & Fine Arts Fair) will open its doors from 25th January to 2nd February 2014. More than 130 exhibitors from across Europe will be attending. In 2014 the Royal Museum of Central Africa (MRAC) is the BRAFA's guest of honour... Read more

40th Antique and Modern Art Show in Bordeaux



From 25th January to 2nd February 2014 the town of Bordeaux is organising the 40th Antiques and Modern Art Show. Around 100 exhibitors will show that antiques have never been so modern. They will be presenting antiques from the Greek and Roman period up to the 20th century... Read more

Air d'Islande Festival from Iceland to Paris

AR DYLLAND

The Air d'Islande Festival from Iceland to Paris will take place in Paris from 23rd January to 8th February 2014. Air Iceland is a project that started in 2007 to promote Icelandic culture in France. Films, musical and theatre events will be taking place at the Georges Pompidou Centre, the Point Ephémère, and the Finnish Institute... Read more

Agenda :



20th January Brussels Foreign Affairs Council



22nd-24th January Montreux International Conference on Syria (Geneva-2)



22nd-25th January Davos 44th World Economic Forum



27th January Brussels **Eurogroup Meeting**



28th January Brussels Economic and Financial Affairs Council

Brussels EU-Russia Summit



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