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The Letter in PDF format

The Foundation on



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## "Russia's aggressive revanchism towards Ukraine has a paramount impact on Europe's security as a whole"

Author: Laimdota Straujuma



During the first semester of 2015 Latvia ensured the presidency of the Council of the European Union. After this period Laimdota Straujuma, Latvia's Prime Minister gives the Foundation her impressions and recalls the questions addressed during the presidency (Eastern Partnership, investment plan, digital market, data protection etc ...).

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#### Foundation :

##### Europe under pressure of its extremes



In his new editorial Jean-Dominique Giuliani deems that Alexis Tsipras has won his wager but that this shows the importance of the challenges thrown at Europe by the extremist parties... [Read more](#)

#### Greece :

##### Victory for the "no" in the referendum



On 5th July a referendum took place in Greece on whether the country should accept the proposal put forward by the institutions in the "Brussels Group" or not - regarding the agreement to achieve further financial aid from the country's creditors. According to the final results released by the Home Affairs Ministry the "no" (oxi) totalled 61.3% of the vote for a turn out of 62.5%. Alexis Tsipras, the Greek Prime

Minister described the result as a "major victory" but recalls that he hopes to take up negotiations with the institutions once more... [Read more](#)

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### Eurogroup Conclusions on Greece



On 1st July a Eurogroup meeting devoted to Greece took place. Finance Ministers assessed the Greek requests to extend the European financial assistance programme. However the Eurogroup deemed that the political situation and the government's position regarding the referendum had not developed, and so the request was rejected. Jeroen Dijsselbloem, the Eurogroup President, commented the results deeming that it was regrettable. A new Eurogroup meeting is planned for 7th July... [Read more](#)

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### Meeting between Angela Merkel and François Hollande on Greece



On 6th July German Chancellor Angela Merkel and French President François Hollande met at the Elysée Palace during an interview followed by a working lunch in order to "assess the effects of the Greek referendum" and to define the Franco-German position on this issue. François Hollande said after the meeting that "the door was open for discussions" with Greece adding that Alexis Tsipras's government had to put some "serious" proposals forward. "It is urgent for Greece, and for Europe," insisted the French President. Angela Merkel indicated that it was "urgent" to "have precise proposals" from Greece, emphasising that the country had to reckon with the response of 18 other euro zone countries". "We shall also see how the 18 other countries react. This is also democracy. We have shared sovereignty. 19 of us share the same currency. So, everyone has to be responsible and stand together," declared the German Chancellor... [Read more](#)

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### Greece in default of payment



On 30th June Greece defaulted on its debt to the IMF. "I confirm that the reimbursement owed to the IMF by Greece on 30th June has not been received," indicated one of the organisation's spokespeople. Athens, which was supposed to honour a reimbursement of 1.5 billion euro, asked for further time at the last minute. The IMF simply indicated that its request would be assessed "as and when". Greece can no longer receive financing from the IMF as long as its debts have not been paid," said the IMF. Athens will therefore have to do without the money from its public creditors. At the same time the European chapter of the assistance plan to Greece came to an end thereby depriving the country of 16 billion euro in assistance of any kind. Moreover the report highlights the difficulty in sustaining the Greek debt notably due to further spending which have been undertaken since 2012... [Read more](#)

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### Upkeep of emergency aid to Greece by the ECB



On 1st July the ECB announced that it would be maintaining the ELA (Emergency Liquidity Assistance) allocated to the Greek banks. This position was maintained on 6th July. However when it took its decision on 6th July the ECB adjusted haircuts on collateral. Moreover the Greek government decided to extend the closure of the banks until 8th July... [Read more](#)

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### Antonis Samaras and Yanis Varoufakis resign



As a result of the Greek referendum Yanis Varoufakis, the Greek Finance Minister announced that he was resigning on 6th July in order to facilitate negotiations with the country's European partners and members of Eurogroup: "Shortly after the announcement of the referendum result I was informed of a certain preference on the part of some Eurogroup members and "associate" partners for my "absence" from the meetings; an idea that the Prime Minister deemed to be potentially useful as far as reaching agreement was concerned." Yanis Varoufakis was replaced by Deputy Foreign Minister Euclide Tsakalotos, the coordinator of negotiations with Greece's creditors. After being sworn in he will take part in his first euro zone Finance Ministers meeting (Eurogroup) in Brussels on 7th July. Former Greek Prime Minister and the main opposition party's (New Democracy) leader, Antonis Samaras also announced his resignation following the victory of the "no" in the referendum... [Read more](#)

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### Fitch places four banks in "partial default" following capital control

The financial ratings agency Fitch placed four major Greek banks in "partial default" on 29th June following the introduction of capital control in the country to prevent the massive flight of capital and bank panic. "The worsening in the situation of the NBG (National Bank of



Greece), Piraeus, Eurobank and Alpha reflects Fitch's opinion that these banks have failed and would have defaulted if capital controls had not been introduced in view of the high rate of savings' withdrawals and the ECB's decision on 28th June not to raise the ELA (emergency liquidities assistance) of the Bank of Greece," maintained the agency in a press release... [Read more](#)

#### Financial Crisis :

##### Growth in the manufacturing sector in the euro zone accelerates in June 2015



Activity growth in the manufacturing sector accelerated in June in the euro zone and reached its highest level in over a year in spite of the Greek crisis which is weighing on the country's industry, indicated the Markit consultancy on 1st July. The PMI Composite Index lay at 52.5 in June, after 52.2 in May with all countries covered by the survey growing except for Greece... [Read more](#)

##### Growth forecasts raised and tax cuts put forward



After growth of 0.9% in the first quarter of 2015 Spanish Prime Minister Mariano Rajoy raised growth forecasts to 3.3% for 2015 and to 3% for 2016 against an initial 2.9%. He also announced that the government wanted to bring forward the date for the introduction of income tax reductions to 1st July whilst this measure had been initially planned for January 2016... [Read more](#)

##### Assessment of action taken by France to reduce its excessive deficit



On July 1st the European Commission adopted a communication on the report delivered by the French government in which the latter lays out the details of the measures the country has taken in response to the Council's recommendation made on 10th March regarding the excessive deficit. The Commission's communication confirms the French budgetary strategy which is aiming to reduce the deficit by 2017 laying out the means to implement action in 2015 and 2016. Moreover although the Commission deems that the trajectory to reduce the government debt in 2015 and 2016 respects the goals set by the Council it stresses that the budgetary effort required in 2015 and 2016 is still insufficient. France will therefore have to step up its strategy. The procedure for excessive debt has however been suspended... [Read more](#)

#### Commission :

##### Investment Plan for Transport



On 29th June 2015 the European Commission unveiled its investment plan of 13.1 billion euro in the transport sector. This plan is part of the wider pro-active move to revive growth and employment in Europe. It implies improving vital infrastructures in the transport sector, to provide support to foster innovation and to make the sector more sustainable... [Read more](#)

#### Council :

##### Roaming fees in the EU abolished as of June 2017



Mobile phone users travelling in the EU will no longer be charged roaming fees as of 15th June 2017 after the conclusion of an agreement between the European Parliament and the Member States. The agreement also provides for a reduction in these fees as of 30th April 2016 (with the introduction of a maximum surcharge of 0.05 euro per minute for a call and 2 cents for text messages), as well as a chapter on internet neutrality and guarantees demanded of operators concerning the quality of connections. "Nearly two years after the European Commission tabled its proposal to create a single telecommunications market an agreement has been concluded with the European Parliament and the Council," said the Commission in a press release. This compromise was achieved after a marathon round of negotiations between the three institutions of the EU (the so-called trilogue meetings between the Council, the Commission and the Parliament)... [Read more](#)

### Agreement over the transparency of securities financing operations



On 29th June the Council adopted a version of the regulation on the improvement of transparency in the financing of securities operations. This text aims to reach compromise with the European Parliament on 17th June. The regulation adopted by the COREPER aims to improve financial stability by guaranteeing that the operations in question are effectively reported to trade repositories and investors in collective investment undertakings. The regulation now has to be adopted by the European Parliament on first reading as well as by the Council... [Read more](#)

### Start of the Luxembourg Presidency of the Council of the European Union



On 1st July the Luxembourg Presidency of the Council started. This Presidency will last the second semester of 2015 and is the 12th undertaken by Luxembourg - but the first under the Lisbon Treaty. In this regard seven priorities have been set for the next six months: liberating investment for growth and employment; deepening the social aspect of Europe; managing migration, allying freedom, justice and security; reviving the internal market by focusing on the digital; including European competitiveness within a global, transparent framework; promoting a sustainable approach to development; strengthening the EU's profile in the world. The Presidency was officially launched on 3rd July... [Read more](#)

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### Agreement over the European small claims procedure



On 29th June the Council adopted the compromise that was reached with the European Parliament during the trilogue on 23rd June last which aims to amend the regulation introducing the European small claims procedure as well as the regulation introducing the European order for payment regulation. The aim of this compromise text is to make the European small claims procedure more effective and more open to a greater number of cases. The compromise text is now due to be adopted by the European Parliament as well as by the Council on first reading... [Read more](#)

### Germany :

#### Speech by the German Chancellor to the Bundestag



On 1st July 2015 German Chancellor Angela Merkel maintained that "negotiations over further assistance to Greece could not start until after the referendum." Angela Merkel did however stress that "the door to negotiations will remain open." She also maintained that Europe's fate was not at stake, in spite of the challenges it faced at present. Finally Ms Merkel recalled that the EU had to find a balance between solidarity and responsibility... [Read more](#)

### Bulgaria :

#### Bulgarian contribution to the European investment plan



On 30th June Bulgaria indicated that it will contribute 100 million euro to the European Fund for Strategic Investments, thereby making it the 8th country to announce its participation. The Vice-President of the European Commission for Employment, Investment, Growth and Competitiveness declared, "I am happy to hear that Bulgaria has announced its contribution of 100 million euro for the investment plan"... [Read more](#)

### Croatia :

#### An IMF report on Croatia



On 2nd July the IMF published its report on the Croatian economy noting the first signs of economic recovery after six years of recession. Private consumption is rising, employment has stabilised and businesses are starting to make profits. The rise in exports, of industrial production and foreign direct investments show that progress in the Croatian trade sector is being made. However private debt remains high, competitiveness must be enhanced and exports must turn more towards high yield economic markets. The growth outlook for 2015 totals 0.5% and even greater recovery is expected in 2016 thanks to the absorption of European structural funds notably... [Read more](#)

**Denmark :****Referendum on judicial exemptions**

The Danish government is to ask the population whether it supports or is against the exemptions granted to the country by the EU by the end of 2015 regarding judicial cooperation. The new Prime Minister Lars Lokke Rasmussen supports their abolition... [Read more](#)

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**Denmark-border control and reduction of benefits awarded to asylum seekers**

On July 1st the Danish government announced that it intended to reduce the number of refugees present in the country. New benefits rules submitted to parliament on 3rd July, which are due to enter into force in September, provide for reductions of nearly half of the benefits paid out to a childless asylum seeker, dropping from 10,849 crowns to 5,945 (797€). An additional allowance of 1,500 crowns will be paid to people who have the required level of knowledge of Danish to obtain work or training. On 30th June the Foreign Minister Kristian Jensen announced that he wanted to re-introduce border controls between Denmark and Germany and Sweden as he made his first foreign visit to Berlin... [Read more](#)

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**France :****Interview with the Chinese Prime Minister Li Keqiang**

Chinese Prime Minister Li Keqiang started a three day visit of France on 30th June. He spoke with French President François Hollande who welcomed the announcement made by China of its national contribution for the COP21 thereby confirming its commitment to building "an ecological civilisation." During this visit the signature of around 50 cooperation agreements and contracts for dozens of billions of euros with European aircraft manufacturer Airbus, the energy group Alstom, the world's third biggest maritime transport group CMA-CGM and even Engie (GDF Suez) were taken forward. Li Keqiang travelled to Marseilles on 1st July and visited CMA-CGM, which is firmly established in China with 71 maritime links servicing the country. Li Keqiang completed his trip on 2nd July in Toulouse where he visited the headquarter of Airbus... [Read more](#)

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**Italy :****Matteo Renzi meets Angela Merkel in Berlin**

On 1st July the President of the Italian Council met his German counterpart in Berlin. Matteo Renzi and Angela Merkel discussed Europe and the Greek crisis agreeing on several themes. Angela Merkel praised Italy for the reforms undertaken by the Italian government which are "moving in the right direction." Whilst stressing that Europe "has to change" Matteo Renzi condemned the choice made by the Greek Prime Minister to organise a referendum calling for "common sense" and the need for Greece to continue along the path of structural reform... [Read more](#)

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**Latvia :****Review of the 6-month Latvian Presidency of the Council of the European Union**

On 7th July the Latvian Prime Minister Laimdota Straujuma spoke in plenary to the European Parliament thereby concluding the six months of the Latvian Presidency of the Council of the European Union. She made a positive review of this first Latvian presidency since its joined the EU in 2004. Amongst the progress achieved she noted the agreement concluded on the European Fund for Strategic Investment, the creation of the Energy Union, the enhancement of the digital market, progress in terms of migration and security, but also the Eastern Partnership and the free-trade agreement with the USA. Luxembourg will now chair the Council for the next six months... [Read more](#)

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**Lithuania :****Visit by the Lithuanian President to Croatia**

On 29th June the Lithuanian President Dalia Grybauskaitė met her Croatian counterpart Kolinda Grabar-Kitarović on the occasion of the high level energy forum on the European Energy Union. The forum which rallied 100 participants focused on energy security and the EU's joint actions to succeed. In view of the energy tensions with Russia the aim of these

states is to achieve energy independence via the construction of GPL terminals and connections with Sweden and Poland which will help towards the development of the State and national security... [Read more](#)

#### Ukraine :

##### Increase in EU humanitarian aid to Ukraine



On 1st July the EU announced, via the European Commission, that it was increasing the humanitarian aid it has been providing to Ukraine in support of victims of the present crisis in the east of the country. The new aid will rise to 15 million euro, bringing the total provided by the EU so far to 62 million. Although direct contributions by the Member States are being taken into account more than 223 million euro in humanitarian aid has been dispatched to Ukraine since 2014... [Read more](#)

##### Agreement between IMF and Ukraine on extended fund facility arrangement



IMF staff and the Ukrainian government came to agreement on a series of reforms to introduce to complete the first assessment of the extended fund facility arrangement. The agreement is due to be accepted by the IMF's Executive Board if it deems that the government debt is sustainable and that the programme can be financed. The validation of this assessment would lead to the disbursement of 1.7 billion dollars... [Read more](#)

##### Gazprom announces the halt to gas deliveries in Ukraine



The Russian gas company Gazprom announced on July 1st that it was ending its gas deliveries to Ukraine. This matches Kyiv's announcement that it was suspending all gas purchases from Russia after the failure of negotiations over prices. "Ukraine has not paid its July gas deliveries. As of 1st July deliveries of gas by Gazprom to Ukraine have been halted.

Gazprom will not deliver any more gas to Ukraine, whatever the price - without prepayment," declared Gazprom CEO Alexei Miller. The transit of Russian gas via Ukraine towards the EU will not be affected however said the Ukrainian gas company, Naftogas... [Read more](#)

#### Council of Europe :

##### Award of North/South Prize 2014



On 1st July the Secretary General of the Council of Europe Thorbjørn Jagland travelled to Lisbon for the award of the North/South Prize 2014 to Maura Lynch and André Azoulay. This prize has been awarded yearly to two people who have distinguished themselves because of their devotion to strengthening solidarity between the North and the South. In the past it has been given to Kofi Anan and Simone Veil. The prize for 2014 was awarded with the Portuguese President Anibal Cavaco Silva in attendance together with the Portuguese Foreign Minister Rui Machete... [Read more](#)

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#### UN :

##### 137,000 migrants crossed the Mediterranean in the 1st Semester 2015 according to the UNHCR



A record number 137,000 migrants crossed the Mediterranean Sea in perilous conditions in the first semester 2105 most of time as they fled conflict - this is an 83% increase in comparison with the first semester of 2014 said the UN on 1st July. The situation might worsen in the summer: the number of migrants in the Mediterranean rose from 75,000 in the first semester of 2014 to 219,000 at the end of the year said the UN's agency for refugees. "Europe is facing a sea-borne refugee crisis which is reaching historic levels," warns the High Commissariat of the UN for Refugees (UNHCR). "Most of the people who arrive by sea in Europe are seeking protection from war and persecution," stresses a press release from the head of the UNHCR, Antonio Guterres... [Read more](#)

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#### NATO :

##### NATO Secretary General visits Romania

NATO is "not seeking confrontation" but is determined to defend its members against "threats from the east and the south" declared the Alliance's Secretary General Jens Stoltenberg on 2nd July in Bucharest.



"NATO will do everything it takes to ensure the security of its members," he said during a joint press conference with Romanian President Klaus Johannis. "The world is changing, Russia is being more assertive, and is trying to intimidate its neighbours, to change borders by force," he added. He inaugurated a command and control centre, the first of six HQs of this type planned for in Eastern Europe. "This centre will not be a military base but a small HQ," for a totally "defensive" goal, said Jens Stoltenberg... [Read more](#)

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#### Parliament :

##### Speech by Juncker to the European Parliament on Greece and the Latvian Presidency



On 7th July the President of the European Commission, Jean-Claude Juncker spoke to the European Parliament. He reviewed the Latvian Presidency of the Council of the European Union and also making comment on the follow-up to the Greek referendum. Regarding the Latvian Presidency he wanted to "pay tribute to the work achieved" by the country for whom this was its first ever Presidency of the Council. In his opinion this work was "exemplary" with progress being made, amongst other matters, on energy union, the single capital markets union and the digital single market. Regarding the follow-up to the Greek referendum and after defending his decisions and giving his opinion of the political comments made about the European Commission, Jean-Claude Juncker recalled that he did however want to "avoid a Grexit". He stressed that an agreement could certainly not be reached during the euro zone summit... [Read more](#)

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#### Eurostat :

##### Unemployment stability in the euro zone and the EU



In May 2015 the unemployment rate in the euro zone and the EU established at 11.1% and 9.6% remained stable in comparison with April 2015, but have declined in comparison with May 2014, a period during which the rates lay at 11.6% and 10.3% in the euro zone and the EU respectively said Eurostat. The lowest unemployment rate was seen in Germany (4.7%) whilst the highest rates were recorded in Greece (25.6% in March 2015) and Spain (22.5%)... [Read more](#)

##### Drop in annual inflation rates in the euro zone



According to Eurostat estimates the annual euro zone inflation rate dropped in June 2015 to 0.2% which is one point less in comparison with May 2015 (0.3%)... [Read more](#)

##### Publication of nationality acquisition figures by the Member States



According to Eurostat around 1 million people (985,000) acquired the nationality of one of the 28 EU Member States in 2013, ie an increase of 20% in comparison with 2012. Amongst these 985,000 people, 89% were citizens of a third country. The main recipients of an EU Member State's nationality were Moroccan (86,500), Indian (48,300) and Turkish (46,500). The highest naturalisation rates were recorded in Sweden (7.6 nationality acquisitions for every 100 foreign residents), Hungary (6.5) and Portugal (5.9). Conversely the weakest levels were recorded in Slovakia (0.3), Czech Republic (0.5) and in Denmark (0.5)... [Read more](#)

#### Studies/Reports :

##### Report on the efficacy of the European budget



The annual report on the European budget has been published by the European Commission. According to this report the European budget has a positive impact on investment, fostering competitiveness and stimulating employment. Moreover and again according to this report, one euro spent by the European Union brings in 9 € to Europe... [Read more](#)

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##### OECD Report on children of immigrants

On 2nd July the OECB published a report entitled "Indicators of



Immigrant Integration 2015: Settling In". This report highlights the fact that the children of immigrants continue to encounter a certain number of difficulties in terms of integrating the countries of the OECD, notably in the EU. The problem of integration can be explained amongst other things by low levels of education which lead to difficulties in finding work. The figures are revealing with young people born of immigrant parents being 50% more likely to be out of work than those who did not have a history of migration. Moreover another revealing figure is that in the EU countries one young person born of immigrant parents out of five believes they are victims of discrimination. However the latter trend was not witnessed in the non-European OECD countries... [Read more](#)

## Culture :

### Photography Meeting of Arles



Until 20th September the 2015 Photography Meeting is taking place in Arles. On the agenda are photography training sessions, open air nocturnal viewings, conferences and debates and over 60 exhibitions in places that are usually closed to the public. Created in 1969 this festival is the meeting point for enthusiasts who turn Arles into the international capital of photography... [Read more](#)

### Rock Festival Rome



Rome is hosting the Rock in Roma rock festival until 6th September. On the line-up there are major names from the international rock scene like Muse, Linkin Park, Robbie Williams and Noel Gallagher but also different types of music ranging from techno to pop and rap as well as artists like Damian Marley and Stromae... [Read more](#)

### The Gent Jazz Festival



The town of Gent in Belgium will be hosting a Jazz Festival from 10th to 19th July. Comprising two stages the festival hosts many personalities from contemporary jazz as well as folk, pop and variety singers. Amongst the artists not to miss - a duo of guitarists from South America - Rodrigo y Gabriella on 16th July... [Read more](#)

### From Rubens to Van Dyck at the Paris Pinacothèque



One of the richest private collections of Flemish art belonging to Hans Rudolf Gerstenmaier is on show this summer at the Pinacothèque of Paris as of 10th July 2015. Paintings on wood and canvas are on display together with prints made by the masters such as Rubens and his pupil Van Dyck. Landscape art is embodied by Joost de Momper, with Jan Brueghel, with a Flemish twilight landscape and paintings of flowers. Historic and religious painting will also be presented by the Adoration of the Angels and Shepherds by Martin de Vos... [Read more](#)

### Tribute to Audrey Hepburn at the National Portrait Gallery in London



The National Portrait Gallery of London is paying tribute British actress Audrey Hepburn (1929-1993) until 18th October. Thanks to work by some of the greatest photographers like Richard Avedon, Cecil Beaton, Terry O'Neill, Norman Parkinson and Irving Penn and also prints, magazine covers, films, the exhibition reviews the life of the "Fair Lady" from her debut as a chorist to her commitment to UNICEF at the end of her life and her years as an icon for Givenchy... [Read more](#)

## Agenda :



6th-9th July  
Strasbourg



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Plenary Session - European Parliament

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Euro zone summit

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