# FONDATION ROBERT SCHUMAN The research and study centre on Europe



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The Letter in PDF format

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# The Salzburg Summit: A Salutary Shock?

Author: Sir Michael Leigh



their final phase.

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The meeting between European leaders in Salzburg on migration gave rise neither to breakthroughs or breakdowns. This informal summit also illustrated the mistrust felt vis-à-vis London, which is creating additional uncertainty regarding the negotiation result, whilst time is pressing and the deadline of 29th March 2019 draws closer. In Michael Leigh's opinion however the Salzburg Summit might have provided the salutary shock for Brexit and have recalled the urgency in providing new impetus to negotiations as they enter

Front page! : Editorial European Council : Migration - Brexit Commission : Competition/Automotive - WTO - VAT - Trade/Canada - Competition/Amazon Parliament : Citizens Council : Future/EU - Energy - Sahel Court of Justice : EU-UK ECB : Bank Notes Diplomacy : EU-Asia - Energy/Transport France : Budget Hungary : Russia Ireland : Apple The Netherlands : Budget Poland : EU referral/rule of law UK : IMF - Free Movement - EU Budget/Fraud Ukraine : Treaty/Russia Council of Europe : France/Corruption - Hungary/Migrants OECD : Growth UN : Peace Studies/Reports : G7/Oceans Elections : Candidacy Eurostat : Inflation Culture : Languages - Exhibition/Sevilla - Exhibition/Paris - Exhibition/Brussels - Photo/Braga - Exhibition/Vienna

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# Front page! :

# Immigration and election



The Chairman of the Foundation believes that the focus of the next European elections should not be immigration but the place and role of Europe in the world... Read more

# European Council:

#### European leaders want to support Africa



During an informal summit in Salzburg on 20th September the heads of State and government reasserted their priority "to prevent illegal migration" despite certain disagreements regarding the way to increase the means available to Frontex. A meeting between Donald Tusk, the

President of the European Council, together with the Egyptian President during the UN's General Assembly, a visit by the President of the African Union in Vienna and an

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EU-Arab League summit in February 2019 are planned to strengthen cooperation with African countries... Read more

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#### The October Council will be "the moment of truth" for Brexit



The heads of State and government of the 27 Member States who met in Salzburg on 20th September deemed that the proposal made by the British Prime Minister Theresa May to avoid a hard border in Ireland "would not work" since it challenges the integrity of the Single Market.

The next European Council will be the "moment of truth" warned Donald Tusk. If an agreement is then in view, an exceptional summit will take place on 17th and 18th November to finalise the issue... Read more

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#### Commission:

# Daimler, BMW and Volkswagen suspected of collusion



On 18th September the Commission launched an investigation into possible collusion between Daimler, BMW and Volkswagen to avoid all competition in terms of technologies to reduce pollutant emissions. The EU has already inflicted heavy fines on businesses in this sector for

practices like this... Read more

#### Europe puts forward its ideas to reform the WTO



On 18th September the European Commission put forward ideas to modernised the World Trade Organisation (WTO), "The world has changed, not the WTO. It is high time to act to enable the system to rise to the challenges of the world economy," declared European Commissioner for Trade, Cecilia Malmström. The Europeans notably

believe, like the USA, that the Geneva based institution does not respond correctly to the trade distortions caused by China, which is accused of massively subsidising its economy... Read more

#### VAT: Member States lose nearly 150 billion €



According to a study published on 21st September by the European Commission the EU's Member States lost nearly 150 billion € in VAT revenues (value added tax) in 2016. The Commission has called on the Member States to adopt reform to reduce VAT fraud as soon as possible... Read more

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# Europeans benefit more from CETA than Canada



After a year of the provisional implementation of the free-trade agreement between Canada and the EU, it emerges that Europe's export companies benefit most. European exports have increased by 7%. Imports have declined by 3%... Read more

# Investigation into the use of data by Amazon



The Competition Commissioner Margrethe Vestager launched the preliminary investigation into "a possible abuse of dominant position" on the part of Amazon. The American on-line sales giant is suspected of using data provided by those selling on their platform abusively in order to better target consumer expectations... Read more

#### Parliament:

#### European Parliament survey one year before the elections



According to a survey on democracy in movement published by the Parliament on 17th September European citizens are increasingly aware that the decisions taken by the European institutions can have immediate effect on their daily life. Events in the international arena as well as in Europe - for example the rise of China and Russia or

negotiations over Brexit - mean that citizens clearly support joint action on the part of Europe... Read more

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# Conclusions of the General Affairs Council



On 18th September, the General Affairs Council met to discuss its doubts regarding the future relationship between the EU and UK. Michel Barnier declared that he was prepared to improve the proposal over the Irish border by the next Council in October. The sanction procedure covered by article 7 TEU against Poland for the infringement of the rule

of law was also on the agenda... Read more

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#### Informal Meeting of Energy Ministers



European Energy Ministers met on 17th and 18th September in Linz, Austria. They exchanged views on the means of integrating renewable energies to energy systems. Questions surrounding the use of hydrogen and the role of energy storage systems for energy transition were also

addressed... Read more

#### The EU extends its presence in Sahel until 2020



On 18th September the Council extended the EUCAP Sahel Niger until September 2020. Created in 2012 on the request of the Nigerian government the mission, undertaken by around 100 people, aims to counter organised crime and terrorism. It comprises training and

advising local and national authorities regarding security matters. Since 2016 the mission aims "to control and counter illegal migration." This aspect will be stepped up over the next two years. The budget has been revised upwards from 26.3 million € for the period 2016-201 to 63.4 million for 2018-2020... Read more

#### Court of Justice:

# Notification of withdrawal from the Union does not suspend European arrest warrants



The Union's Court of Justice deemed on 19th September that the notification by a country of its withdrawal from the Union was not an "exceptional" circumstance justifying the non-execution of European arrest warrants by other countries. The Court decided on the possibility of extraditing an individual from the Republic of Ireland to the UK. The Court recalls that European law applies until the effective date of

withdrawal, but deems that an exception is possible if the legal authority executing the order provides the proof that the notification can cause the loss of fundamental rights... Read more

# ECB:

# Presentation of the most recent "Europe" notes



On 17th September the European Central Bank unveiled the new 100€ and 200€ notes that will be circulated in May 2019. These complete the "Europe" series launched in 2013. The goal is dual: increase note security to counter counterfeiting via new security points and also to

adapt to the daily life of 340 million users in the 19 euro zone countries by making them more resistant to use. Cash is still the most preferred method of payment used in the Union in comparison with the electronic means and his circulation increases year by year (5.2% in August 2018)... Read more

# Diplomacy:

# A project to improve the connection between the Union and Asia



On 19th September the Commission presented its new connectivity strategy between Europe and Asia that aims to develop cellular network infrastructures, internet and transport, notably railways, maritime and air routes. The Commission hopes to stimulate European financial

investments in this region whose economy is expanding rapidly. The High Representative, Federica Mogherini stresses however that this project is not in competition with the "Silk Road" developed by China. It must now be discussed with the Council and the European Parliament... Read more

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# 3 Seas Initiative Meeting in Bucharest



The members of the 3 Seas Initiative met in Bucharest to deepen their cooperation in the areas of energy and infrastructures. This initiative brings together 12 EU Member States that lie between the Adriatic, the

Baltic and the Black Seas: Austria, Bulgaria, Croatia, Estonia, Hungary, Latvia,

#### France:

#### **Budget 2019 Guidelines**



The French government presented its draft finance bill 2019 on 24th September as its ministers met in council before debate in Parliament. The text proposes a reduction of 6 billion € for households, "a reduction in corporate tax and the transformation of tax incentives for competitiveness and employment into labour charge reductions, and

the suppression of positions in the civil service (4164). Based on an increase in the GDP, which is due to rise to 1.7% in 2019, the reduction in the public deficit is forecast to lie at 2.8% of the GDP... Read more

#### Hungary:

#### Viktor Orban meets Vladimir Putin in Moscow



Russian President Vladimir Putin hosted Hungarian President Viktor Orban in Moscow on 18th September. They said they were pleased with the quality of their diplomatic and economic relations and said they wanted to deepen this even more. They also denounced the series of European sanctions undertaken against Russia... Read more

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#### Ireland:

#### Apple pays back 14.3 billion euro in taxes demanded by the EU



Irish Finance Minister Paschal Donohoe announced on 18th September that Apple had paid back all 14.3 billion euro in taxes due to the State, in line with a decision taken by the Commission in 2016. The American company had been accused of taking advantage of tax settlements by the Irish State over several years. The money will remain in a frozen account until the end of the appeal procedure started by the Irish

government and Apple with the Union's Court of Justice... Read more

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#### The Netherlands:

#### Netherlands 2019 Budget presented to Parliament



The Dutch government presented its draft budget 2019 on 18th September to Parliament. Growth of 2.6% is again expected in 2019 and public accounts are in surplus. The budget forecasts further spending and reductions in corporate tax. The Dutch government announced that it had put 90 million € aside in order to rise to the

financial consequences caused by Brexit and maintained that it was doing away with one type of tax to attract foreign investments... Read more

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# Poland:

# European Union refers Poland to the Union's Court of Justice to protect the independence of the Supreme Court



On 24th September the European Commission decided to refer Poland to the Court of Justice of the EU due to the violations of the principle of judicial independence created by the new Polish Law on the Supreme Court, and to ask the Court of Justice to order interim measures until it has issued a judgment on the case.. Read more

#### UK:

# The IMF forecasts serious consequences for the UK if there is no deal with the EU



A no-deal Brexit "would lead to major costs" for the British economy and it is therefore "vital" for London to come to agreement with Brussels on their future relationship deemed the IMF on 17th September in its annual report on the UK. The IMF is expecting growth to reach 1.5% in 2019 in the UK, but its forecasts are based on the achievement of an agreement with the EU by the end of the year and the introduction of a

period of transition, says the organisation... Read more

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UK: no preferential access for European workers after Brexit

According to a report published on 18th September by the Consultative



Committee on Migration, ordered by the British government, the UK will not offer preferential access to workers from the EU after Brexit.

However the report does advocate promoting highly qualified workers who are not from the European Economic Area, thereby doing away with the existing cap and widening the range of skills... Read more

# London has to reimburse 2.7 billion $\in$ to the European budget for fraud on Chinese imports



On 24th September the Commission took further steps to ensure that the UK makes customs duties fallen due, available to the European budget. It sent a Reasoned Opinion to the UK for the reimbursement of 2.7 billion  $\in$ , accusing it of having fraudulously allowed the entry into Europe of Chinese products that were subject to insufficient tax rates. London has 2 months to respond... Read more

#### Ukraine:

# Ukraine: end of Friendship Treaty with Russia



On 17th September the Ukrainian President Petro Poroshenko officially enacted the decision taken by the National Security and Defence Council to terminate the Friendship, Cooperation and Partnership Treaty between Ukraine and Russia dated 1997... Read more

# Council of Europe:

# Council of Europe: France criticised for its anti-corruption policy



The Council of Europe's anti-corruption body (GRECO) published a report on 18th September on the state of the anti-corruption policy undertaken by France. It deems that the policy is unsatisfactory and has called on the French authorities to make progress on certain points: the rules on conflicts of interest and gifts, and public access to member of parliaments' and senators' declarations of assets; the criteria for the

award of honorary decorations and distinctions, and the commencement of disciplinary proceedings before the Judicial Service Commission with regard to judges and the Commission's investigative powers. France has to deliver a report illustrating the progress that it has made by 30th June 2019... Read more

## Report on the situation of migrants in Hungary



The Council of Europe's Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (CPT) published a report on 18th September, a report on the situation of migrants in Hungary. Although detention conditions were deemed satisfactory the

committee has however pointed to poor treatment suffered by migrants who are illegally in Hungary when they are arrested and sent back to Serbia... Read more

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#### OECD:

#### Uncertainty and slowing of growth



In the most recent copy of Interim Economic Outlook the OECD forecasts growth below the estimates it made at the beginning of the year. It seems that world growth has hit a ceiling: 3.7%. This is said to be due to a slowing in trade together with political uncertainties and the consequence of present trade tension. The OECD lists a series of

recommendations: ending protectionism, stimulation of productivity, preparation of long term growth, increase in skills on the labour market ..... Read more

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# UN:

#### UN-EU: adoption of a strategic partnership for 2019-2021



On 18th September the Council adopted a new strategic partnership framework between the UN and the EU regarding peacekeeping operations and crisis management for the period 2019-2021. Amongst the priorities of this cooperation, the significant increase in the number

of women in European contingents in peacekeeping operations... Read more

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#### G7 Ministers' meeting regarding the seas and oceans



The Environment, Ocean and Energy Ministers of the G7 met on 20th September in Halifax, Canada. They discussed various ways to take forward the priorities established in the "Charlevoix Action plan for the health of the oceans and seas and resilient coastal communities" to

address the devastating effects of plastic pollution and marine waste and the over exploitation of fish stocks... Read more

#### Elections:

#### Maroš Šefčovič and Christian Kern running to lead the PES



The Vice-President of the European Commission for Energy Union, Maroš Šefčovič, declared that he was running for the post of President of the European executive, thereby promising to try and reduce tension between States. Former Austrian Chancellor Christian Kern announced on 18th September that he would be leading the Social Democratic Party's list (SPÖ) for the European elections in his country, with the intention of

running to be the lead candidate for the European Socialist Party (PES), which would position him for the Presidency of the Commission if the PES came out ahead in the election... Read more

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#### Eurostat:

#### Reduction in inflation



According to Eurostat the rate of inflation dropped slightly in August in the European Union and the euro zone to respectively 2.1% and 2%, against 2.2% and 2.1% in July. This is mainly due to the energy sector varying between 0.9% and 4.7% depending on the country. The rate is

higher than a year ago: 1.7% and 1.5%... Read more

#### Culture:

#### European Language Day

Established by the European Commission and the Council of Europe in 2001, the European Day of Languages will be celebrated on 26th September with activities to promote linguistic diversity and to raise the public's awareness of the importance of learning languages and of protecting our linguistic heritage. This year the European Commission is organising an event entitled "Learning three languages at school: multilingual education and cultural expression" on 27th September at the Charlemagne Conference Centre in Brussels... Read more

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# 400th anniversary of the birth of Murillo



Sevilla is celebrating the 400th anniversary of the birth of the painter Bartolomé Esteban Murillo (1618-1682). Three major exhibitions are devoted to this representative of Spain's Golden Century. The last exhibition that is open until 8th December is devoted to the relations the artist entertained with the Church: a Baroque painter during the Concile de Trente, he stood out notably as a hagiographer of the Sevillan saints. The

town is also paying tribute to the music of his time with a wide programme of concerts... Read more

# Caravaggio at the Jacquemart-André Museum

The Jacquemart-André Museum is running an exhibition until 28th January 2019 with ten pictures by Caravaggio, seven of which have never been shown in France, covering his career in Rome from 1592 to his exile in 1606... Read more

# "Beyond Klimt" in Brussels



After a presentation in Vienna during the summer the exhibition "Beyond Klimt" is coming to BOZAR in Brussels and will be open to visitors until 20th January 2019. Using Klimt's death as a starting point - which reaches its centenary this year, the works show developments in art in Central Europe after the Great War, which was open to new networks and new influences... Read more

The 28th International Festival of Photography and Visual Arts is running a photography exhibition on the theme of "beauty and consolation" until 28th October in Braga (Portugal). It is one of the oldest photography festivals in Europe... Read more

#### Monet in Vienna



Until 6th January 2019 the Albertina Museum of Vienna is devoting a vast retrospective to the painter Claude Monet. The exhibition especially aims to present the artist's approach to light notably by showing canvasses representing his garden in Giverny... Read more

#### Agenda:

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23rd-25th September

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Informal meeting of Agriculture Ministers

**25** Sep

25th September - 1st October

New York

New YORK

Annual General Debate by the UN General Assembly

**27**Sep

27th-28th September

Brussels

Competitiveness Council

30 Sep 30th September

Macedonia

Referendum on the country's name

1 Oct 1st October Luxembourg Eurogroup Meeting

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