

WEEK IN BRUSSELS

19 February - www.smmmt.co.uk/newsletter

EU Summit – UK renegotiation update

EU Heads of State and Government are currently meeting in Brussels for the European Council, with the UK's reform deal and migration the main items on the agenda. A working group was held on the UK's renegotiation text on Thursday 18 February and a number of bilateral meetings took place late into the night in order to progress the negotiations. A revised text of the reforms is expected to be circulated to EU Heads of State and Government this Friday morning ahead of a next round of bilateral meetings, with a lunch discussion scheduled for 13.30pm. European Council President Donald Tusk said there had been "some progress" on the first day to the Brussels summit, but a lot remained to be discussed. Division on the proposed deal for the UK are said to be deeper than expected. An EU source spoke of five key areas where agreement had not been reached:

- How the EU's binding treaties will be altered to make the changes
- How many member states can trigger an "emergency brake" on migrant welfare
- For how long a member state can impose restrictions on in-work benefits for migrants
- Whether child benefit curbs can be applied retrospectively
- Changing treaties to alter the principle of "ever-closer" union

(Source: [BBC](#))



Majority of business leaders against Brexit

A new survey, by the Bertelsmann Stiftung, has revealed that the majority of UK and German business leaders are against Brexit. They believe that if Britain were to leave the EU, it would have disastrous effects for employment, revenues and investments. The study found that 79% of entrepreneurs, managing directors and executive employees want the UK to remain a member of the EU. In Germany, 83% of business leaders are against Britain leaving, as are 76% in the UK. The sectors most supportive of EU membership are manufacturing, ICT and tech companies, as well as the retail and consumer goods industries. Around 42% of respondents fear Brexit will have negative effects for the job market; while 38% worry it would negatively affect sales. In addition, 33% are concerned over changes to investment, with 34% worrying about employment issues. Almost a third of business leaders surveyed say they would reduce capacity in the UK or relocate elsewhere, particularly in the IT sector (41%) and financial institutions (33%). (Source: [The Parliament Magazine](#))

ACEA - Passenger car registrations: +6.2%

Figures released by the European Automobile Manufacturers' Association (ACEA) show a positive start of the year for the EU passenger car market, marking the 29th consecutive month of growth. Registrations during the month grew (+6.2%) compared to January 2015, totalling 1,061,150 units. This result is encouraging for the near future, as the upward market trend remains stable. Among the major markets, Italy (+17.4%) and Spain (+12.1%) recorded the strongest performances in January, both posting double-digit percentage gains. Also the French (+3.9%), German (+3.3%) and UK (+2.9%) passenger car markets grew during the opening month of 2016, although at more modest rates. (Source: [ACEA](#))

Annual CO2 reduction rate from trucks could be doubled

The European Automobile Manufacturers' Association (ACEA) today presented the results of a study by Transport & Mobility Leuven (TML), entitled 'Greenhouse gas reduction measures for the road freight transport sector: An integrated approach to reducing CO2 emissions from heavy goods vehicles in Europe', which has been fully confirmed by a consortium of 16 road transport stakeholders. The TML study was originally published in September 2014. Based on its results, a consultation process was initiated by ACEA between November 2014 and June 2015. This process brought together the relevant stakeholders representing the different aspects of the integrated approach - vehicle and trailers; fuels and alternative fuels; operations (infrastructure and logistics). The objective of this process was to review the results of the original study and to validate and/or adapt its findings as relevant. The final validated outcomes show that, when compared with a 'new vehicle only' approach, the integrated approach has the potential to double the annual CO2 reduction rate from trucks, to up to 3.5%. The study shows that further improving the technology of new vehicles is just part of the picture. Both the validated study as well as ACEA's position paper, 'Reducing CO2 from heavy-duty vehicles', were launched at an event entitled 'Reducing CO2 from road transport together' in Brussels this week. (Source: [ACEA](#))

High-level conference on the digital transformation of European industry

A high-level conference "The Digital Transformation of European Industry and Enterprises", was held by the European Commission this week. EU Commissioners E. Bienkowska, C. Moedas and G. Oettinger, as well as Vice-President J.Katainen emphasized the impact digital technologies would have on the development of industry in the future. In a [joint declaration](#), representatives of the business community, trade unions and academia call on government and industry to act swiftly, in order to create the needed framework for innovation. (Source: [European Commission](#), [Conference](#))

Week ahead

Council of the EU

Thursday 25 February

- Justice and Home Affairs Council – ministers will discuss the implementation of existing measures on migration and may also consider possible future action

European Parliament – Plenary Meeting

Wednesday 24 February

- Debate: European Council and Commission statements – conclusion of the European Council meeting of 18 and 19 February
- Joint debate: European Semester 2016
- Debate: European network of Employment Services and further integration of labour markets

Thursday 25 February

- Vote: European network of Employment Services and the further integration of labour markets
- Vote: European Semester 2016

European Parliament

Monday 22 February

- ECON – Access to finance for SMEs and increasing diversity of SME funding in Capital Markets Union
- IMCO – Non-tariff barriers in the Single Market; The Single Market Strategy

Tuesday 23 February

- IMCO – The Single Market Strategy
- ITRE – A new forward-looking and innovative future strategy on trade and investment
- ENVI – Public Hearing on Real Driving Emissions Tests