

## WEEK IN BRUSSELS

Week ending Friday 6 May

### South Korean parliament ratifies EU FTA

The South Korean National Assembly has ratified the EU-South Korea Free Trade Agreement (FTA). This marks the final stage on both sides for the implementation of the agreement from 1 July 2011. The deal faced controversy in the Assembly because of concerns about the impact of the deal on Korean farmers and small businesses. The opposition Democratic Party boycotted the vote, resulting in the agreement passing with 163 votes in favour, one against and five abstentions. EU Trade Commissioner Karel De Gucht welcomed the Korean ratification, and said: "This is a landmark agreement and a benchmark for what we want to achieve with other key trading partners. This FTA will create growth, jobs, consumer benefits and boost exports, competitiveness and investment in both the Korean and the EU economies." The US has been watching developments closely, with the Obama administration looking to putting more pressure on Congress to approve a similar deal. US Commerce Secretary Gary Locke said: "The EU-Korea agreement takes effect on July 1 and so many of the same products that Americans want to sell to Korea will now come in at cheaper prices from Europe, which puts American companies at a disadvantage. The longer we wait, the longer that disparity." (Source: Korean JoongAng Daily/Wall Street Journal)

[joongangdaily.joins.com/article/view.asp?aid=2935815](http://joongangdaily.joins.com/article/view.asp?aid=2935815)



### SME support making progress - Commission

A recent European Commission review reveals that progress in implementing the Small Business Act's (SBA) measures has been made, while indicating further actions needed to respond to the new challenges that have emerged in the meantime. The SBA was launched in 2008 to ensure that European small and medium-sized enterprises have access to finance and markets and can thrive in a regulatory environment conducive to growth. Interesting initiatives have been put forward in the Small Business Act Review which focus on promoting entrepreneurship. Member states are invited to reduce the start-up time for new enterprises to 3 working days and the cost to €100. The Commission is keen on creating mentoring schemes for female entrepreneurs in at least 10 EU countries to provide advice and support with the start up, functioning and growth of their enterprises. And by the end of this year, a Social Business Initiative focusing on enterprises pursuing social objectives will be adopted. Looking forward, the Commission also wants member states to reduce the amount of time it takes to get licences and permits - including environmental permits - to one month by the end of 2013. It would also like governments to give honest entrepreneurs a second chance by limiting the discharge time and debt settlement after bankruptcy to a maximum of three years by 2013. (Source: European Commission)

[ec.europa.eu/enterprise/policies/sme/small-business-act/](http://ec.europa.eu/enterprise/policies/sme/small-business-act/)

### Industrial pollution figures released

Europe's industrial pollution register has been updated to include emissions to air, land and water from facilities across 32 countries in 2009. Interpretation of the data is still underway. The European Pollutant Release and Transfer Register (E-PRTR), updated by the European Commission and European Environment Agency (EEA), covers releases of 91 substances from 28,000 industrial

sites. The data will continue to be revised until the autumn when the EEA will publish its analysis of the figures. Information on the amount and type of waste industrial facilities transfer to waste handlers inside and outside each country is also provided. The EEA is confident this year's results will not encounter any problems. Errors in last year's figures could have been due to member states grappling with the new reporting format, ENDS has reported. (Source: European Commission)

[ptr.ec.europa.eu/pgAbout.aspx](http://ptr.ec.europa.eu/pgAbout.aspx)

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## Portugal reaches deal on €78bn EU-IMF bailout

Portugal has reached an agreement on a three-year bailout package worth €78 billion from the European Union and the International Monetary Fund, outgoing Prime Minister Jose Socrates said this week. Lisbon was forced to ask for a bailout last month after Socrates' government resigned following a parliamentary dispute and rejection of a fourth round of austerity measures sent its borrowing costs prohibitively higher. Officials from the European Central Bank, EU and IMF have been in Lisbon for two weeks negotiating the terms of the financial rescue package. Mr. Socrates said the plan called for a loosening of the deficit reduction targets for Portugal, whose economy is expected to shrink this year as it implements austerity measures. Portugal is the third eurozone member to seek international assistance following Greece's €110 billion rescue one year ago and Ireland's €85 billion bailout last November. The quick agreement of the terms of the rescue package means that eurozone finance ministers will be able to review the plan at their regular monthly meeting on May 16. If approved, the bailout plan go forward after Portugal's June 5 legislative elections.

<http://www.eubusiness.com/news-eu/portugal-eurozone.9rq>

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## Fatal mistake for EU to postpone measures to reduce oil dependency - Ruete

The European Commission's Director-General for Transport and Mobility, Matthias Ruete, has warned at a conference on peak oil that it would be a "fatal mistake" for the EU to postpone measures to reduce oil dependency. Peak oil is the point at which half of

the world's original oil reserves have been used up and production enters a period of terminal decline and could potentially be characterised by soaring prices and supply disruptions. Recently, Chief Economist of the International Energy Agency, Fatih Birol, said that peak oil production was actually reached in 2006, he said: "The existing oil fields are declining so sharply that in order to stay where we are in terms of production levels in the next 25 years, we have to find and develop four new Saudi Arabias." Since the Arab Spring began, oil prices have crashed though the \$100 a barrel price ceiling for the first time since the credit crash. But a lack of transparency among oil producers about the scale of their reserves has also fed a more systemic uncertainty. (Source: Euractiv) [www.euractiv.com/en/energy/act-peak-oil-curtail-mobility-commission-news-504506](http://www.euractiv.com/en/energy/act-peak-oil-curtail-mobility-commission-news-504506)



## Time to scale-up climate fund - UN negotiators

The planned UN green climate fund will need to leverage fresh sources of finance, including from the private sector, if it is to reach targeted levels, international finance and climate experts have recently said in Mexico City. The fund's Transitional

Committee held its first meeting on 28-29 April. Members from developing and developed countries said there was a “clear need for efficiency and effectiveness through clear accountability”, ensuring that the fund will be responsive to the needs of developing countries. It was also noted that productive work in the committee during the year will be critical for a successful outcome at December’s UN climate change meeting in Durban. The committee is tasked with designing a mechanism for delivering \$100 billion per year to help transform developing countries into low-carbon economies by 2020 from a mix of public and private sources. The UN’s climate change chief, Christiana Figueres, in a press statement has said that necessary investment would flow faster than ever now as governments, industry and investors have woken up to the fact that a low-carbon future is both sustainable and profitable. Three more committee meetings are expected before Durban. (Source: United Nations Framework Convention on Climate Change)

[unfccc.int/files/press/statements/application/pdf/110428\\_speech\\_tc\\_mexico.pdf](http://unfccc.int/files/press/statements/application/pdf/110428_speech_tc_mexico.pdf)

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## Week ahead

### European Commission

No relevant activity

### Council of Ministers

Friday 13 May

Foreign Affairs Council

Ministers will discuss:

- The preparation of the trade aspects of the EU-Japan Summit on 28 May.
- The state of play of the Doha Development Agenda negotiations.
- Transitional arrangements for bilateral investment agreements between Member States and third countries.
- Trade and investment barriers.
- The state of play of EU-India Free Trade Agreement negotiations.
- EU-Canada Free Trade Agreement negotiations with regard to services.

### European Parliament

Monday 9 May

Short selling and certain aspects of credit default swaps – Debate

Monday 9 May

Emergency autonomous trade preference for Pakistan - Debate

Monday 9 May

EU-India Free Trade Agreement – Oral questions

Monday 9 May

EU-Canada trade relations – Oral questions

Monday 9 May

EU-Japan trade relations – Oral questions

Tuesday 10 May

Emergency autonomous trade preferences for Pakistan – Vote

Wednesday 11 May

Permissible sound level and exhaust system of motor vehicles – Vote

Wednesday 11 May

Small Business Act review – oral questions

Thursday 12 May

Youth on the Move: a framework for improving Europe’s education and training systems