

WEEK IN BRUSSELS

Week ending Friday 31 August

EU to hold extraordinary November summit to discuss 2014-2020 budget

The European Union will hold an extraordinary summit of heads of states and governments in November to focus on the European Union budget for 2014-2020. Opinion is currently divided on what level the Multiannual Financial Framework (MFF) should be for 2014-2020 with some member states wanting the budget to reflect the fiscal consolidation efforts being undertaken at a national level through a substantial reduction in the overall MFF, whilst others are calling for the need for adequate financing of EU policies and therefore an increased budget. There is also substantial disagreement between member states on where cuts should be made to the budget, and on key issues such as the implementation of a financial transaction tax. (Source: EurActiv)

<http://www.euractiv.com/specialreport-budget/november-summit-focus-long-term-news-514540>

Commission proposes to put all eurozone banks under ECB watch

The European Commission has revealed plans to give the European Central Bank (ECB) oversight of all banks in the eurozone from 2014. The plans state that the ECB will oversee all banks that have tapped the European Stability Mechanism from January next year, and that all banks relevant to the financial system would be covered from July with all remaining banks being overseen from 2014. Those countries outside the eurozone would have the option to subject their banks to the oversight of the ECB voluntarily. Member states are divided on their support of the proposal, with Germany in particular thinking that the proposal goes too far stating that only larger 'systemic' banks should be covered. The European Commission will present a detailed proposal on the scheme on 12 September 2012. (Source: EurActiv)

<http://www.euractiv.com/euro-finance/brussels-wants-eurozone-banks-ec-news-514535>



Australia and EU agree to link emissions trading systems

Australia and Europe have announced that they will be linking their emissions trading systems, by means of the mutual recognition of carbon units between the two cap and trade systems. The link is to commence no later than 1 July 2018, with the arrangement allowing businesses to use carbon units from the Australian emissions trading scheme or the European Union Emissions Trading System (EU ETS) for compliance under either system. To facilitate the link, the Australian Government will make two changes to the design of the Australian carbon price, namely that the carbon price-floor will not be implemented, and a new sub-limit being applied to the use of eligible Kyoto units. In recognition of these changes and while formal negotiations proceed towards a full two-way link, an interim link will be established, whereby Australian businesses will be able to use EU allowances to help meet liabilities under the Australian emissions trading scheme from 1 July 2015 until a full link is established. Commenting on the announcement, Connie Hedegaard, European Commissioner for Climate Action, stated: "We now look forward to the first full inter-continental linking of emission trading systems. This would be a significant achievement for both Europe and Australia. It is further evidence of strong international cooperation on climate change and will build further momentum towards establishing a robust international carbon market". (Source: European Commission)

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/916&format=HTML&aged=0&language=EN&guiLanguage=en>

Economic sentiment declines in both the EU and euro area

The August Economic Sentiment Indicator (ESI) decreased markedly by 2.0 points in the EU, to 87.0, and by 1.8 points in the euro area, to 86.1. In both areas, the loss in confidence was particularly strong among consumers, retail trade and construction managers. In the services sector the loss in confidence was marked in the euro area but more contained in the EU as a whole. On the contrary, while confidence in industry decreased in the EU, it remained broadly stable in the euro area. Among the largest Member States, sentiment worsened in Spain (-4.9), the UK (-3.1), Italy (-2.4), Poland (-1.8) and Germany (-1.0) while it improved in France (+0.4) and the Netherlands (+0.6). Eurostat, the statistical office of the European Union, have published data that shows unemployment in the EU was 10.4% in July, compared to 9.6% in July 2011, and that the flash estimate for inflation in the euro area is expected to be 2.6% in August, compared to 2.4% in July. (Source Eurostat)

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/924&format=HTML&aged=0&language=EN&guiLanguage=en>



Week ahead

European Commission

No relevant activity

Council of Ministers

No relevant activity

European Parliament – Committee week

ITRE - 3 September

SME: Competitiveness and business opportunities – adoption of draft report

The role of EU cohesion policy and their actors in implementing the new European energy policy – consideration of draft report

INTA – 3 September

Financing EU SMEs trade and investment: facilitating access to credit in support of internalisation – consideration of draft report

ECON – 3 September

Towards a genuine Economic and Monetary Union – exchange of views and debate

IMCO - 6 September

Development of the Trans-European Transport Network – consideration of draft amendments

TRAN – 6 September

Development of the Trans-European Transport Network – consideration of draft report