

WEEK IN BRUSSELS

Week ending Friday 12 September

Juncker Commission announced

President-elect Jean-Claude Juncker has announced the allocation of responsibilities in his team and the way work will be organised in the European Commission once it takes office. The UK Commissioner, Lord Jonathan Hill, has been given responsibility for the economic portfolio of Financial Stability, Financial Services and Capital Markets Union. This is a new DG and is responsible for relations with:

- The European Banking Authority (EBA)
- The European Securities and Markets Authority (ESMA)
- The European Insurance and Occupational Pensions Authority (EIOPA)
- The European Systemic Risks Board (ESRB)
- The Single Resolution Board (SRB)

Other key Commissioner responsibilities includes Jyrki Katainen, who has been given the Vice-Presidency of the Jobs, Growth, Investment and Competitiveness portfolio, Elzbieta Bienkowska who has responsibility for Internal Market, Industry, Entrepreneurship and SMEs, Carlos Moedas who has the portfolio for Research, Science and Innovation, Maros Sefcovic who has been given responsibility for Transport and Space, Alenka Batusek who has been given the Vice-Presidency of the Energy Union portfolio, and Cecilia Malmstroem, who will be responsible for the Trade portfolio.

(Source: European Commission)

http://europa.eu/rapid/press-release_MEMO-14-523_en.htm



Commission reports need for action by EU on industrial competitiveness

The European Commission has released two reports on industrial competitiveness which have concluded that EU manufacturing possesses a number of competitive strengths that should be leveraged to promote economic growth, despite the current difficult economic environment. However, in order to ensure

that growth does not stall, the EU and member states urgently need to address a number of areas of concern: investment, access to finance, public administration, access to foreign markets, innovation, and energy prices. Looking at how well member states are doing, and whether they are improving or not, the report shows four groups emerge:

- Member states with high and improving competitiveness.
- Member states with high but stagnating or declining competitiveness.
- Member states with modest but improving competitiveness.
- Member states with modest and stagnating or declining competitiveness.

Currently the UK falls into category two, member states with high but stagnating or declining competitiveness. Overall the EU's competitive strengths in manufacturing remain in terms of highly skilled workers, high domestic content of export goods, and comparative advantages linked to complex and high-quality products. However, analysis of the data produced by the two reports has shown that there are several areas which need to be considered for potential policy action: additional investment, efficient innovation and commercialisation of research, access to highly-skilled labour, the effect of rules and legislation, internationalisation of SMEs, and energy market prices. The results of the reports will be used in evidence-based policy making at EU and national level, and will serve as an input into the discussion of the Competitiveness Council at the end of September, and also into the Commission's recommendations on member states' fiscal and

structural reform policies during the European Semester process.

(Source: European Commission)

http://europa.eu/rapid/press-release_IP-14-989_en.htm

EU Chamber urges China to open after-market service

The European Union Chamber of Commerce in China has urged the nation's government to allow more competition for vehicle after-market services. The chamber states that China's policies, while playing a positive role in regulating market order, have led to parts supply being solely controlled by auto makers as a result of the obligations set for them. The Chamber working group on auto components has commented in a report that as the parts are distributed only to the auto makers' authorised dealer shops, this results in an excessively high repair part price. The group has also said that restrictions on parts makers to sell to the independent after-market limits the choice for consumers. This limitation forces buyers to choose between stores controlled by vehicle manufacturers or the fake products market. The chamber has urged China to revise current regulations to ensure 'free and balanced' competition in the after-market.

(Source: Bloomberg)

<http://www.bloomberg.com/news/2014-09-09/eu-chamber-wants-china-to-remove-auto-industry-investment-limits.html>

€11.9 billion of EU funding given to improve transport infrastructure

The European Commission has invited member states to propose projects to use €11.9 billion of EU funding to improve European transport connections, marking the largest ever single amount of EU funding earmarked for transport infrastructure. Member states have until 26 February 2015 to submit their bids. The funding will be concentrated along nine major transport corridors which, taken together, will form a core transport network. Under the new Connecting Europe Facility (CEF), EU financing for transport has tripled to €26 billion for the period 2014-2020. This is the first tranche of the new funding for transport to be made available. The new core network, to be established by 2030, will connect:

- 94 main European ports with rail and road links

- 38 key airports with rail connections into major cities
- 15,000km of railway line upgraded to high speed
- 35 cross border projects to reduce bottlenecks.

The projects will receive EU funds but must be co-financed by member states, and the allocation to projects will be announced in summer 2015.

(Source: European Commission)

http://europa.eu/rapid/press-release_IP-14-988_en.htm



Week ahead

Council of Ministers

Tuesday 16 – Wednesday 17 September:

Informal Transport Meeting – Transport Ministers will convene in Milan, where the topic will be urban mobility.

European Parliament

Tuesday 16 September

EU-Canada Free Trade Agreement (CETA)

Commission Statement