

## WEEK IN BRUSSELS

Week ending Friday 19 October

### Commission publish proposal to minimise the climate impacts of biofuel production

The European Commission has published a proposal to limit global land conversion for biofuel production, and raise the climate benefits of biofuels used in the EU. The use of food-based biofuels to meet the 10% renewable energy target of the Renewable Energy Directive will be limited to 5%. This aims to stimulate the development of alternative, second generation biofuels from non-food feedstock, like waste or straw, which emit substantially less greenhouse gases than fossil fuels and do not directly interfere with global food production. The Commission is proposing to amend the current legislation on biofuels through the Renewable Energy Strategy and the Fuel Quality Directives and to:

- Increase the minimum greenhouse gas saving threshold for new installations to 60%.
- Include indirect land use change (ILUC) factors in the reporting by fuel suppliers and Member States of greenhouse gas savings of biofuels and bio liquids.
- Limit the amount of food-crop based biofuels and bio liquids that can be counted towards the EU's 10% target for renewable energy in the transport sector by 2020, to 5%.
- Provide market incentives for biofuels with no or low indirect land use change emissions.
- The Commission considers that after 2020, biofuels should only receive financial support if they yield significant greenhouse gas savings and which are not produced from food or feed crops.

(Source: European Commission)

[http://europa.eu/rapid/press-release\\_IP-12-1112\\_en.htm](http://europa.eu/rapid/press-release_IP-12-1112_en.htm)

### European new car registrations down 10.8% in September

Figures published by ACEA, the European Automobile Manufacturers' Association, show that in September new car registrations in the EU fell for their twelfth

consecutive month, down 10.8% to 1,099,264 units. Year-to-date figures also showed a decline, down 7.6% with a total of 9,368,327 units compared with 2011. In September, the only key market that grew was Britain, while Germany (-10.9%), France (-17.9%), Italy (-25.7%) and Spain (-36.8%) all faced a double-digit downturn. From January to September, the results were diverse across markets, as the UK posted growth (+4.3%), while Germany saw its demand fall by 1.8% and Spain (-11.0%), France (-13.8%) and Italy (-20.5%) contracted more severely. (Source: ACEA)

[http://www.acea.be/index.php/news/news\\_detail/passenger\\_car\\_registrations\\_-7.6\\_over\\_ninemonths\\_-10.8\\_in\\_september](http://www.acea.be/index.php/news/news_detail/passenger_car_registrations_-7.6_over_ninemonths_-10.8_in_september)



### EU summit deal aims for full 'banking union' in 2014

European Union leaders have agreed plans to complete European banking union by January 2014, after the general elections in Germany. The concession was made to Angela Merkel who argued for "quality" over "speed" in putting in place the new supervisory system. Following discussions, EU leaders made some advancement towards establishing a single banking supervisor for the eurozone as the first of the three pillars of the banking union, agreeing it would start phasing-in as of next year and become operational "probably" in the course of 2013. The agreement confirmed the objective of agreeing the legal framework by 1 January 2013. European Council President Herman Van Rompuy, stated: "Once this is agreed, the single supervisory

mechanism [SSM] could probably be effectively operational in the course of 2013". EU officials said all 6,000 banks in the single currency area would gradually come under the supervision of the European Central Bank by 2014, starting with banks receiving state aid, then large cross-border institutions. Most day-to-day oversight would be delegated to national bodies. On the other two pillars of the banking union - bank recovery and resolution, and deposit guarantees schemes - the leaders note the Commission's intention to propose a single resolution mechanism for member states participating in the SSM, once its proposals for a recovery and resolution directive have been adopted. The conclusions also speak of the need for "equitable treatment and representation of both euro and non-euro area members" in the SSM, but it remains unclear what kind of representation countries outside the eurozone such as Poland could have, as the ECB is answerable only to eurozone members. (Source: EurActiv)

<http://www.euractiv.com/euro-finance/summit-advances-eu-plan-banking-news-515515>

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## SME Performance Review 2012 report published

The European Commission has released results of the SME Performance Review 2012 report, together with fact sheets describing SMEs' progress in all EU Members States. The report states that despite the challenging environment, SMEs remain the backbone of the European economy, accounting for more than 98% of all enterprises with some 20.7 million firms and more than 87 million people employees. The large proportion ( 92.2%) of SMEs is represented by micro firms with fewer than ten employees. It is estimated that SMEs account for 67% of total employment and 58% of gross value added (GVA). Commenting on the report, European Commission Vice President Antonio Tajani, Commissioner for Industry and Entrepreneurship, stated: "SMEs have the potential to restore growth in Europe. They are at the heart of our efforts — as highlighted by the proposal to reindustrialise Europe that I released a few days ago. The most ambitious action plan to boost entrepreneurship Europe has ever seen will follow in November. We offer support and advice at a so far unknown level. We try to restore confidence so that SMEs can make progress once again and drag us out of the current crisis". (Source: European Commission)

[http://europa.eu/rapid/press-release\\_IP-12-1101\\_en.htm](http://europa.eu/rapid/press-release_IP-12-1101_en.htm)



## Week ahead

### European Commission

23 October

Commission adopts strategic priorities for 2013

### Council of Ministers

25 October - Environment Council

Adopt conclusions in preparation for the 18th session of the United Nations Framework Convention on Climate Change (UNFCCC) and the 8th session of the meeting of the Parties to the Kyoto Protocol, and adopt conclusions on the follow-up to the Rio+20 United Nations Conference on Sustainable Development.

### European Parliament (Strasbourg – plenary session)

22 October – Trade and economic relations with US – presentation of report

23 October – Conclusions of the European Council meeting – key debate

23 October – Multiannual financial framework for the years 2014-2020

23 October – Commission work programme 2013

23 October – EU negotiations with Japan – commission statement