

WEEK IN BRUSSELS

Week ending Friday 28 October

Eurozone leaders agree “three-pronged” approach to debt crisis

European leaders have reached a “three-pronged” agreement, aimed at solving the eurozone’s escalating debt crisis, after lengthy talks in Brussels. The first part of the agreement requires private banks holding Greek debt to accept a write-off of 50% on their returns, in a move expected to cut Greek national debt to 120% of its GDP by 2020. Secondly the European Financial Stability Facility (EFSF), the main euro bailout fund, will be boosted to €1 trillion, up from the previously agreed €440 billion; however the framework for this new fund will not be decided until November. The third part of the deal calls for the recapitalisation of European banks. The banks will be required to raise around €106 billion in new capital by June 2012, which is hoped will help shield them against losses resulting from any future government defaults, and will also protect the larger economies from market turmoil. Eurozone leaders have also agreed to meet at least twice a year, with all countries committing to adopt a “golden rule”, enshrining deficit limits in their constitutions. In addition to these measures, Italian Prime Minister Silvio Berlusconi has pledged to balance his country’s budgets, and implement reforms to bring down its €1.9 trillion debt. President of the European Commission, Jose Manuel Barroso stated: “The package that we have agreed tonight, a comprehensive package, confirms that Europe will do what it takes to safeguard financial stability”. (Source: EurActiv)

<http://www.euractiv.com/euro-finance/eurozone-hopes-rest-summit-bazooka-news-508598>



EU commercial vehicle registration up 4.5%

ACEA, the European Automobile Manufacturers Association, has announced that demand for new commercial vehicles was up 4.5% in September. The growth was supported by positive results in Spain (+4.7%), Germany (+7.7%) and the UK (+8.7%), while new registrations in France declined (-3.5%). From January to September, most major markets posted growth, ranging from 5.2% in France to 18.6% in the UK and 21.2% in Germany, leading to an overall 11.1% upturn in the region. Compared to the same period last year, Spain was the only country to perform less well (-5.3%). (Source: ACEA)

http://www.acea.be/index.php/news/news_detail/commercial_vehicles_registrations_up_4.5_in_september



European Commission package to support responsible businesses

The European Commission have presented a package of measures aimed at supporting responsible business. The strategy for Corporate Social Responsibility will aim to generate a higher level of trust and consumer confidence and improve companies' contribution to society's well-being. This reinforces the Commission’s efforts to engage with the private sector on social and environmental issues, deemed especially relevant in times of public budget constraints. The Commission is also proposing to

improve transparency and promote sustainable business among multinationals. Finally, the Commission is proposing to simplify accounting rules for SMEs, potentially saving them up to €1.7 billion per year. The proposals would aim to reduce burdensome reporting obligations for listed companies, including SMEs, adding further to cost savings. (Source Europa)

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/1238&format=HTML&aged=0&language=EN&guiLanguage=en>



Week ahead

European Commission

No relevant activity

Council of Ministers

No relevant activity

European Parliament

No relevant activity