

WEEK IN BRUSSELS

Week ending Friday 30 November

Council agrees to launch free trade negotiations with Japan

The Council of the European Union has approved a mandate for the Commission to negotiate a free trade agreement with Japan. It also authorised the opening of negotiations with Japan on a framework agreement. The agreements will be negotiated in parallel to create a strengthened overall framework for the EU's relations with Japan. Both mandates are composed of a decision of the Council and a decision of the representatives of the member states authorising the opening of negotiations, as well as directives for the negotiation of the agreements. The negotiating directives foresee a free trade agreement that would provide for the progressive and reciprocal liberalisation of trade in goods, services and investment, as well as rules on trade-related issues and the elimination of non-tariff barriers. Trade Commissioner Karel De Gucht provided further details of the mandate, detailed below:

- The mandate sets out a strict and clear parallelism between the elimination of EU duties and non-Tariff Barriers in Japan.
- The mandate contains a safeguard clause to protect sensitive European sectors.
- The EU explicitly reserves the right 'to pull the plug' on the negotiations after one year if Japan does not live up to its commitments on removing non-tariff barriers.

Confirmed details on the 'sensitive sectors' outlined are not yet available, however it has been reported that France and Italy only agreed to launch negotiations once cars were secured as a 'sensitive product' in the negotiating mandate agreed by Ministers. This could eventually mean that tariffs could be re-imposed if there is an influx of Japanese imported cars into the European market. The automotive sector could also benefit from specific provisions and longer transition periods (e.g. time it takes for EU tariffs to be removed).

(Source: European Commission)

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/er/133907.pdf

EU commercial vehicle registrations down 9.4% in October

Figures released by ACEA, the European Automobile Manufacturers' Association, has shown that in October, demand for new commercial vehicles fell by 9.4% compared to October 2011, amounting to 147,211 units. All major markets shrank, by 3.8% in Germany, 8.6% in the UK, 9.8% in France, 16.4% in Italy and 20.4% in Spain. Ten months into the year, contraction also prevailed across all significant markets, leading to an overall 10.6% downturn in the region*. New registrations decreased by 3.6% in the UK, 4.1% in Germany, 8.0% in France, 25.2% in Spain and 33.0% in Italy. In total, 1,429,287 new vehicles were registered in the EU. (Source: ACEA) http://www.acea.be/index.php/news/news_detail/commercial_vehicle_registrations_-_10.6_over_ten_months_-9.4_in_october



Commission adopts Annual Growth Survey 2013

The European Commission has adopted the 2013 Annual Growth Survey (AGS), setting out five priorities designed to guide member states through the current economic crisis to renewed growth. The AGS begins the European Semester for economic policy coordination, which ensures member states align their budgetary and economic plans with the Stability and Growth Pact and the Europe 2020 strategy. The main message of the 2013 AGS is that

while EU policies are beginning to show results – deficits are coming down, tensions in financial markets are easing and there are signs that competitiveness is improving in some member states – continued reform is needed to generate sustainable growth and jobs. Therefore the Commission considered that the five priorities outlined in last year's AGS remain valid. The five priorities are: pursuing differentiated, growth-friendly fiscal consolidation; restoring normal lending to the economy; promoting growth and competitiveness for today and tomorrow; tackling unemployment and the social consequences of the crisis; and modernising public administration. In the coming weeks and months, the different Council formations will discuss the AGS and report to the March European Council so that it can adopt appropriate policy guidance for the member states. This guidance should then be incorporated into member states' national budgetary and economic plans, which are sent to the Commission in April. Having analysed these programmes, and with the AGS priorities in mind, the Commission will issue Country-Specific Recommendations in May, in time for these to be endorsed by the June European Council. The member states should then incorporate this policy guidance into their annual budgets and sectoral legislation. (Source: European Commission)

http://europa.eu/rapid/press-release_IP-12-1274_en.htm?locale=en

Commission presents new proposal for EU budget 2013

The European Commission has presenting a new Draft Budget for 2013, following on from the unsuccessful end of the conciliation period. The new proposal takes into account elements to facilitate convergence between the European Parliament and the Council as well as the need to honour past commitments. The level of commitment appropriations is set at €151 billion (as opposed to €150.9 billion in the original draft budget 2013 from 25 April 2012) whereas the total payment appropriations amount to €137.8 billion (€137.9 billion in the original draft budget 2013). Commenting on the draft budget, EU Commissioner for Financial Programming and Budget Janusz Lewandowski stated that the new proposal should help member states and the European Parliament agree on a budget by the end of the year. (Source: European Commission)

http://europa.eu/rapid/press-release_IP-12-1267_en.htm?locale=en

ITRE adopts Horizon 2020 package

The Committee on Industry, Research and Energy (ITRE) has voted on and adopted the Horizon 2020 Package. The package, containing six legislative proposals, brings together all existing EU research and innovation funding and aims to support the EU's position as a world leader in science, help securing industrial leadership in innovation, key technologies and access to capital. The date for vote in plenary is to be confirmed, depending on informal negotiations. (Source: European Parliament)

<http://www.europarl.europa.eu/committees/en/ITRE/home.html>



Week ahead

European Commission

5 December: The Commission presents two proposals for amendments to the Enabling and Procedural Regulations as part of State Aid Modernisation.

Council of Ministers

3 December: Transport, Telecommunications & Energy Council - The Council will take note of a progress report on the follow-up to the February 2011 European Council's conclusions on energy and will hold an exchange of views on the progress achieved. Ministers will also hear a presentation by the Commission of its communication on "Making the internal energy market work", adopted on 15 November.

European Parliament (Group week)

3 December: TRAN – Development of the Trans-European Transport Network – consideration of compromise amendments