

European Commission: Winter Economic Forecast

For the first time since 2007, the economies of all European Union Member States are expected to grow again this year, according to the European Commission's [winter forecast](#). Over the course of this year, economic activity is expected to pick up moderately in the EU and in the euro area, before accelerating further in 2016. Growth this year is forecast to rise to 1.7% for the EU as a whole and to 1.3% for the euro area. In 2016, annual growth should reach 2.1% and 1.9% respectively, on the back of strengthened domestic and foreign demand, accommodative monetary policy and a broadly neutral fiscal stance. Growth prospects across Europe are still limited by a weak investment environment and high unemployment. However, since the autumn, a number of key developments have brightened the near-term outlook. Oil prices have declined faster than before, the euro has depreciated noticeably, the ECB has announced quantitative easing, and the European Commission has presented its Investment Plan for Europe. All these factors are set to have a positive impact on growth. Overall, uncertainty surrounding the existing economic outlook has increased. Downside risks have intensified, while new positive factors have emerged. This is due to geopolitical tensions, renewed financial market volatility in a context of diverging monetary-policy across major economies, and incomplete implementation of structural reforms. A protracted period of very low or negative inflation would also be detrimental to the growth outlook. On the positive side, certain factors could lead to a stronger-than-expected boost to global and EU growth stemming from low energy prices.

(Source: European Commission)

http://europa.eu/rapid/press-release_IP-15-4085_en.htm

TTIP: the common position of the transatlantic automobile industry

As the 8th round of Transatlantic Trade and Investment partnership (TTIP) negotiations got underway in Brussels this week, the European Automobile Manufacturers' Association (ACEA), the American Automotive Policy Council (AAPC) and the Alliance of Automobile Manufacturers (Auto Alliance) voiced their common position on behalf of the transatlantic automobile industry. Speaking ahead of the stakeholders' consultations, the industry bodies said: "Auto trade already represents 10% of total EU-US trade. Together, we are calling for a comprehensive automotive deal which should include the elimination of both tariffs and non-tariff barriers through regulatory convergence. This will increase trade volumes, lower production costs, create more and better jobs, and improve industrial competitiveness. We believe this can happen without lowering the high safety and environmental standards we have in both the US and the EU." ACEA, AAPC and the Auto Alliance have been actively working with negotiators on both sides of the Atlantic since the announcement of the TTIP negotiations.

(Source: ACEA)

<http://www.acea.be/press-releases/article/ttip-the-common-position-of-the-transatlantic-automobile-industry>



Auto industry cautiously optimistic for 2015

The European Automobile Manufacturers' Association (ACEA) set out its forecast for 2014 and released last year's registration figures for electric vehicles. In 2014, new passenger car registrations were up 5.7% on the previous year, reaching 12.6 million units. ACEA expects growth to continue in 2015, but at a considerably slower pace, with a year-on-year forecast in the region of 2%. In terms of units, this would mean edging closer to the 13 million units mark. ACEA also released the provisional 2014 sales figures for all types of Electrically Chargeable Vehicles (ECVs). Last year 75,331 ECVs were registered in the EU. This is up 37% on the 2013 figure of 55,142, with ECVs representing 0.6% of the total market.

(Source: ACEA)

<http://www.acea.be/press-releases/article/auto-industry-cautiously-optimistic-for-2015>

Commission launches work on Energy Union

The Commission launched its work on the Energy Union; a fundamental step towards the completion of single energy market and reforming how Europe produces, transports and consumes energy. The Energy Union with a Forward-looking Climate Change Policy is one of the key political priorities of the Juncker Commission. The European Union imports 55% of its energy. 90% of the housing stock in Europe is energy inefficient, its energy infrastructure is ageing and the internal energy market is far from complete. The energy security is high on the political agenda, and a door for an ambitious climate agreement in Paris at the end of 2015 was opened in the European Council last October. The recently adopted Investment Plan for Europe is designed to unlock the financial means the energy sector really needs. The currently low oil prices are also giving an extra incentive and give more political and financial room to do what is necessary to achieve a more competitive, secure and sustainable European energy policy. The Energy Union framework strategy is scheduled for adoption on 25 February. This strategic policy document will be accompanied by the "Road to Paris" Communication spelling out the EU's intended climate contribution as well as a Communication reporting on EU's progress towards the minimum electricity interconnection target of 10%.

(Source: European Commission)

http://europa.eu/rapid/press-release_IP-15-4103_en.htm

ECB sends warning message to Athens

The European Central Bank cancelled its acceptance of Greek bonds in return for funding on Wednesday 4 February. This move shifts the burden onto Athens' central bank to finance its lenders and means the Greek central bank will have to provide its banks with tens of billions of euros of additional emergency liquidity in the coming weeks. This is a response by the ECB to what many in Frankfurt see as the Greek government's abandoning of its aid-for-reform programme. The decision came just hours after Greece's new finance minister, Yanis Varoufakis, emerged from a meeting with ECB President Mario Draghi to say the ECB would do "whatever it takes" to support member states such as Greece. In stark contrast, the ECB move, which required the support of a majority of central bank chiefs across the eurozone, shows widespread dismay with the new Greek government's plans not only in Frankfurt but across the 19-country bloc. The ECB announced its decision, which will take effect from 11 February, after those governors met in Frankfurt on Wednesday.

(Source: EurActiv)

<http://www.euractiv.com/sections/euro-finance/ecb-sends-warning-message-athens-311857>

Week ahead

European Council

Monday 9 February

- Foreign Affairs Council – will hold a strategic discussion on EU-Africa relations, and prepare the informal meeting of EU heads of state or government on 12 February, which will address this issue.

Tuesday 10 February

- General Affairs Council – will (amongst other) discuss the EU's MFF for 2014-2020

European Parliament

Monday 9 February

- AFET – Exchange of views on the state of EU-Russia relations with Alexey Pushkov, Chairman of the Committee on International Affairs of the State Duma of the Federal Assembly of the Russian Federation
- 9 –12 February: Plenary in Strasbourg
- Key Debate – Preparation of the European Council meeting (12 – 13 February)