

French and German Ministers plan for ‘two-speed Europe’

Emmanuel Macron and Sigmar Gabriel, ministers for economic affairs of France and Germany, have called for greater fiscal and social harmonisation in the eurozone, saying other countries like Britain should be allowed to settle for a less integrated Union based on the single market. Confronted with the twin threat of a British and Greek exit – of the EU and the euro zone – France and Germany are laying down plans for a two-speed Europe with the eurozone at its core. The push for greater integration in the eurozone would come as “part of a greater deal for a union in which all member states find their place”. As eurozone economies converge and adopt stronger institutions, countries sharing the single currency should create a ‘preliminary eurozone budget’ providing a tool for ‘automatic stabilisation’ in times of crises. This new economic and social union would involve not only structural reforms but also social and tax convergence where necessary. The move by France and Germany was widely interpreted as a potential setback for Prime Minister David Cameron, who is seeking a deeper reform of the EU, ideally with a treaty change, ahead of a referendum on the UK’s continued membership.

(Source: The Guardian)

<http://www.theguardian.com/commentisfree/2015/jun/03/europe-france-germany-eu-eurozone-future-integrate>



Eurostat – Eurozone inflation rises to 0.3% in May

Inflation in the eurozone climbed to 0.3% in May, official data showed on Tuesday, further pulling away from declining prices and reviving hopes of economic recovery in Europe. The rise in consumer prices came after 0% inflation in April, with low energy costs still impacting the cost of living in the 19-nation eurozone, the EU statistics agency Eurostat said. The return to inflation is the first in five months and will be welcomed by the European Central Bank, which in March embarked on a massive bout of monetary stimulus to fight falling prices in the eurozone. The eurozone suffered four-months of deflation earlier this year, causing widespread worry that the single currency bloc was entering a dangerous spiral of falling prices and a stalling economy. The rise in prices was fueled by the eurozone’s key service sector, up by 1.3%, followed by food and beverages, up 1.2%. Energy prices continued to tumble however, but at a slower pace of negative 5%, slower than the negative 5.8% in April.

Source: Eurostat

<http://ec.europa.eu/eurostat/web/products-press-releases/-/02-02062015-BP>

MEPs give green light to TTIP

A long-awaited vote in the European Parliament’s international trade committee took place last week, with centre-left and centre-right MEPs joining forces to support an ‘ambitious, comprehensive and balanced trade agreement’ with the United States. The European Parliament will get the chance to deliver their final verdict on TTIP once negotiations are over. Nevertheless, the report adopted by the international trade committee last week, serves as a useful guide to what MEPs will be prepared to accept when the time comes. In their report, MEPs were generally supportive of the fundamental objectives of TTIP. Notably, the text calls for a high level of ambition when it comes to tariffs, services, public procurement and non-tariff barriers.

(Source: CBI)

<http://news.cbi.org.uk/news/meps-in-trade-committee-outline-their-stance-on-ttip/>

23rd EU–Japan Summit held

On 29 May, Tokyo hosted the 23rd EU-Japan Summit, where EU-Japan political and economic relations, regional and foreign policy issues, and global challenges were discussed. At the summit, leaders agreed to accelerate the negotiations for a strategic partnership agreement and a free trade agreement between the EU and Japan. They reaffirmed the importance of a highly comprehensive and ambitious EPA/FTA to be concluded as soon as possible, preferably by the end of 2015. Leaders also committed to strengthening the multilateral trading system under the WTO by concluding the Doha Development Agenda. They also confirmed commitments to attaining concrete outcomes of plurilateral negotiations, including the expansion of the Information Technology Agreement, Trade in Services Agreement, and Environmental Goods Agreement. International climate change negotiations were discussed and Japan affirmed its intention to submit an ambitious target for its contribution to limit climate change.

(Source: European Council)

<http://www.consilium.europa.eu/en/press/press-releases/2015/05/29-joint-press-statement-eu-japan-summit/>



Week ahead

European Council

Sunday 7 June – Monday 8 June

- EU at the G7 summit in Germany – the summit will focus on the global economy as well as on key issues regarding foreign, security and development policy.

Tuesday 8 June

- Transport, Telecommunications and Energy Council – Energy ministers will hold a policy debate on the implementation of the energy-security strategy. The Council is expected to adopt conclusions on the implementation of the framework strategy for the energy union.

Wednesday 10 June

- EU-CELAC summit

European Parliament

Monday 8 June

- ENVI – Report back on the ongoing interinstitutional negotiations on the limitation of emissions of certain pollutants into the air from medium combustion plants

Monday 8 June – Thursday 11 June

- Plenary:
 - Tuesday 9 June : Review of the economic governance framework; Conclusion of the Doha amendments to the Kyoto Protocol Recommendations; Building a Capital Markets Union
 - Wednesday 10 June: Negotiations for TTIP report; the state of EU-Russia relations report