Interview with Justin Vaisse on the American Presidential Election

On the eve of the American election on 6th November 2012 the Robert Schuman Foundation has published a European Interview with Justin Vaisse, Research Director at the Brookings Institute and author of "La politique étrangère de Barack Obama". In his interview he reviews the stakes of this election and explains the effects the re-election of Barack Obama or the election of M Romney might have on transatlantic relations. In his opinion "there will not be a lack of challenges (...) because of which, at one point or another, America will turn towards Europe."

Read more
Access to bank loans by SME's declines

Access to bank loans by SME's continued to decline in the euro zone over the period April to September 2012, according to a study undertaken by the European Central Bank (ECB) and the European Commission published on 2nd November. According to a survey undertaken between 3rd September and 11th October 2% of the 7,514 businesses interviewed said they felt "a decline in the availability of banks loans” against 20% in the previous study. The building sector has been particularly affected by access problems (34%) whilst they seemed less acute in the industrial sector (17%). In that period 24% of SME's interviewed had asked for a loan (against 25% previously). The study observes that the rate of rejection on bank loans totalled 15% (in comparison with a previous 13%), its highest level since the second half of 2009...

The economic sentiment indicator worsens in the euro zone

The economic sentiment indicator declined by 0.7 points in October 2012 in the euro zone ie 84.5 points but remained stable for the entire EU at 86.2 points. This indicator reflects economic growth prospects on the basis of surveys undertaken in industries, businesses and amongst consumers. In October consumer confidence remained stable in the EU. Moreover the decline recorded in industries and in the construction sector was compensated for by a rise in the services and retail trade sectors. This indicator has undergone significant variations amongst the Member States: it declined most in Poland (-2.8) in France (-1.8) and in Germany (-1.4) whilst it has recovered in the UK (+5.2) Spain (+1.8), in the Netherlands (+0.8) and in Italy (+0.5)...

Germany: a rise in the number of unemployed in October

According to the German labour office (Bundesagentur für Arbeit) on 30th October 2012, the slowing in German growth continued to weigh on the employment market. The number of unemployed had increased by 35,000 to reach 2,75 million. This increase is the seventh consecutive rise recorded in the German labour market even though the unemployment rate remains unchanged in comparison with September, at 6.9% in data adjusted according to seasonal variations...

Austria: a rise in unemployment in October

According to provisional figures published on 2nd November 2012 by the Austrian Labour and Social Affairs Minister, the unemployment rate lay at 6.3% in October 2012, a major rise in comparison with the 5% in September. Austria does however have the lowest rate in the EU...

The Belgian Economy stabilises but slows

Belgium stabilised in the third quarter and just avoided recession according to a first estimate published on 31st October by the Belgian National Bank (BNB). From July to September the Belgian GDP neither rose nor dropped (0%) after having contracted by 0.5% in the second quarter according to the BNB. Year on year the contraction totals 0.3%...

Spain: the Recession Continues

The recession continues in Spain in the third quarter of 2012. Although it is not as severe as anticipated. According to figures published on 30th October 2012 by the Spanish National Institute for Statistics (INE) the GDP has contracted by 0.3% in the third quarter against -0.4% in the previous quarter. This is the fifth consecutive quarter in the negative for the Spanish economy. Moreover unemployment continued to rise in Spain in October with 4.83 million people unemployed, announced the Labour Ministry on 5th November, whilst the country is stepping up austerity measures at the risk of delaying its emergence from recession. In October Spain recorded 128,242 unemployed (+2.73%) more than in September whilst over one year the increase is more visible with 472.595 additional job seekers (+10,84%)...
Greece and the Troika struggle to finalise an agreement

In spite of the official declarations on the part of the Greek authorities on 30th October 2012 the final agreement with the Troika on the budgetary savings measures that they are to implement have still not been finalised. Discussions on austerity measures are the source of disagreement within the government coalition. A vote on the measures is planned in parliament on 7th November. On 31st October 2012 Jean-Claude Juncker President of the Eurogroup called on them to settle continuing problems in order to finalise this agreement whilst saying however that significant progress has been made. Mr Juncker said that this issue will be addressed in the next Eurogroup meeting on 12th November... Read more

Unemployment rises in Italy in September 2012

On 31st October 2012 the Italian National Statistics Institute published its forecasts on unemployment in Italy for September 2012. According to the latter 22.9 million people have work with the employment rate totalling 56.9%, but the rate of unemployment has risen to total 10.8%... Read more

The Portuguese Government approves an extremely demanding 2013 budget

On 31st October 2012 the Portuguese parliament approved the draft budget for 2013. Portuguese Prime Minister Pedro Passos Coelho admitted that the budget was "extremely demanding and required major sacrifices on the part of the Portuguese". However "it is a vital goal so that we can complete our adjustment programme," he added. In order to bring the public deficit down to 4.5% of the GDP against the 5% this year, the Portuguese executive has to save 5.3 billion euros, 80% of which will be achieved thanks to further taxes increases... Read more

Czech Republic: GDP growth reviewed downwards in 2013

On 31st October 2012 the Czech Finance Ministry published its quarterly estimates. The GDP growth forecast was reviewed downwards for 2013, to 0.7% against a previous 1%. This means a reduction of "4 to 5 billion crowns (160-200 million euros) in State budget revenues" admitted Mr Jakob, the ministry's spokesperson... Read more

European Council:

No Protectionism between Asia and Europe

At the inauguration of the Asia-Europe Summit in Vientiane on 5th November the President of the European Council Herman Van Rompuy warned Asian countries against the temptation of protectionism, declaring that trade was one of the keys to world growth. "Not only does promoting trade foster domestic demand it also prevents protectionism. We are confident that our Asian partners will remain loyal to open economies and commonly accepted world trade rules." "We do not deny that growth prospects in Europe are not brilliant at the moment. But I think that Asian leaders have all understood the message that strong commitment with the European Union will be beneficial long term," he added... Read more

Commission:

Disagreement over the draft European Budget 2014-2020

On 30th October 2012 the Cypriot Presidency of the European Union submitted a counter proposal for the European budget covering the period 2014-2020 with the aim of reducing the European Commission's requests by "at least 50 billion euros", which was immediately rejected. In a press release the latter clearly stated that it did not support this counter proposal believing that in this time of crisis the EU's budget... Read more
should be a "tool for investment in growth and employment". It put a draft budget forward in July 2012 of 1,033 billion euros for the period 2014-2020 which implied an increase of nearly 5% in comparison with the previous period 2007-2013. But its proposal was rejected by seven countries including the UK, France, Germany, the Netherlands, Finland, Sweden and Austria. These disagreements have led to the announcement of a difficult exceptional European summit on 22nd and 23rd November in Brussels... Read more

Award of Marie-Curie Prize

The Marie Curie Research Prize was awarded on 5th November to three Greek, British and Israeli scientists announced the European Commission in a press release as it pleaded for an increase in European funds to support research. Provided with a package of 4.7 billion euros for the 2007-2013 period the Commission suggested bringing this sum up to 5.75 billion over the period 2014-2020. The three prize winners are Gikas Magiorkinis (Greece) in the "Promising Research Talent" category; Claire Belcher (UK) in the "Communicating Science" category and Sarit Sivan (Israel) in the "Innovation and Entrepreneurship" category... Read more

Council :

Conclusions of the Transport, Telecommunication and Energy Council

On 29th October 2012 the 27 European Transport Ministers adopted a joint approach to the refounding of the time slot allocation system in European airports. They also adopted a joint approach on the implementation of the Maritime Labour Convention written by the ILO and on a new regulation involving the use of tachographs, the instruments that are designed to measure the activity of road vehicles. They discussed possible joint rules on the testing of vehicles in Europe. Finally the launch of a single European railway area was approved... Read more

Court of Auditors :

The Effectiveness of the EU's aid questioned in Kosovo

In a report published on 30th October 2012 the European Court of Auditors criticised a lack of results in terms of the financial aid granted by the EU to Kosovo and notably regarding the Eulex programme, which provides assistance to the implementation of the rule of law in the country. Although the European funds devoted to civilian missions are the highest per capita in the world these programmes have only led to modest successes said the Court. Between 1999 and 2011 Kosovo had received 4.7 billion euros in financial aid to strengthen the rule of law and to implement an effective legal system and police force. The court also said that crime and corruption are still a problem today. It also criticises the low quality of the staff sent by the Member States as well as the time they were spending in their positions... Read more

Germany :

Agreement on renewable energy

During a meeting on 2nd November 2012 the German Chancellor Angela Merkel and the leaders of the Länder came to agreement over the guidelines to review the renewable energy subsidy system that is part of the EEG bill (Erneubare Energien Gesetz). Given the sharp rise in the installation of solar panels the German government announced in February 2012 that there would be reductions totalling 20-30% in subsidies. The country is anticipating an exit from the nuclear energy sector by 2022... Read more

The Turkish Prime Minister on an Official Visit to Berlin

During his visit to Berlin on 31st October 2012 Turkish Prime Minister Recep Tayyip Erdogan spoke with German Chancellor, Angela Merkel of continuing his country's membership process to the EU. Discussions that started in 2005 are stalling mainly because of the Cypriot issue, an EU Member State. The Turkish Prime Minister also asked the German Chancellor...
for help given the influx of Syrian refugees (100,000) who are fleeing their country. One thousand Germans rallied to protest against the arrival of Erdogan, given the human rights infringements in Turkey... Read more

**Bulgaria :**

**The Bulgarians will be voting on nuclear energy on 27th January 2013**

On 31st October 2012 the Bulgarian President Rosen Plevneliev announced in a press release that a referendum on nuclear energy in Bulgaria will take place on 27th January 2013. This decision comes one week after the Bulgarian parliament’s vote on the issue: "Should Bulgaria develop nuclear energy via the construction of a new power plant?" It will be the first referendum in post-Communist Bulgaria's history. Just six months from the general elections it will also be a test for the Prime Minister, Boiko Borissov's party and for the socialist opposition which rallied nearly 540,000 signatures to demand this referendum... Read more

**Spain :**

**Spain: Rajoy and Monti commit to "keep Greece in the euro zone".**

On 29th October 2012, on the occasion of the 17th bilateral Spain/Italy Summit in Madrid, with his Italian counterpart, Mario Monti, the head of the Spanish government Mariano Rajoy stressed "Spain and Italy's commitment to maintain Greece in the euro zone". "Our commitment towards the euro is unshakeable and we shall adopt all the necessary measures to guarantee its stability and its irreversibility," they declared. In a joint declaration they also set out details of a privileged cooperation policy implemented in terms of Foreign Affairs, Industry and Security... Read more

**Manifesto against independence in Catalonia**

On 4th November 2012 the Spanish newspaper ‘El Pais’ published a manifesto signed by many intellectuals, including film director Pedro Almodovar and writer Mario Vargas Llosa against independence currently being promoted in Catalonia. In their opinion the secessionists are turning Spain into the scapegoat for the problems linked to the economic crisis and their own poor management. According to a recent survey 50.9% of those interviewed support ‘an independent Catalan state’, but this figure drops to 40.1% if independence is accompanied by an exit from the EU... Read more

**Estonia :**

**New talks over the border with Russia**

Estonia and Russia have re-initiated negotiations on their border, announced the head of the Estonian diplomacy on 31st October after a seven year break based on historic disputes. "Consultations over the border that were re-opened in Moscow were constructive. We hope that we shall come to a reciprocal agreement; a satisfactory border treaty for both countries," declared Urmas Paet in a press release. "These consultations will continue. It has been decided that further talks will take place before the end of the year," he added... Read more

**France :**

**France wants to tax Google**

On 29th October 2012 French President François Hollande, Culture Minister, Aurélie Filippetti and Delegate Minister for SME's Fleur Pellerin, met the CEO of Google Monde, Eric Schmidt. The French President stressed the importance of the development of the digital economy called for an adaptation in terms of taxation. He said he wanted talks to start and conclude rapidly between Google and media editors before the end of 2012 over a possible "Google tax". This meeting comes after the Chair of the National IT and Liberties Committee (CNIL) Isabelle Falque-Pierrotin called on Google to review its confidentiality rules on 16th October 2012. The Robert Schuman Foundation has published a European Issue on this theme... Read more
Greece:

The draft budget 2013 anticipates slower growth than planned

According to the draft budget 2013 presented on 31st October 2012 to parliament, Greece will experience budgetary deficit, debt and greater recession than previously anticipated. The project was presented on 1st October 2012 and forecast a deficit and debt of 4.2% and 179.3% of the GDP and also a GDP contraction 3.8% respectively. But it seems that the deficit and debt figures will lie at 5.2% (9.4 billion euros) and 189.1% (346.2 billion euros) of the GDP whilst this will contract by 4.5%. On 1st November 2012 this draft budget was deemed anti-constitutional by all of the judges in the Court of Auditors because of certain measures being taken on salaries and pensions... Read more

Italy:

Suppression of Italian Provinces

The Italian government adopted a bill on 31st October 2012 which does away with dozens of Italian provinces in a bid to make savings in terms of political and administrative costs. Italy has 20 regions five of which have a special status enjoying a great degree of autonomy; the law only concerns the provinces of 15 regions which enjoy an ordinary status, the others will be included in another document. "The number of provinces in the ordinary regions will drop from 86 to 51, including metropolitan towns," said the press release after the Council of Ministers. "As of 1st January 2014 the metropolitan towns which replace the provinces in the country's main urban centres will become operational." The provincial governments will be dissolved as of 1st January 2013. For a year the provincial presidents will be helped by three advisors and as of 1st January 2014 the provinces in question will no longer exist... Read more

New Anti-Corruption Law in Italy

On 31st October the Italian Parliament gave its final go-ahead for a severer anti-corruption law. After its adoption by the Senate two weeks ago the Italian MPs approved the bill which is now due to enter into force. Amongst other things this bill plans for heavier punishment for simple corruption, rising from a sentence of 2 to 5 years in prison to a sentence of between 4 and 8 years. The term in prison for judicial corruption ie of a witness in a trial or the corruption of a judge, rises from 3 to 8 years to 4 to 10 years behind bars... Read more

The Netherlands:

The New Dutch Government

On 5th November 2012 the Dutch government led by Mark Rutte was sworn in before Queen Beatrix. The new coalition government VVD-PvdA comprises thirteen ministers including five women and 7 secretaries of State, two of whom are women. The government agreement anticipates austerity measures to save 16 billion euros by 2017 in order to bring public finances back into balance... Read more

UK:

Parliamentary frond for a reduction in the European budget

On 31st October 2012 the Conservative Eurosceptics and the Labour opposition dealt a blow to British Prime Minister David Cameron during a non-binding vote in the House of Commons as they rejected his proposal to freeze the European budget to encourage its reduction. An amendment in support of a reduction of the multi-annual financial framework won 307 votes, against 294. The British head of government, who has been marginalised in Brussels for his intransigence suffered his first significant defeat with this vote. The most embarrassing part of this is that on 1st November he had promised to take on board this opinion which entailed demanding a reduction in the budget, a mission...
that was a priori impossible and very well may isolate the country further and provide incentive to the eurosceptics' head-long rush onwards... Read more

**Nick Clegg attacks David Cameron over his vision of the EU**

On 1st November 2012 the British Deputy Prime Minister, Nick Clegg attacked David Cameron over his project to use the euro zone crisis to try and repatriate certain powers. He describes this project as a "false promise wrapped in a Union Jack". He is notably against the Prime Minister's plan to use the opt-out clause on nearly 130 European measures, including the European Arrest Warrant and then to re-integrate a smaller number. He also re-iterated his support for the government coalition's plan to negotiate the freezing of the EU budget 2014-2020... Read more

**Balkans:**

**Visit by Catherine Ashton and Hillary Clinton to Serbia, Bosnia-Herzegovina and Kosovo**

On 30th and 31st October the American Secretary of State Hillary Clinton and the EU's High Representative for Foreign Affairs and the Security Policy, Catherine Ashton travelled to Bosnia-Herzegovina, Serbia and Kosovo. They expressed their support to the principle of these three States joining the EU, whilst recalling the work they still had to deploy with this in view. As far as Bosnia was concerned it meant stabilising the country's situation, whilst Serbia and Kosovo had to normalise their relations. They did say that this did not necessarily mean Serbia acknowledging Kosovo's independence... Read more

**Ukraine:**

**Contested General Elections**

On 3rd November 2012 Catherine Ashton, the EU High Representative for Foreign Affairs and the Security Policy, along with Stefan Füle, Commissioner for Enlargement and the European Neighbourhood Policy expressed their concern about the fact that the general election results of 28th October have not been published. They are urging the "authorities and all parties involved to take the necessary steps," to publish the final results, "which must reflect the true will of the Ukrainian people". They also stressed the importance of taking complaints on board "with the celerity and respect of rules and procedures." Moreover 2000 demonstrators rallied before the Central Electoral Commission on 5th November 2012 in protest against electoral fraud... Read more

**OECD:**

**Five International economic organisations meet F. Hollande and A. Merkel**

On 29th and 30th October 2012 the heads of five international economic organisations (OECD, IMF, WTO, World Bank and ILO) met the French President François Hollande, then German Chancellor Angela Merkel at the OECD. During these two meetings they reviewed the state of the world and the European economy, the challenges that they are facing and the measures to take to revive confidence, growth and employment... Read more

**Eurostat:**

**Euro zone inflation estimated at 2.5%**

According to a rapid estimate published by Eurostat on 31st October 2012 the euro zone's annual inflation rate is estimated at 2.5% in October 2012, which is down in comparison with the September rate when it lay at 2.6%... Read more

**Unemployment continues to rise in the euro zone and the EU**

According to figures published by Eurostat on 31st October 2012 the
unemployment rate in September totalled 11.6% in the euro zone and 10.6% in the EU. Nearly 26 million European citizens are unemployed 5 million of whom are under 25. Although the unemployment rate has decreased significantly in the Baltic States, it has however risen beyond 25% in Spain and Greece...

Euro/Asian Trade
On the occasion of the ninth summit bringing Asian and European heads of State and government together, Eurostat published the trade figures between the two major geographical entities on 29th October 2012. In the first half of 2012 the Asian countries which are ASEM members represented 43% of the EU's imports, and 31% of its exports. Between 2000 and 2011 the biggest rise in trade involved China, India and Russia whilst the greatest decrease was with Japan...

Studies/Reports:
The Gallois Report on Competitiveness delivered to the French Prime Minister
On 5th November 2012 the General Commissioner for Investment Louis Gallois delivered his report on competitiveness to French Prime Minister Jean-Marc Ayrault. This report advises on "22 main measures including a reduction of 20 billion euros in employers' contributions and 10 billion euros on wage contributions," declared Louis Gallois. The leading measure in this report is the reduction in labour costs. This might be one of the government's levers in order to rid the country of it's trade deficit. The second lever named "costs apart" comprises measures enabling the support of innovation, research, and the quality of products. After a seminar on 6th November 2012 the French government will announce the measures that have been selected and those that will be taken into consideration...

The Heseltine Report invites the British government to do more for growth
A report ordered by British Prime Minister David Cameron and published on 31st October calls on the government to do more for growth. "The message that I continue to hear is that the UK has no strategy for growth nor for the creation of wealth", declared Lord Heseltine. He advises on 89 measures including the pooling of all government aid in support of growth, which totals £49 billion (60 billion euro) so that this sum can be spent more effectively on a local level. The definition of a "final, unambiguous energy policy (...) to give the sector certainty about investments," and the clarification of the "the problem of the airport capabilities" in London and the country's south west...

Resisting Protectionism
On 31st October 2012 the WTO, the OECD and the UNCTAD published their eighth report to the G20. The three organisations analyse the measures taken by G20 members between May and October 2012 in terms of trade and investment. The report stresses a slowing in the setting of restrictive trade measures in the G20 economies. The three organisations conclude by insisting on the need to strengthen multilateral cooperation and investment systems which act as "a political guarantee against protectionism"

European Trade Diplomacy and the Crisis
The Foundation for International Relations and External Dialogue (FRIDE) has published a study entitled "European Commercial Diplomacy: the hunt for growth". The author shows how the financial and economic crisis has strengthened competitiveness between Member States in their bilateral trade relations. This new approach is occurring to the detriment of a community trade approach...
Culture:

Marc Chagall and the Bible
On the occasion of the 125th birthday of the artist born in 1887 the Pablo Picasso Art Museum in Münster is hosting an exhibition on Marc Chagall until 13th January 2013. The exhibition brings together around 160 works on the theme of the Bible. Chagall's work mainly finds its inspiration in the Holy Book which he feeds with his imagination, the Jewish traditions and Russian folklore in which he grew up... Read more

Tribute to Van Eyck
The Boijma van Beuningen Museum of Rotterdam is devoting an exhibition to Jan Van Eyck (1390-1441) until 10th February 2013. This exhibition brings together nearly all of the work and paintings produced by the artist, who for a long time was considered as the father of oil painting... Read more

Egon Schiele Exhibition
The Guggenheim Museum of Bilbao is devoting an exhibition to Austrian expressionist Egon Schiele (1890-1918) until 6th January 2013. More than one hundred of his works are on show. The exhibition reviews the development of the artist's style, from his first creations to those that match the rift with naturalism, notwithstanding those marked by the influence of Gustav Klimt and modernism... Read more

Jordaens and the Antique
Until 27th January 2013 the royal fine arts museums of Belgium are offering an exhibition entitled "Jordaens and the Antique". Organised into nine thematic, chronological sections it presents the 16th century Anvers painter, Jacques Jordaens, as a witness of ancient literary and artistic treasures. Visitors will discover the painter's unique vision in the light of the legacy of ancient history... Read more

"Speak Truth to Power"
Until 25th November 2012 the Photography Museum in Stockholm is presenting the portraits of human rights militants from the world over in an exhibition entitled "Speak Truth to Power". Familiar names, like the Dalai Lama, feature amongst them but most are unknown beyond their national borders... Read more

Agenda:

5th and 6th November
Vientiane (Laos)
Asia-Europe Summit

6th November
Nicosia
Informal Meeting of Cohesion Ministers

7th November
Brussels
German Chancellor's Conference at the European Parliament

8th November
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