

Tuesday 30th October 2018

issue 822

The Letter in PDF format

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Opted on the Taxation of global internet Giants

Author: Bruno Le Maire



On 23rd October Bruno Le Maire went to the European Parliament and on 26th October to Berlin to explain why he wants a tax on digital services, which has already been greatly debated within the EU's Council of Ministers, advocating its establishment at the end of the year. The French Finance and Economy Minister believes that it is a matter of protecting the internal market and of ensuring Europe's

sovereignty.
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Elections :

Re-election of Michael D Higgins as President of Ireland



Outgoing President Michael D Higgins was re-elected for a second term during the presidential election that took place in Ireland on 26th October. He won 822,566 votes, ie 55.81%, ahead of Peter Casey (23.25%) and four other candidates. Although the turnout rate (43.87%) was the lowest of the 8 previous presidential elections Michael Higgins won more votes than his predecessors. The President, whose role is rather an honorary one will be officially sworn in on 11th November for a second and final term in office of 7 years... [Read more](#)

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Commission :

Fishing opportunities in the Black Sea



On 24th October the Commission adopted the proposal on fishing opportunities for 2019 regarding turbot and sprat, the two most commercially important types of fish in the Black Sea. Quotas will be divided between Romania and Bulgaria. The proposal will be examined by the Agriculture and Fisheries Council on 17th and 18th December... [Read more](#)

Proposal on the principle of subsidiarity



On 23rd October the Commission put forward its proposals to strengthen the principle of subsidiarity and proportionality in the European decision making process. It hopes to integrate a "subsidiarity grid" in all of its impact analyses. It will make its proposals to the Member States during a conference organised by the Austrian presidency on 15th and 16th November... [Read more](#)

Working programme for 2019



On 23rd October the Commission presented its working programme for 2019. It hopes to come to agreement with the Council on the legislative proposals on already existing laws regarding ten of the Union's policies. It will also present a limited number of new initiatives in the areas of environment, artificial intelligence, the Single Market. The Commission will defend the vote by a qualified majority within the Council for energy, climate, taxation and social policy and it will adapt to changes linked to Brexit. The Commission also wants to put forward ideas for "Communicating Europe"... [Read more](#)

Rejection of the Italian budget



On 23rd October the Commission rejected the Italian draft budget for 2019. Details given by the Italian government on 22nd October did not convince the Commission. The Italian government has to draft a new project within the next three weeks. The Commission re-iterated that it was willing to hold open dialogue with Italy... [Read more](#)

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Parliament :

Access to quality drinking water



In plenary session in Strasbourg on 23rd October the Parliament adopted its position regarding the Commission's proposal - 300 votes in favour, 98 against and 274 abstentions - in support of better quality drinking water. MEPs approved measures to reduce pollutants in tap water to strengthen consumer confidence. The text also encourages Member States to provide universal access to drinking water via installations in public places and via the free provision of drinking water in restaurants... [Read more](#)

Real measures to be taken against neo-fascist groups



Deeming that the level of xenophobia in Europe has reached a worrying level over the last few years, the European Parliament adopted a resolution on 25th October that aims to counter neo-fascist groups. To do this it advocates the introduction at Europe and national level a series of measures that will impact education, the media and justice. It advocated the drafting of a Union level consolidated anti-discrimination legislation... [Read more](#)

Oleg Sentsov, winner of the Sakharov Prize



The President of the Parliament, Antonio Tajani, announced to the Strasbourg hemicycle on 25th October the 2018 winner of the Sakharov Prize for the freedom of thought. This year Ukrainian film director Oleg Sentsov, a critic of Russian President Vladimir Putin and of the annexation of Crimea, is the winner. Imprisoned in Russia, he was on a 145 day hungerstrike until the beginning of October in protest against his 20 year sentence for "terrorism" and for the "trafficking of arms". The prize-giving ceremony will be held in Strasbourg on 12th December... [Read more](#)

The Union's 2019 Budget



On 24th October the Parliament adopted its position on the EU's draft 2019 budget. With 389 votes in support, 158 against and 123 abstentions, it asked for a total budget of 166.34 billion €, including additional sums for Erasmus+ and for the youth employment initiative. It rejected the 794 million € cut put forward by the Council in programmes for growth and employment. It asked for additional funds towards pre-membership aid for the Balkans, for the European Neighbourhood Policy and for the Cooperation Financing Instrument, but it reduced funds allocated to Turkey. This vote marks the start of three weeks of negotiations with the Council which immediately

warned that it could not accept the Parliament's position... [Read more](#)



Reform of road use charges



MEPs adopted a draft set of rules, 398 votes in support (79 against and 32 abstentions) so that lorries and buses are taxed according to the distance and not the time taken for the journey - as of 2023 - this will apply to utility vans as of 2027. MEPs advocate a different road tariffication according CO2 emissions and a limit on car vignette prices. They also hope that as of 2020 a State can no longer exempt certain heavy goods vehicles or lorries of road tax. The Council must now define its position on the issue... [Read more](#)



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Approval of the project to reduce the use of plastic



MEPs approved a draft directive on 24th October, 571 votes against 53 and 34 abstentions regarding the ban on single use plastic products (straws, plates, cotton buds), oxo-plastics and some types of polystyrene by 2021. Other plastics where no alternatives available are to be reduced by at least 25% by 2025 and Member States will have to encourage their reuse and recycling. Negotiations are due to start with the Council at the beginning of November... [Read more](#)



New regulations for the Schengen Information System



MEPs adopted three regulations on 24th October which updated the Schengen Information System (SIS). They will enable alerts regarding people who are on a wanted list and who are linked to serious crimes, and also regarding the abduction of children and vulnerable people at risk. This reform will oblige national authorities to provide details of a terrorist attack with all other Member States. There will also be warnings regarding the decisions to return illegal immigrants. From now on Europol will have total access to SIS and border and coast guards will have partial access to it. The regulations now have to be approved formally by the Council... [Read more](#)



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MEPs ask for a complete audit of Facebook



MEPs adopted a resolution on 25th October inviting Facebook to submit to a complete audit by the Union's authorities to assess the protection of consumers' personal data. This resolution follows the Cambridge Analytica scandal. After the possible political use of data by Cambridge Analytica during the referendum on Brexit and during the US Presidential election in 2016, MEPs suggested an update of the electoral laws to take on board the new reality of the digital world... [Read more](#)



Council :

EU Military Committee Meeting



The Union's military committee which brings together the chiefs-of-staff of the Member States' armies met in Brussels on 24th and 25th October. Discussions mainly focused on military missions under the CSDP (Common Security and Defence Policy) and EU-NATO cooperation. European military commanders also exchanged views with their counterparts from the Balkans, South Korea and Vietnam... [Read more](#)



Inclusion of safeguard measures in trade agreements



The Council approved the Commission's proposal on 24th October regarding the inclusion of safeguard measures in trade agreements with Japan, Singapore and Vietnam. These measures enable the temporary withdrawal of tariff preferences and therefore the protection of vulnerable sectors. It recalled the importance of this inclusion for the coherence and efficiency of the agreements and recognised that the Commission should have greater room to manoeuvre in the negotiation of these agreements... [Read more](#)



Diplomacy :

EU-Africa: Annual meeting on peace and security

The Peace and Security Committee of the European Union and the African Union's Peace and Security Committee convened on 23rd October in Brussels on the occasion of their 11th joint annual



consultative meeting. They highlighted the importance of effective multilateralism based on international law and cooperation in the prevention of conflict. They also exchanged views on specific situations in a certain number of countries: Sahel, Central African, Democratic Republic of the Congo, South Sudan, Somalia and Burundi... [Read more](#)

Financial support of 270 million € for Tunisia



The European Commission signed four conventions with Tunisia on 25th October to a total of 270 million €, on the first day of an official visit by its President Jean-Claude Juncker on the invitation of the head of the Tunisian State Béji Caïd Essebsi. These conventions concern energy transition (50 million), the support of tax reform and socio-economic, inclusive (70 million) promotion of competitiveness and external trade (90 million) and support to the judicial sector... [Read more](#)

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Court of Auditors :

Report criticises the EU's action for the climate



In a report published on 23rd October the Court of Auditors deems that the Union has contributed little to action for the climate, notably regarding the capture and storage of carbon and regarding innovative renewable energies. It deems that the two financing programmes devoted to this work, created in 2009, have only had limited impact due to a lack of coordination and flexibility. The Court has advised the Commission to take note of its remarks in the drafting of the new Fund for Innovation, planned for 2021 and of the revision of both programmes... [Read more](#)

ECB :

Council of Governors



On 25th October the ECB's Council of Governors announced that its interest rates would remain unchanged. It also announced the end of the assets purchase programme, ie. "quantitative easing", at the end of December 2018 as planned. The ECB is said to have devoted 2.600 billion € to this programme... [Read more](#)

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Germany :

Angela Merkel in Prague



On 26th October as part of the 100th anniversary of the independence of Czechoslovakia, German Chancellor Angela Merkel travelled to Prague to meet Czech Prime Minister Andrej Babis. The two leaders emphasised their excellent relations, particularly in the economic and strategic areas... [Read more](#)

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After the elections in Hessen, Angela Merkel decides to leave the presidency of the CDU



On 29th October the regional elections of Hessen took place in Germany. The Christian Democratic Union (CDU) came out ahead with 27% of the vote, taking the lead over the Social Democratic Party (SPD) with 19.8%, which came equal second with the Greens. But the latter won 9 extra points, whilst the two main parties lost more than ten in comparison with the previous elections in 2013. Finally, Alternative für Deutschland (AfD) will be making its entry into parliament with 13.1%. Following this new defeat, Angela Merkel, leader of the CDU since 2000, announced that she would not be standing for the party's leadership in the next congress that is to take place on 6th to 8th December in Hamburg... [Read more](#)

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Belgium :

The government privileges American purchases



On 25th October the Belgian government announced that it had chosen to buy 34 American F-35 to the total of 4 billion € in replacement of its ageing fleet of F-16 fighter planes. This choice was made notably to the detriment of the French Rafale and of the Typhoon of the European Eurofighter Consortium. However Belgium decided to buy 440 French

armoured military vehicles. On 26th October French President Emmanuel Macron criticised the Belgians' choice which was "strategically contrary to European interests"... [Read more](#)

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Cyprus :

Opening of crossing points on the divided island



Cypriot President Nicos Anastasiades and the leader of the Turkish community on the island, Mustafa Akinci, met on 26th October and reiterated their wish to continue their dialogue in a constructive manner, under the aegis of the UN, in a bid to establish "a bi-zone, bi-community federation" to bring the island's division to an end. They also came to agreement on the opening of new crossing points between the Republic of Cyprus and the north of the island, at Dherynia and Lefka on 12th November... [Read more](#)

France :

Emmanuel Macron visits Slovakia and the Czech Republic



French President Emmanuel Macron travelled to Slovakia on 25th and to the Czech Republic on 26th October. His visit, which came on the eve of the 100th anniversary of the creation of Czechoslovakia, aimed to highlight the importance of the historical links between the three countries. Alongside Slovakian Prime Minister Peter Pellegrini, during a citizen's consultation, he delivered a pro-European message and called on the Slovaks to take part in the debate to reform Europe. In the Czech Republic, Prime Minister Andrej Babis and Emmanuel Macron declared that despite their disagreements they both wanted to defend the interests of Europe... [Read more](#)

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Italy :

The President of the Council visits Russia



Giuseppe Conte, President of the Italian Council was hosted in Moscow on 24th October by Russian President Vladimir Putin and his Prime Minister Dmitri Medvedev. Whilst discussing possible economic agreements between the two countries, notably access to Russian gas pipelines, Mr Conte repeated his hope that Russia would reintegrate the G8. He also boasted the strength of the Italian economy, whilst the ruling coalition in Rome has rejected the Commission's request to submit a new draft budget for 2019... [Read more](#)

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Romania :

Speech by President Iohannis to the European Parliament



In a speech delivered to the European Parliament in Strasbourg on 23rd October Romanian President Klaus Iohannis, stressed that a two-tiered Europe was not an option, and that unity and cohesion should be the drivers of European integration. He recalled that Romania wanted to join the Schengen Area and also the euro zone. Just three months before his country takes over the six-monthly presidency of the Council and in a context of debate regarding the rule of law in Romania, Mr Iohannis insisted on the Union's founding values... [Read more](#)

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UK :

The security of the borders compromised by a no-deal Brexit



The National Audit Office (NAO) warned on 24th October against delays in preparing the UK's borders for a no-deal Brexit, which might lead to "weaknesses in terms of security". In the event of a failure of discussions on-going between London and Brussels, "businesses and private parties, which depend on the smooth functioning of the border will pay the price," warned Amyas Mrose, the NAO Chair, in a report that warns notably of organised crime. The report stresses that the "delay" in the negotiations and the "uncertainty" regarding the discussions have slowed preparations... [Read more](#)

Last budget before Brexit



On 29th October the Chancellor of the Exchequer, Philip Hammond announced his new budget. Known for his fiscal rigour, his pragmatism, but also for his love of Europe, the Finance Minister announced a rather optimistic budget, but warned against a disorderly Brexit that which might endanger everything. "Forecasts suppose that we shall achieve a

negotiated exit, an average free-trade agreement, and this budget is based on this. If we get a better agreement there will be an advantage. If we leave without an agreement we shall find ourselves in different circumstances and this will require a different approach, a different answer.".. [Read more](#)

Georgia :

Results of the first round of the presidential election



According to partial results of the first round of the presidential election in Georgia on 28th October the independent candidate, Salomé Zourabichvili, a former French diplomat, supported by the party in office, Georgian Dream, came out ahead with 38.64% of the vote, ahead of her main rival, Grigol Vashadze of the United National Movement, with 37.74% of the vote. The second round will take place by the end of November... [Read more](#)

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WTO :

Meeting on the reform of the WTO



A restricted group of 13 countries, excluding the USA and China met on 24th and 25th October in Ottawa, Canada to discuss the reforms to be made to the World Trade Organisation. In a context marked by the rise of protectionism and the multiplication of trade tension they re-iterated their attachment to multi-lateralism and defined three priority areas to reform: the dispute settlement system, the negotiation mechanism and the WTO's monitoring function. A further meeting is to take place in January 2019... [Read more](#)

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Eurostat :

Public deficit and debt decreased in 2017 in the euro zone



On 22nd October Eurostat published figures on the public deficit and debt for 2017. In the euro zone, debt decreased from 89.1% of the GDP in 2016 to 86.8% in 2017, whilst the deficit decreased by 0.6 points over the same period to 1% of the GDP. Estonia, Luxembourg and Bulgaria had public debts below 25% of their GDP, whilst Greece, Italy, Portugal and Belgium were over 100% of their GDP. Regarding the deficit, Malta, Cyprus, Sweden and Luxembourg stand out due to their surplus, whilst the deficit in Spain and Portugal are over the red line of 3% of the GDP... [Read more](#)

More than 3 million resident permits delivered in the EU in 2017



More than 3.1 million resident permits were delivered in the Member States of the Union in 2017, ie a 4% increase in comparison with 2016, according to figures published by Eurostat on 25th October. The main beneficiaries were from Ukraine, Syria and China and the permits were mainly established in Poland, Germany and the UK. Work, studies and family reasons were the first reasons for residence... [Read more](#)

Studies/Reports :

Report on the implementation of competition rules in the agricultural sector



On 26th October the Committee published the first report on the implementation of specific competition rules in the agricultural sector. This report shows that the EU's work helps farmers achieve better sales conditions and to protect themselves from unfair practice. The Commission hopes that this first report will provide guidelines for future European and national legislation... [Read more](#)

The use of raw materials is due to double by 2060



According to an OECD report published on 22nd October the use of raw materials is due to almost double in the world by 2060, as the world's economy expands and standards of life rise which will place even greater pressure on the environment. According to the report in Europe the use of raw materials is due to multiply by 1.8 and the GDP will multiply by 2.5 between 2011 and 2060... [Read more](#)

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Culture :

Jazzcolors in Paris



Until 30th November Paris is hosting the 16th international Jazz Festival Jazzycolors in which 21 European cultural centres are taking part... [Read more](#)

Klimt Schiele in London



From 4th November 2018 to 3rd February 2019 the Royal Academy of Arts in London is showing the drawings of Klimt and Schiele, two major figures of the Austrian avant-garde on the centenary of their death... [Read more](#)

Bildes Festival Riga



From 4th November to 1st December the Congress Centre and the Cetri Balti Krekli will be hosting the "Bildes Festival" that provides great opportunities to innovative trends in jazz, blues and folk... [Read more](#)

Viennale, Viennese Cinema Festival



The Viennale, the international film festival of Vienna, is taking place until 8th November in the Austrian capital. It is showing new productions and also screening old German, European and international films... [Read more](#)

Paul Klee in Milan



The "Alle origini dell'arte" exhibition of hundreds of works by the German-Swiss artist, Paul Klee on the theme of "primitivism" is being organised at the MUDEC museum in Milan from 31st October 2018 to 3rd March 2019... [Read more](#)

Agenda :



5th November
Brussels
Eurogroup Meeting

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