



EU Facts Update: developments in the EU (August 2009)

LISBON TREATY:

Ireland's second Lisbon Treaty referendum will take place on 2nd October; a 'No to the Lisbon Treaty' campaign started on 18th August in Dublin with the tagline 'Same Treaty, Same Answer'.

Germany has also not yet ratified the Lisbon Treaty. Germany's ruling parties agreed on reforms to make sure that the Treaty does not remove power from the German parliament. If Germany's Constitutional Court approves this agreement, Germany could ratify the Lisbon Treaty before the Irish referendum.

EU INSTITUTIONS AND POLITICS:

Germany: Angela Merkel, the first female German chancellor, had a successful month. Merkel topped Forbes' '100 Most Powerful Women' list for the 4th consecutive year. Also, the Christian Democratic Union (CDU), of which she is the leader, looks increasingly likely to win Germany's general election in September. The CDU topped the polls for the 3rd week in a row with 37% of the country's support whilst the main rival, the Social Democrat party's support fell to 22%, the lowest in nearly 60 years.

The UK: it emerged that next year, UK payments to the EU will rise by 60% (from 4.1 billion to 6.4 billion), according to figures published in the Treasury's annual *Community Finances statement*. There was anger because, firstly, critics argued the bad news was 'buried' in the statement released quietly as the UK Parliament ended for the summer break. Secondly, the rise in UK payments sparked an old debate in the UK - when Margaret Thatcher was Prime Minister, she argued that it was unfair for the UK to receive less money and benefits from the UK than it paid in. She negotiated a 'rebate', which saw the EU give some of the UK's money back. However, at an EU summit in 2005, Tony Blair (then UK Prime Minister) renegotiated the rebate and gave more money to the EU in return for a promise that the EU would review all of its spending. At the time, Blair was accused of 'selling out', and the increase in the UK's payments next year looks set to re-ignite this highly controversial 'Rebate Debate'.

A New EU Immigration Policy will be drafted by October 2009.

EU ECONOMY

EU population could reach 500 million in 2009, according to Eurostat.

France, Germany and Poland showed signs of being the first EU states to come out of the recession after a 0.3 rise in their GDP (Gross Domestic Product provides a good measure of a country's economic performance) in the second quarter of 2009. Many other EU states recorded negative GDP growth rates (e.g. Estonia's economy shrunk by 16% and Latvia's shrunk by 19%). This is partly because unlike other EU members, notably the UK, a smaller proportion of France and Germany's economies is based on the financial sector, which has been the crux of the recent economic tempest.

The Eurozone faced its highest level of unemployment for 10 years, with over 15 million jobless people. The EU's 9.5% rate of unemployment in July was expected to have risen further during August. Most worryingly, unemployment is predicted to continue to rise even when EU member states' economies begin to recover because it will take a while for new jobs to emerge (the labour market tends to play 'catch-up' with GDP growth rates). For example, despite France and Germany leading the way out of the recession, both countries face high unemployment.

ENVIRONMENT

The EU's Greenhouse gas Emissions Scheme will have to be obeyed by all aircrafts that wish to fly within the EU from January 2010. The EU produced a list of around 4000 aircrafts worldwide that will have to reduce their environmental impact to be allowed to use airports within the EU.

£38 million Emissions Trading System fraud led to arrests in the UK. Four people were suspected of selling EU carbon dioxide permits without paying the required tax.

Greek wildfires spread throughout the Capital City, Athens, and nearby towns, such as the historical town of Marathon. The wildfires, which began on 21st August, are the worst to affect the country since 2007 when wildfires killed 70 people. Italy and France are contributing to the rescue efforts. Greenpeace, the international conservationist group, argued that increased wildfires in Greece are caused by climate change which is intensifying heat waves and creating drier conditions. Greenpeace called on the Greek authorities to must do

The EU progressed towards achieving its Kyoto Protocol targets, according to provisional figures from the European Environment Agency. 15 EU states saw their CO₂ emissions fall by 1.3% in 2008 compared to 2007. The EU's target for 2008-2012 is to reduce greenhouse gas emissions by 8%.

EXTERNAL RELATIONS:

Six EU member states (Britain, France, Ireland, Italy, Portugal and Spain) agreed to accept inmates from the Guantanamo Bay prison, which is due to close in January 2010. US President Obama announced the prison's closure at the beginning of the year, but the US congress refuse to allow the detainees to reside on US soil. As a result, 229 detainees must be relocated, but the US has struggled to find countries willing to take Guantanamo inmates at short notice.

A '**Temporary EU trade pact**' was signed with Mauritius, Seychelles, Zimbabwe and Madagascar to remove tariffs on EU goods by 2025.

Belarus' President said that he was willing to cooperate with the EU, but that the country wouldn't give up its ties with Russia.

Nigeria was given €20million by the EU to tackle poverty.

Croatia (currently a candidate to join the EU) asked for EU help to remove landmines left over from the 1990's war in the Balkans. It would take 50 years to clear all mines under the government's current programme.

TECHNOLOGY

EU to invest €18 million for high-speed mobile internet research (known as fourth-generation '4G' mobile networks) in January 2010. The EU hopes to stay at the forefront of advancing technology and to become the international leaders in high-speed internet.

Registrations for '.eu' website domain name (e.g. www.europa.eu) decreased. According to EURid, the non-profit organisation responsible for the domain, this could have been a result of the global economic crisis. However, sites that already own a '.eu' domain continued to renew their registrations, so the financial crisis does not pose a serious threat to the domain.

EU's exploding iPhones investigations- 3 phones caught fire in France and the UK.

NON-EU STATES:

Afghanistan held a presidential election on 20th August, for only the 2nd time in the country's history. The Taliban threatened violence against any prospective voters e.g. there was an attack outside NATO's headquarters just 5 days before the election. The EU deployed 120 election monitors as part of the 'EU Election Observation Mission to Afghanistan'. Despite 26 deaths and many Afghan citizens' being too scared to vote, the EU hailed the election as a success. The Swedish Ambassador and representative of the EU presidency in Afghanistan, Svante Kilander, said that the day demonstrated a 'spirit of democracy in Afghanistan'.

Iceland continued to struggle in the current financial crisis. One huge problem is that Icelandic banks owe billions of pounds worth of money to Dutch and British savers (the British and Dutch governments had to bail out 320,000 citizens who had saved money with the online bank, *Icesave*). Attempts to create a scheme for Iceland to repay €3.8 billion by 2023 collapsed due to opposition from the Icelandic public and the left-wing Opposition Party who argued that foreign savings should not be the Icelandic people's responsibility. Iceland's parliament will consider the agreement again when it reconvenes after the summer break. The delay further angered the Dutch and British Governments who began to stall the progress of a proposed IMF loan to Iceland. The financial crisis led Iceland to apply to join the EU, but this disagreement threatens to delay Iceland's accession talks.

Compiled by Ariane Poulain