



EU FACTS UPDATE: DEVELOPMENTS IN THE EU (May 2009)

EU ECONOMY

EU funding for the 'Globalisation Adjustment Fund' increased and eligibility for assistance from the [€500m fund](#) was widened. The fund aims to reduce unemployment by funding training schemes and job searches.

An EU economic forecast by the EU Commission predicted that the current global recession will last longer than it originally thought that the EU economy will shrink by 4% in 2009.

The European Investment Bank (EIB) will increase its lending by €10bn because demand for loans soared by 40% this year as a result of the global financial crisis. EIB lending will total €70bn for 2009

EU Commission fined Intel €1.06 billion for abusing its dominant market position under [EU competition laws](#). According to EU Competition Commissioner Neelie Kroes, Intel engaged in "illegal actions designed to preserve Intel's market share when their only rival AMD was a growing threat". Intel, the world's largest micro-chip manufacturer, strongly deny the charges.

EU INSTITUTIONS & POLITICS

The European Court of Auditors criticised the European Commission for ignoring NGOs (Non-Governmental Organisations) when distributing [development aid](#) in developing nations and for failing to assess how funds have been used.

EU Fishing ministers agreed to fundamental reform of the EU's [Common Fisheries Policy](#) (CFP). The CFP is widely considered to be a failure because over 80% of EU stocks remain over-fished. Reforms will try to make fishing sustainable and to decentralise control of the CFP to give power back to local regions.

The 2012 [EU Capitals of Culture](#) were announced as [Guimaraes](#) in Portugal and [Maribor](#) in Slovenia. [Marseilles](#) in France and [Kosice](#) in Slovakia will hold the title in 2013.

European Commission proposals to harmonise consumer rights across the EU were criticised because of fears that the proposals would weaken the strong protections given to consumers in countries such as France and the UK.

Two Italian sugar firms received over €100million each in [Common Agricultural Policy](#) (CAP) subsidies in 2008, research by [farmsubsidy.org](#) revealed. 180 Italian companies received more than €1m, as did 165 companies in Spain, 21 in the UK and 142 in France. In total, France received €10.4 out of the total €55 billion CAP budget in 2008. Hungary, Ireland, Germany and the Netherlands were criticised by [farmsubsidy.org](#) for a lack of transparency in publishing details of subsidies.

ENERGY SECURITY

Azerbaijan, Turkey and the EU made further commitments to the Nabucco pipeline at a '[Southern Corridor](#)' summit in Prague. The [EU had decided](#) to provide €200 million funding for the project.

An EU-Russia Summit ended with little progress on ensuring uninterrupted gas supplies to the EU. This winter, gas supplies to the EU were disrupted because Russia stopped the flow of gas through the Ukraine when the Ukraine refused to pay the price Russia demanded. Russian President Dmitry Medvedev also voiced concerns about the EU's 'Eastern Partnership' (see below) being "turned into a partnership that is against Russia."

COPYRIGHT & DATA PROTECTION

The EU will investigate the 'Google Books' database to see if it breaches the copyrights of European authors. Germany raised concerns about a deal signed in the US between Google and publishers which would also affect European authors published in America



The European Parliament (EP) rejected a compromise deal on changes to the telecoms market in Europe. The EP defied last month's compromise with the EU Council (see April Update) and attached an amendment about internet users' rights to the proposal. The Council is likely to reject the EP's amendment, which could plunge the reform package into further turmoil.

LISBON TREATY

The Czech Republic Parliament voted to ratify the Lisbon Treaty. The signature of EU-sceptic Czech President Václav Klaus is now all that is required for the Czech Republic to complete the ratification process. President Klaus will delay signing for as long as possible, describing the Senate vote as "*a sad proof of another failure of a significant part of our political elites*".

Irish Government campaigned for 3 protocols to be attached to the Lisbon Treaty before Ireland holds a second vote on the Treaty in the autumn. The protocols are design to appease Irish voters' concern that the EU might interfere in three areas; 'ethical' issues such as abortion and gay marriage, defence and Irish neutrality and, finally, taxation.

EUROPEAN PARLIAMENT ELECTIONS

Campaigning for the European Parliament elections in June 2009 began:

⊕ UK Conservatives restated their opposition to the Lisbon Treaty and their desire to hold a referendum in the UK before the Lisbon Treaty is ratified by all 27 member states. The Tories claim that the UK's current Labour Government broke its promise to hold a referendum on the Constitution by not letting the public vote on Lisbon Treaty (the successor to the defunct 'European Constitution').

⊕ The UK Labour Party criticised the UK Conservative Party's plans to leave the European People's Party (EPP) grouping in the EP and hold a referendum on the Lisbon Treaty, claiming that Tory policies would leave Britain isolated in Europe.

⊕ The United Kingdom Independence Party (UKIP) campaigned for the UK to leave the EU. UKIP hope to benefit from public anger over MPs expenses and improve on their 2004 EP election result which saw 12 UKIP candidates elected and the party securing 16% of the national vote. The party aims to beat Labour into fourth place at the election, behind the UK Conservatives and Liberal Democrats.

Four members of the European Commission will take a leave of absence from the EU Commission to run in the upcoming European Parliament elections. Meanwhile, EU budget Commissioner Dalia Grybauskaitė won the Presidential election in her native Lithuania and will now resign from the Commission.

NON-EU STATES

The Eastern Partnership summit left many disappointed. The declaration at the end of the summit set 'visa-free' travel between the [EU and 6 former-Soviet countries](#) as only a long-term goal. Ukraine and Georgia had hoped the summit would further their ambitions to join the EU but leaders of EU countries - wary of further enlargement, eastern immigration and antagonising Russia - were unwilling to commit to more a ambitious agenda.

The first ever EU-Pakistan summit will be held on 17 June in Brussels. The summit is expected to focus on development and the fight against terrorism.

A European Parliament Committee urged the Commission to stop funding UN programmes which lack adequate financial supervision. The call came after an audit of 50 EU-funded, UN projects in Kosovo revealed fraud in 12 of the cases.