



TODAYS
News

Wednesday, 21 October, 2015

Click on [blue](#) link to view full Press

Completing Europe's Economic and Monetary Union: Commission takes concrete steps to strengthen EMU

Following the presentation of the "[Five Presidents' Report](#)" by the Presidents of the Commission, the Euro Summit, the Eurogroup, the European Central Bank and the European Parliament, the Commission launched Stage 1 ("Deepening by doing") of the process of completing EMU on [1 July 2015](#). It follows up today with concrete measures to begin the implementation of the ambitious plan to deepen EMU. The package of measures adopted by the College of Commissioners entails a revised approach to the European Semester, including through enhanced democratic dialogue and further improved economic governance, such as the introduction of national Competitiveness Boards and an advisory European Fiscal Board; a more unified representation of the euro area in international financial institutions, especially the IMF. It also specifies the steps towards completing the Banking Union, notably via a European Deposit Insurance Guarantee Scheme and measures to further reduce risk in the banking system. Valdis **Dombrovskis**, Vice-President for the Euro and Social Dialogue, said: *"Europe's Economic and Monetary Union needs strong foundations, not least to be more resilient to future shocks and withstand the global challenges ahead of us. Today, we propose tangible steps towards improving the EU's economic governance rules, which were last strengthened in the immediate aftermath of the crisis. We have the rules, we need to use them better. Looking ahead, we will have to use the next two years to shape consensus for more far-reaching changes that will be needed to complete our Economic and Monetary Union."* Commissioner Pierre **Moscovici**, responsible for Economic and Financial Affairs, Taxation and Customs, said: *"Today's package is about restarting economic and social convergence in our currency union. The next phase will be about political convergence and democratic renewal."* The full press release, Q&A, factsheets and all relevant documents are available [here](#).

Calabria: €1.78 billion of EU Cohesion funds for 2014-2020

The European Commission adopted yesterday the 2014-2020 Operational Programme for the Italian region of Calabria, worth €2.37 billion, with €1.78 billion from the [European Regional Development Fund](#) and the [European Social Fund](#). The programme focuses on three priorities: boosting jobs and growth in the region, preserving the environment and promoting social and professional inclusion. Corina **Crețu**, Commissioner for Regional Policy, said: *"This programme will enable Calabria to fully capitalize on its strengths and boost the competitiveness of its economy. I am very proud of the solid investment package we adopted."* Marianne **Thyssen**, Commissioner for Employment, Social Affairs, Skills and Labour Mobility, added: *"The ESF intervention in Calabria will focus on tackling unemployment, in particular of young and long-term unemployed, and improving skill levels. 20% of the resources will be dedicated to the fight against poverty"*

and to social inclusion of the most vulnerable people." More information on [Cohesion Policy in Italy](#) and on [Regional Policy](#) is available online.

Over €283 million of EU funds for inclusive growth in Italy

The Commission adopted yesterday the 2014-2020 National Operational Programme "Legalità", worth over €377.6 million, with €283 million coming from the [European Regional Development Fund](#) and the [European Social Fund](#). The programme will promote a more modern and transparent public administration and foster social inclusion for legal migrants, asylum seekers and vulnerable groups in Italy's less developed regions. Commissioner for Regional Policy Corina **Crețu** said: *"This programme contributes to addressing the refugee crisis, one of the biggest challenges we ever had to address as a Union. Investments under this programme will help legal migrants, asylum seekers and vulnerable groups find their place in society, by improving their social and professional inclusion."* Commissioner for Employment, Social Affairs, Skills and Labour Mobility Marianne **Thyssen** said: *"The European Social Fund helps to improve the lives of millions of people in Europe each year and is an indispensable tool in helping them find better jobs. I have made clear already several weeks ago that we need to use EU funds better to respond to the refugee crisis. The programme adopted today will do exactly that and help to integrate and support refugees and other vulnerable groups."* The descriptions of the 2014-2020 programmes are available on [Commissioner Crețu's webpage](#) and on the [Info regio website](#)

EU invests €100 million to boost transnational cooperation in the Adriatic-Ionian region

The European Commission adopted yesterday the new [transnational cooperation programme](#) for the Adriatic-Ionian region, worth €118 million, with nearly €100 million from the [European Regional Development Fund](#) and from the [Instrument for Pre-accession Assistance](#). The Programme will support the implementation of the [European Union Strategy for the Adriatic-Ionian region](#) by enhancing economic, social, and territorial cohesion, preserving the environment and improving connectivity. The programme involves four EU countries - Greece, Croatia, Italy and Slovenia - with the participation of Albania, Bosnia and Herzegovina, Montenegro and Serbia. The descriptions of the 2014-2020 programmes are available on [Commissioner Crețu's webpage](#) and on the [Info regio website](#).

EU announces another €60 million in support for Somali refugees

Today, High Representative / Vice President Federica **Mogherini** and the Commissioner for International Cooperation and Development, Neven **Mimica**, will announce €60 million to support Somali refugees and displaced persons in Somalia and Kenya. This announcement will be made during a Ministerial Pledging Conference on Somali Refugees taking place in Brussels. Prior to the conference, High Representative / Vice President, Federica **Mogherini**, said: *"When it comes to migration, European and African countries work together. That's why dialogue is a key aspect of the EU's external policy on migration. I've recently travelled to Niger and Ethiopia to launch High Level Dialogues with these key countries. Today's event brings key-partners together to discuss how to join efforts to give Somali refugees and displaced persons a better future."* Commissioner **Mimica** commented: *"The EU stands ready to further build on its long-standing partnership with the Horn of Africa and to give €60 million to support the Somali refugees in the neighbouring countries. There can be no real peace building, state building or development without a durable solution for the Somali refugees. They account for almost 20% of the Somali population."* A [press release](#) and a [factsheet](#) are available. Information on the total amounts pledged during the conference will be made available [here](#) at the end of the conference.

Refugee crisis: meeting of First Vice President Timmermans with a delegation from the "For 1000 lives: Be Human" appeal

Yesterday First Vice-President **Timmermans** received representatives of the 5,500 European film professionals who signed the appeal "[For 1000 lives: Be Human](#)". The delegation included directors Michel Hazanavicius (*The Artist*) and Laurent Cantet (*Entre les Murs*) director and actress Valeria Bruni Tedeschi, actress Hanna Schygulla and actor Andrzej Chyra. The delegation appealed to the European Union to

respond to the refugee crisis by acting jointly, in solidarity, and with humanity, in accordance with the EU's founding values. First Vice-President **Timmermans** [welcomed the initiative](#) and said: *"We need to continue to work hard to put solutions in place which are both humane and effective. In order to break the logic of fear which has become so widespread in our societies – the fear of the other, of what the future holds – we also need people in civil society who stand up for humanist values"*. Michel Hazanavicius said: *"It is only by being political and humane that Europe can hope to fend off the dangers of populism that threaten democracy. Silence is the first ally of populism"*.

Commission decides selective tax advantages for Fiat in Luxembourg and Starbucks in the Netherlands are illegal under EU state aid rules

Following in-depth investigations, which were [launched in June 2014](#), the Commission has concluded that Luxembourg has granted selective tax advantages to Fiat's financing company and the Netherlands to Starbucks' coffee roasting company. In each case, a tax ruling issued by the respective national tax authority artificially lowered the tax paid by the company. Commissioner Margrethe **Vestager**, in charge of competition policy, stated: *"Tax rulings that artificially reduce a company's tax burden are not in line with EU state aid rules. They are illegal. I hope that, with today's decisions, this message will be heard by Member State governments and companies alike. All companies, big or small, multinational or not, should pay their fair share of tax."* Tax rulings as such are perfectly legal. They are comfort letters issued by tax authorities to give a company clarity on how its corporate tax will be calculated or on the use of special tax provisions. However, the two tax rulings under investigation endorsed artificial and complex methods to establish taxable profits for the companies. They do not reflect economic reality. This is done, in particular, by setting prices for goods and services sold between companies of the Fiat and Starbucks groups (so-called "transfer prices") that do not correspond to market conditions. As a result, most of the profits of Starbucks' coffee roasting company are shifted abroad, where they are also not taxed, and Fiat's financing company only paid taxes on a small part of its actual profits. This is illegal under EU state aid rules and therefore, the Commission has ordered Luxembourg and the Netherlands to recover the unpaid tax from Fiat and Starbucks, respectively, in order to remove the unfair competitive advantage they have enjoyed and to restore equal treatment with other companies in similar situations. The amounts to recover are at least €20 million for each company. It also means that the companies can no longer continue to benefit from the advantageous tax treatment granted by these tax rulings. Furthermore, the Commission continues to pursue its inquiry into tax rulings practices in all EU Member States. It cannot prejudge the opening of additional formal investigations into tax rulings if it has indications that EU state aid rules are not being complied with. A full press release is available in [here](#) and other languages. The non-confidential version of the decisions will be made available under the case numbers [SA.38375](#) (Fiat) and [SA.38374](#) (Starbucks) in the State aid register on the DG Competition website once any confidentiality issues have been resolved.

Antitrust: Commission fines suppliers of optical disc drives € 116 million for cartel

The European Commission has fined eight optical disc drive suppliers a total of €116 million for having coordinated their behaviour in relation to procurement tenders organised by two computer manufacturers, in breach of EU antitrust rules. Commissioner Margrethe **Vestager**, in charge of competition policy said: *"Millions of EU citizens use devices integrating optical disc drives all the time, for example when storing their favourite pictures on a disc. Keeping these markets competitive is important. Today's decision demonstrates once again that cartelists cannot escape fines just by holding their meetings in cinemas and car parks outside Europe, while selling their products in Europe."* Eight suppliers engaged in the illegal practices covered by this decision, namely Philips, Lite-On, their joint venture Philips & Lite-On Digital Solutions, Hitachi-LG Data Storage, Toshiba Samsung Storage Technology, Sony, Sony Optiarc and Quanta Storage. Under the Commission's 2006 Leniency Notice, Philips, Lite-On and their joint venture Philips & Lite-On Digital Solutions received full immunity from fines as they were the first to reveal the existence of the cartel. More information on this case will be available under the case number [39639](#) in the [public case register](#) on the Commission's competition website, once confidentiality issues have been dealt with. For more information on the Commission's action against cartels, see its [cartels website](#). The press release is available [online](#).

EUROSTAT: Euro area and EU28 government deficit at 2.6% and 3.0% of GDP respectively

In 2014, the government deficit of both the **euro area** (EA19) and the **EU28** decreased in absolute terms compared with 2013, while the government debt rose in both zones. In the **euro area** the government deficit to GDP ratio decreased from 3.0% in 2013 to 2.6% in 2014, and in the **EU28** from 3.3% to 3.0%. In the **euro area** the government debt to GDP ratio increased from 91.1% at the end of 2013 to 92.1% at the end of 2014, and in the **EU28** from 85.5% to 86.8%. A Eurostat press release is available [here](#).

ANNOUNCEMENTS

Vice-President for Energy Union Maroš Šefčovič on official visit to the United States and Canada

Vice-President for Energy Union, Maroš Šefčovič, visits the United States from 21 to 23 October and Canada on 26 October. The visit will include a series of meetings with members of the US Executive and Legislative branches and Canada Administration. It will also include speeches on transatlantic EU-US and attendance of the meeting of the EU-Canada Energy Cooperation. On Wednesday, 21 October Vice-President Šefčovič will participate in a meeting with US Senator Heidi Heitkamp and Senator Ron Johnson. On Thursday, 22 October, he will address the Washington's [Peterson Institute for International Economics](#) on "A 21st Century Transatlantic Energy Compact". The Vice-President will meet US Secretary of Energy Dr. Ernest Moniz, Deputy National Security Adviser Caroline Atkinson, Senior Advisor to President Obama, Brian Deese and he will visit the World Bank Group to meet the Vice-President for the Sustainable Development, Ms Laura Tuck. A meeting with Deputy Secretary of State, Antony Blinken, is foreseen for Friday, 23 October. On Friday, Vice-President Šefčovič will also participate in a [U.S. Chamber of Commerce](#) roundtable and will attend a meeting with the First Deputy Managing Director of the International Monetary Fund, Mr David Lipton. In Canada, Vice-President Šefčovič will deliver a speech at the [Montreal Council on Foreign Relations](#) entitled "The EU Energy Union – An opportunity for reinforcing EU-Canada energy cooperation" and meet the Prime Minister of Quebec, Honourable Philippe Couillard and the Minister of Energy and Natural Resources of Quebec, Honourable Pierre Arcard. Find more information on the Commission's website of the [Energy Union](#).

MEX/15/5886



Find out [here](#) what will be discussed next week in the European Commission, European Council and the European Parliament.

