European Semester 2019 Spring Package and EU budget 2020

European Semester 2019 Spring Package

The European Commission presented today the 2019 country-specific recommendations, giving economic policy guidance to all EU Member States for the next 12 to 18 months. The Commission calls on Member States to build on the progress made in recent years in pursuing effective structural reforms, well-targeted investment strategies and responsible fiscal policies as a successful compass for modernising the European economy. The country-specific recommendations for 2019 include a stronger focus on identifying and prioritising investment needs at national level and pay special attention to regional and territorial disparities.

The content of the recommendations reflects the overall priorities set out in the Annual Growth Survey 2019 and the 2019 recommendation on the economic policy for the euro area issued in November. They draw on the detailed analysis of the country reports published in February and the assessment of the national programmes presented in April. The slowdown in global growth reinforces the need to pursue structural reforms, prioritising those aimed at sustainable and inclusive growth. Member States should advance social convergence in line with the European Pillar of Social Rights. In line with the euro area recommendation, Member States should also proceed towards a more symmetric rebalancing across the euro area and continue their efforts to strengthen the Single Market and deepen Europe's Economic and Monetary Union.

The Commission also adopted reports for Belgium, France, Italy and Cyprus under Article 126(3) of the Treaty on the Functioning of the EU (TFEU), in which it reviews their compliance with the deficit and debt criteria of the Treaty. For Italy, the report concludes that a debt-based EDP is warranted.

Hungary and Romania have been subject to Significant Deviation Procedure since 2018 and 2017 respectively. The Commission today addressed a warning to Hungary and Romania that a significant deviation was observed in 2018 and recommends to the Council to recommend they correct the significant observed deviation.

The Commission also adopted today the third report for Greece under the Enhanced Surveillance framework that was put in place following the conclusion of the European Stability Mechanism stability support programme. The report notes that Greece has made a reasonable start to the post programme environment since August 2018, but finds that reform implementation in Greece has slowed in recent months, and that the consistency of some measures with commitments given to European partners is not assured and poses risks to the achievement of agreed fiscal targets.

EU budget 2020

The European Commission has today proposed an EU budget of €168.3 billion for 2020 for a more competitive European economy, and for solidarity and security in the EU and beyond. This budget is the seventh and last one under the current 2014-2020 long-term EU budget. It is designed to optimise funding for existing programmes as well as new initiatives and to boost the European added value in line with the Juncker Commission's priorities.

According to the Commission's proposal, the money under the 2020 budget will go to the following priority areas: competitive economy and young people; and strengthening security and solidarity in the EU, climate change and beyond.

21% of the overall proposed budget for 2020 will go to tackle climate change. This aligns with the ambitious target of spending 20% of the EU's current long-term budget on activities that address climate change. More than €83 billion in commitments will boost economic growth, European regions and will support young people.

Pending legislative proposals

First Vice-President Frans Timmermans informed the College about the ongoing legislative files that could still be delivered before the end of the mandate of this Commission. Altogether, this Commission has made 474 proposals which includes 44 presented by previous Commissions. Of these, 351 proposals have been adopted or agreed by the European Parliament and/or the Council during the present mandate. This means that 167 proposals remain to be agreed at this point, of which about half have a chance of agreement before 31 of October.

Related links

Memo on the European Semester 2019 Spring Package

Chapeau Communication on the country-specific recommendations 2019

Country-specific recommendations 2019

Abrogation of the Excessive Deficit Procedure for Spain

Reports under Article 126 (3) TFEU for Belgium, France, Italy, Cyprus

Significant Deviation Procedure for Hungary and Romania

Third Enhanced Surveillance Report for Greece

EPSAS Progress Report 2019

European Economic Forecast Spring 2019

European Semester timeline

Recommendation for the euro area 2019

European Semester Winter Package 2019

European Semester Autumn 2018 Package

European Pillar of Social Rights

The EU Economic Governance Explained

Draft EU budget 2020 – Questions and Answers

Draft EU budget 2020 documents

Programmes' Performance Overview (2018)

Factsheet – Draft EU budget 2020

Factsheet – Programmes' Performance Overview

Commission proposal for EU's next long-term budget

EU budget at a glance

Photo report

ESMA UPDATES Q&A ON EMIR DATA REPORTING

The Q&As provide further clarity regarding the implementation of EMIR Refit with respect to:

- Q&A OTC 3 on the calculation framework towards the clearing thresholds; and
- TR Q&A 51 regarding the notifications to be made by market participants to their competent authorities to apply an intragroup exemption from reporting.

The purpose of this document is to promote common supervisory approaches and practices in the application of EMIR. It provides responses to questions posed by the general public, market participants and competent authorities in relation to the practical application of EMIR. The content of this document is aimed at competent authorities under the Regulation to ensure that in their supervisory activities their actions are converging along the lines of the responses adopted by ESMA. It should also help investors and other market participants by providing clarity on the requirements under EMIR.

VAT carousel fraudsters arrested with the support of Eurojust

The Hague, 12 June 2019

During a joint action day coordinated by Eurojust, judicial authorities from Italy, Germany, Spain, Austria and Romania took down an organised crime group suspected of large-scale VAT fraud in the EU drinks market. Following numerous house searches in Italy, Germany, Austria and Romania, mobile phones and relevant documents were seized; moreover, bank details and records as well as other criminal assets were identified. 7 suspects residing in Italy, Austria and Romania were arrested, following the execution of pre-trial arrest warrants. The total amount of tax evasion is estimated at almost €2 million. Earlier today, with Eurojust's support, 18 people, involved in another VAT fraud with alcoholic drinks, were arrested.

Eurojust, the EU's Judicial Cooperation Unit, actively coordinated and supported the national authorities throughout the investigations, which culminated in the successful action day. Eurojust swiftly set up a coordination centre, which allowed for real-time exchange of information and facilitated the smooth execution of European Arrest Warrants and European Investigation Orders. [Click here or on image to view video]

Based on a report by the Italian customs related to an Austrian drink company, the Public Prosecutor of Bolzano, Italy, initiated an investigation into alleged valued added tax (VAT) fraud by organised criminals in the EU drinks market. Starting in April 2015, the Austrian company supplied large quantities of beer and other beverages to Italian companies, which were formally represented by Romanian nationals. The Austrians received no VAT from the Italians, as no such tax is due for intra EU transactions. However, the Italian companies resold the drinks to other companies, charging them with 21% VAT, but failed to remit the VAT to the Italian tax authorities. By collecting the VAT for themselves, the Italian companies acted as 'missing traders' in a typical carousel fraud scheme. Since June 2018, a German drink company was also involved in the scam, assuming the role of the Austrian company.

'Tax fraud' image © Shutterstock

Migrant smuggling network halted with

Eurojust’s support

The Hague, 13 June 2019

On a joint action day, supported by Eurojust, the French and Romanian authorities arrested 11 members of an organised crime group (OCG) involved in the smuggling of 308 migrants to the UK. 18 house searches were carried out and weapons as well as around half a million euro in cash were seized. Eurojust actively coordinated the parallel national investigations to bring down the criminal group in its entirety, prevent conflicts of jurisdiction and decide on the best place to prosecute. This successful case clearly demonstrates the added value of judicial cooperation facilitated by Eurojust, which helps to bridge the gap between diverging national legislations.

The French investigation into the group was initiated in August 2018, followed by the Romanian and UK authorities in March 2019, and the Dutch ones in May 2019. On 6 June 2019, based on the quick and effective exchange of information between all countries involved at a coordination meeting at Eurojust and an operational meeting at Europol, the main targets as well as the hierarchical structure and *modus operandi* of the OCG were quickly identified. During the action day (12 June), Eurojust facilitated the swift and simultaneous execution of several French European Investigation Orders and European Arrest Warrants, issued towards the Romanian and UK authorities.

The migrant smuggling OCG was composed mainly of Romanian truck drivers, middlemen and leaders. The OCG members smuggled migrants mostly of Palestinian, Iraqi, Iranian and Afghan origin, using trucks that belonged to Romanian companies. The migrants were transferred to transit sites in the North of France, as well in Belgium and the Netherlands, with the UK as destination country. The truck drivers promised a ‘guaranteed transit’ to the migrants, charging them with a fee ranging between €11 000 €14 500. The total illegal proceeds amount to €3,4 million approximately.

So far, 59 active OCG members were identified. The criminals are accused of illegal migrant smuggling, participation in a criminal organisation, as well as money laundering.

Photo © D.I.I.C.O.T – Poliția Română

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