

Situation in Bahrain

“The recent clashes between security forces and civilians in Duraz village in northwest Bahrain, resulting in the reported death of at least five Bahraini citizens and the arrest of hundreds of others, represent a worrying development.

The Bahraini Government has the sovereign right, and responsibility, to undertake domestic security operations to ensure the safety of its citizens. However the authorities should apply the principle of proportionality when using force and be mindful of the repercussions that an escalation of violence will have for the Kingdom’s objective to achieve national reconciliation.

The EU calls on all parties to resume dialogue and work for national reconciliation in a peaceful and constructive manner in the interest of all Bahraini citizens.”

EIB Group survey finds need for more investment in research and state-of-the-art capital stock in Central, Eastern and South-eastern Europe

The investment outlook in Central, Eastern and South-eastern Europe is positive, but companies need to invest more in state-of-the-art machinery and equipment, and in research and development. These were the findings of the Survey of Investment and Investment Finance that the European Investment Bank published on 26 May at the GLOBSEC Forum 2017 in Bratislava. The presentation of this unique, EU-wide annual survey involving more than 12 000 firms was focused on the investment environment in Central, Eastern and South-eastern European countries (CESEE).

EIB Vice-President Vazil Hudák commented: *“the EIB Investment Survey (EIBIS) shows that the investment outlook in the CESEE region has improved in recent years. On the other hand, we see that uncertainty, the lack of skilled staff, and business and labour market regulation continue to represent major barriers for investing in this region. The region would benefit from further upscaling of the “quality” of capital stock and more support for R&D. The survey conclusions will help the EU bank to contribute to a policy response that properly addresses the needs of businesses, promoting investment in the EU”.*

The survey findings indicate that despite the fact that the share of companies investing in the region in 2015 was below the EU average, **corporate investment activity was particularly strong in Slovenia, the Czech Republic and Croatia, standing above or at the EU average. The outlook was positive overall, with almost all countries in the region showing more firms expanding investment plans in 2016, rather than scaling them back.**

The survey shows **that the investment outlook in the CESEE region for the 2016 financial year was modestly optimistic.** On balance, more firms expected an expansion in investment than a contraction, in line with the EU average. The strongest investment expectations were in Croatia, Hungary, Poland and Slovakia, while the weakest expected investment activity was in Lithuania, Estonia and Latvia. This is consistent with somewhat slower growth in the Baltics recently, strong domestic demand growth in the CEE4 countries, and a recovery from a long and deep recession in Croatia.

If compared to the EU as a whole, firms in the CESEE countries invest more in relative terms into tangibles (i.e. machinery, equipment, land, buildings, etc.) and lag behind in R&D investment. This could negatively affect the efforts of the firms to move to higher value-added production in the medium term, particularly given the fact that firms in the CESEE region lag behind the EU as a whole in terms of productivity.

Firms' investment priority for the next three years is replacement, which features particularly prominently among firms in Hungary and Estonia. Poland, the Czech Republic, and Slovakia have the highest share of firms planning to invest in new products and services. In relative terms, capacity expansion plans – usually the highest investment outlay – feature more prominently among firms in Croatia (38% of firms), Romania (33%) and Slovakia (30%), which is consistent with strong domestic demand in Slovakia and a period of under-investment during the aforementioned recession in Croatia.

The results demonstrate that **investment gaps** come not only from insufficient capital stock, but also **from shortages in terms of state-of-the-art machinery and equipment and energy efficient corporate building blocks.** Additionally, **the political and regulatory environment hampers animal spirits in the region, and availability of staff with the right skills is a prevalent issue.** Compared to the EU average, a higher share of firms remain external-finance constrained, and the main source of dissatisfaction with external finance boils down to collateral requirements and cost of funding.

The 2016 survey was conducted from July to November. The results are weighted by value-added, reflecting firms' contributions to the economy. In the CESEE EU Member States, the survey covered 4 881 firms in 11 countries.

Don't let the Tories cut your pension

Now more than ever, we need strong SNP voices at Westminster to stand up for older people and against Tory cuts to pensions.

Public show their backing for Liberal Democrat clean air plan

A new survey for The Independent has found the majority of the public is now in favour of banning the most-polluting vehicles from city centres.

Some 51 per cent of respondents agreed with this suggestion, with only 15 per cent against and the remainder not expressing a view, pollsters ORB said.

Commenting on the reports which shows the public back the Liberal Democrat policy of banning the most-polluting cars from city centres, Liberal Democrat Shadow Transport Secretary Jenny Randerson said: "The air we allow our children to breathe is toxic and is leading to a national health crisis.

"If our water was as contaminated as the air we breathe the Tories would have been forced to take this seriously. Instead they are plying more dirt into the air and pushing through Heathrow expansion with no serious attempts to address the illegal emissions that are endangering people.

"Only the Liberal Democrats are committed to phasing out diesel vehicles and compensating drivers. We want to give all our children a brighter future in a fairer Britain, cleaning up our air will be a move in the right direction."

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Liberal Democrats lead campaign against Theresa May's cruel dementia tax

Tim Farron, leader of the Liberal Democrats, has launched a national movement calling on people, irrespective of their party affiliation, to stop the

Conservatives' planned Dementia Tax.

It comes alongside Liberal Democrat research that reveals that across England, 9 out of 10 homes could be eligible for sale to meet Theresa May's Dementia Tax.

Tim Farron is writing to key organisations about the campaign, including David Cameron as President of Alzheimer's Research UK.

Writing to the leaders of leading health and older peoples' charities, Tim Farron said: "The measure of a Government is how they treat the most vulnerable in our society. I don't think that the Conservatives are unaware of the impact of their plans but they chose to ignore the human cost.

"Every elderly person that needs care should receive it in the best place for them and not be fearful of those mounting, limitless costs. I am determined that we ensure that Theresa May drops the so-called 'Dementia Tax' and implement a cap on the cost of care.

"Caring for our elderly must be above party politics and that is why I want to urge anyone who opposes the Conservatives' plans to come together to stop it.

"We must resist this plan and challenge would-be Conservative MPs to reject and stop it.

"As a first step, I am urging people to sign up at dementiatax.org.uk to help. I hope you will urge the supporters of your organisation to do the same. Together we can stop the so-called 'Dementia' Tax."

[Sign up against the dementia tax](http://dementiatax.org.uk)