

## [Rapid action via Eurojust leads to arrest of 10 human traffickers](#)



The Hague, 18 May 2020

**With a rapid intervention via Eurojust, 10 suspects of human trafficking have been arrested and five others placed under judicial control by the Romanian authorities. Two female victims were brought to safety, one of whom was under immediate threat from the criminal network, requiring swift coordination and action within four working days. Three places were searched in Austria and the United Kingdom, and weapons, such as guns and machetes, jewellery, luxury clothes, cash and IT equipment have been seized.**

The criminal group allegedly forced its victims into prostitution, using the so-called 'loverboy' approach, where young men tempt women from deprived backgrounds to work for them. It is also alleged that the suspects subjected the victims to physical aggression and rewarded them using stolen golden jewellery.

Eurojust facilitated the execution of European Investigation Orders (EIOs) to the UK and Austria and assisted with the coordination of the operation, enabling the house searches. The EIOs were issued by specialised prosecutors within the Directorate for Investigating Organised Crime and Terrorism – Central Structure (DIICOT) in Romania. The operation was successfully concluded with participation in the United Kingdom of the West Yorkshire Police's Programme Precision Human Trafficking and Modern Slavery Team, supported by the National Crime Agency, the United Kingdom Central Authority (UKCA) and the charity Hope for Justice. In Austria, the Public Prosecutors Office and the Regional Criminal Police Office of Vienna participated.

Eurojust, the EU Agency for Criminal Justice Cooperation, is [fully operational during the current corona crisis](#) and guarantees a 24/7 on-call coordination for urgent cases.



Photos © POLIȚIA ROMÂNĂ

---

## [European insurers face increased risk](#)

## exposures due to Covid-19, but market perceptions and imbalances remained at medium level

Today, the European Insurance and Occupational Pensions Authority (EIOPA) published its updated Risk Dashboard based on the fourth quarter 2019 Solvency II data.

Despite the fact that some indicators used in this Risk Dashboard do not capture the latest market development in the context of Covid-19 outbreak, the expected deterioration of the relevant indicators reflecting all available information in a forward looking perspective has been considered in the assigned risk levels. This addresses the current situation of high uncertainty in the insurance market.

The results show that the risk exposures of the European Union insurance sector increased as the outbreak of Covid-19 strongly affected the lives of all European citizens with disruptions in all financial sectors and economic activities.

Macro and market risks indicators deteriorated in March 2020, moving from high to very high level. The macroeconomic environment has been affected strongly by the global lockdown. GDP estimate points to a strong downturn for the first quarter 2020 and latest forecasts predict a recession worldwide for 2020. Inflation forecasts have been revised downwards for the next four quarters. Monetary policy support has been activated by all major central banks. Financial markets have been characterized by sell-off across asset classes, increased volatilities for bond and equity markets, increasing risk premia and flight to quality investment behaviour in March 2020. Credit risk has increased across all asset classes, in particular CDS of government bonds, financial and non-financial corporate bonds have increased sharply. Liquidity and funding risks have been raised to high level due to potential additional strains on the disposable liquidity of insurers in the medium to long-term horizon.

For Q4-2019 liquidity indicators were broadly stable, however some are expected to worsen, triggered by possible decrease in premiums and new business, potential increase in claims and illiquid level of certain assets. Profitability and solvency risks have increased to high level.

Although for Q4-2019 insurers solvency positions remained relatively stable, looking ahead profitability and solvency risks are expected to deteriorate, given the double-hit scenario negatively affecting insurers on both asset and liability side. Insurance risks also raised to high level. While broadly stable in Q4-2019, negative effects via income reduction and increase in claims are expected going forward.

Market perceptions remain at medium level albeit deteriorating. The EU

insurance sector underperformed the market, both life and non-life businesses lines, and the median price-to-earnings ratio of insurance groups in the sample decreased since the last assessment. Insurers' external ratings and rating outlooks do not show sign of deterioration as of end March 2020, however credit quality is expected to deteriorate.

---

## **Declaration by the High Representative on behalf of the EU on the alignment of certain countries concerning restrictive measures directed against certain persons and entities in view of the situation in Iran**



On 7 April 2020, the Council adopted Decision (CFSP) 2020/512<sup>[1]</sup> amending Council Decision 2011/235/CFSP.

The Council Decision renews the existing restrictive measures for a further twelve months, until 13 April 2021, and amends the list of persons and entities subject to restrictive measures as set out in the Annex to Decision 2011/235/CFSP.

The Candidate Countries Republic of North Macedonia, Montenegro and Albania<sup>[2]</sup>, the country of the Stabilisation and Association Process and potential candidate Bosnia and Herzegovina, and the EFTA countries Iceland, Liechtenstein and Norway, members of the European Economic Area, as well as Ukraine and the Republic of Moldova align themselves with this Council Decision.

They will ensure that their national policies conform to this Council Decision.

The European Union takes note of this commitment and welcomes it.

---

<sup>[1]</sup> Published on 08.04.2020 in the Official Journal of the European Union n°. L 113, p. 22

<sup>[2]</sup> The Republic of North Macedonia, Montenegro and Albania continue to be part of the Stabilisation and Association Process.

---

## Belgium: EU supports ArcelorMittal with EUR 75m EIB loan to scale up breakthrough technology to reduce carbon emissions



©ArcelorMittal

- EUR 75 m loan for two supported projects ('Steelanol' and 'Torero'), worth EUR 215m in total, which are set to reduce up to 350,000 tonnes of CO<sub>2</sub> emissions [\[i\]](#) per year in the first phase.
- CO<sub>2</sub>-reduction equivalent to greenhouse gas emissions of a quarter of a million passenger vehicles being driven for one year. [\[ii\]](#)
- EIB investment supported by *InnovFin Energy Demonstration Projects* and financed under Horizon 2020 and the NER 300 funding programme of the European Commission.

The European Investment Bank (EIB), with the support of the European Commission, has granted a EUR 75m loan to ArcelorMittal [\[iii\]](#) for the construction of two ground-breaking projects at ArcelorMittal Ghent, Belgium, to considerably reduce carbon emissions by converting waste and by-products into valuable new products, helping to develop low-carbon steelmaking technologies, in line with the EU's climate objectives.

Details of the projects include:

- **Steelanol**: a EUR 165m industrial-scale demonstration plant that will capture waste gases [\[iv\]](#) from the blast furnace and biologically convert them into recycled-carbon ethanol, the first commercial product of ArcelorMittal's Carbalyst® family of recycled carbon chemicals. The ethanol produced can be blended for use as a liquid fuel. The technology was developed by LanzaTech, with whom ArcelorMittal has entered a long-term partnership, together with Primetals and E4tech.

Once complete, the plant is expected to produce up to 80 million litres of recycled-carbon ethanol a year. The new installation will create up to 500 construction jobs over the next two years and 20 to 30 new permanent direct jobs. The project is expected to be completed in 2022.

- **Torero**: a EUR 50m large-scale demonstration plant to convert waste wood into bio-coal, partially replacing the coal currently injected into the blast furnace.

In the early stage, the Torero plant will be able to convert up to 60,000 tonnes of waste wood into around 40,000 tonnes of bio-coal every year. This volume will be doubled in a second stage of the project, after the start of the first Torero reactor. The new installation will create around 70 external jobs and will create around ten new permanent direct jobs for the operation of this installation. The plant, which is being developed in partnership with Torr-Coal, Renewi, Joanneum Research Centre, Graz University and Chalmers Technical University, is expected to be operational by the end of 2022.

EIB Vice-President **Ambroise Fayolle** said: *“Even in the current difficult times, Europe keeps its ambitious climate targets and the EIB, the EU climate bank, is committed to continuing to be a key partner. In particular in the steel industry, it means finding new ways to power machines and processes that are essential for reducing carbon emissions. Thanks to a strong partnership with the European Commission, the EIB is very pleased to support the Steelanol and Torero projects in their efforts to work on more climate friendly and competitive processes.”*

**Mariya Gabriel**, European Commissioner for Innovation, Research, Culture, Education and Youth, said: *“This EU backed loan will enable us to demonstrate that European steelmaking plants can be competitive while reducing carbon emissions and help us attain our climate goals. More than this, if we invest in European research, education and innovation we can demonstrate the global leadership that can secure and strengthen these industries and the people and communities they support for future generations.”*

**Geert Van Poelvoorde**, CEO ArcelorMittal Europe – Flat Products said: *“To date we have committed more than €250 million to developing and testing technology that will help make steelmaking carbon neutral, leveraging our R&D facilities around the world. These two projects are our first large-scale implementations of new breakthrough solutions, as part of our commitment to reduce carbon emissions and transform steel production. With the EIB and European Commission's support, we can scale up technologies and transition steel to carbon neutrality, and thereby play a significant role in helping Europe achieve its green ambitions.”*

**Jennifer Holmgren**, CEO LanzaTech said: *“The European Commission and the EIB continue to play a key role in enabling a new carbon economy for Europe by supporting innovative projects. Chemicals and liquid fuels, especially in the aviation sector, still need a source of carbon, while power generation can and should be fully decarbonized. Carbon recycling gives us a choice as to where the carbon in our products comes from: fresh fossil or reused carbon emissions. Our groundbreaking partnership with ArcelorMittal highlights their continued leadership in helping to create a low carbon economy in Europe.”*

ArcelorMittal Europe has committed to reduce CO<sub>2</sub> emissions by 30% by 2030, with a further ambition to be carbon neutral by 2050, in line with the EU's Green Deal and the Paris Agreement.

## **Background information**

The **European Investment Bank (EIB)** is the European Union's long-term lending institution and is directly owned by all the Member States. It makes long-term loans available in support of EU policy objectives. In 2019 the EIB invested more than [€1.73 billion](#) in Belgian projects in support of SMEs, water and urban renewal projects, healthcare and infrastructure.

[InnovFin Energy Demonstration Projects \(InnovFin EDP\)](#) is a venture financing instrument designed to support the demonstration of innovative clean energy projects in the fields of renewable energy, energy storage, smart energy systems and carbon capture, use and storage. The aim is to bridge the gap from demonstration to commercialisation and thus contribute to the deployment of the next generation of innovative low-carbon energy technologies. Given the high risk involved, these EIB loans are guaranteed by the European Commission in the event of default. InnovFin EDP is financed by Horizon 2020 and NER 300 funds.

**ArcelorMittal** is the world's leading steel and mining company, with a presence in 60 countries and primary steelmaking facilities in 18 countries. In 2019, ArcelorMittal had revenues of USD 70.6 billion and crude steel production of 89.8 million metric tonnes, while iron ore production reached 57.1 million metric tonnes. Our goal is to help build a better world with smarter steels. Steels made using innovative processes which use less energy, emit significantly less carbon and reduce costs. Steels that are cleaner, stronger and reusable. Steels for electric vehicles and renewable energy infrastructure that will support societies as they transform through this century. With steel at our core, our inventive people and an entrepreneurial culture at heart, we will support the world in making that change. This is what we believe it takes to be the steel company of the future. ArcelorMittal is listed on the stock exchanges of New York (MT), Amsterdam (MT), Paris (MT), Luxembourg (MT) and on the Spanish stock exchanges of Barcelona, Bilbao, Madrid and Valencia (MTS).

**The Steelanol and Torero projects have received funding from the European Union's Horizon 2020 Research and Innovation Programme under grant agreement No 656437 and No 745810 of EUR 10 and 12 million.**



---

[i] Both by recycling and removing CO<sub>2</sub>. The 'Torero' part of the project as originally [appraised](#) by the EIB is expected to save roughly 150.000 tonnes of CO<sub>2</sub> per year. Adding the Steelanol part is expected to bring this figure up to 350.000 tonnes of CO<sub>2</sub>.

[ii] CO<sub>2</sub> reduction is equivalent to estimated CO<sub>2</sub> emissions of 250.000 average passenger vehicles driving under normal circumstances for a year. The average combustion engine car emits between 1 and 1.5 ton CO<sub>2</sub> per year. 350.000 divided by 1.25 gives ca. 250.000 cars. The International Council on Clean Transportation, 'European Vehicle Market Statistics – Pocketbook 2018-2019; Note that, without being limitative, weather conditions, driving capabilities, model of car, car specifications, tyre specifications, fuel type, fuel specifications, etc. can impact CO<sub>2</sub> emissions.

[iii] The borrower of the EIB facility is C-shift, a wholly owned subsidiary of ArcelorMittal Belgium, which is a wholly owned subsidiary of the ArcelorMittal Group.

[iv] The waste gases that result from iron and steelmaking are composed of the same molecular building blocks – carbon and hydrogen – used to produce the vast range of chemical products our society needs. Today most waste gas is incinerated, resulting in CO<sub>2</sub> emissions.

---

## [Article – Covid-19: the EU plan for the economic recovery](#)



On 15 May Parliament called on the European Commission to present a major economic stimulus plan to help mitigate the shock from the coronavirus and settle on a sustainable future.

### **Grim economic forecasts**

The latest [economic forecasts](#), presented by the Commission in early May, show the economy has taken a hard hit because of the health crisis. As people stay at home and entire sectors have abruptly shut down, the EU economy is facing the prospect of at least a 7.4% contraction this year, which is significantly worse than the fall in 2009.

Even this bleak forecast might underestimate the actual scale of the recession, as any relaunch of economic activity will be gradual and could be easily disrupted by a second wave of the coronavirus.

Everyone is affected: many people fear they might lose their jobs and are unwilling to spend, while businesses are facing disruptions in their supply chains. Governments see tax revenue falling and welfare expenditure increasing, which will bring budget deficits, higher levels of debt and drive up borrowing costs.

### **Ambitious response needed**

Faced with the scale of the economic hardship, MEPs argue in a [resolution adopted on 15 May](#) for bold and decisive action from Europe.

The EU is in the midst of devising its [next long-term budget](#) and as the



response to the current crisis will define developments over the coming years, it makes sense to add recovery measures to the plans. But Parliament insists that the recovery package should come on top of the needs of existing EU programmes and not take funding away from them.

If Parliament's demands for an increased long-term budget are not met, MEPs warn that they are ready to use their power to veto the long-term budget.

Recovery funds should go to those that are hardest hit by the crisis, say MEPs. They want most of the money to be disbursed as grants, as there are concerns that loans could worsen the financial situation of crisis-stricken member states.

The resolution suggests the recovery package should be financed through the issuance of long-term recovery bonds guaranteed by the EU budget. It also points out the need for new sources of revenue to the EU budget; otherwise a bigger budget will entail higher direct contributions from member states.

The EU will still need to prioritise [climate action](#) and a [digital strategy](#), say MEPs, adding that a new EU health programme should be created ensuring that medical supplies are available across the EU in times of need.

Parliament also insists that it should have its say on decisions concerning the recovery fund. In a plenary debate on 13 May, MEPs pointed out that Parliament is the only directly-elected EU institution and should have oversight on budgetary issues as a matter of democratic legitimacy.