

# European Commission and EIB Group join forces to boost space sector investment with EUR 200 million of financing



- EUR 100 million contingent loan for the new Ariane 6 launcher programme, a European Space Agency programme with ArianeGroup as Industrial lead contractor and design authority
- First EUR 100 million venture capital programme under InnovFin to support innovation and growth of European smaller and medium-sized space technology companies

The European Commission is partnering with the European Investment Bank Group, announcing EUR 200 million of investments into the EU space sector, supporting ground-breaking innovation in the industry. During the [European Space Policy Conference](#) in Brussels, EIB Vice-President Ambroise Fayolle is signing an agreement with André-Hubert Roussel, CEO of ArianeGroup, confirming a EUR 100 million loan for the new Ariane 6 launcher programme.

The deal is backed by the European Fund for Strategic Investments, the financial pillar of the Investment Plan for Europe, and InnovFin Risk Sharing for Corporate Research backed by Horizon 2020, the EU Framework Programme for Research and Innovation. In addition, the Commission and the EIF are jointly

announcing the first ever EU-backed InnovFin Space Equity Pilot and the first space focused tech fund supported under the pilot in Europe.

## **Ariane 6**

Ariane 6 is the new European heavy launcher developed in the framework of a large European Space Agency (ESA) multi-annual programme for a new European family of space launchers to respond to the latest trends in the satellite market while significantly lowering production costs. The new generation heavy-launcher maintains the EU's independent access to space, aligned with the ambition to develop crucial knowledge for the European space industry. Ariane 6 will continue to enable Europe to deliver its launch activities for missions to all orbits, from geostationary satellites to medium and low Earth orbit missions and address market dynamics for large satellites, satellite constellations and the smaller satellite segment. The EUR 100 million financing will partially support ArianeGroup's share of development costs through an innovative financing structure which will be contingent on Ariane 6's commercial success, once operational.

## **SMEs in the space sector**

The InnovFin Space Equity Pilot is a EUR 100 million programme under InnovFin specifically dedicated to support the innovation and growth of European SMEs operating in the sector of space technologies. The programme will invest in venture capital funds across the EU which support companies commercialising new products and services in the space sector.

Primo Space, an Italian early-stage tech investor, is the first fund selected by the EIF under this pilot. With a target size of EUR 80 million, it will be amongst the first tech transfer funds only focused on space related technologies in Europe and the first one in Italy. It will invest at proof-of-concept, seed and other early stages projects or companies and will foster the commercialisation of breakthrough innovations in the space technologies in Italy and Europe.

The European space economy is already valued EUR 50 billion (as of 2019) and the research in aerospace technologies is one of the priority areas covered by the Industrial Leadership and Societal Challenges of Horizon 2020.

**EU Commissioner for Internal Market, Thierry Breton**, said: *"The two announcements of today represent a game changer for Europe in the support of the European space industry. First, I strongly welcome the loan granted by the EIB for the Ariane 6 project, which is at the core of the objective to guarantee a European autonomous access to space. Second, with the InnovFin Space, we are sending a clear signal that space business in Europe is an attractive opportunity. This is a crucial initiative to support the development of European space start-ups so they can scale up."*

*"This €100 million loan will partly finance ArianeGroup investments in Ariane 6 development, meaning more competitive, environmentally friendly industrial facilities in Germany and France, including French Guiana. Through this innovative financing, EIB, with the support of the European Union through the*

*European Fund for Strategic Investment, and InnovFin Risk Sharing for Corporate Research, contributes to our industrial investments in our new competitive, versatile and modular Ariane 6 launcher. It therefore fosters technological expertise allowing European launcher industry to remain always at the leading edge, becoming even more innovative and environmentally responsible. Ariane's competitiveness and reliability are essential factors for guaranteeing autonomous European access to space and ensuring that Ariane remain a key player on the commercial satellite market,"* said **André Hubert Roussel, CEO of ArianeGroup.**

*"Initiatives like EFSI or InnovFin help us to develop relevant financing solutions for the European space industry. They allow us to provide debt financing for a large multiannual programme to develop a new family of European space launchers by ArianeGroup with improved technical flexibility and modularity to respond to the latest trends in the satellite market,"* said **EIB Vice-President, Ambroise Fayolle,** responsible for innovation. *"We can also finance with equity much smaller projects and technologies, as we do under the InnovFin Equity Space Pilot mandate, to support a fund that invests in turn in space-related technologies."*

*"Space is an important driver of innovation in Europe. The investments in the space sector we signed today show how public funds in the EU can be deployed to attract private investment and catalyse the development of the sector,"* said **EIF Chief Executive, Alain Godard** *"The first ever Space equity pilot and our first fund, based in Italy, are a giant leap for the EIF in this sector. Attracting more private capital to this sector enables us together to drive forward Europe's space ambitions."*

**Mariya Gabriel, Commissioner for Innovation, Research, Culture, Education and Youth,** said:

*"Our commitment to supporting space research and innovation reflects our ambition to place Europe in the forefront of space technology development. EU-backed financial instruments allow our financial partners, the European Investment Bank and the European Investment Fund, to invest in riskier areas and to crowd in other investments from the public and private sectors. For our European space researchers, innovators and entrepreneurs, getting access to finance is key for their success."*

The announcements today follow recent new ventures for the EIB Group with key players in the space sector. Last year, the EIB and the European Global Navigation Satellite Systems Agency (GSA) signed an agreement to cooperate on supporting investment in the European space-based service economy. The common objective was to create high-skill jobs in the EU and improve the day-to-day lives of Europeans by supporting innovative companies and accelerating the development of new applications that use European global navigation satellite systems and earth observation data.

According to a [recent EIB and European Commission study on the future of the European space sector](#), European space entrepreneurs feel there is a lack of private financing sources. They therefore tend to turn to private capital outside the EU, especially in the US.

A new EU space programme to start in 2021 foresees dedicated measures and additional funding to support an innovative and competitive EU space sector, including to boost entrepreneurship from early stage to scaling-up. The EU space programme regulation is currently under negotiation by the European Parliament and Council of the EU.

### **Background information**

**ArianeGroup** develops and supplies innovative and competitive solutions for civil and military space launchers, with expertise in all aspects of state-of-the-art propulsion technologies. ArianeGroup is lead contractor for Europe's Ariane 5 and Ariane 6 launcher families, responsible for both design and the entire production chain, up to and including marketing by its Arianespace subsidiary, as well as for the missiles of the French oceanic deterrent force. ArianeGroup and its subsidiaries enjoy a global reputation as specialists in the field of equipment and propulsion for space applications, while their expertise also benefits other industrial sectors. The group is a joint venture equally owned by Airbus and Safran, and employs approximately 9,000 highly qualified staff in France and Germany. Its 2018 revenues amounted to EUR 3.6 billion.

**InnovFin – EU Finance for Innovators** – Under Horizon 2020, the EU research and innovation programme for 2014-2020, the European Commission and the European Investment Bank Group (EIB and EIF) launched a new generation of financial instruments and advisory services in 2014 to help innovative firms access finance more easily. Until 2020, “InnovFin – EU Finance for Innovators” is offering a range of tailored products which provides financing in support of research and innovation by small, medium-sized and large companies and the promoters of research infrastructure.

The European Commission and EIF are launching the **InnovFin Space Equity Pilot**, to be committed to investment funds, both fully focused on space-related activities and generalist funds that pursue opportunistic investments in the sector. The resource allocation will be made once expressions of interest are received, until the exhaustion of the investment capacity of the product. In addition, EIF's cooperation with DG R&I will allow the former to discover further the economic potential of the sector and support the development of a new generation of fund managers, actively cooperating with national space agencies (NSAs) or the European Space Agency (ESA).

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**[Press release – EU-Vietnam free trade deal gets green light in trade](#)**

## committee



The committee gave its consent to the free trade agreement by 29 votes, six votes against and five abstentions and recommends that EP Plenary should do the same. The agreement will remove virtually all tariffs between the two parties in ten years. It will protect emblematic European products, and allow Europe to access the Vietnamese public procurement market.

The agreement is also an instrument to protect the environment and further social progress in Vietnam, including in labour rights, the resolution accompanying the consent decision states. The trade committee's demands from Vietnam, including on labour and human rights, as well as on the mechanism ensuring the enforceability of the sustainability clauses, was adopted by 29 votes for, nine against and two abstentions.

The main elements of the trade deal are the following:

- **removal of customs duties:** 65% of EU exports to Vietnam will be immediately duty free, with the rest – including motorcycles, cars, pharmaceuticals, chemicals, wines, chicken and pork – gradually liberalised over ten years. 71% of Vietnamese exports to the EU will be duty free on day one, with the rest catching up in seven years. Duty-free Vietnamese exports of sensitive agricultural products, such as rice, garlic or eggs, will be limited;
- **non-tariff barriers** will be eliminated in the automotive sector, export and import licensing, and customs procedures. Vietnam accepted the “Made in EU” marking, beyond national markings of origin, for non-agricultural products;
- **geographical indications:** 169 emblematic EU products such as Parmigiano Reggiano cheese, Champagne, or Rioja wine, will enjoy protection in Vietnam, as will 39 Vietnamese products in the EU;

- **services:** EU companies will have improved access to business, environmental, postal and courier, banking, insurance and maritime transport services in Vietnam ;
- **public procurement:** EU firms will be able to bid for contracts with Vietnamese ministries, state-owned enterprises, as well as with Hanoi and Ho Chi Minh City;
- **sustainable development:** there are legally-binding rules on climate, labour and human rights. The agreement commits Vietnam to apply the Paris Agreement. Vietnam scheduled the ratification of two remaining bills on the abolition of forced labour and on freedom of association by 2020 and 2023, respectively. If there are human rights breaches, the trade deal can be suspended.

### **Dispute settlement between companies and state**

Separately, the trade committee also agreed by 26 votes for, seven against and six abstentions to an investment protection agreement providing an investment court system with independent judges to settle disputes between investors and state. The accompanying resolution passed by 27 votes for, seven against and five abstentions.

### **Quote**

Rapporteur [Geert Bourgeois \(ECR, BE\)](#) said: “With the consent to this trade deal with Vietnam, the trade committee is giving a positive signal to the ASEAN region and the rest of the world at a time when trade tensions are rising. Besides its geopolitical and economic importance, I am convinced that this agreement will accelerate the reform process within Vietnam. The ratification will strengthen further progress on labour and environmental standards and the respect for human rights.”

### **Next steps**

Parliament is set to vote on the trade deal and the investment protection agreement at its February session in Strasbourg. Once Council concludes the trade agreement, it can enter into force. For the investment protection agreement to enter into force, the member states first need to ratify it.

### **Background**

Vietnam is the EU’s second largest trading partner in the Association of Southeast Asian Nations (ASEAN) after Singapore, with trade in goods worth €47.6 billion a year and €3.6 billion when it comes to services. EU exports to the country grow by 5-7 percent annually, yet the EU’s trade deficit with Vietnam was €27 billion in 2018.

The main EU imports from Vietnam include telecommunications equipment, clothing and food products. The EU mainly exports goods such as machinery and transport equipment, chemicals and agricultural products to Vietnam.



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## [Press release – Stop illegal trade in cats and dogs, says Public Health Committee](#)



On Tuesday, the Environment, Public Health and Food Safety Committee adopted a resolution demanding action against the illegal trade in pets to protect animal welfare, consumers and public health.

The text calls for a series of measures to address illegal trafficking of companion animals, including:

- an EU Action Plan clearly setting out responsibilities to address the illegal trade in companion animals,
- a Commission proposal to set up a mandatory EU-wide system to identify and register cats and dogs,
- an EU definition of large-scale commercial breeding facilities known as puppy mills,
- improved law enforcement and tougher sanctions for those involved (veterinarians, national public services, economic operators),
- better cooperation, communication and training for customs and veterinary authorities,

- encouraging people to adopt, rather than purchase, companion animals.

### Next steps

The resolution was adopted with 66 votes to 0 and 3 abstentions. It will now be put to a vote at the plenary in Strasbourg. It is tentatively scheduled for the February session.

### Background

Each year, many companion animals are illegally traded in the EU by abusing the EU's pet movement legislation ([Regulation \(EU\) No 576/2013](#)), which is intended for non-commercial movement of pet animals.

Aside from the negative implications on public health, animal welfare and consumer protection, it has also become a source of income for organised international crime. It affects the smooth functioning of the EU internal market through lost taxes and by creating unfair competition, particularly with the increase in online sales.

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## [Press release – No more lead in PVC to protect public health, Environment Committee says](#)



On Tuesday, the Environment Committee adopted a resolution objecting to the Commission's proposal to amend the rules concerning lead concentration, and particularly concerning lead in PVC. Members consider that the proposed amendments do not protect human health and the environment enough, which is also the primary objective of the [REACH](#) regulation.



The Commission regulation proposes restricting the use and presence of lead and its compounds in articles produced from Polyvinyl chloride (PVC), a widely produced synthetic plastic, setting a maximum concentration limit of lead of 0,1 % by weight of the PVC material. It also introduces two derogations.

### **No exceptions for recycled PVC**

MEPs are unhappy with two proposed derogations for recovered PVC materials, which will be in place for 15 years. One would allow concentration of lead up to 2 % by weight of rigid PVC and the other 1 % by weight of flexible/soft PVC.

MEPs recall that lead is a toxic substance that can seriously affect health, including irreversible neurological damage, even in low doses. They believe that the levels proposed by the Commission do not correspond to “safe levels” and underline there are alternatives to PVC available. They also highlight that recycling should not justify the continued use of hazardous substances, as prevention takes priority over recycling.

### **Next steps**

The resolution was adopted with 42 votes to 22 and 4 abstentions. It will now be put to a vote at the February plenary in Strasbourg. If Parliament objects within the deadline set of 27 February 2020, the draft measure shall not be adopted by the Commission. The Commission may either submit an amended draft or present a new one.

### **Background**

Parliament has long held the position that recycling PVC must not perpetuate the problem of heavy metals. Lead in PVC has been phased out in the EU since 2015 due to the EU PVC industry’s voluntary commitment, but lead in PVC continues to enter the EU via imported products.

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**[Article – Future of Europe: debate on reforming the EU](#)**



## **The need for change**

Throughout its existence the EU has always evolved in response to a constantly changing world. The most recent major change was the [Lisbon treaty](#), which gave the Parliament [new law-making powers](#).

However, the process never ends. In recent years there have been increasing calls for another institutional reform in response to developments such as the [digital economy](#), [climate change](#), [migration](#) and [terrorism](#). These are challenges on a global level which require an international approach. Reforming the EU could make the institutions more flexible and able to respond quicker while facilitating cooperation between member states. In addition [Brexit](#) – the UK's decision to withdraw from the EU – has stressed the need to relaunch the EU in order to make it more democratic and more relevant to people.

The EU has now launched the Conference on the future of Europe initiative to see how the EU should evolve to best meet new challenges. However, in previous years the European Parliament and the Commission were already involved in initiatives to explore different ideas.

## **Conference on the future of Europe**

The Conference on the future of Europe is a new initiative looking at what legal changes are needed to better prepare the EU for the future. It is expected to run for two years, involving a cross-section of society to give people the chance to contribute.

Citizens have to be at the core of discussions on how to reform the EU, MEPs said in a [resolution](#) adopted on 15 January, setting out their vision for the

## [Conference on the Future of Europe.](#)

Parliament is the first of the three main EU institutions to adopt a position on the set-up and scope of the upcoming Conference. Negotiations with the Commission and the European Council should be concluded in time for the Conference to be launched on Europe Day 2020 (9 May) and run until summer 2022.

### **What the European Parliament has proposed**

Over the last few years Parliament has been reflecting on the changes that are needed to prepare the EU for the future. As part of one initiative EU heads of state and government were invited to the Parliament to discuss their plans for the EU's future with MEPs.

In addition MEPs adopted three reports in February 2017 setting out how they believe the EU needs to be reformed in order to boost its capacity to act, restore people's trust and make the economy more resilient.

The report by Mercedes Bresso (S&D, Italy) and Elmar Brok (EPP, Germany) looked at what improvements are already possible using the existing system.