Public consultation: cumulative risk assessment of pesticides

EFSA is carrying out a public consultation on its pilot assessments of the risks posed to humans by residues of multiple pesticides in food.

Interested parties have until 15 November to submit comments on two assessments: one considers chronic effects on the thyroid system and the other looks at acute effects on the nervous system.

The draft assessments are the culmination of a multi-year collaboration between EFSA and the National Institute for Public Health and the Environment for the Netherlands (RIVM).

The overall draft conclusion for both assessments is that consumer risk from dietary cumulative exposure is below the threshold that triggers regulatory action for all the population groups covered.

To assist stakeholders who wish to contribute to the consultation, EFSA is holding a special meeting in Brussels at which EFSA scientists and external experts will present and discuss the main elements and findings of the pilot assessments. Registration for the event is now open.

Background

The substances considered in the assessments were identified by EFSA's pesticide experts using a methodology specially devised for classifying pesticides into "cumulative assessment groups" (CAGs). The methodology rests on the assumption that pesticides causing the same specific effects can produce cumulative toxicity.

The EU regulation on maximum levels of pesticides in food (MRLs) stipulates that decisions on MRLs should take into account cumulative effects of pesticides as and when the methods to assess such effects become available. In addition, the regulation covering the placing of pesticides on the market stipulates that pesticides should have no harmful effects – including cumulative effects – on humans.

For further information, see our FAQ.

Benoît Cœuré: Digital challenges to the international monetary and financial system

SPEECH

Panel remarks by Benoît Cœuré, Member of the Executive Board of the ECB, at the Banque centrale du Luxembourg-Toulouse School of Economics conference on “The Future of the International Monetary System”, Luxembourg, 17 September 2019

Luxembourg, 17 September 2019

When[1] the euro was created 20 years ago it was hailed as one of the most important turning points in the history of the international monetary system since the demise of the Bretton Woods system.[2] Many observers saw the euro as a natural contender to rival the supremacy of the US dollar in the global monetary and financial system. After all, the euro area was (and remains) the world’s largest trading bloc.[3]

The remarkable rise of China in the global economy, its expanding role in international trade, and the inclusion of the renminbi in 2016 in the International Monetary Fund’s Special Drawing Right (SDR) valuation basket, were widely heralded as yet another turning point for the international financial system.

Yet, the US dollar remains the dominant international currency.[4] It has defied all attempts to rival its monopoly position, even going back to the 1980s, when hopes that Japan’s emergence as global creditor would support the internationalisation of the yen were also disappointed.[5]

The US dollar today accounts for around half of global foreign exchange transactions worth 6.6 trillion dollars per day.[6] It is used to invoice nearly half of global foreign trade, a share far greater than that of the United States in the global economy.[7] And it is now as widely used as a reference unit for exchange rate arrangements as it was during the Bretton Woods era. By some measures, it has taken on an even greater role.[8]

Today, the discussion is about so-called “stablecoins” – crypto-assets with value-stabilising characteristics.[9]

Although private digital forms of money have been around for decades, Facebook’s large installed customer base suggests that Libra could be the first private initiative to have a truly global footprint from day one. Facebook has over 2.4 billion users – more than a quarter of the world population.[10] WhatsApp and Instagram, both owned by Facebook, have 1.6 billion and 1 billion users each.[11]

Global “stablecoin” initiatives can make international payments cheaper and faster and support financial inclusion. But they raise formidable challenges across a broad range of policy domains: operational robustness, safety and soundness as payment systems, customer protection, risks to financial stability and monetary sovereignty, and, last but not least, data protection and compliance with anti-money laundering and terrorism financing rules.[12]

Some public authorities already expressed strong concerns, suggesting that regulatory hurdles will be set very high for these initiatives to get off the ground.[13] Partly in response to these concerns, a G7 working group has been mandated to examine global “stablecoins” in more detail.

The group is expected to provide policy recommendations to G7 Ministers and Governors by the time of the IMF-World Bank Annual Meetings in October this year. The Financial Stability Board has also started looking into the regulatory implications of these initiatives.

In my remarks this evening, I would like to discuss whether Libra, or similar global “stablecoin” initiatives, may be a contender for the Iron Throne of the dollar. I will start by discussing the factors that distinguish the discussion today from previous discussions. I will argue that, in specific circumstances, and if allowed to develop, private digital forms of money could challenge the supremacy of the US dollar more easily, and faster, than currencies issued by other sovereigns.

Yet, whatever faith awaits private digital money, they will likely change the international monetary and financial system in one way or another, either directly or by driving global central banks to innovate.

Digitalisation and currency competition

In the past century or so, competition for pre-eminence in the international monetary system has been confined to currencies issued by sovereigns. Economic size, openness and stability were long considered to be among the key determinants of the success and demise of international currencies.

The fact that the global appeal of the yen, the euro and the renminbi has not risen more forcefully is typically associated with one, or a combination of, these factors. In the case of the euro, for example, fragmented domestic capital markets and the absence of a true European safe asset – one that provides stability in challenging economic times – are likely to have prevented the euro from being used more widely.[14] There is a vast body of literature assessing the relative importance of these and other factors.[15]

The general consensus, however, is that other currencies continue to face considerable obstacles to displacing the US dollar in the international monetary and financial system, and that the broad contours of the system can be expected to remain unchanged in the near term.

This raises the question of whether the arrival of private digital forms of money could challenge the pecking order of the current system more easily – whether there is something special about these “currencies” that could allow them to compete more effectively with the US dollar, assuming of course that they passed the high bar set by global regulators.

The short answer, in my view, is yes – for two main reasons.

Inertial forces may become less powerful

The first relates to the speed of adoption, or the potential for the system to change rapidly.

Global currencies, much like domestic currencies, serve the three classic functions of money – a unit of account, a store of value and a means of payment.[16] But not all functions are equally important. Both history and theory suggest that being a means of payment is, de facto, the leading function of a global currency.[17]

In the past, however, international payments were mainly carried out by firms, merchants, banks and governments, and mainly took the form of wholesale transactions by large players in global trade and financial markets. The banks of Amsterdam and Hamburg, for example, performed key central bank functions as early as the beginning of the 17th century, and were created to provide giro deposits to merchants as an efficient and stable means of payment.[18]

The pound sterling’s rise as an international currency started with so-called merchant banks in London lending to merchants to finance exports and imports, after which it developed into a vehicle for international investment and became a reserve currency.

For firms, merchants, banks and governments, there are material costs involved in agreeing on one international currency standard, and in switching from one to another. They often hold significant balances denominated in the leading international currency, and in doing so take on exchange rate risk, safe in the belief that this currency will remain the principal global payment unit in the future.

As a result, inertia in international currency use has historically been substantial. High switching costs, lock-in effects and habit persistence were strong forces in favour of the status quo.[19] There is an active debate as to how long it takes for one leading currency to replace another. But the consensus is that the process takes years, if not decades.[20]

Consumers, by contrast, have generally had much more limited exposure to, and interest in, global currency use, except in “dollarized” or “euroized” economies where the US dollar or the euro, are, or were, formal or informal means of payment in lieu of the domestic currency.[21]

This has changed, however. The most recent wave of globalisation, in conjunction with the rapid evolution of online services, has supported consumer demand for payment services that work across borders and that are also faster, cheaper and easier to use.

Global tourism flows, for instance, have doubled over the past 15 years. The number of internet users has doubled too, as has the number of mobile phone users. The cost of sending data has shrunk considerably and access to more convenient services has widened. And in just ten years, global remittances have increased by over 50%, while cross-border e-commerce activity has trebled.[22]

It is only natural, then, that new and emerging private payment solutions are mainly targeting consumers and workers, not merchants. Consumers and workers constitute a much larger pool of potential users, with the associated network effects, which has meant that existing digital initiatives have been adopted much more quickly.

Consider M-Pesa. It has revolutionised payments by making it possible to settle low-value transactions without a bank account. The volume of mobile money transactions in Kenya has trebled in less than seven years and today already accounts for half of the country’s GDP.[23] Advanced economies are only starting to catch up with Kenya.

In China, Alipay and WeChat Pay, two payment solutions developed by domestic bigtech firms, have attracted almost one billion customers each in less than ten years. Bigtech payment services account for 16% of GDP in China, higher than anywhere else.[24] Third-party mobile payment transactions last year in China were 15 times larger than in 2015.[25]

The available evidence therefore suggests that transaction and switching costs are much smaller in the case of retail consumer payments than they are for traditional currencies used for wholesale cross-border trade and finance. There is little reason to believe that such network effects would be less powerful for global networks, possibly making international currency competition a much more dynamic contest in the future.

Drivers of international currency use in the digital age

This brings me to my second point, namely that the factors driving international currency use are likely to change too. With consumers at the heart of competition, we may have to rethink the set of factors, and their relative importance, that will ultimately determine the scale and scope of global currency adoption.

Some fundamental drivers will not change, of course.

Price stability remains, and will remain, a precondition for a currency to gain widespread use, whether digital or not. For this reason, central banks worldwide have adopted price stability as their primary mandate. And this is why unstable crypto-assets, such as bitcoin, whose price in fiat currencies is highly volatile, will never be able to serve as a reliable means of payment. “Stablecoins”, if they meet their promise of stability, are the natural next step in the evolution of digital assets.

This was already understood nearly 50 years ago when Friedrich Hayek proposed abolishing the government monopoly on money issuance, arguing that competitive forces would exert disciplinary effects on issuers and incentivise them to provide stable money.[26] Ultimately, the currency with the lowest inflation rate would crowd out its competitors.

Next to stability, other factors are likely to play a growing role in the digital age. Convenience is a prime candidate.

Consider the euro area. Despite the creation of the single currency 20 years ago, cross-border e-commerce in the euro area has not taken off. Home bias remains strong. Only one-third of European e-shoppers make purchases from sellers in other EU countries.[27] And around 40% of European websites do not sell to consumers based in other member states, while almost 80% of online sales are domestic.[28]

Put differently, it is probably easier to connect a new currency to an existing network – the case of Libra – than to build a new network on an existing currency – the case of the euro. Few retailers have seen the introduction of the euro as an opportunity to build a pan-European network around it. With or without the euro, the single market for services remains incomplete.

Global “stablecoin” initiatives could work in reverse. They could turn the nature of payments on its head. WhatsApp, for example, is a messaging service. Adding a payment leg that enables direct transfers of money between registered users will not change the nature of its business. But it will provide a platform to turn a means of payment into a global currency. This is the exact opposite of what theoretical models of global currency use would predict. According to these models, payments lead and other uses follow.

A second, and related, new driver of international currency use in the digital age relates to privacy.

Historically, privacy was not an issue. Anonymity is one of the salient features of paper money.[29] Private digital currencies that run through a distributed ledger have arguably restored anonymity in the virtual world, making them prone to being used to finance illegal activities, such as tax evasion or terrorism.[30]

To pass the test of faith, therefore, any “stablecoin” initiative will have to conform to international anti-money laundering and know-your-customer regulations.[31]

But assuming they do comply with the applicable regulations, “stablecoins” could differentiate themselves according to how much personal data they collect and process. Some could use or sell customer data, whereas others may give priority to protecting the privacy of their customers.

It is hard to tell just how much the privacy dimension will affect international currency use. But the effects could also work in reverse. There are significant differences across countries in terms of how much consumers value the privacy of their data. In Europe, individuals’ control over their personal data has been protected by an EU regulation – the General Data Protection Regulation, or GDPR – since May 2018.[32] Any private initiative operating in the EU will have to comply with this regulation.

The future shape of the international monetary and financial system

All this means that digitalisation may significantly change the way currencies compete with each other. It also means that it will become much more difficult to predict the future contours of the international monetary and financial system.

Several equilibria are conceivable. I would like to briefly discuss three of them, each with very different implications for the future shape of our international monetary and financial system.

Preserving the status quo

A first possible equilibrium may simply be the status quo.

Concerns expressed about Libra in large parts of the world, including in the

United States, has been considerable. Some governments have already announced their intention to ban Libra, if and when it gets up and running.

In other words, the standards required to preserve safety against theft, fraud and operational failures may prove too demanding, or too costly, for many initiatives to get off the ground.

This equilibrium would not imply a digital standstill, however. Other initiatives can help meet growing consumer demand for payment services that work across borders and that are faster, cheaper and easier to use than current payment systems.

Libra has undoubtedly been a wake-up call for central banks to strengthen their efforts to improve existing payment systems. This by itself is undoubtedly a win-win situation for the global community. Progress made by those central banks already operating at the technological frontier can be expected to increase the speed of technological diffusion across borders.[33]

Europe is leading by example here. In November last year, for example, the Eurosystem launched Target Instant Payment Settlement (TIPS) – a new market infrastructure which allows payment service providers to offer funds transfers to customers across Europe in real time, around the clock, and on every day of the year.

TIPS could be a role model for developing economies. It not only has the potential to help better prepare incumbents for the challenges arising from digital giants, it has also the potential to be a catalyst for financial inclusion, which should be a key objective of any public initiative in the payment field.[34]

Central bank digital currencies

A second, and related, equilibrium is what Bank of England Governor Mark Carney recently called a synthetic hegemonic currency that is provided through a network of central bank digital currencies – CBDCs for short.[35]

Many central banks have been working on CBDCs in recent years, though at differing speeds, depending on differences in demand for cash by citizens, among others.[36] Sveriges Riksbank and the Central Bank of Uruguay, for example, are among the most advanced central banks in this area. Their experiments with the “e-krona” and “e-peso” provide useful food for thought. The People’s Bank of China has also reportedly accelerated plans for its own digital currency in response to Libra.[37]

The costs and benefits of issuing a global synthetic currency have been discussed since John Maynard Keynes’ Bancor proposal and are far beyond the scope of this speech. In fact, they have little to do with new technology, and everything to do with appetite for global economic cooperation, which has been low since the demise of the Bretton Woods system – many would argue that it is even lower today.[38]

But cooperation is precisely what Governor Carney is calling for: closer central bank coordination to reap the benefits of recent technological advances more quickly and more efficiently. Much in this spirit, the ECB and the Bank of Japan have already joined forces to examine the possible use of distributed ledger technology in financial market infrastructures.[39]

The next natural step would be for global central banks to join forces and jointly investigate the feasibility of CBDCs based on common technical standards.

Digital currency areas

The third equilibrium that I would like to briefly sketch out would be more disruptive. It would be in the spirit of what Markus Brunnermeier, Harold James and Jean-Pierre Landau have called "digital currency areas" that would cut across borders.[40]

Digital currency areas are networks where payments and transactions are made digitally by using a currency specific to the network – be it a fiat currency or not.[41]

In this hypothetical world, policymakers would successfully coordinate across borders to ensure that global private payment system providers fully comply with key policy priorities.

At one extreme, cooperation would cut across continents and lay the ground for the rise of a truly *global* private digital currency. This would be a long way to go. Today, even networks such as Facebook, Amazon or Alipay remain confined to geographical blocks, and this is before a discussion on regulatory aspects around payment systems has even started.

More conceivable are therefore digital *regional* currency areas. Given the already high degree of regulatory and economic convergence, Europe is certainly best placed to advance here. But others might follow.

This equilibrium would, however, entail a risk of fragmentation of the international monetary system, and the transition towards it would pose several challenges to public authorities.

Currency substitution would be one of them. The "stablecoinisation" would likely start in economies with stubbornly high inflation or weak institutions – Gresham's law in reverse.[42] The decline in the prime legal tender would, in turn, undermine the effectiveness of monetary policy in these economies. But unlike "traditional" currency substitution, "stablecoinisation" would potentially relegate key policies that belong to the public sphere to private payment system providers – an outcome which citizens clearly cannot accept.[43]

Global "stablecoins" would likely also increase capital flow volatility, with potential effects on exchange rates and financial conditions, and hence on domestic inflation outcomes.[44] Small open economies, for example, could seek to introduce or increase capital controls to limit or offset such fluctuations, in particular if capital flows are one-sided.

In other jurisdictions with deep and liquid financial markets, purchases of safe assets by global “stablecoin” issuers could compress term premia by increasing scarcity, and thereby reinforce or offset the actions taken by domestic central banks.[45]

In other words, the journey towards digital currency areas would be long and full of perils. Ultimately, however, the shape of the international monetary and financial system would be determined by two factors: the citizens’ appetite for being part of global networks, or not, and differences in tastes and preferences, including about privacy.

Conclusion

Wherever our journey takes us, and with this I would like to conclude, global “stablecoin” initiatives, such as Libra, will prove disruptive in one way or another. They are the natural result of rapid technological progress, globalisation and shifting consumer preferences.

But how we respond to these challenges is up to us. We can focus our efforts on ensuring that private payment systems will thrive in a space that respects our common global policy priorities. Or we can accelerate our own efforts to overcome the remaining weaknesses in global payment systems, safe in the belief that only public money can ultimately, and collectively, ensure a safe store of value, a credible unit of account and a stable means of payment. Or we can do both of these things, and create an environment in which market-based and public payment systems effectively complement each other, jointly shaping the payments universe in the 21st century.

Thank you.

Statement by the European Commission following the working lunch between President Jean-Claude Juncker and Prime Minister Boris Johnson

President Jean-Claude **Juncker** and Prime Minister Johnson had a working lunch today in Luxembourg. The aim of the meeting was to take stock of the ongoing technical talks between the EU and the UK and to discuss the next steps.

President **Juncker** recalled that it is the UK’s responsibility to come forward with legally operational solutions that are compatible with the Withdrawal Agreement. President **Juncker** underlined the Commission’s continued willingness and openness to examine whether such proposals meet the objectives of the backstop. Such proposals have not yet been made.

The Commission will remain available to work 24/7. The October European Council will be an important milestone in the process. The EU27 remain united.

President **Juncker** was accompanied by the European Commission's Chief Negotiator, Michel Barnier.

President **Juncker** will travel to Strasbourg later today and will address the Plenary session of the European Parliament on Wednesday morning.

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EU invests in reliable electricity system in Czechia

The EU is investing more than €46 million from the European Regional Development Fund to modernise and extend the electricity substation of Kočín, southern Bohemia, one of the most important node in the Czech transmission system. When completed in November 2023, the project will increase the country's energy security, ensuring reliable operations even in extreme conditions. Vice-President in charge of the Energy Union Maroš **Šefčovič** said: *"This EU investment will boost energy security of Czechia as well as the region by reducing the risk of blackouts and by facilitating the import of clean energy from neighbouring countries. It is yet another example of the Energy Union delivering on the ground."* In addition to improving the quality, reliability and sustainability of electricity supplies to customers, this project will indeed increase the country's capacity to access renewable energy from neighbouring countries. The extension of the Kočín substation will enable the implementation of two other Projects of Common Interest: the connection of a second circuit on the existing Kočín-Preštice power line and the new 120 km-long Kočín-Mírovka overhead line. These two projects will reinforce the Priority Corridor for north-south Electricity Interconnections in central-eastern and south-eastern Europe, increasing Czechia's access to renewable energy – mainly wind energy from Germany and solar power from Italy – and helping cut greenhouse gas emissions in the country. *(For more information: Johannes Bahrke – Tel.: +32 229 58615; Sophie Dupin de Saint Cyr – Tel.: +32 229 56169)*

WiFi4EU: new call for municipalities to apply for free Wi-Fi network in public spaces

On 19 September at 13:00 CEST the Commission will launch a new call for applications for WiFi4EU vouchers to set up free Wi-Fi networks in public spaces, including town halls, public libraries, museums, public parks or squares. The call is open to municipalities or groups of municipalities in the EU until 20 September 2019 at 17:00 CEST. Municipalities will be able to apply for 1780 vouchers, valued €15,000 each. Commissioner for the Digital Economy and Society, Mariya **Gabriel**, said: *"It is with great pleasure that I can announce the opening of the call for the third round of WiFi4EU vouchers. With nearly 6000 grant agreements already signed, it is exciting to see the immediate benefits that this initiative is bringing to the lives of our citizens."* The WiFi4EU scheme is administered through a series of calls, and covers all 28 EU Member States, as well as Norway and Iceland. Once municipalities have registered on the dedicated WiFi4EU Portal they will be able to apply for a voucher with just one click. The Commission is selecting beneficiaries on a first-come, first-served basis, while ensuring geographical balance. The first two WiFi4EU calls for applications have taken place to great effect, with over 23,000 municipalities registered in the Portal and 6,200 vouchers awarded so far. The present call marks the third of four calls foreseen before the end of 2020. More information is available online, in the Questions and Answers and a factsheet, while a map illustrates the number of municipalities throughout Europe who have so far benefited from the scheme. *(For more information: Nathalie Vandystadt – Tel. +32 229 67 083; Johannes Bahrke – Tel.: +32 229 58 615; Inga Höglund – Tel.: +32 229 50 698)*

European Commission adopted 2019 Action Programme for the Turkish Cypriot community

The European Commission adopted today an Annual Action Programme for a total amount of €35.4 million identifying new projects to facilitate the reunification of Cyprus. The objective of the programme is to encourage the economic development of the Turkish Cypriot community with particular emphasis on the economic integration of the island, on improving contacts between the two communities and with the EU, and on preparation for the acquis communautaire. Vice-President Valdis **Dombrovskis**, responsible for the Euro and Social Dialogue, also in charge of Financial Stability, Financial Services and Capital Markets Union, said:*"Our aid programme remains as relevant as ever. This new set of projects seeks to improve infrastructure, support economic development, foster reconciliation, and bring Turkish Cypriots closer to the EU. I am confident it will contribute to the settlement effort which is the ultimate goal of our assistance."* Assistance to the Turkish Cypriot community is provided through the EU's Aid Programme and is managed by the Commission's Structural Reform Support Service. The full press release is available online. (*For more information: Annika Breidthardt – Tel.: +32 229 56153; Annikky Lamp – Tel.: +32 229 56151)*

More than 14,500 workers supported by the European Globalisation Adjustment Fund in past two years

The European Commission has published today a report on the activities and results of the European Globalisation Adjustment Fund (EGF) in the years 2017 and 2018. The publication confirms the relevance of the fund over the reporting period: The European Parliament and the Council adopted 15 decisions to mobilise the EGF funding for a total amount of €45.5 million to support more than 14,500 beneficiaries. Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne **Thyssen** said: *"Over the years, the European Globalisation Adjustment Fund has really demonstrated European solidarity, helping thousands of redundant workers to re- and upskill. For* *the time after 2020, the Fund will be revised so that it can intervene more effectively to support workers who have lost their jobs."* Particularly concerned was the machinery/equipment sector, followed by retail trade and air transport. As regards the 23 EGF cases adopted between 2014 and 2016, the results showed that 60% of the workers who participated in the measures had found new jobs by the end of the implementation period. This is an increase by 13 pp compared to the previous reporting periods. The EGF was set up in 2007 to support workers who lose their jobs as a result of globalisation and changing trade patterns or a financial and economic crisis. It is an expression of European solidarity towards workers by helping them adapt their skills and finding new jobs. Since its launch, the EGF has received 161 applications. Some €635 million have been requested to offer help to more than 151,000 workers and 4,429 young people not in employment, education or training (NEETs). Most recently, the Commission adopted a proposal to specify that redundancies due to a no-deal Brexit are covered in the scope of the EGF. For the next long-term budget 2021-2027, the Commission proposed a number of revisions to the Fund, including an increased budget and lower eligibility threshold, so that it can intervene even more effectively to support workers who lost their jobs. *(For more information: Christian Wigand – Tel.: +32 229 62253; Sara Soumillion – Tel.: + 32 229 67094*)

La Commission lance la semaine européenne de la mobilité 2019 et promeut les engagements de l'UE en matière de sécurité routière avec les villes européennes

C'est aujourd'hui que débute la 18e édition de la semaine européenne de la mobilité, la EuropeanMobilityWeek, la campagne phare de la Commission européenne en faveur d'un transport urbain propre et durable. Du 16 au 22 septembre, près de 3 000 villes et villages de 54 pays se sont inscrits pour s'inscrire au programme WalkWithUs. L'événement de lancement à Bruxelles comprend une table ronde sur la sécurité routière, co-organisée par la Commission européenne et l'Alliance mondiale des ONG pour la sécurité routière. L'UE et les villes européennes vont « remettre » aux ONG leurs engagements en matière de sécurité routière en vue de la conférence ministérielle mondiale sur la sécurité routière de Stockholm en février 2020, notamment sur l'objectif de l'UE consistant à réduire de moitié le nombre de morts et de blessés graves sur les routes européennes entre 2020 et 2030. La commissaire chargée des transports, Violeta **Bulc**, a déclaré: *« Cette année, nous souhaitons rappeler aux citoyens européens que la marche et le cyclisme sont des activités agréables, revitalisantes et totalement gratuites. Cela permet aussi souvent de relier facilement son travail ou la gare et l'UE a déployé de nombreux efforts pour en faire des activités sûres. Je suis très heureuse que nous ayons pu associer cette fantastique campagne à la conférence de Stockholm sur la sécurité routière, qui constituera une étape cruciale dans notre combat pour des routes plus sûres dans le monde entier. Nous devons, dans l'UE, montrer la voie. J'espère que nous pourrons nous mettre d'accord sur des objectifs ambitieux aux niveaux mondial et régional et assurer un suivi au moyen d'un suivi détaillé.* » La commissaire **Bulc** a également lancé le "Prix de la sécurité routière urbaine" pour les villes, qui sera remis au printemps prochain. Vous trouverez ici plus d'informations sur la table ronde sur la sécurité routière. *(Pour plus d'informations:*

Enrico Brivio – Tél .: +32 229 56172, Stephan Meder – Tél.: +32 229 139 17)

State aid: Commission approves Belgian scheme to support electro-intensive users

The European Commission has approved under EU State aid rules a Belgian aid scheme supporting electro-intensive companies in Flanders (Belgium). Under the scheme, electro-intensive users will benefit from a reduction in their contribution to a regional Energy Fund to support renewable energy and cogeneration. The contribution is capped at a certain percentage of the beneficiaries' gross value added (GVA). The main aim of the measure is to avoid that electro-intensive companies, which bear significant costs for supporting the production of renewable energy and cogeneration, are put at a competitive disadvantage. The Commission assessed the measure under EU State aid rules, in particular under the Guidelines on State aid for environmental protection and energy 2014-2020. It found that the measure supports the production of electricity from renewable energy sources and high-efficiency cogeneration, in line with EU environmental objectives, without unduly distorting competition. On this basis, the Commission concluded that the Belgian scheme is in line with EU State aid rules. More information will be available on the Commission's competition website in the public case register under the case number SA.52367. *(For more information: Lucía Caudet – Tel. +32 229 56182; Giulia Astuti – Tel.: +32 229 55344)*

State aid: Commission opens in-depth investigations into individual "excess profit" tax rulings granted by Belgium to 39 multinational companies

The European Commission has opened separate in-depth investigations to assess whether "excess profit" tax rulings granted by Belgium to 39 multinational companies gave those companies an unfair advantage over their competitors, in breach of EU State aid rules. Today's opening decisions follow the General Court's February 2019 annulment of the Commission's January 2016 decision concluding that the same tax rulings formed part of a Belgian aid scheme that was illegal under EU State aid rules. The Court did not take a position on whether or not the "excess profit" tax exemptions gave rise to illegal State aid but found that the Commission had failed to establish the existence of a scheme. This means that, according to the General Court, the compatibility of the tax rulings with EU State aid rules needs to be assessed individually, which is why the Commission has now opened separate in-depth investigations into the individual tax rulings. At the same time, the Commission has appealed the judgment of the General Court to the European Court of Justice to seek further clarity on the existence of an aid scheme. These proceedings are ongoing. The in-depth investigations concern individual "excess profit" tax rulings issued by Belgium between 2005 and 2014 in favour of 39 Belgian companies belonging to multinational groups The Commission has concerns that the tax rulings may have given a selective advantage to the 39 multinational companies, allowing them to pay substantially less tax. The opening of the in-depth investigations gives Belgium and interested third parties an opportunity to submit comments. It does not prejudge the outcome of the investigation. Commissioner Margrethe **Vestager** in charge of competition policy said: *"All companies must pay their fair share of tax. We are concerned that the Belgian "excess profit" tax system granted substantial tax reductions only to certain multinational companies that would not be available to companies in a comparable situation. Following the General Court's guidance, we have decided to open separate State aid investigations to assess the tax rulings. We also await further clarity from the European Court of Justice on the existence of an aid scheme." A full press release is available in EN, DE, FR, and NL. (For more information: Lucía Caudet – Tel. +32 229 56182; Giulia Astuti – Tel.: +32 229 55344)*

EU tax transparency tools prove effective in the fight against tax evasion and tax avoidance

EU tax transparency rules on the automatic exchange of information between Member States are delivering addedvalue when it comes to countries' ability to crack down on tax avoidance, according to an evaluation published today by the Commission. The report provides a first snapshot of the commonly agreed legislation underpinning the obligatory automatic exchange of tax information on non-financial income and assets of some 16 million taxpayers within Europe, of information exchanges on financial accounts, as well as on the tax rulings that Member States provide multinational companies. For example, in 2017 Member States exchanged information on almost 18,000 tax rulings given to multinationals. The evaluation shows that Member States now receive considerably more information that can help fight tax fraud, evasion and avoidance and are still in the process of finding the most efficient ways to use the data, to evaluate the added value and deterrent effects. The Commission continues to encourage all EU countries to make full use oftheir access to the wealth of useful tax information being made available through these new channels. While too recent to examine in this study, even more tax data has now started to be exchanged between Member States, such as on the corporate tax revenues paid by big companies in each country, since new rules entered into application on 1 January 2013. From next year, Member States will also start sharing intelligence on the tax planning advice being provided by intermediaries in each country. The report itself and more information on the currentrules (Council Directive on Administrative Cooperation, 2011/16/EU) are available here. *(For more information: Vanessa Mock – Tel.: +32 229 56194; Patrick McCullough – Tel.: +32 229 87183)*

Eurostat: Le taux d'emplois vacants à 2,3% dans la zone euro, à 2,3% dans l'UE28 (deuxième trimestre 2019)

Le taux d'emplois vacants s'est établi à 2,3% dans la zone euro (ZE19) au deuxième trimestre 2019, restant stable par rapport au taux du trimestre précédent et plus élevé par rapport au taux de 2,1% relevé au deuxième trimestre 2018, selon les chiffres publiés par Eurostat, l'office statistique de l'Union Européenne. Le taux d'emplois vacants dans l'UE28 s'est quant à lui établi à 2,3% au deuxième trimestre 2019, stable par rapport au taux de 2,3% du trimestre précédent et en hausse par rapport au taux de 2,2%

enregistré au deuxième trimestre 2018. Dans la zone euro, le taux d'emplois vacants au deuxième trimestre 2019 s'est établi à 2,0% dans le secteur de l'industrie et de la construction et à 2,6% dans celui des services. Dans l'UE28, le taux était de 2,1% dans le secteur de l'industrie et de la construction et de 2,6% dans celui des services. Un communiqué de presse est à votre disposition en ligne. *(Pour plus d'informations: Annika Breidthardt – Tél.: +32 229 56153; Annikky Lamp – Tél.: +32 229 56151)*

ANNOUNCEMENTS

Commissioner Hahn in Georgia to launch the first European School outside EU borders

Commissioner for European Neighbourhood Policy and Enlargement Negotiations Johannes **Hahn** is today in Tbilisi, to launch together with Prime Minister Giorgi Gakharia, the European School in Georgia, the first European School outside EU borders. The joint initiative will lead to the establishment of a school for Georgian students, as well as students from across the region, to follow an education model based on European and international values of multiculturalism, peace and tolerance. Commissioner Johannes **Hahn** said: *"As European Commissioner, my priority has been to help young people in the countries neighbouring the European Union by providing them with more opportunities, developing their skills and fostering their employability. In this context, we have doubled our funding in the Eastern Partnership for youth and education and achieved significant results. The launch of the European School in Georgia is an excellent example of our commitment to bring tangible benefits to the lives of citizens."* The School will be built next to Tbilisi's Lisi Lake, and is expected to open its doors to the first cohort of students in 2023. Students from Georgia, as well as from Armenia, Azerbaijan, Belarus, the Republic of Moldova, and Ukraine, will be able to follow a unique curriculum that meets the high demands of the Georgian, European and international education systems. More information is available here. Commissioner **Hahn** delivered a speech earlier this morning. Photos and videos of the visit will be available on EbS. The EU – Georgia Relations factsheet is also available online. *(For more information: Maja Kocijancic – Tel.: +32 229 86570; Alceo Smerilli – Tel.: +32 229 64887)*

Upcoming events of the European Commission (ex-Top News)

For a torture-free world: Council reinforces EU policy towards third countries on torture and other cruel,

inhuman or degrading treatment

The European Union is strongly opposed to any kind of acts of torture.

The Council today adopted the following conclusions on the revised Guidelines on EU policy towards third countries on torture and other cruel, inhuman or degrading treatment or punishment:

“1. The Council welcomes the Guidelines on EU Policy Towards Third Countries on Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment and approves the revised guidelines. The Council remains seriously concerned by the widespread use of torture and other ill-treatment around the world.

2. The Council recalls that the prohibition of torture and other cruel, inhuman or degrading treatment is absolute in international law. The fight against torture and other ill-treatment is enshrined within the EU legal and political framework and the EU will continue to oppose any attempt to limit this absolute prohibition. In this respect, the EU and its Member States reaffirm their full commitment to combatting torture and other ill-treatment worldwide, in line with relevant international and regional treaties and standards on human rights, including on the administration of justice and the conduct of armed conflict.

3. The EU will continue to strongly oppose and condemn the use of torture and other ill-treatment by state and non-state actors, wherever it takes place and whatever its form, using all tools at its disposal. The Council recognises the relevance of a comprehensive approach to eradicating torture encompassing all essential elements: prohibition, prevention, accountability and redress for victims.

In this context, the Council underlines the importance of procedural safeguards, in particular in the first hours of detention, to prevent torture and other ill-treatment.

4. The EU calls on all States to fully comply with their human rights obligations under international law including in counter-terrorism, migration, trafficking in human beings and other crisis management settings, with particular attention to those in the most vulnerable situations. The EU also stresses the importance of mainstreaming safeguards against torture and other ill-treatment in all actions and policies.

5. Engaging with all key stakeholders and taking joint actions is critical to the eradication of torture. The Council underlines the importance of further strengthening cooperation with UN mechanisms and regional bodies, as well as with other relevant actors such as the International Criminal Court. The Council equally acknowledges the key role of National Human Rights Institutions and independent National Preventive Mechanisms as well as of civil society organisations and human rights defenders in the fight against torture and other ill-treatment.

6. The Council notes with appreciation the progress made by the Global

Alliance for Torture-Free Trade, a cross-regional effort gathering more than 60 countries committed to ending trade in goods used for torture and capital punishment globally. The Council welcomes the UN General Assembly resolution on Torture-Free Trade and strongly supports efforts to establish common international standards in this field. It also welcomes the ongoing work on the revision of the Istanbul Protocol on Effective Investigation and Documentation of Torture and other Cruel, Inhuman or Degrading Treatment or Punishment.

7. The revised guidelines provide practical guidance to EU institutions and Member States, including on the wide range of tools that can be used in their engagement with third countries and in multilateral human rights fora to support ongoing efforts to eradicate torture and other ill-treatment worldwide. The Council Working Party on Human Rights (COHOM) will follow up on their implementation in close cooperation, when appropriate, with other Council working groups."

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