[Space: EU's satellite navigation system Galileo reaches 1 billion smartphone users]

Tomorrow, Galileo, Europe’s satellite navigation system, will reach 1 billion smartphone users worldwide. This milestone coincides with the 15th anniversary of the European Global Navigation Satellite Systems Agency (GSA), the Commission’s key partner in operating Galileo.

Ahead of a special event at the GSA’s headquarters in Prague, Elżbieta **Bieńkowska**, Commissioner for Internal Market, Industry, Entrepreneurship and SMEs, said: *“Galileo is now providing high quality timing and navigation services to 1 billion smartphone users globally. This has been made possible by a truly European effort to build the most accurate navigation system in the world, with the support and dedication of the GSA. I am confident that our space industry will continue to thrive with more work, ideas and investment under the new EU Space Programme.”*

Since December 2016, Galileo provides so-called “initial services” which already improve everyday life for citizens and businesses with accurate **positioning, navigation and timing signals**.

Today 95% of companies that produce smartphone chips for satellite navigation make chips that enable Galileo. The ‘1 billion users’ milestone is based on the number of smartphones using Galileo sold across the world. The actual number of Galileo users is larger. In Europe, all new car models approved for the market are equipped with the eCall system, which uses Galileo to communicate the vehicle’s location to emergency services. Since this year, Galileo is integrated in the digital tachographs of lorries – a speed and distance recording device – to ensure the respect of driving time rules and improve road safety.

Galileo has also been providing crucial **Search and Rescue (SAR) Service,** reducing the time it takes to detect a person equipped with adistress beacon to less than 10 minutes at sea, in mountains or deserts. With Galileo, the accuracy of localisation has improved from 10 km to less than 2 km.In the future, the system will also confirm to the person that help is on the way.

Finally, Galileo supports public authorities with its **Public Regulated Service**, for sensitive security use. It offers a robust and fully encrypted service for government users during national emergencies or crisis, such as terrorist attacks, to ensure continuity of services.

The European space industry, the second largest in value in the world, is strong and competitive. To help maintain and further enhance the EU’s leadership in space, the Commission has proposed a €16 billion Space Programme for the next long-term EU budget 2021-2027.

BACKGROUND

Galileo is the EU's own global satellite navigation system. It is a civilian system under civilian control, which provides accurate positioning and timing information. Galileo aims to ensure Europe's independence from other satellite navigation systems and its strategic autonomy in satellite navigation. Europe's autonomy in this sector will boost the European job market, help the EU step up its role as a security and defence provider, and support emerging technologies such as Artificial Intelligence, drones, automated mobility and the Internet of the Things.

Galileo provides 'initial services' since December 2016. During this initial 'pilot' phase preceding the 'full operational services' phase, Galileo signals are used in combination with other satellite navigation systems. In the full operational phase, users will be able to use Galileo signals independently of other satellite navigation systems.

Other EU space activities include Copernicus (free and open Earth observation data of land, atmosphere, sea, climate change and for emergency management and security), EGNOS (regional satellite navigation system) and Space Surveillance and Tracking (SST).

The new Space Programme will bring all existing and new EU space activities under the umbrella of a single programme. It will maintain existing infrastructure and services and introduce a number of new features to foster a strong and innovative space industry and preserve the EU's autonomous, reliable and cost-effective access to space.

The new programme also introduces a unified and simplified system of governance. The EU will ensure that the increase in financial investment is supported by efficient decision-making so that all EU space activities are rolled out on time and on budget. The Commission will continue to be responsible for managing the overall programme. The intergovernmental European Space Agency (ESA), given its unmatched expertise, will remain a major partner in the deployment of the system and in the technical support to the operational tasks of the EU space programme. The GSA, to be renamed the 'EU Agency for the Space Programme', will increasingly support the operation and market uptake of EU space activities and play an increased role in ensuring the security of all the components of the programme.

MORE INFORMATION

Commission proposes €500 million of Macro-Financial Assistance to Jordan

The European Commission has adopted a proposal for a new Macro-Financial

Assistance (MFA) programme to Jordan worth up to €500 million.

The proposed financial assistance aims to provide support to the ambitious Jordanian reform agenda, promoting jobs, growth and investment for the benefit of the people of Jordan.

Pierre **Moscovici**, Commissioner in charge of Economic and Financial Affairs, Taxation and Customs, said: *"Today's proposal demonstrates the EU's sustained commitment to supporting Jordan in what remain challenging times. Jordan has made significant strides in its reform process; but addressing economic difficulties requires continued action. The Commission stands ready to work closely with the Jordanian authorities to deliver the vital economic reforms necessary to secure a stronger, more stable economy for the benefit of its people."*

The new programme would build on the two previous MFA programmes through which the EU has disbursed a total of €380 million to Jordan since 2011.

A recent evaluation on the implementation of MFA operations concluded that the first MFA programme was relevant to Jordan's economic challenges and in line with the EU's priorities. The evaluation also found that the programme was implemented efficiently and in close coordination with the Jordanian authorities, helped preserve macro-economic stability, and had a positive social impact.

MFA funds are made available in the form of low-interest, long-term loans. Disbursements under the proposed programme would be strictly conditional on the implementation of specific policy conditionality to be agreed between the EU and Jordan, and set out in a Memorandum of Understanding.

The Commission's proposal for a third MFA programme with Jordan is subject to the approval of the European Parliament and of the Council of the EU under the ordinary legislative procedure.

Background

Macro-Financial Assistance

MFA is part of the EU's wider engagement with neighbouring countries and is intended as an exceptional EU crisis response instrument. It is available to EU neighbourhood countries experiencing severe balance-of-payments problems.

EU-Jordan relations

The EU's support to Jordan, including the MFA programmes, assist the country in mitigating the impact of the Syrian crisis. This support is provided in accordance with the EU-Jordan Partnership Priorities, as confirmed during the third Brussels Conference on the Future of Syria and the Region on 12-14 March 2019 and the EU-Jordan Association Council on 17 July 2019.

Overall, the EU has already mobilised more than €2.2 billion for Jordan since the beginning of the Syrian crisis in 2011. In addition to MFA, EU increased funding in response to the Syrian crisis includes humanitarian assistance, together with longer-term resilience and development support in areas such as education, livelihoods, water, sanitation and health, addressed to Syrian refugees and Jordanian host communities.

Further Information

Macro-Financial Assistance

Macro-Financial Assistance to Jordan

Report from the Commission to the European Parliament and the Council on the implementation of macro-financial assistance to third countries in 2018

Formation of von der Leyen Commission advances

President-elect Ursula von der Leyen today gave her agreement to the draft list of Commissioners-designate provided to her by the Council of the European Union.

This follows a series of formal interviews President-elect von der Leyen held, over the past weeks, with each of the persons suggested by the Member States as candidates for Commissioner.

Next Steps:

The Council of the European Union must now adopt this list, in accordance with Article 17(7) of the Treaty on European Union (TEU), after which the list will be published in the Official Journal of the EU. Tomorrow President-elect von der Leyen will announce the distribution of portfolios and the way she intends to organise the work of the next European Commission.

The European Parliament must then give its consent to the entire College of Commissioners, including the President and the High-Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the European Commission. This is preceded by hearings of the Commissioners-designate in the relevant parliamentary committees, in line with Rule 125 of the Parliament's Rules of Procedure. Once the European Parliament has given its consent, the European Council formally appoints the European Commission, in line with Article 17(7) TEU.

Proposed list of Commissioners-designate for the next Commission:

Austria: Johannes Hahn

Belgium: Didier Reynders

Bulgaria: Mariya Gabriel

Croatia: Dubravka Šuica

Cyprus: Stella Kyriakides

Czech Republic: Věra Jourová

Denmark: Margrethe Vestager

Estonia: Kadri Simson

Finland: Jutta Urpilainen

France: Sylvie Goulard

Greece: Margaritis Schinas

Hungary: László Trócsányi

Ireland: Phil Hogan

Italy: Paolo Gentiloni

Latvia: Valdis Dombrovskis

Lithuania: Virginijus Sinkevičius

Luxemburg: Nicolas Schmit

Malta: Helena Dalli

Netherlands: Frans Timmermans

Poland: Janusz Wojciechowski

Portugal: Elisa Ferreira

Romania: Rovana Plumb

Slovakia: Maroš Šefčovič

Slovenia: Janez Lenarčič

Sweden : Ylva Johansson

Josep Borrell (Spain) was designated High Representative of the Union for Foreign Affairs and Security Policy by the European Council in agreement with **President-elect Ursula von der Leyen** (Germany).

For more information:

Ursula von der Leyen was proposed as candidate for President of the European Commission by the European Council on 2 July 2019. On the basis of the Political Guidelines she set out before the European Parliament, Ursula von der Leyen was elected to become next President of the European Commission by a majority of 387 votes in the European Parliament plenary session of 16 July 2019.

On 23 August, the Council received a letter from the UK Representative to the European Union stating that: “As the United Kingdom will be leaving the European Union on 31 October 2019, the Prime Minister announced in the House of Commons on 25 July that we would not nominate a UK Commissioner for the new Commission, and that this was not intended to stop the EU appointing a new Commission. I am writing formally to confirm that, in accordance with the Prime Minister’s Statement, the United Kingdom will not be nominating a candidate for the 2019-2024 College of Commissioners.”

Homepage of President-elect Ursula von der Leyen

Questions & Answers: Global Vaccination Summit

The European Commission organises, in cooperation with the World Health Organisation (WHO), a Global Vaccination Summit on 12 September 2019, in Brussels.

The overall objective is to give high-level visibility and political endorsement to the topic of vaccination, which is one of the most successful public health measures, saving millions of lives every year. This event aims at demonstrating EU leadership for a global commitment to vaccination boosts political commitment towards eliminating vaccine-preventable diseases, and engages political leaders and leaders from scientific, medical, industry, philanthropic and civil society in global action against the spread of vaccine misinformation.

What are the benefits of vaccination?

Vaccination is one of the greatest successes of public health. Worldwide, it saves at least 2-3 million lives each year. Before vaccines were given, children often died young or become crippled for life. Vaccination prevents 2.7 million people from contracting measles, 2 million from getting neonatal tetanus, and 1 million from getting pertussis (whooping cough) each year. It has also led to the eradication of smallpox, and the near elimination of polio. In Europe, seasonal flu vaccination prevents around 2 million people from getting the flu each year.

Vaccines are a safe and effective way of protecting children and adults from serious illness and complications from vaccine-preventable diseases. They can prevent a disease from occurring in the first place, saving human suffering, and reducing healthcare costs. Vaccines do not only protect the person vaccinated, they also protect others, provided that 'herd immunity' is reached. In the case of measles, diphtheria, tetanus and pertussis, a 95% coverage rate is required to protect the whole community.

Are vaccines safe?

Yes, vaccines are safe. An extensive body of research has proven the effectiveness and safety of vaccines. The EU has very strict rules for the market authorisation of vaccines. On average, it takes 12 to 15 years, including extensive clinical studies, to develop a vaccine. Once on the market, the European Medicines Agency (EMA) continues to supervise a vaccine's safety, to detect, prevent and communicate any adverse effects. Reports of a link between the Measles, Mumps, and Rubella (MMR) vaccine and autism, for example, were based on a now discredited study.

Are vaccine-preventable diseases increasing in the EU?

The surge in measles cases that began in 2018 has continued into 2019, with approximately 90 000 cases reported for the first half of the year in the WHO European region. This is already more than the number of cases recorded for the whole year of 2018 (84 462).

Between 1 January 2016 and 31 March 2019, 84 deaths were reported for the EU/EEA countries alone. From July 2018 to June 2019, 11 EU/EEA Member States reported 483 cases of rubella. At the end of 2018, four European countries lost their measles elimination status[1].

Seasonal flu vaccination coverage in older age groups has also decreased in the past few years in the majority of EU countries, and the European Centre for Disease Prevention and Control (ECDC) estimates that 40 000 people in Europe – many of whom are elderly – die prematurely from complications from seasonal flu every year.

What are the key drivers of decreasing vaccination coverage?

There are several reasons for decreasing vaccination coverage, including challenges related to the access to and the organisation of vaccine services.

Another important reason is **vaccine hesitancy**. Misconceptions about vaccination have shifted the public focus away from the benefits of vaccination, towards distrust in science and fear of possible side effects. While routine vaccination has led to a sharp reduction in vaccine-preventable diseases, it has also led to the severity of such diseases frequently being under-estimated by citizens and healthcare workers alike.

Decreasing vaccine confidence, increasing number of deaths and growing cases of vaccine-preventable diseases have led the WHO to declare vaccine hesitancy as one of the main threats to global health for 2019.

The EU has among the lowest confidence in the safety and effectiveness of vaccines worldwide. Almost half of the EU public (48%) believes that vaccines can often produce serious side effects, 38% think they can cause the diseases against which they protect and 31% are convinced that they can weaken the immune system[2]. For example, in France, one-third of people believe vaccines to be unsafe[3].

Another important reason is the variation of **vaccination policies and schedules** between EU countries, which can be a particular obstacle to people who move between several EU countries during their lives. Variation related to the timing of vaccines and the number of doses, for example, can cause confusion, and this can result in children not getting all the vaccines they need. Different vaccination policies between countries can also lead to the perception that there are differences in opinion on the vaccines themselves.

Other factors that play a role in immunisation gaps include **vaccine shortages,** challenges related to the **research and development** for new and existing vaccines, including unpredictable demand and insufficient motivation for industry to make the necessary investments in terms of financing and expertise, and constraints linked to public financing.

Is disinformation a determinant for lower vaccine coverage?

Yes. The exposure of citizens to large-scale disinformation, including misleading or outright false information, is a major challenge for Europe.Disinformation is amplified by modern technology and the rapid spread of content on the internet.

Fighting disinformation[4] has to be a coordinated effort involving institutions, social platforms, the media and citizens. The European Commission is taking action to address online disinformation. In 2018, it invited social media platforms to subscribe to a Code of Practice on Disinformation, which commits them to enable monitoring of online disinformation, including on vaccines.[5]

What are the EU recent actions regarding vaccination?

Following the Council Recommendation adopted in December 2018[6], several actions have already been implemented including the Coalition for Vaccination and the Joint Procurement of pandemic influenza vaccine[7] and others are on track. This includes the development of a common vaccination card, the support to research and innovation for the development of new vaccines or the establishment of a European Vaccination Information Sharing System)[8].

What will be discussed during the Global Vaccination Summit?

The event brings together around 400 political leaders, high-level representatives from international organisations, health ministries, leading academics, scientists and health professionals, the private sector and non-governmental organisations. Keynote speakers and participants include Commission President Jean-Claude Juncker, Dr. Tedros Adhanom Ghebreyesus, Director-General of the WHO and Her Majesty the Queen of the Belgians.

There are three main topics for the Summit:

Roundtable 1: **In Vaccines we trust.** *S*trategies to increase vaccine confidence, and improve the uptake of vaccines and vaccination coverage; the role and responsibility of media, and the use of innovative communication strategies and tools to help increase vaccine confidence by all actors; and the possible actions by stakeholders – decision-makers, policy-makers, health professionals, civil society, organisations and communities – to increase vaccine confidence.

Roundtable 2: **The Magic of Science. V**accine development cycle and major challenges to the development of effective vaccines, and determine which vaccines are needed; efficient use of existing and novel models for funding vaccine R&D and stimulating international collaborations for public health benefits; opportunities and major challenges to having a vaccine RD&I responding to global public health needs;

Roundtable 3: **Vaccines Protecting Everyone, Everywhere.** Actions to enhance the use and uptake of vaccines in the decade ahead, including in fragile and humanitarian emergency settings; importance of accountability in a successful vaccine programme at all levels and by all people; importance of vaccines across the life course; vaccination as gateway to the success of primary health care (PHC) and universal health coverage (UHC).

For more information

Global Vaccination Summit 2019

Vaccination overview

Immunisation and vaccines

[1]http://www.euro.who.int/en/media-centre/sections/press-releases/2019/european-region-loses-ground-in-effort-to-eliminate-measles

[2]https://ec.europa.eu/health/sites/health/files/vaccination/docs/20190426_special-eurobarometer-sp488_en.pdf

[3] Wellcome Global Monitor(2018), https://wellcome.ac.uk/sites/default/files/wellcome-global-monitor-2018.pdf

[4]https://europa.eu/rapid/press-release_IP-19-2914_en.htm

[5]https://ec.europa.eu/digital-single-market/en/news/code-practice-disinformation

[6] https://eur-lex.europa.eu/legal-content/GA/TXT/?uri=OJ:JOC_2018_466_R_0001

[7] See https://europa.eu/rapid/midday-express-28-03-2019.htm#8 and https://ec.europa.eu/health/sites/health/files/preparedness_response/docs/ev_20190328_memo_en.pdf

[8] See roadmap for the implementation of the Council Recommendation: https://ec.europa.eu/health/sites/health/files/vaccination/docs/2019-2022_roadmap_en.pdf

Luis de Guindos: Growth and competitiveness in the euro area

Panel contribution by Luis de Guindos, Vice-President of the ECB, at The European House-Ambrosetti Forum, Cernobbio, 7 September 2019

- Growth, investment and competitiveness are topics of utmost relevance for monetary policy. Investment trends and productivity growth are key determinants of the potential growth rate of the economy. Measurement challenges aside, the resulting output gap – the deviation of actual economic activity from its potential – is a key driver of inflation over the short and medium term.
- Today I will focus on the factors behind weak investment and productivity, on the remaining barriers to competition and on the importance of deepening Economic and Monetary Union (EMU) and completing the capital markets union (CMU) to enhance the attractiveness of the euro area.

Let me start by looking at why investment has been so weak in Europe in recent years, despite historically low levels of financing costs.

- Anaemic business investment dynamics[1] have been observed in many advanced economies, but especially in the euro area, Italy being a case in point.
- Investment has been exposed to a number of adverse shocks, which slowed its return to pre-crisis levels.[2] The crisis was followed by a

protracted adjustment of capital overhangs and high corporate indebtedness,[3] related to unsustainable investment and credit patterns before the crisis. The subsequent economic recovery, starting around 2013 and driven by cyclical accelerator effects, was particularly labour-intensive and firms appear to have invested relatively less in equipment. Global trade, which is particularly tilted towards investment goods in many euro area countries, has slowed markedly since the end of 2017, on the back of increasing trade barriers and broad trade policy uncertainty.
- At the same time, firms' profits, which are the main financing source of investment, have weakened over the past year in the euro area. High corporate taxation relative to other economic areas has also weighed on firms' profits and caused investment to shift abroad.[4] While bank lending has become easier, thanks to the lower financing costs and easier access to finance induced by monetary policy, equity finance is lagging behind in Europe. Economic policy uncertainty has also played a part in driving up hurdle rates[5] of investments as well as firms' cash holdings, making them net lenders.
- Longer-term structural factors are also at play. With increasing digitalisation,[6] a growing share of investment is gradually being directed towards intangible assets.[7] This might not be fully accounted for in national and firms' accounts. Firms tend to invest less in a declining and ageing economy, unless labour could be replaced by capital. Finally, production in advanced economies is gradually shifting from manufacturing to services,[8] where equipment matters less.

Weak investment since the crisis has been accompanied by slow productivity growth across virtually all advanced economies.

- Labour productivity growth had already begun slowing well before the crisis. Since 1995 it has averaged 0.3% per year in Italy, compared with 1% in the euro area as a whole and 2% in the United States.[9]
- There are many underlying reasons for this decline in productivity growth, so let me focus on two: the role of technology and population ageing.
- Evidence suggests that the failure of firms to adapt to the ICT revolution has played a central role. This may be why a relatively large number of very small firms are not growing,[10] and the resulting resource misallocation may contribute to the productivity gap across countries.
- Some see the decline in the rate of radical innovation as a key factor in the global decline of productivity growth, simply because new ideas are becoming harder to find.[11] Others claim that the current lull can mostly be attributed to the depth of the Great Recession,[12] or to the fact that innovation comes in waves, and the economy has only recently begun to commercialise discoveries from fields such as nanotechnology, genetic engineering and quantum computing.[13]
- In any case, innovation is changing the nature of production and employment, with digitalisation having already transformed how we do business. Automation, in particular, is replacing labour in certain jobs, particularly in manufacturing, but it has also raised demand for highly skilled professionals in other areas.[14] Both of these processes

are likely to contribute to higher productivity growth, but also to higher income inequality in the future. A more troubling scenario is one in which artificial intelligence focuses exclusively on automation. If it provides small productivity improvements over human activity it may destroy more jobs than it creates – take automated call centres as an example.[15] While past historical episodes of technological change have always seemed to deliver as many new jobs as they replace, it is important to remember that automation, by definition, always destroys tasks. The question is just whether it creates enough new tasks in the process.
- Simultaneously, the euro area is undergoing a profound demographic change. Fertility rates have declined, life expectancy has risen and sizeable cohorts are reaching retirement age.[16]
- Ageing societies tend to imply lower labour market participation and lower contribution to potential growth. Currently, this is only partly counterbalanced by the rising participation rate among older cohorts, partly as a result of pension reforms, and from movements of workers across borders.

This all points to a need for national economic structures to become more conducive to growth and competitiveness.

- The country-specific recommendations, proposed annually by the European Commission and endorsed by the European Council, tend to include, for example, dedicated reform recommendations for product, labour and financial markets in EU Member States.
- Further reducing barriers in product and services markets could help to improve firm entry, exit and growth.[17] Efficient insolvency frameworks would free up resources by enabling the restructuring or resolution of persistently unproductive and barely viable firms.[18]
- Labour market regulations and policies could support the uptake of rapid technological change and improve its distributional impact. Investment in human capital is key in this regard, and reforms that increase labour mobility could reduce labour market mismatches, support the diffusion of technology and mitigate the adverse effects of demographics.

The European Single Market has been a powerful tool for stimulating growth and competitiveness, but its functioning could be further improved.[19]

- The euro area services sector accounts for around two-thirds of gross value added and an even larger share of employment. Yet the Services Directive, which aims to reduce barriers to trade in services, has only been partially implemented and does not cover several key sectors.[20] Reinvigorating the Single Market for services therefore remains a challenge that European leaders will need to tackle jointly.
- In the same vein, the fragmentation of national corporate tax systems creates market distortions and impairs the functioning of the Single Market. Therefore, the long-debated Common Consolidated Corporate Tax Base would be a huge step forwards in deepening the Single Market. It would lower the administrative costs that firms face and mitigate competitive distortions created by diverse and often conflicting tax

systems.

Deepening EMU and an ambitious CMU would facilitate investment, notably across borders.

- Fostering deep and diversified capital markets that provide a wide source of financing options to European companies and individuals is one of the CMU's primary objectives. This is key to enhancing innovation and growth and to strengthening the cross-border dimension of investments in the EU, thereby promoting deeper integration and development of markets.
- Better-integrated capital markets can also help to enhance the resilience of the euro area and complement the banking union by facilitating financial risk-sharing. Cross-border financial integration has not yet exhausted the potential for bringing cross-border private risk-sharing up to the level we would like to see in EMU. Compared with the United States, where 60% of shocks to GDP growth can be mitigated through diversification via capital markets, only 20% of shocks to GDP growth are mitigated in the euro area.[21]
- European capital markets are currently small and fragmented. Policies that foster innovation and market size and that remove cross-border barriers will help develop more vibrant European financial markets and intermediaries that are able to compete internationally.
- Let me point out here that the creation of a single rulebook for calculating taxable profits throughout the EU also offers a welcome opportunity for removing the debt bias in corporate taxation.[22] Most tax systems currently favour debt financing due to the deductibility of interest rate payments from the tax base, while other forms of financing instruments are not considered. This is an obstacle to a larger equity base for firms and is therefore a significant impediment to the creation of a CMU.
- Finally, fiscal policy can play a greater countercyclical and stabilising role. Fiscal space should be used wisely in countries where it exists, while all countries should work towards a more growth-friendly composition of public finances. Furthermore, a fiscal capacity at euro area level would be a great achievement that would complement national stabilisers.

Let me conclude.

- It is vital to continue implementing reforms to address the structural challenges facing the euro area. Reducing barriers to trade in services and disparities in national corporate tax systems could provide a new impetus to the European Single Market and stimulate investment. Deepening European integration requires us to pursue an ambitious agenda for the financial system, to push for European responses within the CMU and banking union agendas and to go beyond tendencies to retrench behind national borders. Deep European capital markets are crucial to enhancing innovation and growth and to strengthening the cross-border dimension of investments in the EU.

Speaking engagements

Media contacts