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Dear readers,

Notwithstanding that March events have definitely confirmed – at least for the time being – that the strong emotions, hysteria and initially predicted hectic nature of last year have been replaced by a pragmatic and rational approach to political negotiations within a number of European integration areas, we will be monothematic in this months introduction. It can be said that if we had ambitions of selecting the three most important topics, we would not make a mistake if we selected: Economic policy (dominated by the adoption of the European Stability Mechanism and the Euro Plus Pact), the long-term doctrine in place for the development of EU transport policy (which is the special topic for this month's issue) and the foreign policy dimension (ranging from relations with Libya and the southern partnership and ending with Japan.

All of these topics have both a direct as well as an indirect economic dimension, which is most apparent in the first situation. Its significance does not lie solely in the fact that it provides the eurozone members (as well as voluntary partners outside of it) with a clear, transparent and coherent model upon which they can rely if they find themselves in dire straits and that it defines the conditions that must be met. This stability model also represents the qualitative level by which last year's search for provisional measures (intended to provide the same protection) have been exceeded, albeit only after the proverbial "spilt milk". The new mechanism - which will enter into force in mid-2013 -- is a clear *ex ante* signal.

A twin to the ESM, however not included as a component, is the Euro Plus Pact, which is an integral component of the process known as the "European Semester". Through measures aimed at strengthening competitiveness, fiscal consolidation and structural reforms, it is intended to prevent a repetition of last year's offences or to at least significantly contribute to this prevention. Even this latter measure is intended primarily for the eurozone members, however six additional countries in which the euro has not yet been adopted have also joined.

The forum of critical economic discussions within the Union are therefore becoming fragmented. We have the EU-17, representing the countries of the eurozone. Now we have added the EU-23, representing the countries that have joined in the Euro Plus Pact, which is focused on competitiveness and which is intended to restore the health of the fundamental economic conditions upon which the functionality of the eurozone is founded. The Czech Republic is in neither category and that is a shame. It is needlessly shutting the door with regard to its active participation, performance and involvement in key discussion about the EU's economic future. Whilst the efforts of this group are more and more visibly aimed at further institutionalisation, our voice is remaining on the other side of the conference room door.

Sometimes the ultra-speed of the European integration process might be useful with regard to varying levels of flexibility on the part of the member states to share in the integration and it can reflect the actual needs of each member state. However, in this particular situation, in which the strengthening of the European economic mechanism is at stake, it does not seem to me that standing back is the best choice out of the possible options.

Petr Zahradník

The European Parliament has issued a declaration that calls upon the European Commission and the member states to exert pressure on Canada to repeal the entry visa requirement for Czech citizens. The European Union has agreed on creating a permanent bailout fund for the eurozone countries. It will start functioning in 2013. The leaders of the member states have adopted the “Euro Plus Pact", which will strengthen cooperation in economic and fiscal matters.

POLITICS

EP in Favour of Eliminating Canadian Visas for Czech Citizens

The Czech Republic has acquired an important supporter in its efforts to repeal the visa requirements for Czech citizens travelling to Canada. The European Parliament has joined the CR’s cause and **expressed its “full solidarity” with the citizens of the Czech Republic.**

The Canadian visas were **unilaterally introduced in July 2009** solely for the CR. Canadians travelling to the CR do not require an entry visa. The introduction of visas for Czech citizens visiting Canada was the first case when a third country, which does not have a visa obligation with regard to the EU, decided to implement visas for an EU member state.

Last autumn, a group of European Parliament members, specifically Zuzana Roithová, Alexander Alvaro, Stavros Lambrinidis, Miroslav Ouzký and Manfred Weber, presented a written declarations which, amongst other things, requests the Commission and the member states to **exert additional political pressure on Canada** and thus convince that country to terminate the mandatory visas for Czech citizens as soon as possible. The declaration also calls upon the Commission to establish a new mechanism to replace existing bilateral agreements, which will provide all of the EU member states with a guarantee of a full-value mutual mechanism in relation to visas and which will also ensure that all of the member states immediately renew visa requirements for citizens of any non-EU country that violates the rules of the mechanism.

The deadline by which the MEPs had the possibility to **sign the aforementioned declaration** expired on 17 February 2011. Thanks to the fact that over three hundred signatures had been obtained by that date, the deadline was extended to 10 March 2011.

Although this is not a revolutionary breakthrough in the entire matter, the approval of the European Parliament’s declaration will create additional pressure on the Commission and on the Council to negotiate the **repeal of the unfair visa system in place for Czech citizens with the Canadian representatives.**

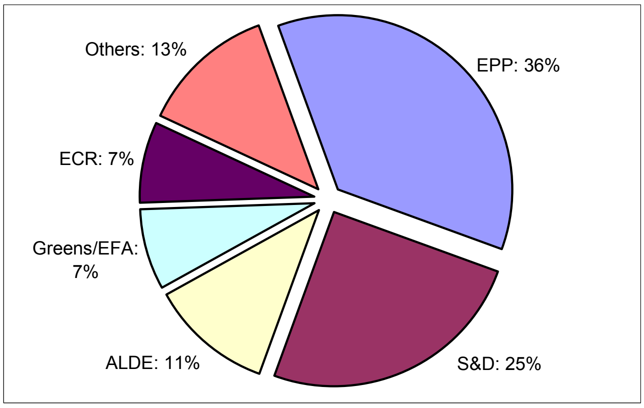
http://www.europarl.europa.eu/pdfs/news/expert/infopress/20110307IPR14991/20110307IPR14991_cs.pdf

Zahradil Chosen as Leader of the European Conservatives Group

Jan Zahradil, who is the leader of the ODS delegation of MEPs, is the first Czech to ever **lead a parliamentary faction in the European Parliament.** He is replacing Michal Kaminski of Poland, who stepped down as the chairman of the European Conservatives and Reformists (ECR) at the start of January.

“It is of course a great **honour for me, for the ODS and for the Czech Republic,”** stated the freshly elected leader of the European Conservatives. “It will definitely be my task to ensure that our voice is heard in Brussels calling for greater rationality and effectiveness on the part of the European institutions," he added.

Parties in European Parliament



Source: European Parliament

The secret ballot to elect the chairman of the group, which, in addition to the Czech Civil Democrats, includes the British Conservatives, the Polish Law and Justice Party of former Prime Minister Jaroslaw Kaczynski and several other smaller European political parties, took place on 8 March. Jan Zahradil defeated British Conservative MEP Timothy Kirkhope, who was trying for this position for the second time. A total of **33 MEPs gave their votes to the Czech candidate.** His opponent received 18 votes.

As the chairman of one of the seven factions that exist in the 736 member European Parliament, Zahradil will **participate in the “Conference of Presidents”,** which consists of the President of Parliament and the leaders of the individual factions. This particular body has profound influence on the topics that will be discussed by the European Parliament.

Zahradil will **lead the faction only until December,** thus finishing off the two-and-a-half year term left unfinished by his predecessor Kaminski. The fraction will then elect its new leadership at the standard time, which is at the mid-point of the European Parliament’s functional term.

Zahradil, as the leader of the fifty-five member ECR (originally the group consisted of only fifty-four, but the count increased by one when it was joined by Danish MEP Anna

Rosbach, who quit the extreme right EFD faction), will be **the first Czech to ever lead a parliamentary political faction.**

The chairmanship of faction by Czech MEP is one more step forward in **making the Czech Republic more visible within the European Union** and will also partially assist the country in promoting its national interests.

http://www.ecrgroup.eu/jan-zahradil-mep-elected-chairman-of-the-ecr-group-news-280.html

ECONOMY AND EURO

Permanent Euro Bailout Facility Sees the Light of Day

At their March Summit, the prime ministers and president of the EU member states agreed on the method to be used for **financing the ESM bailout facility,** which is planned to replace the current EFSF fund in 2013.

The European Stability Mechanism (ESM) will **be financed by the eurozone member states** and any other members of the EU who express interest starting in 2013. The Czech Republic will not be participating.

The ministers of finance from the eurozone counties had already decided previously with regard to the funding structure for the ESM. The statesmen once again confirmed that the **total ESM volume will be 700 billion euros.** Of that, 80 billion will be contributed to the fund directly by the states. The remaining EUR 620 billion will consist of disposable capital in the form of state guarantees.

The payments to be made by the member states will be spread out over a period of five years. According to this scenario, the member states will deposit EUR 16 billion to the fund annually between 2013 and 2017. The amount of the contribution will depend 75% on the amount of National Income, 12.5% on the GDP amount and 12.5% on the population.

The ESM will be domiciled in Luxembourg, as is the current eurozone bailout fund and will be established on the basis of a treaty signed by the eurozone members. The current EFSF functions like a limited liability company; **the ESM will be a financial institution.** The European Council will make a decision on strengthening the current EFSF mechanism by June of this year.

The discussions on the future form of the bailout mechanisms included a **re-evaluation of the conditions for Greece** and Ireland. Whilst in the case of Greece the leaders of the member states agreed at the start of March to decrease the interest rate for the provided loan by one percent (the rate will therefore be 4.2%) and to extend the repayment schedule from the original three and a half years to seven, the conditions for the assistance provided to Ireland will not be changed. The reason behind this is the unwillingness of the Irish government to increase the corporate tax rate in their country.

The ongoing financial crisis has shown that the problems of those eurozone countries that have a lower level of performance will not be easily resolved. For this reason, the agreement on establishing a permanent bailout mechanism with a sufficient financial allocation is good news and it should **contribute towards relieving the anxiety on the financial markets.**

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/120296.pdf

EU Summit Adopts Euro Plus Pact; the CR Will Not Participate

The European Council’s March Summit also included a discussion on the **“Euro Plus Pact”** (originally called the “Pact for the Euro” and, prior to that, the "Competitiveness Pact"), which relies on coordination in such areas as linking the retirement age to the average life expectancy and the creation of “debt brakes”.

The demands in the pact range from lowering wages to match productivity levels to lowering taxes on labour, linking pensions to life expectancy and greater tax policy coordination. The European Commission will be in charge of evaluating the fulfilment of the pact in the individual countries, however its **decision making will be more of an advisory nature.**

The final text of the pact is **based on the original “Competitiveness Pact”,** which was proposed by Germany and France at the start of February. Amongst other things, Berlin and Paris sought to create a common tax base for companies throughout the eurozone. After the proposal was revised however, several of the most controversial sections had disappeared. These include the express mention of a common tax base for companies, which has been replaced by very general wording.

Not all of the non-eurozone members want to join the pact. **The Czech Republic, Sweden, Hungary, and Great Britain have decided to opt out.**

Prime Minister Petr Nečas justified this decision by stating that the Czech Republic was not party to the discussions on the pact. “Just as all the other non-eurozone members, **we were placed before the finished deal,**" he declared and went on to add that, "no one can expect a government to

The European Commission has proposed a directive that will introduce a common corporate tax base. The income tax rate will remain exclusively in the competence of the member states. Brussels aims to harmonise the rules for the provision of mortgage loans in the EU with the goal of ensuring a higher level of protection for consumers.

commit itself to something so critical in such a short timeframe."

Nečas also said that the **government does not have any objections to the majority of the proposed measures,** but that he is sceptical as to whether tax policy coordination will not lead to a harmonisation of tax rates in the future. He did not however exclude the possibility that the Czech Republic might join the pact at a later date.

Within the arena of international politics – and the discussions at the top level of EU organs do fall within this category – it is more important than ever to be on the side of the victors and to not remain isolated. The non-acceptance of the Pact, the measures of which were for the most part acceptable to our representatives, poses a threat that the **Czech Republic will appear to be willingly remaining on a secondary track.**

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/120296.pdf

BUDGET

ECOFIN: Eurozone Sinners to Face Automatic Penalties

After long negotiations, the European ministers of finance have presented a document that includes **a more flexible whip to be used against eurozone members** who do not comply with fiscal rules. The agreement has yet to receive the European Parliament's blessing.

Although it was possible for financial sanctions to be imposed in the past if state deficits levels were not maintained at an appropriate level, this never occurred. According to the approved proposal, **the sanctions mechanism should be more automatic** and penalties will be paid only by states that pay with euros.

How will automatic sanctions work? The European Commission will determine whether a state is fulfilling the budget and macroeconomic criteria. If the Commission reaches the conclusion that it is not, it will punish the state in question by imposing a financial penalty. It will be possible **for this decision to be overturned only if a qualified majority of member states** voices their disagreement with the sanctions during a Council vote.

The agreed measures also define other points that the member states will have to fulfil within their management of public finances. Firstly, it will not be possible to "eat up" extraordinary income received in the state cashbox through state expenditure; it will have to contribute towards decreasing budget deficits. Secondly, over the **next three-year period, the level of state indebtedness must decrease by 5% annually.**

Until now, member states could be required to pay penalties (although this situation never occurred) **only if their annual budget deficit exceeds GDP by 3%.** With the new provisions however, states might face penalties for non-compliance with the rule for state debt (a maximum level of 60% of GDP). The amount that the transgressor might have to pay for their debt cannot be higher than 0.2% of GDP.

Another new provision is that the eurozone states might face financial sanctions if their **macroeconomic indicators show imbalances over the long-term** and they cannot satisfactorily rectify the situation. In order to avoid any unpleasant surprises (everyone still remembers the falsified statistics published by Greece), the member states will also be required to submit their budget proposals to the European Commission for review.

On paper, the sanctions for fiscally irresponsible states appear to be agreeable, however, the same could also be said about the backfiring Stability and Growth Pact. Only time will show how the strict rules will be applied in practice.

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/119888.pdf

TAXATION AND CUSTOMS UNION

European Commission Proposes a Common Tax Base

The European Commission has published a proposal that would **allow companies operating in more than one EU member state to submit only one tax return.** The tax base would be distributed amongst the countries in which the company is active using a special formula and would be taxed according to the applicable national rates.

According to the proposal from the office of Commissioner for Taxation Algirdas Šemeta**, businesses that operate in multiple EU member states could, at the time they file their tax return,** opt either to follow national rules or to submit the single European tax return. The relevant tax authority would then use a special formula to allocate the tax base according to the countries in which the company operates. The following three criteria would be taken into account when performing the calculation:

- tangible assets;
- number of employees; and
- the company's revenue.

The tax rate in force in the relevant country, which would continue to be defined **purely at the member state level,**

would then be applied to the applicable portion of the tax base.

The European Commission believes that, if this method is implemented, multinational companies **could save up to two billion euros on administrative costs annually.** Companies would be able to calculate their tax base centrally, thus eliminating the expenses associated with complying with various national rules.

The European Union has been considering a common consolidated corporate tax base (CCCTB) for a number of years**. Every member state will have the right to veto** during the approval process for the relevant directive.

This is one of the reasons we think that **this proposal will not become reality all that quickly.** A number of member states are concerned that a common tax base is one of the first steps towards pressure being exerted in the future to harmonise tax rates. For others, it is a member of principle, as, up to this point, direct taxation has been fully within the competence of the member states. It is also not yet certain how the individual member states will benefit (or not) after the aforementioned formula for allocating the tax base is applied.

http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/319

FINANCE

European Court of Justice Rules on Unisex Insurance Rates

Starting in 2012, insurance companies cannot take the insured's gender into account when preparing insurance policies. This was the ruling passed down by the European Court of Justice in Luxembourg at the start of this March.

In its opinion, the Court states, "Taking into account the sex of the insured as **a risk factor in insurance contracts is discriminatory."**

The European Court of Justice heard the case at the instigation of the Belgian Constitutional Court, which addressed the issue on the basis of a petition lodged by the Belgian consumer group Test-Achats. **The Court's ruling will enter into force on 21 December 2012.**

The majority of insurance companies, including the Czech-based ones, do not agree with the Luxembourg tribunal's decision.

In their arguments, insurers point out the advantages of the current practice when, at the time an insurance policy is prepared, it is entirely standard that insurance companies can, under certain circumstances and according to strictly defined rules, differentiate between men and women at the time the insurance rate is calculated, e.g. the costs associated with death benefits **insurance for women is significantly lower than for men.**

Why is this? The reason is statistics. On average, **women have a higher life expectancy;** they are not involved in car accidents as often and, if they are, the amount of damages is not as high as in the case of men.

The European insurance and reinsurance federation (CEA) is therefore convinced that the new rule, which introduces equal insurance rates for men and women, **will primarily affect the clients of the insurance companies.** According to Michaela Koller, the director general of the CEA, it will be the insured who bear the expense of the administrative burden associated with the implementation of the unisex rate.

The EU Court of Justice's decision will become apparent even in relation to pensions and the payment of pension benefits to male retirees. Currently, men receive higher pensions than women. Once again, the reason can be found in statistics – in general, women live longer than men. The new rule would result **in men receiving lower pensions.**

The Court's decision is **both against the logical calculations performed by insurance companies as well as in conflict with rational thinking.** Specifically speaking, it is decisions of this type that raise doubts about the sense and the absurdness of European integration.

http://curia.europa.eu/jcms/upload/docs/application/pdf/2011-03/cp110012en.pdf

Brussels Aims to Implement Rules for Mortgages in the EU

The European Commission has introduced a proposed directive, which would limit irresponsible borrowing and unfair

The ministers of twenty-five of the EU's member states have agreed to closely cooperate for the purpose of creating unitary patent protection in the EU. Italy and Spain will not join this initiative. As a reaction to the nuclear accident at Japan's Fukushima Power Plant, the European Union has made a commitment to perform stress tests at all nuclear power plants situated in the EU.

practices for providing mortgage loans in the future. It should also halt any false expectations people might have with regard to access to mortgages and the related expenses.

This will be accomplished through **increased protection for those who take out mortgage loans** thanks to the new rules for advertising for mortgage loans, pre-contractual information, advisory services, creditworthiness assessment, and early repayment.

The requirement to provide personalised information to bank clients through the **European Standardised Information Sheet,** will make it easier for individuals searching for a mortgage loan to compare the mortgage loan conditions of different competing banks. The proposed directive also aims to create a more effective and competitive single mortgage loan market in the EU through the implementation of a single set of conditions for all entities. In addition, it will make the cross-border provision of mortgage loans easier.

According to Internal Market and Services Commissioner Michel Barnier, "During the boom years, we saw examples of borrowers and lenders **acting on the assumption that the good times could not end."** He went on to add that financial institutions acted irresponsibly and consumers were not warned of the consequences of their decisions. This insufficiency should be resolved by the proposed directive.

The directive will be adopted through the standard co-decision-making procedure. This means that it will enter into force only after the Council of the European Union, consisting of the ministers of the member states, and the European Parliament reach an agreement on its contents. Taking into account the size of the overall mortgage loan market (it is at a level equal to one-half of total EU GDP) and the ensuing significance, it is to be expected that the **final version of the directive will be the subject of heated negotiations.**

http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/383

ENTERPRISE

An EU Patent Will be Established. However, Only 25 States Will Participate

The ministers of twenty-five of the EU's member states have agreed to closely **cooperate for the purpose of creating unitary patent protection.** This should save European enterprises millions of euros annually and also increase the Union's competitive position in the world.

After years of arguments, the ministers finally reached a consensus and agreed to cooperate in this area. The only defect is however the fact that, for the time being, not all members of the EU-27 will take part (they can join in at any time) in this enhanced cooperation, which will allow a group of at least nine countries to continue strengthening integration in a certain specific area. Italy and Spain have decided to **stand back for the time being.**

As opposed to the majority of the countries, the Italian and Spanish government could not come to terms with the proposed principle, which anticipates that the patents and their accompanying documentation will be translated **into three languages, specifically: English, German and French.**

The Italians and Spanish fear that the new system will favour primarily French, German and British companies, as they will not have to ensure the translation of patent applications. Internal Market and Services Commissioner Michel Barnier does not agree with their arguments and is convinced that no European company will face discrimination. **The patent application will always be submitted in the official language of the relevant country** and a translation into English will be included in the registration fee.

He also specified that the European Commission will in the near future state present its statement on the recent decision of the European Court of Justice (ECJ), in which the justices opined on the EU Patent Court, which is also included in the plan.

The judicial tribunal in Luxembourg decided that this court, which would preside over any patent disputes, **does not comply with European law.**

A unitary patent will also held **strengthen the effectiveness of the single internal market** and will result in cost savings for companies with regard to administrative costs and increased protection for intellectually property rights.

http://www.consilium.europa.eu//uedocs/cms_data/docs/pressdata/en/intm/119732.pdf

ENERGY AND TRANSPORT

EU to Prepare Stress Tests for Nuclear Power Plants

The leading European politicians responded to the emergency situation at the Japanese Fukushima Nuclear Power Plant with an agreement to implement "the highest standards" for nuclear safety and **all nuclear power plants will have to undergo stress tests.** They reached this consensus at the March EU Summit.

Paris has already announced that it **will shut down all of the power plants that do not pass the tests.** German Chancellor Angela Merkel and Spanish Prime Minister José Luis Rodríguez Zapatero also voiced their agreement with shutting down the plants that fails the tests.

In Poland, which is highly dependant on coal, the ruling centre-right government is planning to build a nuclear power plant. On 23 March, Polish Prime Minister Donald Tusk announced that **Polish citizens might be voting on a referendum** on this issue.

Over the past few years, nuclear energy has been enjoying a renaissance, however the **accident at the Japanese power plant might change everything.** The European governments reacted to the situation in Japan very quickly. Germany halted operations at seven aging plants; Italy announced a year-long pause in the planning of a conversion to nuclear energy; Austria is requesting a European-wide withdrawal from the use of nuclear power; and Bulgaria has tightened the rules for operations at the Belene nuclear power plant, which is located close to a seismically active area.

Günther Oettinger, the European Commissioner for Energy, will start preparing the specific detailed requirements for the stress tests. All of the test parameters must be defined in a way that will allow them to be **performed in all thirteen of the EU member states** that use nuclear power for energy.

Considering there is no legal basis that can force the EU member states to perform the stress tests, the individual countries do not have to accede to the request.

The crisis at the Japanese Fukushima power plant is most likely the second worst nuclear accident in history following the explosion at the Ukraine's Chernobyl. Nevertheless, a panicked reaction in the form of the mass closure of nuclear power plants on the old continent, which is relatively seismically stable, would be greatly counterproductive. Even more so when one takes into account that, other than fossil fuels – together with all their negative aspects – the European energy sector **does not yet have a full-value alternative to nuclear energy.**

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/120296.pdf

Conventionally-Fuelled Engines will be Restricted

At the end of March, European Commissioner for Transport Siim Kallas **called for a move away from fossil fuels.** The goal is to decrease greenhouse gas emissions and protect the economy against fluctuations in oil prices.

Siim Kallas, the European Commissioner for Transport, who introduced the EU's new strategy under the title **"Transport 2050"**, stated that by 2030 CO2 emissions from transport should be decreased by one-fifth. By 2050, they should be 60% lower than the values from 1990.

From the long-term perspective, this means limiting the number of conventionally-fuelled cars in cities, **shifting one half of all journeys from road to rail and water transport,** and increasing the percentage of sustainable low-carbon fuels used for air transport up to approximately 40%.

During this period of economic decline, this objective is of even higher significance, as the **EU spends about EUR 210 billion annually on oil imports.**

The goal to decrease emissions by 20% by 2030 is based on current emission volumes. It is already obvious that it will not be possible to reverse the approximately 33% increase in emissions since 1990, which resulted primarily from an increased number of motor vehicles and less expensive flights.

The vision for developments in transport over the short-term (until 2014) is presented in the **White Paper 2011,** which proposes a series of important measures:

- A major overhaul of the regulatory framework for the rail transport sector (Rail Package 2012-2013), which will make it more attractive for users and increase transport capacity for medium-distance passengers and freight transport (up to 300 kilometres);
- The introduction of a proposal to create a European multimodal backbone network (publication of guidelines, maps and financing proposals for the TEN-T trans-European transport network) before the end of 2011;
- A package of measures that will increase airport performance and capacity (2011);
- Measures aimed at increasing the effectiveness of river and maritime transport (2012 and 2011 respectively);
- Measures aimed at removing obstacles in road freight transport (2012-2103); and
- A new concept for transport charges – they need to be restructured in order to apply the "polluter pays" principle to a higher degree and they apply to personal vehicles (2012).

http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/372

ENLARGEMENT

Croatia is Knocking at the EU's door

Croatia is within reach of EU membership, however it still has to implement certain important reforms, **in particular with regard to its judiciary system.** The Commission drew

The report that published with regard to Croatia's road to Union membership has requested Zagreb to speed up judiciary reforms. The EU's ministers of the environment have adopted rules for the recycling of electronic waste, according to which 65% of all such waste must be recycled.

attention to this fact in its published report, which also has the objective of advising Zagreb "how to go about it".

Out of all the candidate countries, Croatia is the closest to accession to the European Union, but it still has not won the game. The European Commission is still not satisfied, especially with the condition of the Croatian judiciary system, the way Zagreb **has (not) settled its war history** (in particular when it comes to the punishment and extradition of war criminals and the return of refugees), corruption, and a high unemployment rate amongst minorities.

The European Commission published the specific areas in which Croatia has to speed up the pace **in a ten-point report,** which was prepared using information received from the Croatian authorities, international and non-profit organisations and the EU member states.

Štefan Füle, the Eurocommissioner for Enlargement, is "hopeful that today's report will help the Croatian government and Croatian society as a whole to redouble their efforts in this key sector".

"The only real problems which remain are the problems in chapter 23 (ed. note: the judiciary)," expressed Viviane Reding, the member of the European Commission, who is in charge of justice, fundamental rights and citizenship. Thus far, **Croatia has successfully closed twenty-eight chapters out of a total of thirty-five.**

According to Croatian Prime Minister Jadranka Kosor, "The most important message from Brussels is that the doors for Croatia to **wrap up accession talks by the end of June** are opened." She went on to emphasise that "If we do our best we will go through that door."

In our opinion, **Croatia will accede to the European Union in January 2013.** The question is whether it will be joining alone or together with Iceland, which, taking into account it participation in the European Economic Area, is fairly well-prepared for membership.

http://ec.europa.eu/enlargement/pdf/key_documents/2010/package/hr_rapport_2010_en.pdf

ENVIRONMENT

Ministers Support Less Ambitious Goals for Electronic Waste Recycling

The ministers of the environment voiced their support for less ambitious goals for electronic waste recycling in the EU than did the MEPs. According to them, **the member states should collect 65% of the electronic waste** they produce and they should have more time to do so.

Whilst the European Parliament would like to see the member states collect and recycle 85% of their electronic waste by 2016, the ministers of the environment from the EU-27 believe that **this goal should be "more realistic".**

At their session in Brussels, they therefore moved towards the original proposal submitted by the European Commission, which includes a 65% annual quota for collecting electronic waste. They also expressed their agreement with **implementing a transitional four-year period** with an annual target of collecting 45% of the waste.

Just as the MEPs did more than a month ago, the ministers agreed that the new rules **should pertain to all electronic waste,** where an exception will be made for fixed installations, large instruments and military equipment and machinery.

According to the European Commission's data, the situation of electronic waste in the territory of the EU is critical. Statistics say that **each European produces approximately 17 to 20 kg of electronic waste each year** and only a little over 33% is currently recycled. A portion of all electronic waste thus ends up at waste dumps or at unknown locations.

However there are strict rules in place for its collection and liquidation. **Electronic waste contains dangerous and harmful substances,** such as mercury, lead, chromium, arsenic and PVC. For this reason, it has to be separated from communal and mixed waste.

The rules for the collection and recycling of electronic waste, which, for the most part, consists of old television sets, computers, mobile telephones, household appliances and individual electronic components, should be governed within the EU by the WEEE Directive **(Waste from Electrical and Electronic Equipment)** of 2002. However, this directive was never successfully implemented due to its complexity and associated expense.

Following the Council of Ministers, the European Parliament will now be considering the proposals for its revisions during a second reading.

http://www.eu2011.hu/news/envi-0314

Are you interested in everything that happened in the European Union in 2010? Read the newly published Annual General Report. The European Commission has opened a public consultation, which aims to identify the obstacles that exist with regard to simplifying cross-border car registration. The Commission has proposed rules for resolving the asset disputes of sixteen million international couples, such as those that might arise due to divorce.

MARCH 1

The intermediary banks and financing institutions for credit lines: http://www.eib.org/about/news/the-intermediary-banks-and-financing-institutions-for-credit-lines.htm?lang=en

Statistics - Tourism in the EU27 - Progressive recovery of nights spent in hotels through 2010: http://europa.eu/rapid/pressReleasesAction.do?reference=STAT/11/30

MARCH 2

EU interim forecast - Recovery gaining ground: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/243

GDP Q-on-Q growth in the biggest EU Members:

%	4Q-10	1Q-11	2Q-11	3Q-11	4Q-11
Germany	0.4	0.6	0.4	0.5	0.5
Spain	0.2	0.2	0.2	0.3	0.4
France	0.3	0.6	0.3	0.3	0.4
Italy	0.1	0.3	0.3	0.4	0.4
Netherlands	0.6	0.4	0.4	0.4	0.4
EMU	0.3	0.5	0.3	0.4	0.4
Poland	0.9	0.8	1.1	1.1	1.0
UK	-0.5	1.0	0.6	0.4	0.4
EU-27	**0.2**	**0.6**	**0.4**	**0.4**	**0.5**

Source: EU interim forecast;

Commission to provide €267 million for new environmental projects: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/240

MARCH 3

EU adopts sanctions against Libya: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/119524.pdf

A new energy strategy for the decade: http://register.consilium.europa.eu/pdf/en/11/st06/st06207-re01.en11.pdf#page=3

New European satellite navigation service increases aviation safety: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/247

MARCH 4

Industrial Relations in Europe 2010 report: http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/11/134

Commission wants to ease car registration for citizens across EU: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/252

MARCH 7

3073rd Employment, Social policy, Health and Consumers Affairs Council meeting: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/lsa/119656.pdf

Readying European enterprises for renewed growth: http://ec.europa.eu/enterprise/e_i/news/article_10980_en.htm

MARCH 8

Commodity prices, commodity currencies, and global economic developments: http://ec.europa.eu/economy_finance/publications/economic_paper/2011/pdf/ecp440_en.pdf

MARCH 9

3074th Competitiveness Council meeting: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/intm/119713.pdf

General Report on the Activities of the European Union for 2010 has just been published: http://europa.eu/generalreport/index_en.htm

MARCH 10

Patent Court - the Commission welcomes the delivery of the Court of Justice's opinion: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/269

Statistics - Recycling accounted for a quarter of total municipal waste treated in 2009: http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/8-08032011-AP/EN/8-08032011-AP-EN.PDF

MARCH 11

EU Commission launches ambitious Partnership for Democracy and Shared Prosperity with the Southern Mediterranean: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/268

MARCH 14

3075th Environment Council meeting:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/envir/119886.pdf

EIB to invest up to EUR 75m in EU energy efficiency fund: http://www.eib.org/about/news/eib-to-invest-up-to-eur-75m-in-eu-energy-efficiency-fund.htm?lang=en

Monthly Labour Market Fact Sheet - March 2011: http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1003&furtherNews=yes

MARCH 15

3076th Economic and Financial Affairs Council meeting: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/119938.pdf

Phasing out mercury: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/envir/119867.pdf

MARCH 16

Eight agricultural product names registered:

http://ec.europa.eu/agriculture/newsroom/24_en.htm

Significant rise in labour demand: http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=998&furtherNews=yes

MARCH 17

3077th Agriculture and Fisheries Council meeting: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/agricult/120011.pdf

Statistics - Euro area hourly labour costs rose by 1.6%: http://europa.eu/rapid/pressReleasesAction.do?reference=STAT/11/42&format=HTML&aged=0&language=EN&guiLanguage=en

MARCH 18

€4.6 billion bond issued to assist Ireland and Romania:

http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/11/180

MARCH 21

Extraordinary Transport, Telecommunications and Energy Council meeting: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/trans/120081.pdf

European Commission and IMF welcome the continued support by the parent banks of the largest foreign-owned banks for Romania: http://ec.europa.eu/economy_finance/articles/financial_operations/2011-03-17-romania-commission-imf-statement_en.htm

MARCH 22

3079th General Affairs Council meeting: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/genaff/120082.pdf

3078th Foreign Affairs Council meeting:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/120084.pdf

Internal Market Scoreboard: Member States' efforts to make the Single Market a reality is starting to bear fruits: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/329

MARCH 23

Two agricultural product names registered: http://ec.europa.eu/agriculture/newsroom/25_en.htm

Assessment of the changeover to the euro in Estonia: http://ec.europa.eu/economy_finance/articles/euro/2011-03-22-estonia-changeover-communication_en.htm

MARCH 24

Parliament approves Treaty change to allow stability mechanism: http://www.europarl.europa.eu/en/pressroom/content/20110322IPR16114/html/Parliament-approves-Treaty-change-to-allow-stability-mechanism

European companies turn to eco-innovation to tackle rising input costs and scarcity of materials: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/337

MARCH 25

European Council Conclusions: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/120296.pdf

Romania receives €1.2 billion in Balance of Payments Support: http://ec.europa.eu/economy_finance/articles/financial_operations/2011-03-24-bop-romania_en.htm

MARCH 28

Commission tables measures to ensure market balance in the sugar sector: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/364

MARCH 29

Budget discharge 2009 - Budgetary Control Committee approves Commission spending:

http://www.europarl.europa.eu/en/pressroom/content/20110328IPR16524/html/Budget-discharge-2009-Budgetary-Control-Committee-approves-Commission-spending

MARCH 30

Over €19 million from EU Globalisation Fund to help 7,439 redundant workers: http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1005&furtherNews=yes

Commission seeks information from 16 Member States on their implementation of Audiovisual Media Services Directive: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/373

MARCH 31

Commission decides on distribution of EU funds for 2011/2012 School Fruit Scheme programme: http://ec.europa.eu/agriculture/newsroom/27_en.htm

Statistics - The number of asylum applicants registered in the EU27 stable around 260 000 in 2010: http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-29032011-AP/EN/3-29032011-AP-EN.PDF

An informal session of the ministers of finance from the EU member states will address the new architecture for monitoring the financial market in the EU, the EFSF and ESM rescue mechanisms, and close cooperation with regard to economic and fiscal policies. The ministers of the member states responsible for justice and internal affairs will, at the appropriate Council session, address issues such as the Eurowarrant and a package that will provide protection for crime victims.

Meeting of the key EU institutions

3. – 5. 4. 2011	**Gödöllő, Hungary**	- Informal Meeting of the Employment, Social Policy, Health and Consumer Affairs Council
4. – 5. 4. 2011	**Budapest, Hungary**	- Informal meeting of Health Ministers
4. – 7. 4. 2011	**Strasbourg, France**	- EP Plenary Session
5. – 6. 4. 2011	**Budapest, Hungary**	- Informal Meeting of the Employment Committee
7. – 9. 4. 2011	**Gödöllő, Hungary**	- Informal ECOFIN
11. – 12. 4. 2011	**Luxembourg, Luxembourg**	- Justice and Home Affairs Council
11. – 13. 4. 2011	**Gödöllő, Hungary**	- Informal Competitiveness Council
12. 4. 2011	**Brussels, Belgium**	- Foreign Affairs Council
13. 4. 2011	**Brussels, Belgium**	- General Affairs Council
14. 4. 2011	**Luxembourg, Luxembourg**	- Agriculture and Fisheries Council
14. – 15. 4. 2011	**Gödöllő, Hungary**	- EU-US JHA ministerial meeting

At the end of March the European Commission published its Transport 2050 Strategy and the Transport White Paper, in which it outlines the strategic visions that should be realised in the transport sector during the upcoming period. This sector is of extraordinary significance even for the Czech Republic and its regions, as their geographic conditions specifically anticipate the high volume of international transport that passes through our territory.

TRANSPORT 2050 STRATEGY OF THE EU

TRANSPORT 2050 – INTRODUCTION

At the end of March, the European Commission adopted a comprehensive strategy (Transport 2050) for a competitive transport system, which will increase mobility, remove the greatest obstacles in key areas and support growth and employment. The proposed measure will also dramatically decrease Europe's dependency on oil imports and the CO2 emissions from transport will decrease by 60% by 2050.

In order to attain this goal, the current transport system in Europe will have to be transformed. The main objectives that must be realised by 2050 are:

- No more conventionally-fuelled cars in cities;
- 40% use of sustainable low carbon fuels in aviation and at least a 40% cut in shipping emissions; and
- A 50% shift of medium distance intercity passenger and freight journeys from road to rail and water transport.
- All of the specified measures will lead to a 60% cut in transport emissions by 2050.

European Commission Vice-President Siim Kallas, whose areas of responsibility includes transport, emphasised that, *"Transport 2050 is a roadmap for a competitive transport sector that increases mobility and cuts emissions. We can and we must do both. The widely held belief that you need to cut mobility to fight climate change is simply not true. Competitive transport systems are vital for Europe's ability to compete in the world, for economic growth, job creation and for peoples' everyday quality of life. Curbing mobility is not an option; neither is business as usual. We can break the transport system's dependence on oil without sacrificing its efficiency and compromising mobility. It can be win–win."*

The Transport 2050 Roadmap to a Single European Transport Area sets out to remove major obstacles in many key areas, specifically in the fields of transport infrastructure and investment, innovation and the Single Internal Market. The goal is to create a Single European Transport Area with a more intense level of economic competition and a fully integrated transport network, which is based on linking the different modes of transport and makes it possible to make in-depth changes in the transport models for passenger and freight transport. For this purpose, the roadmap presents forty specific initiatives for the next decade, which make up the contextual base of the aforementioned White Paper.

The Transport 2050 roadmap sets different goals for different types of journeys - within cities, between cities, and long distance.

1. Intercity transport

In the case of intercity travel: 50% of all medium-distance passenger and freight transport should shift off the roads and onto rail and water transport.

- By 2050, the majority of medium-distance passenger transport (approximately 300 km and beyond) should go by rail.
- By 2030, 30% of road freight over 300 km should shift to other modes of transport, such as rail or water. By 2050, this percentage should exceed 50%.
- A fully functional EU-wide core network of transport corridors, which includes facilities for ensuring efficient transfers between different modes of transport (the TEN-T core network), should be operational by 2030. A high-quality high-capacity network should be in place by 2050, together with a corresponding set of information services.
- By 2050, all core network airports should be connected to the rail network, preferably a high-speed network. It should be ensured that all core seaports are sufficiently connected to a rail freight system and, where possible, an inland waterway system.
- By 2020, a framework should be established for European multimodal transport, including the relevant information, management and payment systems, both for passengers as well as for freight.
- There should be a move towards the full application of the “user pays” and the “polluter pays” principles and the private sector should be included in the process of eliminating distortions, generating revenue and ensuring the financing for future transport investments.

2. Long-distance transport

In the case of long-distance travel and intercontinental freight transport, air travel and ships will continue to dominate. New engines, fuels and traffic management systems will increase effectiveness and reduce emissions.

- The use of low-carbon fuels in aviation should reach a level of 40% by 2050. CO2 emissions from maritime

bunker fuels should be reduced by 40% at the EU level by 2050 as well.

- With the implementation of the Single European Sky by 2020, Europe's air traffic control system should be completely modernised, with the end result of shorter and safer air journeys and increased capacity. The European Common Aviation Area should be completed by 2020, incorporating fifty-eight countries and 1 billion inhabitants.
- Intelligent land and water transport management systems should start to be used (e.g. ERTMS, ITS, RIS, SafeSeaNet and LRIT).
- Cooperation with international partners and in international organisations, such as ICAO and IMO, should be initiated to promote European competitiveness and climate goals at a global level.

3. Urban transport

In the case of urban transport, there should be a significant shift towards cleaner cars and more environment-friendly fuels. There should be a 50% shift away from conventionally fuelled cars by 2030, and they should gradually be phased out in cities by 2050.

- The use of ‘conventionally fuelled’ cars in urban transport should be halved by 2030. By 2050, their use in cities should be gradually phased out. By 2030, there should be an essentially CO2-free movement of goods in major urban centres.
- By 2050, road transport related fatalities should be close to zero. In line with this goal, the EU aims at halving road casualties by 2020. The EU should become a leader in the safety and security of aviation, rail and maritime transport.

TRANSPORT 2050 – MAIN TASKS

Why is it important?

Transport is of fundamental importance to our economy and to our society. Mobility is vital for economic growth and job creation. The transport industry directly employs around 10 million people and accounts for about 5% of gross domestic product (GDP). Effective transport systems play a key role in ensuring that European companies are able to compete in the global economy. Logistics, such as transport and storage, account for 10–15% of the cost of a finished product for European companies. The quality of transport services has a major impact on the quality of life. On average, 13.2% of every household's budget is spent on transport goods and services.

Main Tasks

Mobility will continue to increase. European transport is however at a crossroads. The EU transport system faces a number of tasks that must be completed:

- Oil will become scarcer in future decades, as it is sourced more and more from unstable parts of the world. It is projected that oil prices will more than double by 2050 in comparison to 2005 levels (USD 59 per barrel in 2005). Based on current developments, it is obvious that oil prices fluctuate greatly.
- Transport has become more energy-efficient but it still depends on oil for 96% of its energy needs.
- Traffic congestion costs Europe approximately 1% of gross domestic product each year.
- There is the need to drastically reduce world *greenhouse gas emissions* in order to limit climate change to 2º C. If this goal is to be attained, by 2050 the EU must reduce emissions to be 80-95% below 1990 levels .
- Congestion, both on the roads and in the sky, is particularly worrisome. It is anticipated that by 2030 freight transport activity will increase by approximately 40% as compared to 2005; by 2050, the difference will be slightly over than 80%. Passenger traffic is expected to increase at a slightly slower rate than freight transport, specifically 34% by 2030 and 51% by 2050.

- Infrastructure is unequally developed in the eastern and western parts of the EU. In the new Member States there are currently only around 4,800 km of motorways and no separate high-speed rail lines; the conventional railway lines are often in poor condition.
- The EU’s transport sector faces growing competition in the quickly developing world transport markets.

TRANSPORT 2050 – KEY MEASURES

The objective of the strategy outlined in the development plan for transport up to the year 2050 (the Transport 2050 Roadmap), aimed specifically at creating a Single Transport Area, is to introduce profound structural changes with the goal of transforming the transport sector.

The following key measures are planned for the next few years (2011-2014):

- **A major overhaul of the regulatory framework for rail transport** (rail package 2012/2013). At the heart of the development plan for Transport 2050 Roadmap lies the need to transform the rail sector in order to make it more appealing and to ensure that by 2050 it carries a very significantly increased share of the market for passenger and freight over middle distances (up to 300 km). At the same time, it aims to triple the length of the current high-speed rail network by 2030. All this will require major changes to the regulatory framework for rail transport, including opening the market for domestic passenger services; introducing common management structures for the rail freight corridors; structurally separating the infrastructure managers from the service providers; improving the regulatory environment with the goal of making rail transport more attractive for private sector investment. The Commission will bring present an ambitious package of legislative initiatives for the rail transport sector over the course of the 2012-2013 timeframe.
- **A backbone network of strategic infrastructure is essential for the creation of a true Single European Transport Area.** In 2011, the Commission will present new proposals for a European "multi-modal" backbone (including the publication of guidelines, maps and financing proposals for the TEN-T trans-European network). EU resources from the TEN-T Fund, the Cohesion Fund and the structural funds should be used conceptually and for this reason they will be provided through a single framework. The conditionality of the financing will provide a guarantee that focus will be placed on the EU's priorities and the introduction of new technologies (e.g. recharging/refuelling stations for new vehicles and new traffic management technology).
- The creation of a fully functional multi-modal transport system requires the **removal of bottlenecks and obstacles in** other key areas of the network, for example through an **airport package** to improve airport efficiency and capacity (2011), a **communication on inland waterway transport** to remove barriers and improve the effectiveness of inland waterway use (2011), and the “**e-maritime” initiatives** for paperless and intelligent maritime transport (2011), which is a part of the idea to create a real "Blue Belt" area without any barriers for maritime transport. The Commission will also work to remove restrictions to **road cabotage** (2012-2013).
- **Creation of a fair financial environment: a new approach to transport charges.** Transport charges must be restructured in order to ensure a wider application of the "polluter pays" and "user pays" principles. The main measures for the coming years include:
- The publication of guidelines for linking **infrastructure costs with personal vehicles (2010).** The second stage will consist of a proposal that defines a framework for the **internalisation of costs for all road vehicles** (except those with a Eurovignette), including the costs of infrastructure as well as the social costs associated with congestion, local pollution from CO2 emissions (if it is not included in fuel tax), noise pollution and traffic accidents. The member states will be able to decide independently as to whether or not to collect these charges, but those that decide to do so will be able to proceed according to a common EU framework.
- The continuation of the process for internalising external costs for the other modes of transport.
- Ensuring stable financing for transport through applying the principle of earmarking revenue collected from transport service users for the development of an integrated and efficient network (i.e. a certain portion of transport charges must be re-invested in transport, thus ensuring the necessary funding for a high-quality transport infrastructure).
- The progressive **implementation of European electronic tolling systems** (for example an electronic toll service for cargo vehicles will become operational starting in October 2012, and two years later, it will be

applied for all types of vehicles), and the provision of a guarantee that cargo vehicle drivers can pay different tolls for the use of motorways electronically and through a single service provider for the whole of Europe. This could replace the many various systems that are currently used by the twenty-one member states that collect road charges. The principle is the same as that for mobile phones – the charge goes back to the national operator / relevant authorities no matter where in Europe they are located. In addition, with electronic tolling the charges can be easily adjusted according to varying conditions (peak times, vehicles that generate more pollution, etc.).

- **An EU Strategic Transport Technology Plan (2011).** In order to decrease transport emissions in the EU, as well as in the rest of the world, research and the efficient implementation of new technologies for urban, intercity and long distance transport will be of key significance. In 2011, the Strategic Transport Technology Plan will be the major initiative and it should include the regrouping and refocusing of European transport research and development efforts.
- Priority will be placed on producing **clean, safe and quiet vehicles for all modes of transport**, from road transport to maritime transport, from barges to aircraft and including rolling stock. Primary attention will be focused on the following areas: alternative fuels, new materials, new propulsion systems and information technology and tools for managing and integrating complex transport systems. The aforementioned strategic plan will define the areas to which we want to channel research funding; the deployment strategy that should be used to encourage and ensure the introduction of new technologies on the market; and how to prepare the necessary Union standards in order to ensure a consistent approach across all of Europe.
- Within the framework of the overall strategic plan, the Commission will publish a **clean transport systems strategy** in 2012, which will include information on the specific measures that should be used to encourage and facilitate the introduction of clean means of transport and on the preparation of EU-wide **standards for the introduction of clean means of transport,** e.g. rules for the interoperability of the recharging infrastructure, guidelines and standards for filling stations, etc.
- **A three-part strategy for urban transport.** A key component of the Transport 2050 Strategy consists of making progress in the gradual phasing out of conventionally fuelled cars in cities by 2050 and replacing them with electric cars, hydrogen and hybrid engines, public mass transport, walking and cycling. The responsibility for **urban transport** remains primarily with the member states and individual cities, which must make a decision on the appropriate transport mix for their particular territory.
- However, in order to facilitate the shift to cleaner urban transport:
- The European Commission will introduce procedures and financial assistance for **urban mobility audits** and **urban mobility plans**, to be implemented on a voluntary basis. In addition, the Commission will determine the possibilities that are available for allocating resources from the regional development funds and the Cohesion Fund to the cities and regions that submit an urban mobility plan;
- The Commission will submit proposals for an EU framework for **collecting charges for urban road use** and access restriction schemes, in order to support the increasing number of member states that want to use charging schemes in order to alleviate congestion and shift transport patterns in urban areas. This will ensure that the different systems will function within a coherent Union-wide framework and that they are non-discriminatory;

- **As far as the technological solutions for cleaner modes of transport are concerned**, no city can succeed on its own. The EU will therefore focus its research efforts on this area. It will introduce strategies for the Union-wide implementation of new technologies and will support the creation of the appropriate market conditions to facilitate the use of new cleaner vehicles in urban areas, as the transition to cleaner passenger cars is one of the major priorities included in the Strategic Transport Technology Plan (2011).
- **In the case of long-distance transport, which will continue to be dominated by air and maritime transport**, attention will primarily be focused on increasing competitiveness and reducing emissions with the assistance of:
- A complete modernisation of Europe's air traffic control system (SESAR) by 2020, thus completing the **Single European Sky** with shorter and safer air journeys and increased capacity. During the first phase, which is to be completed by the end of 2012, the member states are cooperating in the creation of Functional Airspace Blocks. Thanks to the Single European Sky, the number of flights will be decreased by 10%, consequently leading to a significant reduction in fuel consumption and emissions.
- For an overall improvement in the effectiveness of all transport modes and in order to decrease emissions, similar **major improvements are required in the area of traffic management**. This means the use of advanced land and water transport management systems (e.g. ERTMS, ITS, RIS, SafeSeaNet and LRIT).
- Other key measures for air and maritime transport will include: The introduction of cleaner engines, designs that takes environmental aspects into consideration and a shift to sustainable fuels (**included in the Strategic Transport Technology Plan**), the completion of the European Common Aviation Area that includes fifty-eight countries and 1 billion inhabitants by 2020; as well as cooperation with international partners and in international organisations, such as ICAO (International Civil Aviation Organisation) and IMO (International Maritime Organisation), in order to promote European competitiveness and climate goals at a global level.
- Particularly in the case of maritime transport, the **targets for reducing emissions from bunker fuels by at least 40%** can be attained through operational and technical measures, including new vessel design and low-carbon fuels. Given the global nature of maritime transport, these measures need to be prepared only at the international level within the IMO framework, otherwise they will not be efficient in the future.
- **Significant support for travel planning using various means of transport and integrated ticketing.** The creation of a Single European Transport Area depends on effective and interoperable European-wide systems for multi-modal travel planning and integrated ticketing.
- In the short term, significant support will be provided for the preparation of the necessary EU measures, which are intended to facilitate **multi-modal integrated travel planning**. The first step is to prepare the key standards that will simplify **rail travel planning in the EU (2012),** as well as the necessary legislative measures, which will ensure that service providers have access to **real-time travel and traffic information**.

The high-quality of services in all transport sectors is dependant on the consolidation and enforcement of **passenger rights legislation** across all transport modes. Following the completion of the legislative framework for passenger rights with regard to all modes of transport, the Commission will publish reports on the application of air passenger rights and, towards the end of 2011, it will present guidelines on the common interpretation of passenger rights across all modes.

The overview provided above is not an exhaustive list. Its objective is to draw attention to certain key measures that must move forward the most during the 2011-2014 timeframe in order to ensure the implementation of the most critical structural changes that are required for the creation of an integrated Single European Transport Area.

A full list of the initiatives included in the Transport 2050 Roadmap – including more than forty specific areas of road, rail, air, maritime, and river transport – can be found at these webpages:

- http://ec.europa.eu/transport/index_en.htm
- http://ec.europa.eu/transport/air/sesar/sesar_en.htm

Key macroeconomic indicators

in %	GDP growth y-on-y			Current account to GDP*			Unemployment rate			Inflation y-on-y average		
	2007	2008	2009	2007	2008	2009	XII-10	I-11	II-11	XII-10	I-11	II-11
Belgium	2.9	1.0	-3.1	2.2	-2.9	0.5	7.8	7.7	7.6	3.4	3.7	3.5
Bulgaria	6.2	6.0	-5.0	-26.8	-24.0	-9.4	11.5	11.6	11.6	4.4	4.3	4.6
CR	6.1	2.5	-4.8	-3.2	-0.7	-1.1	7.2	7.1	7.0	2.3	1.9	1.9
Denmark	1.7	-0.9	-4.9	1.5	2.2	4.0	7.7	7.9	7.9	2.8	2.6	2.6
Germany	2.5	1.3	-5.0	7.6	6.7	4.9	6.5	6.5	6.3	1.9	2.0	2.2
Estonia	7.2	-3.6	-14.1	-17.8	-9.4	4.6	14.3	na	na	5.4	5.1	5.5
Ireland	6.0	-3.0	-7.5	-5.3	-5.2	-2.9	14.8	14.9	14.9	-0.2	0.2	0.9
Greece	4.5	2.0	-2.0	-14.4	-14.6	-11.2	14.1	na	na	5.2	4.9	4.2
Spain	3.6	0.9	-3.6	-10.0	-9.7	-5.4	20.4	20.4	20.5	2.9	3.0	3.4
France	2.3	0.4	-2.2	-1.0	-2.3	-2.2	9.6	9.6	9.6	2.0	2.0	1.8
Italy	1.5	-1.3	-5.0	-2.4	-3.4	-3.2	8.4	8.5	8.4	2.1	1.9	2.1
Cyprus	5.1	3.6	-1.7	-11.7	-17.5	-8.3	6.9	7.0	7.2	1.9	3.0	3.1
Latvia	10.0	-4.6	-18.0	-22.3	-13.0	9.4	17.3	na	na	2.4	3.5	3.8
Lithuania	9.8	2.8	-15.0	-14.5	-11.9	3.8	17.4	na	na	3.6	2.8	3.0
Luxembourg	6.5	0.0	-3.6	9.7	5.3	5.6	4.6	4.5	4.5	3.1	3.4	3.9
Hungary	1.0	0.6	-6.3	-6.6	-7.0	0.2	11.3	12.1	12.0	4.6	4.0	4.2
Malta	3.8	2.1	-1.9	-6.1	-5.6	-3.9	6.5	6.3	6.5	4.0	3.3	2.7
Netherlands	3.6	2.0	-4.0	8.7	4.8	5.4	4.3	4.3	4.3	1.8	2.0	2.0
Austria	3.5	2.0	-3.6	3.6	na	na	4.2	4.5	4.8	2.2	2.5	3.1
Poland	6.8	5.0	1.7	-4.7	-5.1	-1.6	9.7	9.7	9.7	2.9	3.5	3.3
Portugal	1.9	0.0	-2.7	-9.4	-12.0	-10.3	11.2	11.2	11.1	2.4	3.6	3.5
Romania	6.3	7.3	-7.1	-13.4	-11.6	-4.5	7.4	na	na	7.9	7.0	7.6
Slovenia	6.8	3.5	-7.8	-4.8	-6.2	-1.0	8.0	8.0	8.0	2.2	2.3	2.0
Slovakia	10.6	6.2	-4.7	-5.7	-6.6	-3.2	14.0	14.0	14.0	1.3	3.2	3.5
Finland	4.9	1.2	-7.8	4.3	3.1	1.3	8.0	8.0	8.0	2.8	3.1	3.5
Sweden	2.5	-0.2	-4.9	8.4	9.5	7.3	7.8	7.8	7.6	2.1	1.4	1.2
UK	2.6	0.5	-4.9	-2.7	-1.5	-1.3	7.9	na	na	3.7	4.0	na
EU	2.9	0.8	-4.2	-1.0	-1.9	-1.1	9.6	9.6	9.5	2.7	2.8	2.8

in %	Public budget to GDP*			Public debt to GDP			GDP per capita to Ø EU			Price level to Ø EU		
	2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009
Belgium	-0.3	-1.3	-6.0	84.2	89.6	96.2	116.0	115.0	116.0	108.3	111.1	113.9
Bulgaria	1.1	1.7	-4.7	17.2	13.7	14.7	40.0	44.0	n/a	46.2	50.2	52.7
CR	-0.7	-2.7	-5.8	29.0	30.0	35.3	80.0	81.0	82.0	62.4	72.8	70.6
Denmark	4.8	3.4	-2.7	27.4	34.2	41.4	123.0	123.0	121.0	137.4	141.2	144.6
Germany	0.3	0.1	-3.0	64.9	66.3	73.4	116.0	116.0	116.0	101.9	103.8	106.4
Estonia	2.5	-2.8	-1.7	3.7	4.6	7.2	69.0	68.0	64.0	73.1	78.0	75.1
Ireland	0.0	-7.3	-14.4	25.0	44.3	65.5	147.0	133.0	127.0	124.5	127.6	125.0
Greece	-6.4	-9.4	-15.4	105.0	110.3	126.8	91.0	93.0	93.0	90.7	94.0	97.4
Spain	1.9	-4.2	-11.1	36.1	39.8	53.2	105.0	103.0	103.0	92.8	95.4	97.4
France	-2.7	-3.3	-7.5	63.8	67.5	78.1	108.0	107.0	108.0	108.1	110.8	114.3
Italy	-1.5	-2.7	-5.3	103.6	106.3	116.0	104.0	104.0	104.0	102.9	105.6	106.5
Cyprus	3.4	0.9	-6.0	58.3	48.3	58.0	93.0	97.0	98.0	88.1	90.5	91.2
Latvia	-0.3	-4.2	-10.2	9.0	19.7	36.7	56.0	56.0	52.0	66.6	72.6	74.8
Lithuania	-1.0	-3.3	-9.2	16.9	15.6	29.5	59.0	61.0	55.0	60.0	64.7	67.8
Luxembourg	3.7	3.0	-0.7	6.7	13.6	14.5	275.0	280.0	271.0	115.3	119.1	121.3
Hungary	-5.0	-3.7	-4.4	66.1	72.3	78.4	62.0	64.0	65.0	66.7	68.1	65.5
Malta	-2.3	-4.8	-3.8	61.7	63.1	68.6	77.0	78.0	81.0	75.5	78.8	81.4
Netherlands	0.2	0.6	-5.4	45.3	58.2	60.8	132.0	134.0	131.0	101.9	104.0	108.5
Austria	-0.4	-0.5	-3.5	59.3	62.5	67.5	123.0	124.0	124.0	102.2	105.1	107.9
Poland	-1.9	-3.7	-7.2	45.0	47.1	50.9	54.0	56.0	61.0	62.0	69.1	58.6
Portugal	-2.8	-2.9	-9.3	62.7	65.3	76.1	78.0	78.0	80.0	85.7	87.0	89.3
Romania	-2.6	-5.7	-8.6	12.6	13.4	23.9	42.0	47.0	46.0	63.8	60.9	57.5
Slovenia	0.0	-1.8	-5.8	23.4	22.5	35.4	88.0	91.0	88.0	79.0	82.3	85.5
Slovakia	-1.8	-2.1	-7.9	29.6	27.8	35.4	68.0	72.0	73.0	63.2	70.2	73.7
Finland	5.2	4.2	-2.5	35.2	34.1	43.8	117.0	118.0	113.0	119.9	124.3	126.4
Sweden	3.6	2.2	-0.9	40.0	38.2	41.9	125.0	122.0	118.0	115.7	114.5	107.0
UK	-2.7	-5.0	-11.4	44.5	52.1	68.2	116.0	115.0	112.0	112.6	100.1	92.7
EU	-0.9	-2.3	-6.8	58.8	61.8	74.0	100.0	100.0	100.0	100.0	100.0	100.0

*Source: Eurostat, *) net balance, GDP per capita according to PPP*