

**DATA PROTECTION**RFID chips: Commission to publish recommendations **Page 4****EU/SOUTH KOREA**Summit will not seal trade deal **Page 8****INTERVIEW**Alan Doss, representative of the UN sec-gen in Congo **Page 12**

# EUROPOLITICS

| The European affairs daily |

| Tuesday 12 May 2009 | N° 3751 | 37<sup>th</sup> year |[Table of Contents](#)**FOCUS**

## Merkel lashes out at Tories

By Célia Sampol

France and Germany are fighting for the same cause. This is the political message that the French and German Conservative leaders wanted to get across, on 10 May in Berlin. During this bilateral meeting in preparation for the June European elections, President Nicolas Sarkozy and Chancellor Angela Merkel thus recalled their common beliefs and stressed the friendship uniting their countries. Forgetting past disputes and tensions, Sarkozy pleaded in favour of Germany before supporting the chancellor's proposals regarding her opposition to Turkey's entry to the EU. Moreover, the latter criticised those who "reject the Lisbon Treaty" and "at the same time talk of enlargement". Although no names were quoted, the targets were clearly the British Conservatives, according to the observers present. The Tories should, in fact, leave the EPP-ED (majority Conservative group of the European Parliament) in June to form their own Eurosceptic group. They are in favour of Turkey's entry to the EU and against the Lisbon Treaty. Moreover, their leader, David Cameron, who manages the party from London, has confirmed that, if he wins the June 2010 elections, he will withdraw the British ratification and subject it to a referendum. These arguments only served to irritate the chancellor.

**ALDE**

## Group divided on support for Barroso

By Célia Sampol

There's trouble brewing within the group of the Alliance of Liberals and Democrats for Europe (ALDE), currently the third largest political group in the European Parliament. Its two constituent parts, the majority ELDR and the European Democratic Party, disagree on the name of the candidate to back for the presidency of the European Commission.

The European Liberal Democrat and Reform Party (ELDR) - currently boasting 75 of the 100 MEPs making up the ALDE group - announced, as of the March European Council, that it will support the candidate of the Conservatives in the EPP for this position, the current President, José Manuel Barroso. In fact, the party says it supports a centre and centre-right alliance in Europe. This position is all the more marked because the European Socialists have still not succeeded in proposing an alternative candidate to Barroso. But the European Democratic Party (EDP), the second largest constituent party in the ALDE, does not intend to follow this line. On the occasion of the congress of 8 May in Bilbao, the two party leaders, François Bayrou (France), president of MoDem, and Francesco Rutelli (Italy), head of the Margherita, called for an agreement between centrist and left-wing MEPs. Why? "So that there is no majority to renew the mandate of Barroso," whose orientation "was far too liberal". The EDP even says it is prepared to "talk to everyone".

Furthermore, the two co-presidents have put forward two names for the position: former European Commissioner Mario

Monti, a leading centre-left figure from Italy, and former Belgian Prime Minister Guy Verhofstadt, the chief candidate of the Flemish Liberals for the European elections. The divergence within the ALDE group is therefore increasingly more tangible. In fact, the ELDR and the EDP often voted in a different manner in the plenary - the former tending to follow the EPP, and the latter joining forces with the Socialists in the majority of cases, noted an internal source.

But could this mean that the European Democratic Party might leave the ALDE to rally to the PES? No, continued the source. On the other hand, leaving the ALDE to form a new group could have been a possibility. Except that it is a bit late for the next elections and it would lead to isolation within the Parliament while purposely sinking the ALDE group in the process.

**SOCIALISTS SILENT**

The Socialists remain silent on this matter. Three of their governments continue to support the Conservative candidate (United Kingdom, Spain and Portugal). The PES claims it will oppose Barroso during the vote of approval of 15 July if he clearly does not give a more social orientation to his policy. But nothing is certain. The European Democratic Party will, in any case, try to rally the Socialists. Under the Nice Treaty, it will be more difficult to reject the candidate of the majority group because, in order to be approved, he will have to obtain the simple majority of those present. Under Lisbon, an absolute majority would be required, ie half of the total number of deputies plus one. ■

# EUROPOLITICS

THE EUROPEAN AFFAIRS DAILY

## The centrepiece of EU news



[www.europolitics.info](http://www.europolitics.info)

Yes, I would like to subscribe to **EUROPOLITICS** daily:

- 6 MONTHS, 112 issues (paper version) + unlimited online access at the price of €890<sup>(1)</sup>.
- 1 YEAR, 223 issues (paper version) + unlimited online access at the price of €1,700<sup>(1)</sup>.
- 6 MONTHS, 112 issues (PDF + html) at the price of €765<sup>(1)</sup>.
- 1 YEAR, 223 issues (PDF + html) at the price of €1,450<sup>(1)</sup>.

I would like to receive *Europolitics* in:  French  English

I would like to receive a free issue of **EUROPOLITICS** daily in:  French  English

First name: ..... Last name: .....

Organisation: ..... Activity: .....

Job title: ..... VAT:  No  Yes: N° .....

Address: .....

Post code: ..... City: .....

Date and signature:  
.....

Country: .....

Phone: ..... Fax: .....

E-mail: .....

Subscription order form to be returned by fax or mail to: **EUROPOLITICS**  
Rue d'Arlon 53 / B-1040 Brussels or by fax to: +32 (0)2 732 67 57

### HELP US GET TO KNOW YOU BETTER...

#### YOUR ACTIVITY

- Embassy
- EU institution
- Association, federation, trade union, NGO
- Research, scientific institute, university
- Chamber of commerce
- Media and communication
- Consultant, lawyer
- Ministry and national government
- Enterprise, EU representation
- Finance, bank, insurance
- Other: .....

#### YOUR INTERESTS

- Agro-industry and agriculture
- SMEs
- Competition
- General EU policy
- Consumers
- EU-third countries' relations
- Energy  Science and research
- Environment
- Security and defence
- Finance, taxation and economy
- Social policy and employment
- Industries and corporate
- Information society
- Justice and home affairs
- Transport  Media
- Other: .....

Please pay upon receipt of your invoice. If the invoice address is different from the delivery address, please indicate it. Note that any cancellation (no e-mail admitted) must be sent at least one month prior to the expiry date. One year subscription will automatically be renewed.  
(1) Excluding VAT but including postal charges. Offer reserved to new subscribers. For multi-user licences and special discounts, please contact us. Missing information in the order form will unfortunately not be registered.  
In order to keep you informed of our activities, your details will be stored on EIS's files, Rue d'Arlon 53, B-1040 Brussels. Pursuant to the law, you are free to access this information, request corrections and consult the Register of the Committee for the Protection of Privacy. Any subscription implies for the subscriber the full acceptance of general sales conditions available at [www.europolitics.info](http://www.europolitics.info).

# Contents N° 3751

## Top Stories

### DATA PROTECTION

RFID chips: Commission to publish recommendations **Page 4**

### EU/SOUTH KOREA

Summit will not seal trade deal **Page 8**

### INTERVIEW

Alan Doss, representative of the UN sec-gen in Congo **Page 12**

## Business & competitiveness

**Data protection:** RFID chips: Commission recommends deactivation at point of sale ..... **4**

## Sectoral policies

**Film industry:** Reding seeks to boost Europe's share in international market ..... **4**

**Air transport:** Security financing: Transparent but not public ..... **5**

**Renewables:** Europe loses edge in wind power ..... **5**

## Institutions

**ALDE:** Group divided on support for Barroso ..... **1**

**Interfaith dialogue:** EU discusses ethical approach to economic governance ..... **6**

## Economic & monetary affairs, taxation

**Economy:** Romania loan gets final go-ahead ..... **7**

## Enlargement

**EU/Iceland:** Reykjavik to apply for EU membership by July ..... **7**

## Trade policy

**EU/South Korea:** Summit will not seal trade deal ..... **8**

## External relations

**Energy:** Ministers to promote sustainable energy in developing countries ..... **8**

## In Brief

**Atalanta:** 11 pirates handed over to Kenya ..... **9**

**Aid for Caisse d'Épargne-Banque Populaire** cleared ..... **9**

**Danuta Hübner** in Abruzzo ..... **9**

**EBRD, EIB** loan for Romanian power ..... **9**

**Parliament** releases TV spot ..... **9**

**Intel** may face record fine, Commission tight-lipped ..... **9**

**EU conference** on anti-doping ..... **10**

**EU and China** call for Doha deal ..... **10**

**McCreevy** pushes for lower taxes ..... **10**

**Timing** of appointment of Commission chief ..... **10**

**European cartoon** competition ..... **10**

**Latvian bank** support plan approved ..... **10**

**EU Agenda** ..... **11**

## Interview

**Alan Doss,** representative of the UN secretary-general in Congo "I would like to see more EU troops on the ground" ..... **12**

## EUROPOLITICS

is published by EIS (Europe Information Service S.A.), subsidiary of SIAC group  
Rue d'Arlon, 53  
B-1040 Bruxelles

**Chairman and Publisher:** René-Charles Millet  
**Publisher's Advisor:** Marc Paoloni

**TELEPHONE**  
**Direct lines:** +32 2 737 77 (--)  
Instead of (--), dial the two digits after the person's name.

**E-MAIL**  
**Editorial staff:** editorial@europolitics.info  
**Subscriptions:** subscriptions@europolitics.info  
**Direct:** firstname.surname@europolitics.info

**Editorial FAX:** +32 2 732 66 51

**EDITORIAL TEAM**  
**Executive Publisher & Editor-in-Chief:** Pierre Lemoine (20)

**Production Editor:** Eric Van Puyvelde (22)

**Editors:** Anne Fekete de vari (18)  
Tibor Szendrei (33)

**Special Editions Editor:** Rory Watson

**Special Dossiers Editor:** Nicolas Gros-Verheyde (42)

**Reporters:** Dafydd ab Iago (58)  
Sarah Collins (54)  
Anne Eckstein (36)  
Ruth Milligan (48)  
Célia Sampol (60)  
Marianne Slegers (08)  
Isabelle Smets (34)  
Fabrice Randoux (37)  
Nathalie Vandystadt (45)

**Correspondents:** USA - Washington: Brian Beary  
Asia - Seoul: Sébastien Falletti

**Translation:** Christina Berta, Aïda Boghossian, Betty Jackson, Michèle Morsa

**Agenda, layout and website:** Philippe De Clercq (57)  
Geneviève Jourdain (13)  
Grégoire Maus (15)  
Christine Serville (14)

**ACCOUNTING:** Pascal Duvent  
Tel: + 33 1 42 74 28 93  
Fax: + 33 1 42 47 29 00  
accounting@europolitics.info

**MARKETING/SUBSCRIPTIONS**  
**Subscriptions:** +32 2 737 77 09  
**FAX:** +32 2 732 67 57  
**Head of Marketing:** Stéphanie Pacchiano (41)

**ADVERTISING**  
advertising@europolitics.info

**PRODUCTION**  
**Director:** Philippe Gawsewitch  
**Printing:** Identec, Brussels

Europolitics is published in French under the name *Europolitique*.  
**ISSN 1811-4121**

**DATA PROTECTION****RFID chips: Commission recommends deactivation at point of sale**By **Nathalie Vandystadt**

The European Commission will make public, on 12 May, its recommendations for designers and operators of RFID (radio frequency identification) chips, whose numbers are rising, particularly on the consumer goods market. More than six billion of these 'smart' chips – which allow communication between objects – are already in use worldwide. The Commission maintains that consumers must be sure that data concerning them will be protected.

The chips are everywhere, in passes used to enter workplaces and smart cards used to pay motorway tolls. When consumers buy products containing a chip, it should be deactivated at the point of sale "automatically, immediately and free of charge" unless the consumer explicitly asks to keep the chip operational, argues the Commission. "Imagine your refrigerator informing you that your milk is past its use-by date or the

packaging of the food product you buy for your child warning you against possible allergies. However, this new technology must never take Europeans off their guard," sums up Information Society Commissioner Viviane Reding.

The Commission is not as strict as expected, however, because it considers exceptions to avoid an "unnecessary burden" on retailers, but only after an assessment of the chip's impact on privacy. "These evaluations, supervised by the national data protection authorities, should guarantee the security and protection of personal data," she adds.

Generally speaking, companies or public authorities using this technology should give consumers clear and simple information so that they know whether their personal data will be used and what type of data will be collected and for what purpose (name, address or date of birth, for example). Clear labelling should be used to identify the devices that read the information stored in smart chips and

there should be a contact point for citizens to obtain more information. A "common European sign" should indicate which products use smart chips.

RFID chips represent an opportunity for the European industry because Europe is expected to account for 35% of the global market within eight years. The chips allow more efficient recycling and health care, and allow drivers to save time at toll booths and passengers to save time waiting for luggage at the airport.

The global market was already worth €4 billion in 2008 and will be close to €20 billion in 2018, estimates the EU executive.

Across the Atlantic, the National Institute of Standards and Technology published recommendations in 2007, but without mentioning deactivation at point of sale. The American impact study method nevertheless apparently influenced the Commission to a large extent. ■

**FILM INDUSTRY****Reding seeks to boost Europe's share in international market**By **Anne Fekete**


Seventeen films that received co-financing of more than €3 million from the MEDIA programme will be screened at the Cannes International Film Festival that opens on 13 May, including ten of the 20 films in competition for the official selection. This form of recognition is welcome but "isn't enough," states Viviane Reding in a video placed online on her website, on 11 May<sup>1</sup>.

"We have to aim for wide distribution of our films in commercial channels. For example, as the European Union negotiates a trade agreement with South Korea, I would like to see the Union aim for a 15% share of the Korean market within five years, compared with today's 5%. I am convinced that our films can conquer a significant part of the 45% of the market share held by foreign films in China," continues the commissioner in charge of information society and the media.

Reding proposed to initiate soon a "dialogue between the European industry and

the public authorities, both national and European, to set market share targets at the international level and focus our actions". She notes that the "MEDIA Mundus programme will test, until 2013, the mechanisms of an action that will then have to enlarge its scope and which will probably lead in several years to the creation of a European film agency".

On 15 May, the Commission will sponsor Europe Day in Cannes to present the new actions of the MEDIA International programme and first-hand accounts by project organisers already participating in the programme. ■

 (1) The video is at [ec.europa.eu/commission\\_barroso/reding/vidEO/INDEX\\_en.htm](http://ec.europa.eu/commission_barroso/reding/vidEO/INDEX_en.htm)

**MEDIA Mundus**

Proposed on 9 January, MEDIA Mundus is an international cooperation programme. With a budget of only 15 million euro for 2011-2013, it has three aims: 1. to facilitate access to foreign markets and develop long-term commercial relationships; 2. to enhance competitiveness and transnational distribution of audiovisual works worldwide by making international co-productions easier; 3. to improve the circulation and exposure of audiovisual works worldwide and increase public demand (espe-

cially among young viewers) for culturally diverse audiovisual content. The European Parliament's Committee on Culture issued its opinion at first reading, on 2 April. The amendments adopted seek to modify the overall structure of the proposal but without changing its general objectives. MEPs also call for actions to develop the skills of European and third-country professionals with the aim of improving their understanding of operating conditions, the legal framework and copyright on their respective audiovisual markets.

## AIR TRANSPORT

**Security financing: Transparent but not public**

By Isabelle Smets

Those hoping for EU rules on the public financing of aviation security measures will be disappointed.

The European Commission presented, on 11 May, a proposal for a directive on aviation security charges but it does not lay down the principle of public financing of such charges, sought by the sector and MEPs.

The main objective of the proposal is to guarantee transparency in the security charges paid by airlines. Although a recital states that aviation security is "essentially a state responsibility," it goes on to note that each member state must decide on financing methods.

The directive will apply to all EU airports, large and small.

It imposes the principle of transparency and non-discrimination in airport security charges.

This implies, for example, that airlines must be able to ensure that the charges billed to them correspond to real costs. Airlines will have the right to receive full information once a year on the calculation of security charges and the services provided.

A consultation procedure will also be set up if the airport wishes to modify the billing scheme for security charges. This will not give airlines the possibility to block any planned changes but at

least will enable them to express their views before a final decision is taken. If the airport fails to take their views into account, it must justify its decision. An independent supervisory authority will

*Security accounts for 35% of airports' overall operating costs today, compared with 5% to 8% before the terrorist attacks of 11 September 2001*

also be set up in each member state to ensure compliance with the rules.


There is nothing in the draft directive that suggests that states should bear even part of the cost of measures used at airports to ensure travellers' security.

The stakes are huge, however.

According to the European organisation that represents airports, ACI-Europe, security accounts for 35% of airports' overall operating costs today, compared with 5% to 8% before the terrorist attacks of 11 September 2001 and the subsequent toughening up of EU rules (Regulation 300/2008).

When the EU adopted these new security rules, members of the EP tried unsuccessfully to lay down the principle of mandatory or at least partial financing by the public authorities.

The only concession made to them in the new proposal is that the member states will have to carry out an impact study on costs (and report to the Commission) if they intend to introduce – or already use – stricter security measures than what is required by Regulation 300/2008. ■

 The draft directive is available at [www.europolitics.info](http://www.europolitics.info) > Search = 249648

**What about liquids?**

MEPs are also keen on another aspect of aviation security, namely the abolition of rules restricting the volume of liquids that can be contained in carry-on baggage. Transport Commissioner Antonio Tajani has said he plans to ease existing measures, which have been disparaged by Parliament since they were put in place, in late 2006. Questioned by MEPs in connection with a debate on landing and take-off slots, at the plenary session on 7 May in Strasbourg, he repeated his pledge and said he hopes to be "able to review the situation by 2010". "I was very sceptical over these rules as a member of the EP and I still am," said the commissioner.

## RENEWABLES

**Europe loses edge in wind power**

By Dafydd ab Iago

The United States has surpassed Germany to rank first world-wide in terms of cumulative capacity and electricity generation from wind. Capacity in the US increased by 50% in 2008, climbing 8,358 megawatts, to a total of 25,170 MW. The US also leads in terms of new installations, according to a new analysis by the Washington-based Worldwatch Institute. Global cumulative wind power was up 29% in 2008, or some 27,051 MW, at 120,798 MW. In Europe, growth was less than half this global rate, with Europe adding just

over 13%, or 8,877 MW, to reach a total cumulative wind capacity of 65,946 MW, or 55% of the global total.

Despite its slower growth in wind capacity, Europe continues to dominate, especially in the field of offshore wind. Worldwatch Institute notes that the "vast" majority of offshore installations are in Europe, adding 357 MW offshore capacity in 2008, for a total of 1,486 MW. Nine EU countries had operational offshore wind farms at the end of 2008, up from five at the beginning of the year. The EU has also pledged €565 million for offshore wind projects. Over 30,822 MW of offshore capacity are now under

construction or being planned in Europe, with expected completion by 2015.

Even if Germany has lost its pole position in terms of installed capacity, the country continues to be a pioneer. Wind power now meets at least 40% of electricity demand in three German states and 7.5% of national net electricity demand, notes the Worldwatch Institute. It cites figures according to which energy from wind could meet 31% of the nation's electricity demand by 2030. With a total of 16,740 MW, Spain ranks third after the US and Germany in terms of cumulative wind power capacity. ■

**INTERFAITH DIALOGUE****EU discusses ethical approach to economic governance**By **Sophie Petitjean**

On 11 May, the presidents of the European Commission and the European Parliament met representatives of Christianity, Judaism and Islam. After discussing climate change at last year's dialogue, this time they focused on ethical contributions for European and global economic governance. "As the financial and economic crisis progresses, it becomes increasingly clear that the time has come to reconcile economic governance with our fundamental ethical values on which the European project has been based over the last 50 years," declared José Manuel Barroso. He welcomed the convergence of views of some 20 dignitaries from 13 member states and Russia<sup>1</sup>. Economic and Monetary Affairs

Commissioner Joaquin Almunia also participated. He said he was aware of the necessity of taking essential values into account in



Barroso: "The time has come to reconcile economic governance with our fundamental ethical values"


managing the crisis.

**ARGUMENT FOR LISBON**

The annual meeting also gave the two presidents an opportunity to reiterate the importance of the Lisbon Treaty for interfaith dialogue. As Hans-Gert Pöttering explained

at a press conference, the yearly dialogue is the result of an initiative launched in 2005 by Barroso, but depends on participants' will because it is not compulsory at present. "This stands in contrast with the Lisbon Treaty, which proposes a legal framework. So that is an argument that should absolutely be taken into account by the countries that have not yet signed up to the treaty." Monsignor Diarmuid Martin, archbishop of Dublin, responded by urging the Irish and the EU to be aware of their

reciprocal need for one another, adding that with hindsight, it seems clear that his country's rejection of the treaty was simply the result of a "lack of comprehension". ■

 (1) The list of participants is available at [www.europolitics.info](http://www.europolitics.info) > Search = 249654

**Save €€€s on your subscriptions**

**GET MORE FOR LESS  
BENEFIT FROM OUR REDUCED  
GROUP SUBSCRIPTION OFFER**

**EUROPOLITICS**

Tel: +32 (2) 737.77.09  
[subscriptions@europolitica.info](mailto:subscriptions@europolitica.info)

## ECONOMY

## Romania loan gets final go-ahead

By Sarah Collins

EU finance ministers gave the green light, on 5 May, to a €5 billion loan to Romania under the European Commission's balance of payments aid scheme. The commitment is part of a larger €20 billion package with the International Monetary Fund and the World Bank.

The IMF, on 4 May, finally approved its side of the bargain, which amounts to €12.95 billion over two years.

The loan was first announced on 25 March, five days after the Council said it would be doubling the Commission's emergency aid

fund, from €25 billion to €50 billion, to help indebted countries outside the eurozone. The EU has already given Hungary and Latvia a combined total of €9.6 billion out of the fund after sharp contractions in their economies in the last quarter of 2008. Romania, once a fast-growing EU economy, saw a 13% dip in growth at the end of 2008 (although its total growth last year was positive, at 7.1%, up from the 2007 level). The government posted a public deficit of 5.4% of GDP in 2008, over two points above the EU's Stability and Growth Pact limit - mainly due to an increase in public sector wages and lower than expected revenue. Unemployment has

risen to 8%, after a 5% low in 2008. The country has been hit hard by foreign-owned banks - especially Greek and Austrian parent banks - repatriating credit. The Commission, in its spring economic forecast, predicts the country's GDP will shrink by 4% this year and hit zero in 2010. The loan package is conditional on a series of budgetary adjustments, including lowering public sector bonuses, increasing excise duties and limiting tax deductions and pension increases. The money is to go in part towards bank guarantees and recapitalisations. The Romanian government revised its 2009 budget in April to include the necessary spending cuts. ■

## EU/ICELAND

## Reykjavik to apply for EU membership by July

By Fabrice Randoux

The new government of Iceland has decided to launch the process of applying for EU membership and will be taking the matter to parliament in the coming days. The issue will be addressed "within days of the inaugural session," on 15 May, said Prime Minister Johanna Sigurdardottir, on 10 May. "We are determined to submit an application for EU membership before July," added the head of government, quoted by the French news agency AFP.

In its general policy statement, the government announced that the question of

EU membership would be referred to parliament and that the membership decision would then be approved by a referendum. The left-of-centre coalition last month scored a historic victory, obtaining its first-ever majority in the house, with 34 of 63 seats. The EU issue nonetheless divides the coalition made up of Sigurdardottir's Social Democrats and the Left-Greens led by Eurosceptic Finance Minister Steingrímur Sigfússon. The government notes that "the two parties recognise their different views on the question of EU membership but insist on their joint determination for the nation to decide, by referendum, whether

Iceland will join the EU". The prime minister expects to be able to rally a majority in parliament in favour of opening accession negotiations with the EU. She is counting on the support of MPs from two other pro-European parties, the Citizens' Movement and the Progressive Party.

As a member of the European Economic Area, Iceland already applies more than two-thirds of EU legislation. "Iceland has already run 40 km of the marathon leading to membership," Enlargement Commissioner Olli Rehn told *Europolitics* (3745). The full length of the marathon race is 42.195 kilometres. ■



The advertisement features a black and white photograph of a white coffee cup on a saucer in the foreground. Behind it is a newspaper clipping with the masthead 'EUROPOLITICS' and several headlines, including 'WTO rules against EU banana scheme' and 'ENERGY/CLIMATE CHANGE Ecofin Council wants in future decisions'. To the right of the newspaper, the website 'www.EUROPOLITICS.info' is displayed in a stylized font with stars. Below that, the word 'EUROPOLITICS' is written in large, bold letters, followed by the word 'first' in a smaller font. At the bottom right, the contact information 'Tel: +32 (2) 737.77.09' and 'subscriptions@europolitics.info' is provided.

**EU/SOUTH KOREA****Summit will not seal trade deal**

By Sébastien Falletti in Seoul

Although EU member states have reaffirmed their support for a rapid conclusion of a far-reaching free trade deal with South Korea, no breakthrough will happen by the upcoming EU-South Korea summit scheduled for this month, *Europolitics* has learned. During a critical meeting of the 133 Committee, on 8 May, the majority of European capitals supported the European Commission plan for a swift conclusion of an ambitious free trade agreement (FTA) with the fourth largest Asian economy. However, remaining difficulties and the proximity of the European Parliament elections will further delay the talks and prevent José Manuel Barroso and Václav Klaus from sealing a deal during the summit scheduled for 23 May in Seoul, Commission sources told *Europolitics*.

The president of the European Commission as well as the head of state of the Czech Republic, in charge of the EU Presidency, will fly to the Korean capital to hold a biannual summit that has already been delayed several times because of the complexities of the ongoing trade negotiations. Barroso and South Korean President Lee Myung-bak are keen to clinch as soon as possible the most ambitious FTA ever negotiated by the EU, but are confronted with growing political resistance in Europe. Against the backdrop of the economic recession, key member states, such as Germany, Italy or France, are wary of the impact of trade lib-

eralisation and fear it will lead to a political backlash during the upcoming elections. At the same time, the EU has pledged to promote free trade during the recent G20 summits and wants to promote its economic interests in South Korea, where the US has also negotiated an ambitious FTA.

**PROGRESS**

EU Trade Commissioner Catherine Ashton has achieved important progress over the past weeks. Following her failure to reach a deal during the G20 summit, on 2 April, Chief Negotiator Ignacio Garcia Bercero has discreetly explored new avenues to unlock the talks. Ahead of the 8 May 133 Committee meeting, he had floated new ideas to solve the remaining key stumbling block, namely the 'duty drawback', a system by which South Korea allows import tariffs to be returned to companies that use imported materials to make products for export. Among the options on the table is the negotiation of a safeguard clause to appease the fears of the member states. Although the new proposal was criticised by the capitals, on 8 May, member states have mandated the Commission to continue talks with Seoul in order to achieve a breakthrough.

This green light paves the way for more technical discussions with the Korean side in the coming weeks. Another ministerial-level meeting between the commissioner and Trade Minister Kim Jong-hoon will be required to refine the deal and this

is unlikely to happen before the summit. "During the summit, leaders will call for the rapid conclusion of the talks but more time will be needed," predicted a Commission source. The timing of the meeting in Seoul, just ahead of the European elections, is seen as awkward by many diplomats and Commission officials, who suggest to wait a couple of extra weeks before launching a final FTA push. ■

**Audiovisual concerns**

European car makers are not the only one in Europe to denounce the FTA currently on the table. The audiovisual sector is concerned by the deal, fearing it will put in jeopardy the concept of 'cultural exception'. Fourteen European professional organisations from the audiovisual sector have sent a joint letter to Commission President Barroso, on 7 May, to express their concerns. They denounce the fact that the FTA "brings back cultural and audiovisual sectors into the trade negotiation" in contradiction with the UNESCO convention on the promotion and protection of diversity of cultural expressions. The audiovisual coalition insists on the need to "disconnect" culture from the general trade negotiations. The letter is available at [www.europolitics.info](http://www.europolitics.info) > Search = 249613

**ENERGY****Ministers to promote sustainable energy in developing countries**

By Dafydd ab Iago

The General Affairs Council, meeting on 18-19 May, is set to commit to supporting access to sustainable energy at local level in developing countries. Draft conclusions call for the EU to enhance support to renewable energy systems in developing countries. This should be achieved through demand-driven, local, sustainable energy solutions, stimulation of markets for local renewable energy systems, technology transfer and applied research into renewable energies. Although not mentioning any new finance, ministers commit to "increasing" support to

partner countries to develop and strengthen long-term sustainable energy supply policies as well as conducive legal, regulatory and institutional frameworks.

The Council conclusions follow a European Commission staff working paper, published in April, which highlights the need for the EU to step up action on energy development cooperation so as to increase access to sustainable energy services at local level. The Commission called for a focus on modern energy services, creating synergies with climate change policies, involving local actors, civil society and private sector and using EU development cooperation

instruments. All these elements are reflected in the draft conclusions.

Ministers note, in the draft paper, that the EC will contribute to the objectives of its conclusions through the Environmental and Natural Resources Thematic Programme under the Development Cooperation Instrument. Other sources of finance may come through the Global Energy Efficiency and Renewable Energy Fund (GEEREF) and the Global Climate Change Alliance (GCCA). ■



The draft conclusions and the Commission staff working paper are available at [www.europolitics.info](http://www.europolitics.info) > Search = 249655

# In Brief

## Atalanta: 11 pirates handed over to Kenya

The French frigate, the *Nivôse*, involved in the EUNAVFOR Atalanta operation, handed over eleven presumed pirates along with their weapons and vessels to the Kenyan authorities in Mombasa, on 8 May. This transfer was in accordance with the agreement, of 6 March, between the European Union and Kenya, which enables the latter to initiate legal action against pirates captured at sea. The French *Nivôse* intercepted these eleven pirates and their vessels on the morning of 3 May. The operation took place some 500 nautical miles (900 kilometres) east of Mombasa. Eleven ships and two maritime patrol aircraft are currently participating in EUNAVFOR Atalanta. They will be joined by three Swedish vessels next week.

## Aid for Caisse d'Épargne-Banque Populaire cleared

The European Commission authorised, on 8 May, a further €2.45 billion capital injection by the French state to the Caisse d'Épargne and Banque Populaire groups, a total of €2.55 billion having already been approved by the Commission, on 28 January, under the second instalment of the recapitalisation scheme. The two groups have, in fact, approved a merger that will see them transfer most of the technical and human resources of their respective central bodies to a common central body. In order to put the new central body, which will be responsible for guaranteeing the liquidity and solvency of the entire group, on a sound financial footing, the French government wants to increase the amount of capital it allocates to it. After examining the aid measure, the Commission has concluded that the additional capital injection is consistent with its guidance published at the end of 2008 on the recapitalisation of financial institutions.

## Danuta Hübner in Abruzzo

Regional Policy Commissioner Danuta Hübner will be in the Italian region of

Abruzzo, on 14 and 15 May. In particular, she will visit the area affected by the earthquake, on 6 April, and discuss with the regional authorities possibilities for the intervention of the EU Solidarity Fund and the reorientation of the 2007-2013 regional programme for Abruzzo co-financed by the European Structural Funds. To recall, the Italian authorities have until 15 June to submit a request to the European Commission for Solidarity Fund intervention. The required threshold for the release of these funds (damage reaching €3 billion or 0.6% of gross national income) has been largely exceeded since damage is currently estimated to be €12 billion.

## EBRD, EIB loan for Romanian power

The European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) are each providing a €200 million loan to Romania's Petrom to finance the construction of a 860 MW combined cycle gas turbine at Brazi, north of Bucharest. Announcing the loan, the EBRD noted that the new gas-fired power plant will improve environmental standards and increase competition. The loan also helps finance a new 30-km gas pipeline to feed the power plant with natural gas and one new three-kilometre transmission line to connect the new unit to the national grid. Once operational, the plant should account for 8-9% of installed electricity capacity in Romania. The total value of the project is around €500 million, with the EBRD and the EIB each providing €200 million under parallel loans. The rest is funded by Petrom, Romania's largest company. The EBRD has been a shareholder of Petrom since 2004 alongside majority shareholder OMV. (DAI)

## Parliament releases TV spot

The European Parliament released, on 8 May, its brand new TV advertisement for the elections of 4-7 June. With 34 language versions, it is part of a range of products produced in the framework of the EP's communication campaign under

the general slogan, 'It's your choice'. The versions of the advert differ in terms of the member state and show national public figures. Parliament aimed to create an attractive product to obtain as much free advertising space in all the EU countries as possible. The advert is expected to be broadcast by more than 100 TV channels and in 1,000 cinemas in Europe during the last four weeks of the campaign ([www.europarl.europa.eu/elections\\_2009\\_package/default.htm](http://www.europarl.europa.eu/elections_2009_package/default.htm)).

## Intel may face record fine, Commission tight-lipped

According to the 11 May issue of the British daily newspaper *The Financial Times*, the European Commission is set to impose a record fine on US semiconductor giant Intel for abuse of dominant position on the computer chip market. According to lawyers quoted by the newspaper, the bill could reach that of Microsoft, which was - and still is - the subject of an investigation for abuse of dominant position, which - based on all fines combined - totals some €1.6 billion. The spokesperson for Competition Commissioner Neelie Kroes did not, however, confirm the news, specifying that "the anti-trust investigation is continuing". "It is not customary for the Commission to say anything before notifying the company," she added. The Intel case dates back to the beginning of 2000. The Commission sent Intel two complaints, in July 2007 and July 2008, in which it suspected the company of "abuse of dominant position" in order to exclude AMD - its main competitor - from the European market. Intel owns 80% of the market, compared with AMD's 20% (see *Europolitics* 3576 and 3489). The EU Court of First Instance recently rejected a request for respite submitted by Intel (Case T 457/08 R), which gave the Commission free rein to make its decision (3682). (NVA)

# In Brief

## EU conference on anti-doping

Following a proposal from the European Parliament and with the support of the City of Athens, the European Commission is organising an EU conference on anti-doping, in Athens, on 13-15 May. Representatives of EU sport governmental authorities will meet with key stakeholders involved in the fight against doping, including national anti-doping organisations (NADOs) of the EU member states, accredited laboratories in member states, the Council of Europe, the World Anti-Doping Agency (WADA), athlete trade unions and sport academics. They will discuss topics where the EU can provide added value by complementing the action of other actors at international, European and national level.

## EU and China call for Doha deal

Following the meeting of the EU-China High Level Trade and Economic Dialogue (HED), on 8 May in Brussels, EU Trade Commissioner Catherine Ashton and Chinese Vice-Premier Wang Qishan reiterated the adherence of both the EU and China to the conclusions of the G20 summit in London, particularly highlighting the message that economic openness is vital to recover from the financial and economic crisis (see *Europolitics* 3450). The EU and China called for an early and successful conclusion to the Doha Round of world trade talks, and pledged their commitment to closer cooperation to keep trade and investment flowing in the economic downturn. Further information is available at [www.europolitics.info](http://www.europolitics.info) > Search = 249635

## McCreevy pushes for lower taxes

Internal Market Commissioner Charlie McCreevy, in a speech on 8 May, has called on EU governments to resist the urge to tax the rich to help pay for ballooning public deficits during the financial crisis. Speaking to the Leinster Society of Chartered Accountants in Dublin, he said "It is not higher tax rates that generates higher tax revenues. It is higher economic activity that generates them: And it is risk-takers who generate higher economic activity". The deficit in European public purses is set to more than double, to 6% of GDP, this year (up from 2.3% last year) and GDP growth across the bloc is set to contract by 4%. Greece and the UK have rallied to raise revenue from higher earners, with Athens introducing an income levy on earners above €60,000 in March and the UK is raising its super tax to 50% (on income over GBP150,000). Sweden, Denmark, Germany, Spain, Italy, Portugal and Ireland are among other European economies that have top tax rates above 40%.

## Timing of appointment of Commission chief

Contrary to what *Europolitics* announced in its issue of 8 May 2009 (3749), the European Parliament is not asking to be consulted by the member states on the choice of the future Commission president "the third week after the elections," which would have led to postponement of the European Council to the end of June. That is in fact a "model" it proposes for 2014. For 2009, it is simply seeking application of the spirit of the Lisbon Treaty even though the text will not yet be in force. In other words, the member states should consult the political groups after having given them enough time to form. It is not yet certain whether the Council will agree to this request or whether it will decide to postpone the summit scheduled for 18-19 June. This EP position appears in the

report by Jean-Luc Dehaene (EPP-ED, Belgium) on the Union's institutional balance, adopted on 7 May in Strasbourg. (CSA)

## European cartoon competition

The winners of the 'European Union and citizenship' competition were named, on 11 May. First prize went to Mehdi Boualam (Belgium), second prize to Sibila Koritareva (Bulgaria) and third prize to Stephan Timmers (Netherlands). More than 2,500 art and graphics students aged 16 or over took part in the competition by drawing a one-page comic strip, with no text, illustrating the concept of citizenship in the European Union. The best comic strips are posted on the websites of the European Commission representations in the member states and on the Europa website. They may also be used for future EU campaigns on citizenship. Further information is available at [www.eurocartoon.eu](http://www.eurocartoon.eu)

## Latvian bank support plan approved

The European Commission approved, on 11 May amendments to the recapitalisation measure of the Latvian bank JSC Parex Banka, which was initially authorised on 24 November 2008. The modifications, notified on 29 March, enable Latvia to acquire newly issued ordinary shares and subordinated term debt with the aim of achieving a capital adequacy ratio of 11%. The Commission found that the modifications were in line with its communication of late 2008 on the recapitalisation of banks during the crisis. JSC Parex banka's capital and liquidity ratios deteriorated due to the continued effects of the financial crisis and also to the recently implemented regulatory requirements in Latvia.

# EU Agenda

## Tuesday 12 May

### COUNCIL OF MINISTERS

#### EDUCATION, YOUTH AND CULTURE COUNCIL

11-12 May, Brussels

#### EU-MOLDOVA POLITICAL DIRECTORS' MEETING (TROIKA)

Prague

#### EU CONFERENCE ON SCHOLARSHIPS FOR WESTERN BALKAN STUDENTS

Brussels

#### CONFERENCE 'EU FINANCE DAY FOR SMEs'

Prague

Organiser: European Commission

Contact: Markéta Morská - morska@mpo.cz

[www.sme-finance-day.eu/index.php?id=30](http://www.sme-finance-day.eu/index.php?id=30)

#### POLITICAL AND SECURITY COMMITTEE (PSC)

12-13 May, Brussels

#### 15TH EUROPEAN CONFERENCE ON INFORMATION SYSTEMS IN AGRICULTURE AND FORESTRY

12-13 May, Prague

Organiser: Czech University of Life Sciences Prague, Information and Consultancy Centre of the Faculty of Economics and Management

Contact: Karel Charvát - charvat@lesprojekt.cz

#### MINISTERIAL CONFERENCE ON THE FINANCIAL SUSTAINABILITY OF HEALTH SYSTEMS

10-12 May, Prague

#### PRESIDENCY MEETING OF THE EUROPEAN COMMITTEE FOR ECOLABELLING

11-12 May, Prague

#### INNOVATIVE PUBLIC SERVICES GROUP (IPSGII)

11-12 May, Karlovy Vary (Czech Republic)

#### MEETING OF THE 31ST COSAC

11-12 May, Prague

#### SENIORS AS VOLUNTEERS - VOLUNTEERS FOR THE SENIORS

11-12 May, Kromeriz (Czech Rep.)

Contact: MUDr. Eva Nováková, Klub UNESCO Kromeriz - eva.novakovakm@volny.cz

#### FUTURE OF INTERNET

11-13 May, Prague

## EUROPEAN COMMISSION

#### TRAVEL AND VISITS

■ Mr José Manuel Durão Barroso (10:30) and Mr Vladimír Špidla (9:15) receive Mr Jan Fischer, new Czech Prime Minister + VIP corner between Mr Barroso and Mr Fischer

■ Mr José Manuel Durão Barroso receives leaders of youth organisations of European political parties,

■ Mr José Manuel Durão Barroso receives "www.tellbarroso.eu" survey, handing over by the Center for the European Studies

■ Mrs Margot Wallström receives female European editors for seminar on "The role of women in the upcoming European elections"

■ Mrs Margot Wallström participates in meeting of the Action Committee for European Democracy (ACED) + press conference (Avenue d'Auderghem 22-28, Brussels)

■ Mr Antonio Tajani holds an opening speech at the event 'Vélo-City 2009' (Brussels)

■ Ms Danuta Hübner meets the ACED group • press conference (Law office Garrigues, Av. Auderghem 22-28)

Ms Danuta Hübner meets Ms Meglena

Plugchieva, Bulgarian Deputy Prime Minister

■ Mr Joe Borg in Canberra, Australia (12-14): meeting with Hon. Peter Garrett, Minister for the Environment, Heritage and the Arts; speech at the Europe Day Reception; speech at the European Australian Business Council (12). Meeting with Hon. Simon Crean, Minister for Trade; speech and debate on global governance of the oceans (Australian National University); meeting with Hon. Anthony Albanese, Australian Minister for Infrastructure, Transport, Regional Development and Local Government (13). Meeting with Hon. Tony Burke, Minister for Agriculture, Fisheries and Forestry (14)

■ Mr Janez Potocnik participates in the Conference ACHEMA 2009 (29th International Exhibition-Congress on Chemical Engineering, Environmental Protection and Biotechnology) (CongressCenter Messe, Frankfurt am Main)

■ Mr Ján Figel' attends the Slovak Day (Cinquantenaire)

■ Mr Vladimír Špidla attends the vernissage of Czech exhibition (BERL)

■ Mr Vladimír Špidla delivers a speech at the 23. Bayerischen Wirtschaftsgespräch "European Social and Employment Policies in the Time of Globalization" (Munich)

■ Ms Meglena Kuneva in London: meets with Mr Peter Mandelson, Secretary of State for Business, Enterprise and Regulatory Reform; participates in a round table with representatives of UK business community; meets with Mr Peter Sutherland, chairman of British Petroleum

## COMMITTEE OF THE REGIONS

■ 17th meeting of the EDUC Commission (Commission for Culture, Education and Research)

Venue: Design Center Linz, Austria

## INTERVIEW WITH ALAN DOSS, REPRESENTATIVE OF THE UN SECRETARY-GENERAL IN CONGO

# “I would like to see more EU troops on the ground”

By Sophie Petitjean

*The Special Representative of the United Nations secretary-general in the Democratic Republic of Congo (DRC), Allan Doss, will meet the European Union's Political and Security Committee (PSC), on 12 May. In an interview with Europolitics, Doss explains the objectives of the meeting and describes relations between the EU and the United Nations Mission in the DRC (MONUC).*

**What message do you plan to deliver to the PSC ambassadors?**

This is a dialogue that is in progress and is not limited to the EU: we are also in contact with other countries and organisations. We wish to see what can be done, to consult on how best to structure our support to Congo's government, to strengthen and enhance Congolese law enforcement officials and security forces. [...] We acknowledge that we need to adopt a more structural, longer-term approach because the problems are deep-rooted and will not be solved in weeks or even months, even if we succeed - and I hope that will be the case soon - in putting an end to the armed factions. [...] And this all has to be done in a coordinated way. That is why I responded to Europe's invitation to consult.

**Is MONUC pleased with its work in the DRC?**

When I look at the situation six months ago, there have of course been improvements, especially in North Kivu. A great deal remains to be done. We have operations against the ex-Rwandan forces, the FDLR. [...] Operations have begun in North Kivu and need to be launched in South Kivu. We also have to deal with the threat of the Lord's Resistance Army in a northern province. Operations are under way there, with the support of the Ugandan government and the government of Congo. In general, things are evolving in the right direction but we cannot be complacent: the operations against the

ex-Rwandan forces are complicated and will not be over in a few days.

**What do you think of the EU's attitude?**

The EU, through its members, contributes a large percentage of MONUC's



Doss: "A great deal remains to be done"

budget [40.5% - Ed]. The European Commission also runs an assistance programme for Congo: the EUSEC security cooperation mission already in place and the EUPOL police mission. We work on the ground in close cooperation with these two units. So Europe as a whole is a very important partner.

That said, however, I must unfortunately admit that although Europe participates financially, it contributes very little in the way of troops. There are a few officers but no troops on the ground. As a European, I find that a shame. If we really believe in the United Nations, we should have missions with more balanced participation.

**Aren't you disappointed that the EU did not respond to Ban Ki-moon's appeal?**

We asked for one-off aid in a specific situation in North Kivu in October or November, but in the end the Union failed to agree. The moment passed and we continued on our side. We had taken measures and were able to overcome the crisis.

**Do you still expect reinforcements?**

Yes, we expect 3,000 blue helmets. We have established contacts and we hope to see results. As usual in the United Nations, though, this will take time. We have no army behind us because we have no government. We depend on our members. Every time the Council authorises an increase, we have to knock on every door to see who is willing and under what conditions. [...] I hope that in two to three months we will have troops in place.

**Are you going to ask Europe for help?**

[The meeting on 12 May] will be more of a dialogue. It is not for me to tell Europe to do this or that. This will be an exchange of views on prospects, problems and resources. We are in contact with the EU and the Commission on the possibility of stepping up our cooperation in this sector, with joint initiatives if need be. I am not coming to ask Europe to give us 3,000 blue helmets. There may be certain

capabilities that have not yet been provided or maybe Europe can help us with capabilities, but what is really needed is special support (helicopters, aircraft) [from the EU]. Non-European countries are going to help us with soldiers and police forces. It would have been a good thing if Europe had agreed to send troops, but as you know, it's not easy. ■

### Background

**EUSEC:** EU advisory and assistance mission for security sector reform in the DRC, launched on 8 June 2005 to reform the DRC's armed forces (AFDRC). Participating states: Austria, Belgium, France, Germany, Hungary, Italy, Luxembourg, the Netherlands, Portugal, Sweden and the UK.

**EUPOL:** EU police mission contributing to the reform and restructuring of Congo's national police force. Participating states: Belgium, Finland, France, Germany, Italy, Portugal, Romania, Spain and Sweden.