



ECONOMY

Spain and the Netherlands propose ideas to reform EU fiscal rules: With usually divergent positions on fiscal issues, Spain and the Netherlands have presented a joint statement on the fiscal rules reform this week. Finance ministers from both countries have agreed on the need for reinforcing fiscal sustainability more effectively and efficiently. The critical point of the statement resides in country-specific fiscal plans and the introduction of a simple expenditure rule. Both ministers also stressed the need for unity due to the current situation, less rigidity and increased adaptability to each country's situation and empowering investments.

Economic and Financial Affairs Council, 5 April 2022: The Economic and Financial Council met yesterday to discuss various topics, the most relevant one being the Ukraine-Russia war, the imposed sanctions and the impact on European economies. Finance ministers reaffirmed their commitment to the Ukrainian people and their recommendations on unity and solidarity of the union in this issue. Other topics included the European economic and financial strategic autonomy, the strengthening of the European financial architecture and the transposition of fair and effective taxation of multinational groups agreed by the OECD into EU law.

EU Budget 2023: "significant funding" needed to address the consequences of Ukraine war: The European Parliament debated yesterday the 2023 Budget. As stated by MEPs, next year's priorities should be economic recovery, health, youth and climate action. The aims are to create a more robust health union, a more resilient EU for the green and digital transitions and increase the participation of medium-sized enterprises. The EP also clarified the pandemic's massive impact on the European youth and the need to build momentum during the year of youth with actions and policies that positively influence the young population. Members of the parliament also stressed the importance of promoting the rule of law and European values in today's society. The EU needs to mobilise all financial aid available to support the Ukrainian people in line with that.

FOREIGN AFFAIRS

EU-China Summit: Restoring peace and stability in Ukraine is a shared responsibility: Last Friday, April 1st, the EU-China Summit took place through video conference. European Commission and Council presidents von der Leyen and Michel, respectively, approached the meeting with the idea that collaboration between the EU and China is crucial in today's international scene, especially, but not only regarding the ongoing situation in Ukraine. Regarding this matter, the EU called on China as a permanent member of the UNSC. Both von der Leyen and Michel stated the need to work for peace and stability through the assurance of respect for international law and the imposition of sanctions. The summit also discussed the existing tension between the two powers because of China's sanctions toward some Member States. The EU reaffirmed, in this sense, its commitment to the One China policy. Other topics included pandemic preparedness and energy transition.

EU-RUSSIA

Press statement by President von der Leyen on the fifth round of sanctions against Russia: European Commission's president, Ursula von der Leyen, made yesterday a statement regarding the fifth round of sanctions against Russia. She explained the package is divided into six pillars which are as follows: a coal import ban worth EUR 4 billion per year, a complete transaction ban on four Russian banks, an access ban to EU ports of Russian and Russian operated vessels, targeted export bans worth EUR 10 billion and other targeted measures including the exclusion of financial support to Russian public bodies. Von der Leyen also proposed the enlargement of individuals' listings and left the door open for further measures, namely oil imports.

EUROPEAN UNION

EU launches process to slash Hungary's funds over rule-of-law breaches: The European Commission will trigger its new mechanism to cut funding to Hungary due to breaches in the EU rule-of-law standards. Two days after the reelection of Prime Minister Viktor Orbán, the EC notified the country of the decision on fund cutting. This comes after an informal letter sent to the Hungarian government last November. This decision comes after several years of the Union trying to bring Hungary to its heels with different mechanisms. Despite the formal announcement, there is still a long process involving Orbán's government and the Council.