



GREEN TRANSITION

Lawmakers back EU-wide ban on new fossil fuel cars from 2035, despite solid lobbying: The European Parliament has approved the ban on new fossil fuel cars for 2035 but rejected the 2030 stricter targets that would have made the transition much smoother. Other tries for interim targets were also rejected, primarily by right and centre-right blocs, which suggested that a 90% emission reduction target replace the de facto ban. The proposal also faced intense lobbying from the car industry in oppositional and supportive ways. These proposals are on the EU's climate and energy laws package aiming to reduce the EU's greenhouse gas emissions by 2030. Now approved by the assigned committee, the initiative is scheduled for a plenary vote in June.

ECONOMY

Corporate taxation: The Commission proposes a tax incentive for equity to help companies grow, become more robust, and more resilient: Today, the European Commission has proposed a debt-equity bias reduction allowance to improve businesses' resilience capabilities. With this proposal, equity and debt will receive the same treatment, meaning that the former would be deductible if increased from one year to another. With it, the European Commission aims to ensure fair and efficient tax systems across Europe. Members of the Commission believe that this new mechanism will provide accessibility and support to European businesses and help with green and digital transitions.

EUROPEAN UNION

The Conference on the Future of Europe concludes its work: On Europe Day, May 9th, the presidents of the three European Institutions received the final report from the Conference on the Future of Europe. The report contains 49 proposals and more than 300 measures under topics such as climate change, health, justice, education culture and youth. For the past year, through the different platforms, groups and meetings, the EU has been an open forum for citizens to discuss the Union they want in the future. These outcomes are now in the hands of the European Parliament which has already addressed the need for a treaty reform in order to be carried out.

NextGenerationEU: European Commission raises a further €9 billion to support Europe's recovery and resilience: The European Union has issued a further 9€ billion under the NextGenerationEU umbrella. This new transaction has been very welcomed by European Investors, making it the most oversubscribed transaction to date. As explained by Commissioner Hahn, this new transaction is proof of the EU's strength and power as an issuer even in volatile markets. Adding this, the EC has now 111€ billion in funding under the Next Generation EU and continues to raise funds via actions of EU-Bonds and Bills to meet its payment needs.

FOREIGN AFFAIRS

Finnish leaders announce backing for NATO membership: Finnish prime minister and vice president have endorsed the idea of their country joining NATO, a move that sets the stage for an application in the coming days. It was not until very recently, with the ongoing situation in Ukraine, that Finnish leaders saw their membership in NATO positively. For Finland joining this organisation could mean a final step in their way to political and economic integration with the west. Of course, Russia has negatively received the announcement, which has stated that it will take retaliatory steps. There are still several talks left with Sweden for this matter, but it looks pretty likely that formal applications will be presented early next week

EU-Japan summit, 12 May 2022: President of the European Council, Charles Michel, and President of the European Commission, Ursula von der Leyen, met with Japanese Prime Minister Fumio Kishida. Both the EU and Japan reaffirmed their close and strategic partnership. The summit covered all current topical issues, from the condemnation of Russia's actions and provision of support to the Ukrainian people to the launch of a digital partnership aimed at ensuring successful digital transitions. Leaders also covered the Indo-Pacific region issue, confirming their willingness for it to be a free and open region and to continue supporting ASEAN's role.