



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2019) 2294 final

- *English language version of the French text which is authentic* -

Brussels, 22 May 2019

TEXTE EN

MINUTES

of the 2294th meeting of the Commission

held in Brussels

(Berlaymont)

on Tuesday 7 May 2019

(morning)

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Single sitting: Tuesday 7 May 2019 (morning)

The sitting opened at 10.35 with Mr JUNCKER, President, in the chair.

Present:

Mr JUNCKER	President	
Mr ANSIP	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr OETTINGER	Member	
Ms MALMSTRÖM	Member	
Mr ARIAS CAÑETE	Member	
Mr VELLA	Member	Items 1 to 3 (in part)
Mr MOSCOVICI	Member	Items 1 to 3 (in part)
Mr STYLIANIDES	Member	
Ms BULC	Member	
Ms BIENKOWSKA	Member	
Ms JOUROVÁ	Member	
Ms VESTAGER	Member	
Sir Julian KING	Member	

Absent:

Mr TIMMERMANS	First Vice-President
Ms MOGHERINI	High Representative / Vice-President
Mr DOMBROVSKIS	Vice-President
Mr KATAINEN	Vice-President
Mr HAHN	Member
Mr MIMICA	Member
Mr ANDRIUKAITIS	Member
Mr AVRAMOPOULOS	Member
Ms THYSSEN	Member
Mr HOGAN	Member
Mr NAVRACSICS	Member
Ms CREȚU	Member
Mr MOEDAS	Member
Ms GABRIEL	Member

(7 May 2019)

The following sat in to represent absent Members of the Commission:

Mr SMULDERS	Chef de cabinet to Mr TIMMERMANS
Mr RENTSCHLER	Deputy Chef de cabinet to Ms MOGHERINI
Mr WYNANDS	Chef de cabinet to Mr DOMBROVSKIS
Ms DE BASALDÚA	Deputy Chef de cabinet to Mr KATAINEN
Mr KARNITSCHNIG	Chef de cabinet to Mr HAHN
Mr BEHRNDT	Chef de cabinet to Mr MIMICA
Ms ASTERIADI	Deputy Chef de cabinet to Mr AVRAMOPOULOS
Ms BERNAERTS	Chef de cabinet to Ms THYSSEN
Mr POWER	Chef de cabinet to Mr HOGAN
Ms KIRALY	Chef de cabinet to Mr NAVRACSICS
Ms RUS	Chef de cabinet to Ms CREȚU
Mr VICENTE	Chef de cabinet to Mr MOEDAS
Ms BORISSOVA	Chef de cabinet to Ms GABRIEL

The following also sat in:

Ms MARTÍNEZ ALBEROLA	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Ms AHRENKILDE HANSEN	Director-General, DG Communication	
Mr SCHINAS	Head of the Spokesperson's Service and Chief Spokesperson of the Commission	
Ms METTLER	Head of the European Political Strategy Centre	Items 2 (in part) to 4
Mr MOTOC	European Political Strategy Centre	Items 1 and 2 (in part)
Mr SZOSTAK	Deputy Chef de cabinet to the PRESIDENT	
Mr THOLONIAT	Adviser in the PRESIDENT's Office	
Ms ARKI	PRESIDENT's Office	

(7 May 2019)

Mr MÜLLER

Chef de cabinet to Mr VELLA

Items 3 (in part)
and 4

Mr SNELS

Secretariat-General

Ms ANDREEVA

Commission Spokesperson's Service

Secretary: Mr SELMAYR, Secretary-General, assisted by Mr AYET PUIGARNAU,
Director in the Secretariat-General.

**1. AGENDA AND WEEKLY MEETING OF CHEFS DE CABINET
(OJ(2019) 2294/FINAL; RCC(2019) 2294)**

At the opening of the meeting, the PRESIDENT noted that 14 Members of the Commission were present. He reminded the College that the number of Members present required to constitute a quorum was 15, in accordance with Article 7 of the Rules of Procedure of the Commission.

In view of this, the PRESIDENT authorised the launch of a written procedure (PE/2019/3410) in order to adopt as quickly as possible the decisions in items 3, 4, 6 and 7 of the agenda of that day's meeting, set out in OJ(2019) 2294 final, the adoption of which had been recommended by the Chefs de Cabinet at their weekly meeting on 6 May 2019, as set out in RCC(2019) 2294.

The PRESIDENT adopted the definitive agenda of that day's meeting, in accordance with Article 6 of the Rules of Procedure. It included the presentation of the Spring 2019 Economic Forecast, the preparation of the informal meeting of EU leaders (EU-27) to be held in Sibiu on 9 May 2019, and the raising of an issue relating more specifically to Cyprus.

2. PRESENTATION OF THE 2019 SPRING ECONOMIC FORECAST

The PRESIDENT asked Mr MOSCOVICI to present a summary on the spring economic forecast that would be published that day after the Commission's meeting.

Mr MOSCOVICI drew five main messages from the forecast.

First, the European economy would continue to grow in 2019 and 2020. He explained that the economies of all the Member States would register positive growth, which was good news at a time when some were talking of stagnation or even recession for this year. Despite a slight dip in the second semester of 2018, he noted that the foundations of the European economy were still solid. Thus economic growth should reach 1.2% in 2019 and 1.5% in 2020 in the euro area and 1.4% and

1.6% respectively in the Union as a whole, which meant that the downward revision of the forecast compared with the winter forecast was very slight. He also highlighted a strong upturn in the Member States in which the Union had deployed an assistance programme – Greece, Ireland, Portugal, Spain and Cyprus – which, for the period 2018-2020 should see growth of 2.8%, to be compared with the average of 1.5% for the euro area, proving that the reforms carried out appeared to be bearing fruit.

Second, the spring economic forecast indicated a second piece of good news, which was the continued improvement of the labour market, which should lead to new salary increases. He considered that the growth in jobs should allow the unemployment rate to drop to 7.7% in 2019 and 7.3% in 2020 in the euro area, i.e. below the level prior to the financial crisis, whilst it should reach 6.5% in 2019 and 6.2% in 2020 in the Union as a whole with a new record rate of employment in 2019. These figures were therefore in line with the path followed since the beginning of the current Commission's term of office, as highlighted in the Commission's contribution to the informal meeting of the 27 Heads of State or Government on 9 May in Sibiu, Romania.

Third, inflation should remain moderate, i.e. at 1.4% in 2019 and 2020 in the euro area and at 1.6% and 1.7% respectively in the European Union.

Fourth, monetary and budgetary policies should support growth. The European Central Bank's permanently accommodative monetary policy should make it possible to keep financing costs very low. He announced that, compared with 2018, the euro area's fiscal stance as a whole should become slightly expansionist in 2019 and in 2020, leading to an increase in the deficit to 0.9% in 2019 and in 2020, remaining below the 1% mark, while in the European Union the deficit would increase to 1% in 2019 and 2020. Government debt should continue to drop to 85.8% in 2019 and 84.3% in 2020 in the euro area and to 80.2% in 2019 and 78.8% in 2020 in the Union. Mr MOSCOVICI felt that the current Commission had contributed substantially to these results with its intelligent application of the rules of the Stability and Growth Pact since the beginning of its term of office. However,

he pointed out the persistence of external downside risks, in particular the risk of new US protectionist measures or a long-term slowdown of global demand, and also of internal downside risks that could affect private investment, such as the uncertainty linked to the withdrawal of the United Kingdom from the Union.

To conclude, Mr MOSCOVICI considered that the European economy was holding up pretty well faced with a global economic situation that was less favourable and persistent uncertainties, but he stressed that the Commission, the Member States and the central banks should be ready to provide more support for the economy if necessary in parallel to reforms that were conducive to growth.

In answer to a question from the PRESIDENT, Mr MOSCOVICI indicated that the slowdown of the international and European economic situation was largely due to commercial tensions, in particular the United States and China, which had a direct impact on the most industrialised European economies that exported the most, as well as an indirect impact on levels of investment, since these uncertainties made private investors particularly cautious. He added that the reason for this slowdown was political rather than structural and cyclical and that it was based on external rather than internal factors.

During a brief discussion, a question was asked about the reason why the Union, whose economy was of a comparable size to that of the United States, had not grown in line with its potential despite the dynamism of the economies of the Eastern European Member States in particular.

The PRESIDENT explained in response to that question that the United States was a single economic area guided by a single political leadership, while the EU Member States had not wanted, in the negotiations preceding the signing of the Maastricht treaty, to seize the opportunity to provide itself with an economic government, which in his view was a fundamental error.

As for the growth differentials within the Union, the PRESIDENT noted that the Union's budgetary aid had made it possible for the economies of the Member States

that had been among the most recent to join the Union to catch up and to register solid rates of growth which fed growth across Europe. Furthermore, he added that without the flexibility provided for in the Stability and Growth Pact and granted to some Member States, those Member States could technically find themselves in recession.

The Commission took note of this information.

3. PREPARATION OF THE INFORMAL EU-27 LEADERS' MEETING IN SIBIU ON 9 MAY 2019

The PRESIDENT introduced the College's discussion on the preparation of the informal meeting of the leaders of the 27 Member States which would take place in Sibiu on Thursday 9 May and on the Union's strategic priorities for the coming years.

The meeting in Sibiu, which he had announced in his State of the Union address in September 2017, which was meant to send a message of hope and unity shortly before the European Parliament elections, to show that the Union was focusing on a positive programme and not allowing itself to be distracted by Brexit. It was also intended to show that the Union valued its most recent EU Member States and its regions, as demonstrated by the choice of the Romanian city of Sibiu as the venue for the summit.

The PRESIDENT recalled that the Commission had adopted a communication the week before as a contribution to the discussions which the Heads of State or Government would have in Sibiu. In addition, there was now (i) a draft declaration, which had been approved on 6 May by the representatives of the President of the Commission and of the President of the European Council, Donald TUSK, and by the 27 Member States, and (ii) the note by the President of the European Council to the EU leaders, outlining the main priorities of the strategic action programme of the 27 Member States for the period 2019 to 2024.

In the course of the discussion that followed, the Commission raised the following key points:

- the significant change that had taken place since the beginning of the current Commission's term of office and since the period in which the White Paper launching the great debate on the future of Europe had been published;
- a reminder of the sense of urgency at that time in the face of the risks confronting the Union relating to the economy, security, migration, climate change and the geopolitical transformation; the anxiety about the future of Europe at that time;
- the considerable progress that had been made in recent years to provide sound and effective responses to these concerns and the need to take stock of these achievements; the advances made thanks to the initiatives of the current Commission, including the creation of 12 million jobs;
- the confidence and even pride which these advances should give the Union in the campaign for the European Parliament elections, although this was not to deny the challenges and threats that remained;
- a call for direct and optimistic messages to encourage the 27 Member States to declare their willingness to commit to uniting to work even more closely and to moving forward together to tackle the internal and external challenges they faced;
- viewed in this light, the real value of the Commission communication and the importance of the draft Sibiu declaration which provided ideas for further reflection to help shape the living conditions of future generations of Europeans;
- the conclusions which Commission Members drew from the hundreds of citizens' dialogues in which they had participated during the current term of office, namely that the Union should do more to tackle the big challenges common to the EU (in particular, ensuring Europeans' safety in the face of

terrorism, combating climate change and enforcing the principles of the rule of law), and that it should assume a leading role;

- the noticeable improvement in the image of the Union among European citizens in all Member States, as measured by the *Eurobarometer* opinion polls, which could be explained partly by the EU's achievements under the current Commission and by a better understanding of the relevance of its scale in providing responses to the major social challenges;
- a call for the Union to encourage the Member States to undertake reforms and take the difficult decisions that were needed;
- the need to present the successes of the current Commission as the foundations on which the next Commission and the Member States would build in order to translate the far-reaching legislation adopted during the current term of office into actions;
- independently of the achievements of the current Commission, the widespread insecurity felt by many ordinary people, which the European Union should take into account by showing that it was listening to people and protecting them;
- hence the case for a practical illustration of how the Union protected its citizens, for example by strengthening its Civil Protection Mechanism with the addition of major operational resources for reacting in cases of crises and natural disasters;
- the importance of explaining to the public and the media why some proposals had not been adopted, despite people's expectations and the initiatives taken by the Commission;
- the need to think about the question of the acquisition of a European identity, and the issue of a decentralised form of communication to allow messages to be tailored better to their respective audiences;

- the positive image of the Union on the international stage and on the big issues in society: climate change, the protection of biodiversity and the development of renewable energy;
- calls (i) to continue to invest massively in combating climate change and protecting the environment for ethical but also economic reasons, given the opportunities for growth and job creation that could be exploited, (ii) to use the model of broad stakeholder consultation adopted by the current Commission, and (iii) to invest in connectivity by helping EU undertakings to commit to this;
- the need to think about a European industrial strategy for the future and ways for the European Union to maintain its leadership in the face of global competition in the mega-trends of technological development, such as digitalisation of the economy, 5G and supercomputers; the positive and very promising example of the European Battery Alliance;
- a recommendation that in Sibiu the PRESIDENT should cite the positive track record of the past five years and the recent change in the mood in the European Union as grounds for urging the leaders to do more together in order to ensure respect for the rule of law;
- despite the good results, the vital importance of not downplaying certain risks within the Union, particularly the rise of rejection of ‘the other’ and the rise of anti-democratic tendencies; a call for continued vigilance as regards the false mantle of respectability assumed by certain populist movements and the shift towards these positions by some traditional parties;
- the simplistic and reductionist arguments of the populist discourse that were based on the declared determination of the parties which employed that discourse to prioritise the interests of their particular country at the expense of others, even though it was often impossible to separate individual interests from the common good;

- the contradiction between the Christian values which many populist movements claimed to be defending and the opposition of these same parties to taking in refugees in the European Union which, quite apart from being a legal obligation, was a practical manifestation of the values of humanity and solidarity common to all religions.

The PRESIDENT wound up the discussion by thanking the Members of the College for their contributions to the debate on the future of Europe, which he would present at the press conference he was giving later that day and when he addressed the Heads of State or Government of the Union in Sibiu on 9 May.

The Commission took note of this information.

4. OTHER BUSINESS

SITUATION IN CYPRUS

The Commission mentioned the tensions following the recent announcement by Turkey of its intention to start drilling for gas in the exclusive economic zone of Cyprus, and the statement by Ms MOGHERINI calling for Cyprus's sovereign rights to be respected.

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The meeting closed at 11.50.