



Malta-EU Steering & Action Committee

ECONOMIC AND FINANCIAL AFFAIRS



11.12.09

From the European Commission

State Aid Scoreboard Report

COM (2009) 661 – Report from the Commission State Aid Scoreboard Report on State aid granted by the EU Member States - autumn 2009 Update

The autumn 2009 update of the State Aid Scoreboard focuses on the State aid situation in the twenty-seven Member States for the year 2008. It provides an overview over aid levels and the objectives pursued by aid granted by Member States. The report includes a specific section on State aid granted to financial institutions in response to the financial and economic crisis.

Furthermore, the Scoreboard reports on progress towards delivering a comprehensive and coherent reform package for State aid that began with the State Aid Action Plan (hereinafter "SAAP") in 2005. Finally, it provides achievements in the enforcement of State aid rules. This autumn's Scoreboard consists of two parts: This summary report on State aid granted by the EU Member States focuses on key facts, conclusions, trends and patterns with regard to State aid granted by Member States as well as key policy developments in the context of State aid control. Its annex, "Facts and figures on State aid in the EU Member States", provides additional factual background.

The EFTA Surveillance Authority (ESA) publishes an annual scoreboard on the volume of State aid granted in Iceland, Liechtenstein and Norway.

VAT

COM(2009)668 - Proposal for a Council Decision authorising the Republic of Lithuania to extend the application of a measure derogating from Article 193 of Council Directive 2006/112/EC on the common system of value added tax



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Lithuania currently applies a measure derogating from Article 193 of the VAT Directive as regards the use of a reverse charge mechanism in case of supplies of timber and in case of supplies of goods and services by businesses under an insolvency or restructuring procedure subject to judicial oversight. Given that this derogation will soon expire, this Member State has requested authorisation to continue to apply the measure.

The Commission found that the situation on which the initial derogation was based still prevails and that the previous derogation has enabled Lithuania to reduce the risk of VAT evasion and to simplify the procedure for charging the tax in the timber market and as regards certain supplies under insolvency or restructuring procedure. It is thus proposing that the Council adopt this Decision so that the derogation be granted for another limited period.

From the European Parliament

[Interview with Jean-Paul Gauzès MEP, rapporteur on "hedge fund" directive – 09/12/2009](#)

The extent to which hedge funds should be regulated is one of the key issues facing MEPs on the Economic and Monetary Affairs Committee. In the spring they must square the circle and find consensus around a directive on to what extent to regulate such "alternative investment funds". Many on the left want more regulation whilst the right fears such steps will stifle the industry or force it out of the EU. Parliament's rapporteur for the issue is Jean-Paul Gauzès, from the centre-right EPP group.

The French MEP's' report tabled in Parliament's Economic and Monetary Affairs Committee last week is based on a Commission proposal for a directive to ensure that fund managers in the EU are subject to supervision. However, some countries are concerned about too much regulation. Among the main issues are the appetite for risk and concern over a lack of transparency and regulations. [Click here](#) to view the full interview with Jean-Paul Gauzès.

From the Council

[First European Council under the Lisbon Treaty
10/11 December 2009](#)

The new Treaty of Lisbon will allow the Union to fully concentrate on addressing the challenges ahead. Work will continue in the coming months to ensure its full implementation, particularly as regards the setting up of the European External Action Service and the adoption of legislation on the citizens' initiative. Noting that the economic situation is starting to show signs of stabilisation, the European Council stressed the importance of developing credible and



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coordinated strategies for exiting from the broad-based stimulus policies once the recovery is fully secured. Over the past months the EU has made good progress in strengthening its regulatory framework, in particular with the agreement reached by the Council on a fundamentally new structure for financial supervision in Europe. Given the important structural challenges facing the EU, it is necessary to evaluate the impact of the Lisbon Strategy and develop a new strategy which also responds to new challenges. The European Council adopted a new multi-annual programme for the years 2010- 2014, the Stockholm Programme, which will allow for the further development of an area of freedom, security and justice. The European Council exchanged views on how the EU could best contribute to a successful outcome at the Copenhagen Conference on climate change. Reconfirming the position it had agreed at its October meeting, it stated the readiness of the EU and its Member States to contribute with fast-start funding of EUR 2.4 billion annually for the years 2010 to 2012. The European Council adopted declarations on Iran and on Afghanistan.

[Click here](#) to view the conclusions in further detail

Economic Papers of Interest

[The euro: It can't happen, it's a bad idea, it won't last. US economists on the EMU, 1989-2002 - Lars Jonung and Eoin Drea](#)

[European Economy Research Letter Volume 3 Issue 3](#)

Other Matters

EIB supports with EUR 825 million the development of transport infrastructure in Poland – **04/12/2009**

The European Investment Bank (EIB) is providing two loans to help Poland develop and upgrade its road transport infrastructure: EUR 500 million for the construction of a 91 km section of the A2 Motorway, and EUR 325 million for the rehabilitation of the Poland's national and local road network. [Click here](#) for more info

EIB provides CZK 2 billion for urban infrastructure in Plzen (Czech Rep.) – **08/12/2009**

The European Investment Bank (EIB) is lending CZK 2 billion (approx. EUR 73 million) to the Municipality of Plzen (West Bohemia) to implement priority urban regeneration schemes identified in the city's 2004 Development Plan. [Click here](#) for more info

Western Balkans Investment Framework launched – **09/12/2009**



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The European Commission, the European Investment Bank, the European Bank for Reconstruction and Development, the Council of Europe Development Bank, with the endorsement of EU Member States, launched the Western Balkans Investment Framework (WBIF) to finance priority projects in the Western Balkans. [Click here](#) for more info

[European Investment Bank support joint venture between National Grid and TenneT to build interconnector – 09/12/2009](#)

The European Investment Bank has agreed to provide EUR 300m for construction of electricity interconnector between the United Kingdom and the Netherlands. [Click here](#) for more info

[EIB finances expansion of Port of Barcelona – 09/12/2009](#)

The European Investment Bank (EIB) has approved a EUR 150 million loan for expanding the Port of Barcelona. EIB Vice-President Carlos da Silva Costa and the Chairman of the Barcelona Port Authority, Jordi Valls, signed the finance contract in Catalonia's capital. [Click here](#) for more info