

THE EURO BRIEF



JUNE 21, 2018

FOREIGN AFFAIRS

EUROPE – US

EU to hit \$3.2 billion of US imports in response to Trump's tariffs

European Commission said it will start charging import duties of 25 percent on a range of US products, including bourbon and motorbike, after Washington imposed tariffs on EU steel and aluminum. [*CNBC*, June 20, 2018]

Merkel dismisses Trump's claims about German crime

German Chancellor Angela Merkel dismissed claims by US President Donald Trump that officials in her country are ignoring a rise in crime since migrants were accepted, saying Tuesday that the actual figures "speak for themselves". [*Politico*, June 19, 2018]

EUROPE – RUSSIA

European Union extends Crimea sanctions for a year

The EU extended economic sanctions on Crimea and its port city of Sevastopol and said it remains "firmly committed to Ukraine's sovereignty and territorial integrity, does not recognize and continues to condemn this violation of international law." [*Deutsche Welle*, June 18, 2018]

Russia calls new NATO combat readiness plan blow to Europe's security

Russia said that a new NATO plan to step up its combat readiness in Europe and get more NATO battalions, ships and planes ready for combat would worsen security on the continent and that Moscow would factor it into its own military planning. *[Reuters*, June 13, 2018]

EUROPE – EAST ASSIA

European firms see progress but still unequal treatment in China

European firms in China think that foreign-invested companies are treated unfairly, and almost two-thirds think that there's a lack of reciprocity between the access to China's markets that they get, and the access Chinese companies get to Europe. [*Bloomberg*, June 20, 2018]

Chinese and Belarusian officials meet on bilateral cooperation

President Xi met with Belarusian President Lukashenko and expressed his hope that the two sides would make good use of the mechanism of the cooperation committee and push forward cooperation in various fields and Belt and Road construction. *[Xinhua, June 11, 2018]*

EUROPE – MIDDLE EAST

Rohani to visit Switzerland and Austria amid Iran nuclear deal dispute

Iranian President plans to focus on the latest developments regarding the Iran nuclear deal to "find ways of preserving the progress made as a result of the agreement and of ensuring the non-proliferation of nuclear weapons in the region." [*Radio Free Europe/Radio Liberty*, June 18, 2018]

European Isil jihadists released under secret deals agreed by UK's allies in Syria

The UK's allies in Syria have released European Islamic State suspects back to the terror group through secret prisoner swap deals, raising concerns that jihadists are returning to the battlefield and could re-enter Europe. [*The Telegraph*, June 15, 2018]

EUROPE – ISRAEL

Sebastian Kurz in Israel vows to fight anti-Semitism, promote Israeli security

Austria's Chancellor has undertaken a three-day visit to Israel, said Austria will try to raise awareness in Europe for the special situation and the special security needs of Israel and signed bilateral agreements on education, science and research. [*Deutsche Welle*, June 11, 2018]

EU backs effort to prosecute Israeli officials for human rights violations

The EU allocated a budget of \notin 250,000 and is funding a project to prosecute Israel Defense Forces officers for committing violations against Palestinian civilians during house raids by establishing an "evidence bank". [*Middle East Monitor*, June 18, 2018]

INTERNAL AFFAIRS

EU POLITICS

Juncker wants to establish take-back mechanism for refugees in the EU

EU Commission President Juncker supports Chancellor Merkel in her search for a European solution in asylum policy, saying asylum seekers should be obliged to remain in the EU country in which their application is to be processed. [*Frankfurter Allgemeine Zeitung*, June 21, 2018]

Salvini warns EU to 'defend its border' against migrants

Italy's far-right interior minister is calling on the EU to "defend its border" against migrants and suggested that Italy was ready to "renegotiate" its financial commitments to the bloc if more was not done to help Italy handle the migrant crisis. [*The Guardian*, June 20, 2018]

Bavaria's Markus Söder and Austria's Sebastian Kurz unite on migration

Austrian Chancellor Sebastian Kurz and Bavaria's Premier Markus Söder, stressed the importance of closing the EU's "external border," with Söder stressing that failure to find a solution to migration would be "a problem for democracy" in Europe. [*Deutsche Welle*, June 20, 2018]

<u>Merkel and Macron unveil 'new chapter' for Eurozone in major budget reforms</u> German Chancellor and French President met to lay out their plan to revive the financial situation of the bloc, agreed to create a "real" budget for the Eurozone and produced a declaration titled 'Renewing Europe's promises of security and prosperity'. [*Express*, June 20, 2018]

Dutch PM doubles down on smaller budget and stricter EU rules

Mark Rutte reiterated his vision that the EU budget should be smaller after Brexit, restated his reluctance to assign new powers to Brussels and doubled down on his opposition to a Eurozone "transfer union." [*Politico*, June 13, 2018]

Poland's president wants a referendum on the EU

As the relations between the ruling Law and Justice Party and Brussels fraught, Andrzej Duda wants to tackle the question of Poland's relationship with the EU in a broader referendum on constitutional reform. [*The Economist*, June 20, 2018]

Macedonia and Greece sign 'brave, historic' agreement on name change

The foreign ministers of Macedonia and Greece have signed a historic agreement on a modified name for the former Yugoslav republic, a major step in ending a 27-year dispute, and paved the way for Macedonia to seek membership in the EU and NATO. [*Radio Free Europe/Radio Liberty*, June 17, 2018]

DOMESTIC POLITICS

French parliament passes rail reform that sparked months of strikes

The Senate and lower house gave final approval to a controversial reform of indebted state rail operator SNCF, handing President Emmanuel Macron a key victory in his battle with trade unions. [*France24*, June 14, 2018]

Catalonia the big challenge for Spain's Sanchez

The separatist challenge in Catalonia and agreeing on a new funding system for Spanish regions are the most important issue for Prime Minister Pedro Sanchez as his new Socialist government starts to administer Spain. [*Bloomberg*, June 14, 2018]

Hungary promises taxes and jail terms to deter immigrant helpers

Hungary is to step up its anti-immigration measures with a new 25 percent special tax on aid groups which support migration and jail terms for those convicted of helping immigrants stay in the country. [*Euronews*, June 19, 2018]

Czech billionaire's ruling plan shows cracks over cabinet lineup

Babis's plan to govern in a coalition with the Social Democrats suffered a setback as the potential partners clashed over who should be the foreign minister in the joint cabinet so he has to rely on tacit support from the Communists. [*Bloomberg*, June 17, 2018]

Volkswagen pays a fine in the billions

The public prosecutor's office in Braunschweig sees responsibility for the entire company, not just individual departments, as described by VW and has imposed a fine of one billion euros on VW AG due to the diesel scandal. [*Frankfurter Allgemeine Zeitung*, June 14, 2018]

JEWISH COMMUNITIES

German rappers accused of anti-Semitic lyrics won't be prosecuted

The two rappers who came under fire for song lyrics that lightheartedly referred to Auschwitz inmates will not face legal charges after the prosecutors concluded that the verses didn't amount to Holocaust denial or incitement to violence. [*The Times of Israel*, June 17, 2018]

Far-right Party confirms: we deleted anti-Semitic cartoon from leader's Facebook

Austria's far-right party admitted to Haaretz it had deleted the anti-Semitic cartoon posted six years ago by Austrian Vice Chancellor Heinz-Christian Strache to his Facebook page, maybe in a response to pressure by the local Jewish community. [*Haaretz*, June 13, 2018]