

European Commission Spring 2020 Economic Forecast: A deep and uneven recession, an uncertain recovery

On 6 May 2020, the European Commission presented its Spring 2020 Economic Forecast, the first one following the beginning of the COVID-19 outbreak in Europe. In its report, the European Commission highlights that the pandemic represents a major shock for the global and EU economies, with very severe socio-economic consequences. Despite the swift and comprehensive policy response at both EU and national level, the EU economy will experience a recession of historic proportions this year. The Spring 2020 Economic Forecast projects that the euro area economy will contract by a record 7,75% in 2020 and grow by 6,25% in 2021, while the whole EU economy is forecast to contract by 7,5% in 2020 and grow by around 6% in 2021. Growth projections for the EU and euro area have been revised down by around nine percentage points compared to the Autumn 2019 Economic Forecast. You can consult the full report [here](#).

CEEP at the Informal EPSCO of the Croatian Presidency of the EU

An informal EPSCO (Employment, Social Policy, Health and Consumer Affairs) Council took place on 5 May, focusing on the “Impact of the COVID-19 pandemic on the European demographic challenge and measures for economic recovery and social security”. The meeting gave the opportunity to EU Social Partners and EU ministers to exchange experiences and provide inputs to support the Commission on the finalization of its upcoming Report on the Impact of Demographic Change and the recovery plan, with a strong social dimension. Solidarity, cohesion, and convergence were reinforced as the main principles that should guide both European and national action. The meeting shed light on the new obstacles imposed by the pandemic to the structural challenge of demographic change and gave an important boost to the work on this policy field.

During her intervention, CEEP General Secretary, Valeria Ronzitti, highlighted how the pandemic has further exposed the essentiality of public services and SGIs to the well-being of European citizens. In this spirit, CEEP called for the European leaders to urgently tackle the investment gap of our social infrastructure, which is indispensable not only to recovery, but to build long-term resilience. Furthermore, ministers and Social Partners jointly emphasized the need for a swift European response to the COVID-19 crisis, particularly when it comes to the implementation of instruments such as the SURE, which will be a vital additional support to workers across our Union.

Meeting with Commissioner for Home Affairs Ylva Johansson on 5 May 2020

CEEP attended on 5 May 2020 a meeting with Commissioner for Home Affairs Ylva Johansson to discuss the contribution of migrants and refugees to the EU post-COVID-19 economic recovery. The ongoing COVID-19 outbreak is also having a big impact on the socio-economic situation of migrant people, whilst many EU citizens are realising their important contribution to keeping our economies and basic services

functioning during difficult times. The Commissioner was particular keen to hear our views on the challenges for migrants in the current situation, and develop ideas on how to include migration in the socio-economic recovery.

As providers of public services and SGIs, CEEP members have been in the forefront of the fight against the Coronavirus – notably, healthcare providers – whilst continuing the provision of essential services and guaranteeing the safety and well-being of citizens. CEEP stressed, during the meeting, the crucial contribution of migrant workers to support EU economies and public services, and to fill labour shortages, especially in sectors most hit by the crisis such as domestic and care work, public healthcare, transport,...

Building on the social partners input, Commissioner Johansson released the [following statement](#), reinforcing the Commission's cooperation with the EU Social and Economic partners and renewing the commitment in the joint [European Partnership for Integration](#).

Should you wish to receive any further information on the outcome of the meeting, do not hesitate to contact CEEP Project Manager [Carlotta Astori](#).

CEEP answer to the feedback consultation for a European Year of Rail 2021

On Monday 4 May, CEEP sent its contribution to the European Commission's consultation on a European Year of Rail 2021. CEEP welcomes the Commission's efforts to promote rail transport at the European level and bring special attention to this sector. However, CEEP still sees a great lack of attention to public transport modes in its proposal. For a successful and sustainable new transport modal shift, the Commission has been advised to also take into account the benefits of public transports. You can read [CEEP's full response here](#).

ENVI Committee draft opinion on the Just Transition Fund

The Committee on Environment, Public Health and Food Safety, a committee of the European Parliament (ENVI), has debated its [Draft Opinion](#) on the Just Transition Fund (JTF) highlighting the divisions within the European Parliament over the fund's allocations and applications.

MEPs of the ENVI Committee highlighted that the proposal of the Commission to put €7,5bln into the JTF is insufficient. As a consequence of the COVID-19 crisis, additional funding would be needed to carry out the JTF's objectives of helping EU members ditch their carbon-heavy activities and execute their green transition.

Alexandr Vondra (EPP, CZ), rapporteur of the draft opinion, asked for greater amounts to be allocated to the most coal-dependent regions, and for wealthier EU Member States to give up their share of the fund in order to benefit countries with higher needs. At the same time, Mr Vondra suggested postponing the proposed EU 2050 climate-neutrality objective in light of the impacts of COVID-19, but many MEPs have shown objections.

Despite the fact that the ENVI Committee does not have a final decision-making power on the JTF, the opinion is expected to contribute to shaping the position of the Manolis Kefalogiannis (EPP, Greece) proposal, rapporteur of the [Draft Report](#) in the leading Committee on Regional Development.

Adoption of the European Commission banking package

On 28 April 2020, the European Commission adopted a [banking package](#) aimed at facilitating bank lending to support the economy and help mitigate the economic impact of COVID-19. The package encourages banks and supervisory bodies to apply the EU's accounting and prudential rules more flexibly and proposes targeted amendments to EU banking rules. The Commission proposes exceptional temporary measures to alleviate the immediate impact of Coronavirus-related developments, by adapting the timeline of the application of international accounting standards to banks' capital, by treating more favourably public guarantees granted during this crisis, by postponing the date of application of the leverage ratio buffer and by modifying the way of excluding certain exposures from the calculation of the leverage ratio. The Commission also proposes to advance the date of application of several agreed measures that incentivise banks to finance employees, SMEs and infrastructure projects.