

First joint investigation team between Italy and Poland

31 May 2018

Today, the representatives of the judicial authorities of Italy and Poland, as well as the National Members for Italy and Poland at Eurojust, held a coordination meeting to enhance the implementation of the first joint investigation team (JIT) agreement ever signed between the two Member States concerned, which will assist in coordinating the national authorities' investigations into a large-scale case of excise fraud, involving evasion of alcohol duty.

According to the investigations in Italy and Poland, the members of an organised crime group (OCG) have been importing to Italy industrial alcohol of chemical origin from Poland, to which no excise duty applies. The alcohol was then sold on the Italian market as liquor for consumption, although the false documentation accompanying it indicated that it was produced for other uses, such as for disinfection purposes. The analysis of some alcohol already seized confirmed that the imported goods were indeed dangerous for human consumption. The OCG has been profiting from this fraud by illegally avoiding paying the excise duty applicable to liquor.

The goal of this JIT is to ensure the swift progress of the parallel ongoing investigations through coordinated actions and the exchange of case-related information and evidence, thus dismantling the transnational OCG and bringing its members to justice. Eurojust will facilitate the functioning of this JIT and the cooperation between Italy and Poland by providing the necessary financial and logistical support.

First joint investigation team between France and Italy

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In May 2018, Eurojust held a coordination meeting with representatives of the judicial authorities of France and Italy, as well as the French and Italian National Desks at Eurojust, to set up a joint investigation team (JIT) in the context of a serious case of transnational nature. The resulting JIT agreement was the first of its kind to be signed by the two Member States concerned, also thanks to the recently adopted Italian legislation implementing Council Framework Decision 2002/465/JHA.

Eurojust will facilitate the cooperation between France and Italy by providing the necessary financial and logistical support to this JIT. As one of Eurojust's most effective judicial cooperation tools, this JIT will assist in coordinating the parallel investigations of the French and Italian authorities involved, through the exchange of case-related information and evidence in a speedier and more efficient manner. This JIT will ensure that the ne bis in idem principle is respected, thus avoiding the unnecessary investigation and prosecution of the same suspect through two different national jurisdictions.

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European Commission reacts to the US restrictions on steel and aluminium affecting the EU

President of the European Commission, Jean-Claude **Juncker** said: *"I am concerned by this decision. The EU believes these unilateral US tariffs are unjustified and at odds with World Trade Organisation rules. This is protectionism, pure and simple. Over the past months we have continuously engaged with the US at all possible levels to jointly address the problem of overcapacity in the steel sector. Overcapacity remains at the heart of the problem and the EU is not the source of but on the contrary equally hurt by it. That is why we are determined to work towards structural solutions together with our partners. We have also consistently indicated our openness to discussing ways to improve bilateral trade relations with the US but have made it clear that the EU will not negotiate under threat. By targeting those who are not responsible for overcapacities, the US is playing into the hands of those who are responsible for the problem. The US now leaves us with no choice but to proceed with a WTO dispute settlement case and with the imposition of additional duties on a number of imports from the US. We will defend the Union's interests, in full compliance with international trade law."*

Commissioner for Trade Cecilia **Malmström** said: *"Today is a bad day for world trade. We did everything to avoid this outcome. Over the last couple of months I have spoken at numerous occasions with the US Secretary of Commerce. I have argued for the EU and the US to engage in a positive transatlantic trade agenda, and for the EU to be fully, permanently and unconditionally exempted from these tariffs. This is also what EU leaders have asked for. Throughout these talks, the US has sought to use the threat of trade restrictions as leverage to obtain concessions from the EU. This is not the way we do business, and certainly not between longstanding partners, friends and allies. Now that we have clarity, the EU's response will be proportionate and in accordance with WTO rules. We will now trigger a dispute settlement case at the WTO, since these US measures clearly go against agreed international rules. We will also impose rebalancing measures and take any necessary steps to protect the EU market from trade diversion caused by these US restrictions."*

Background

The US measures affect EU exports worth €6.4 billion in 2017. While striving to avoid today's situation, the EU has been preparing over the last months and stands now ready to react to the US trade restrictions on steel and aluminium in a swift, firm, proportionate and fully WTO-compatible manner.

The EU will launch legal proceedings against the US in the WTO on 1 June. This was decided by the College of Commissioners on 29 May and Member States were consulted on the same day. The US measures are primarily intended to

protect the US domestic industry from import competition, clearly at odds with WTO rules. In addition to the WTO dispute settlement we are launching against the US measures, we have also coordinated action in this field with other affected partners.

As regards the US tariff measures, the EU will use the possibility under WTO rules to rebalance the situation by targeting a list of US products with additional duties. The level of tariffs to be applied will reflect the damage caused by the new US trade restrictions on EU products. The list of US products is ready: it was consulted with European stakeholders and supported by Member States. The EU notified its potential rebalancing to the WTO on 18 May and, in line with the Organisation rules, could trigger them 30 days later. The Commission will now in coordination with Member States take a formal decision to proceed with the rebalancing.

The Commission is determined to shield the EU steel and aluminium markets from damage caused by additional imports that might be coming into the EU as a result of the closure of the US market. An investigation towards possible imposition of safeguard measures on steel was launched on 26 March. The Commission has nine months to decide whether safeguard measures would be necessary. This decision could also be taken much earlier in the proceedings, if the investigation confirms the necessity for swift action. The Commission has also put in place a surveillance system for imports of aluminium to be prepared in case action will be required in that sector.

For more information

[EU plan to counter US trade restrictions, as presented on 7 March](#)

[Commission statement following the US announcements of 1 May](#)

[List of products for rebalancing](#)

[Safeguard proceedings on steel](#)

[WTO dispute settlement](#)

[More on EU-US trade relations](#)

[Commissioner Moscovici's remarks on proposals for a Reform Support Programme and an Investment](#)

Stabilisation Function

Bonjour à tous.

Les deux textes que nous vous proposons aujourd'hui – l'outil de soutien aux réformes et la fonction de stabilisation pour la zone euro – forment un ensemble équilibré, économiquement et politiquement.

L'idée c'est d'approfondir les bases de notre monnaie unique:

D'abord en renforçant la cohésion de la zone euro par de nouveaux mécanismes. Il faut en effet éviter qu'elle ne devienne progressivement, face aux chocs et face aux crises passées et à venir, une zone euro à deux vitesses. Une zone euro dans laquelle certains citoyens, voire pire certains Etats-membres, ne se reconnaîtraient plus.

Mais nous devons aussi préparer l'élargissement de la zone euro pour qu'elle soit dans les faits la monnaie de l'Union européenne tout entière, ce qu'elle est déjà en droit, ne l'oublions pas quand on débat d'élargissement.

Nos propositions établissent un équilibre que je crois juste et précis entre trois nécessités:

D'abord, la nécessité de garantir la responsabilité de tous. Ces deux textes sont le reflet de notre philosophie et de notre pratique en la matière depuis l'arrivée de cette Commission en 2014: l'encouragement chaque fois que possible; la sanction uniquement lorsque nécessaire.

Ensuite, deuxième nécessité, celle de renforcer en parallèle la solidarité :

- Solidarité du budget européen avec les Etats qui mettent en oeuvre des réformes qui profiteront à toute l'Union, avec un accent supplémentaire mis sur les pays qui s'engageront politiquement dans l'adhésion à l'euro via "l'outil de convergence";
- Solidarité face aux chocs macroéconomiques asymétriques auxquels les Etats de la zone euro font face et dans cette hypothèse-là, il est aussi logique d'avoir le soutien de tous.

Et enfin, troisième nécessité, celle de maintenir un équilibre entre les Etats-membres pour qui l'euro est un horizon, et ceux pour qui l'euro est une réalité, avec des contraintes réelles – car si l'euro est protecteur, l'euro est aussi exigeant. Il faut être conscient de cela. La zone euro ne sera réellement attractive dans la durée que si elle est solide et prospère en son cœur. C'est l'une des leçons de la crise dont nous sommes enfin sortis!

C'est la raison pour laquelle, en complément de ce que Valdis a dit sur l'outil de réformes, je crois que l'outil de stabilisation que nous proposons aujourd'hui est une étape importante pour la stabilité précisément de la zone euro.

Il s'agit, je le redis, du premier outil de solidarité pour la zone euro dans

le budget européen. C'est une avancée politique majeure.

Il nous permettra en fait de protéger l'investissement dans les infrastructures et le capital humain lorsqu'il est menacé par un fort choc asymétrique.

Qu'est-ce qu'on entend par asymétrique ? C'est-à-dire lorsqu'il concerne plus particulièrement un seul ou plusieurs Etats-membres de la zone euro, mais pas tout l'ensemble de la zone euro.. C'est une situation dans laquelle la Banque Centrale Européenne a forcément moins de moyens d'action, là où une banque centrale nationale, si on était encore dans cette configuration, pourrait adapter ses taux à la situation du pays s'il n'y avait pas l'euro.

Dans ce cas, si le choc est important, nous savons que les stabilisateurs de la politique budgétaire nationale peuvent ne pas suffire. Là encore, c'est une des leçons de la crise.

The Investment Stabilisation Function we are proposing today will help Member States in the euro area or in the Exchange Rate Mechanism – currently, Denmark – to absorb such shocks, through the provision of loans of up to 30 billion euros which would be guaranteed by the EU budget.

To receive this support, Member States will have to comply with strict eligibility criteria based on sound financial and macroeconomic policies. The loans will be available to countries having recently registered a significant increase in unemployment rates, to be used to maintain public investments, which were so badly hit and took so long to recover from the last crisis.

Of course, these loans would need to be reimbursed – what we are proposing today should not be seen, and this is important to us, as some sort of embryonic transfer union. This Commission is not proposing a transfer union. But the instrument does need to be financially meaningful for the country concerned, which is why we are also proposing to include a grant component. This Stabilisation Support Fund would cover the full cost of the interest on these loans, and would be financed through contributions from Member States equivalent to a share of their monetary income.

In conclusion, I believe these proposals demonstrate to our Member States – which we all know hold a variety of views on these complex subjects – that this Commission is able to put forward proposals that are ambitious while remaining realistic, both politically and economically. And I'm sure that this is the right way to build a compromise and we need that, in the present situation, economically and politically.

Lastly, a word on another subject, Pericles, our programme for protecting the euro against counterfeiting, which has been operational since 2014. We are today proposing to continue with the programme for the forthcoming budgetary period, with a slightly increased budget of 7.3 million euros. This is not a lot, this is modest but useful.

The previous programme had a tangible impact in strengthening this protection. Nonetheless, the threats are still substantial. There is

increasing availability of high quality counterfeit euros and security features on the dark web and a number of counterfeiting hotspots exist.

That's why it is vital that Pericles can continue providing training and technical assistance for national authorities, in the euro area and also beyond. We need to support them to further improve the protection of euro banknotes and coins and in so doing, protect the interests of our citizens.

Thank you for your attention.