



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2024) 2482 final

- English translation of the French version which is authentic -

Strasbourg, 12 March 2024

TEXTE EN

MINUTES

of the 2482nd meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 14 February 2024

(morning)

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PV(2024) 2482 final

- English translation of the French version which is authentic -

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Single sitting: Wednesday 14 February 2024 (morning)

The sitting opened at 9.09 with Ms von der LEYEN, President, in the chair.

Present:

Ms von der LEYEN	President
Ms VESTAGER	Executive Vice-President
Mr DOMBROVSKIS	Executive Vice-President
Mr ŠEFČOVIČ	Executive Vice-President
Mr BORRELL i FONTELLES	High Representative / Vice-President
Ms JOUROVÁ	Vice-President
Ms ŠUICA	Vice-President
Mr SCHINAS	Vice-President
Mr HAHN	Member
Mr GENTILONI	Member
Mr WOJCIECHOWSKI	Member
Mr BRETON	Member
Ms FERREIRA	Member
Ms KYRIAKIDES	Member
Mr REYNDERS	Member
Ms DALLI	Member
Ms JOHANSSON	Member
Mr LENARČIČ	Member
Mr SINKEVIČIUS	Member
Ms McGUINNESS	Member
Ms IVANOVA	Member
Mr HOEKSTRA	Member

Absent:

Mr SCHMIT	Member
Ms VĂLEAN	Member
Mr VĂRHELYI	Member
Ms URPILAINEN	Member
Ms SIMSON	Member

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

Mr KASEL	Head of Cabinet to Mr SCHMIT
Ms NALIN	Policy coordinator in Ms VĂLEAN's cabinet
Mr KRISTOFFY	Head of Cabinet to Mr VĂRHELYI
Mr LAHTI	Head of Cabinet to Ms URPILAINEN
Ms MĂRQUEZ URIARTE	Member of Ms SIMSON's cabinet

The following also sat in:

Mr SEIBERT	Head of Cabinet to the PRESIDENT
Mr CALLEJA CRESPO	Director-General, Legal Service
Ms SPINANT	Director-General, DG Communication
Ms PODESTA	Deputy Chief Spokesperson of the Commission
Ms ALLOUIS-LE LOSTEC	Head of Unit in the Secretariat-General
Ms BUKA	Secretariat-General

Secretary: Ms JUHANSONE, Secretary-General, assisted by Ms DEPREZ, Director in the Secretariat-General.

1. AGENDAS

(OJ(2024) 2482/FINAL; SEC(2024) 2482/FINAL)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF HEADS OF CABINET

(RCC(2024) 2482)

The Commission considered the Secretary-General's report on the weekly meeting of Heads of Cabinet held on Monday 12 February 2024.

3. APPROVAL OF THE MINUTES

(PV(2024) 2478; PV(2024) 2478, PART II)

The Commission approved the minutes of its 2478th meeting of 10 January 2024 and decided to hold over approval of the minutes of its 2479th, 2480th and 2481st meetings of 24 and 31 January, and 6 February 2024 until a later meeting.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2024) 67)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (GRI) held on Friday 9 February 2024 (RCC(2024) 67).

The Commission approved the lines proposed for the following points:

- **Amendment of Council Directives 2001/110/EC relating to honey, 2001/112/EC relating to fruit juices and certain similar products intended for human consumption, 2001/113/EC relating to fruit jams, jellies and**

marmalades and sweetened chestnut purée intended for human consumption, and 2001/114/EC relating to certain partly or wholly dehydrated preserved milk for human consumption (Directive) – BERNHUBER report – 2023/0105 (COD)

Line set out in SI(2024) 82.

- **Establishment of common rules promoting the repair of goods, and amendment of Regulation (EU) 2017/2394, Directives (EU) 2019/771 and (EU) 2020/1828 (Directive) – REPASI report – 2023/0083 (COD)**

Line set out in SI(2024) 83.

- **Combating violence against women and domestic violence (Directive) – FITZGERALD report – 2022/0066 (COD)**

Line set out in SI(2024) 101.

- **Establishment of the Strategic Technologies for Europe Platform (‘STEP’) and amendment of Directive 2003/87/EC and of Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241 (Regulation) – FERNANDES & EHLER report – 2023/0199 (COD)**

Line set out in SI(2024) 103.

- **Establishment of the Ukraine Facility (Regulation) – GAHLER & GARDIAZABAL RUBIAL report – 2023/0200 (COD)**

Line set out in SI(2024) 105.

- **Amendment of Regulation (EU) No 561/2006 as regards minimum requirements on minimum breaks and daily and weekly rest periods in the**

occasional passenger transport sector (Regulation) – VIRKKUNEN report – 2023/0155 (COD)

Line set out in SI(2024) 85.

- **Amendment of Directive 2009/18/EC establishing the fundamental principles governing the investigation of accidents in the maritime transport sector (Directive) – NAGTEGAAL report – 2023/0164 (COD)**

Line set out in SI(2024) 86.

- **Amendment of Directive 2005/35/EC on ship-source pollution and on the introduction of penalties, including criminal penalties, for pollution offences (Directive) – MARINESCU report – 2023/0171 (COD)**

Line set out in SI(2024) 87.

- **Anti-Money Laundering package:**
 - **Prevention of the use of the financial system for the purposes of money laundering or terrorist financing (Regulation) – HEINÄLUOMA & CARÊME report – 2021/0239 (COD)**
 - **Mechanisms to be put in place by the Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and repealing Directive (EU) 2015/849 (Directive) – NIEDERMAYER & TANG report – 2021/0250 (COD)**
 - **Establishment of the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amendment of Regulations (EU) No 1093/2010, (EU) No 1094/2010, (EU) No 1095/2010 (Regulation) – RADEV report – 2021/0240 (COD)**

Line set out in SI(2024) 89.

- **Amendment of Regulations (EU) 2017/1129, (EU) No 596/2014 and (EU) No 600/2014 to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises (Regulation) – SANT report – 2022/0411 (COD)**
- **Amendment of Directive 2014/65/EU to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises and repealing Directive 2001/34/EC (Directive) – SANT report – 2022/0405 (COD)**

Line set out in SI(2024) 90.

- **Amendment of Regulations (EU) No 648/2012, (EU) No 575/2013 and (EU) 2017/1131 as regards measures to mitigate excessive exposures to third-country central counterparties and improve the efficiency of Union clearing markets (Regulation) – HÜBNER report – 2022/0403 (COD)**
- **Amendment of Directives 2009/65/EU, 2013/36/EU and (EU) 2019/2034 as regards the treatment of concentration risk towards central counterparties and the counterparty risk on centrally cleared derivative transactions (Directive) – HÜBNER report – 2022/0404 (COD)**

Line set out in SI(2024) 104.

- **Transparency and integrity of Environmental, Social and Governance (ESG) rating activities (Regulation) – LALUCQ report – 2023/0177 (COD)**

Line set out in SI(2024) 107.

- **Amendment of Directive 2023/34/EU as regards the time limits for the adoption of sustainability reporting standards for certain sectors and for certain third-country undertakings (Decision) – VOSS report – 2023/0368 (COD)**

Line set out in SI(2024) 106.

- **Multiple-vote share structures in companies that seek the admission to trading of their shares on a SME growth market (Directive) – SANT report – 2022/0406 (COD)**

Line set out in SI(2024) 91.

- **Establishment of a Single Market emergency instrument and repeal of Council Regulation (EC) No 2679/98 (Regulation) – SCHWAB report – 2022/0278 (COD)**
- **Amendment of Regulations (EU) 2016/424, (EU) 2016/425, (EU) 2016/426, (EU) 2019/1009 and (EU) No 305/2011 as regards emergency procedures for the conformity assessment, adoption of common specifications and market surveillance due to a Single Market emergency (Regulation) – SCHWAB report – 2022/0279 (COD)**
- **Amendment of Directives 2000/14/EC, 2006/42/EC, 2010/35/EU, 2013/29/EU, 2014/28/EU, 2014/29/EU, 2014/30/EU, 2014/31/EU, 2014/32/EU, 2014/33/EU, 2014/34/EU, 2014/35/EU, 2014/53/EU and 2014/68/EU as regards emergency procedures for the conformity assessment, adoption of common specifications and market surveillance due to a Single Market emergency (Directive) – SCHWAB report – 2022/0280 (COD)**

Line set out in SI(2024) 92.

- **Ambient air quality and cleaner air for Europe (recast – Directive) – LÓPEZ report – 2022/0347 (COD)**

Line set out in SI(2024) 84.

- **Measures to reduce the cost of deploying gigabit electronic communications networks and repeal of Directive 2014/61/EU (Gigabit Infrastructure Act) (Regulation) – MITUTĂ report – 2023/0046 (COD)**

Line set out in SI(2024) 98.

- **Establishment of measures to strengthen solidarity and capacities in the Union to detect, prepare for and respond to cybersecurity threats and incidents (Regulation) – GÁLVEZ MUÑOZ report – 2023/0109 (COD)**

Line set out in SI(2024) 88/2.

- **Amendment of Regulation (EU) 2016/399 on a Union Code on the rules governing the movement of persons across borders (Regulation) – GUILLAUME report – 2021/0428 (COD)**

Line set out in SI(2024) 102.

- **Amendment of Regulation (EU) 2021/1232 of the European Parliament and of the Council on a temporary derogation from certain provisions of Directive 2002/58/EC for the purpose of combating online child sexual abuse (Regulation) – SIPPEL report – 2023/0452 (COD)**

Line set out in SI(2024) 96/2.

- **Economic Governance Review package:**
 - **Effective coordination of economic policies and multilateral budgetary surveillance and repeal of Council Regulation (EC) No 1466/97 (Regulation) – DE LANGE & MARQUES report – 2023/0138 (COD)**
 - **Amendment of Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure (Council Regulation) – DE LANGE & MARQUES report – 2023/0137 (CNS)**

- **Amendment of Directive 2011/85/EU on requirements for budgetary frameworks of the Member States (Council Directive) – DE LANGE & MARQUES report – 2023/0136 (NLE)**

Line set out in SI(2024) 95.

- **Amendment of Regulation (EC) No 223/2009 on European statistics (Regulation) – VAN OVERTVELDT report – 2023/0237 (COD)**

Line set out in SI(2024) 93/2.

- **Improving working conditions in platform work (Directive) – GUALMINI report – 2021/0414 (COD)**

Line set out in SI(2024) 99.

The Commission approved the lines proposed for the following points, for transmission to the European Parliament:

- **Commission replies to the legislative resolutions (and list of non-legislative resolutions without formal reply) adopted by Parliament at its January I 2024 part-session**

Line set out in SP(2024) 81.

- **Commission replies to the non-legislative resolutions adopted by the European Parliament at its November II 2023 and December 2023 part-sessions**

Line set out in SP(2024) 79/3.

The Commission took note of the following points:

- **Amendment of Directives 2009/102/EC and (EU) 2017/1132 as regards further expanding and upgrading the use of digital tools and processes in company law (Directive) – RADEV report – 2023/0089 (COD)**

Information set out in SI(2024) 94.

- **February I 2024 part-session of the European Parliament**

Line set out in SP(2024) 55.

5. COORDINATION OF EXTERNAL ACTION (RCC(2024) 8)

The Commission took note of the operational conclusions in RCC(2024) 8 of the meeting of the Group for External Coordination (EXCO) held on Wednesday 7 February 2024.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED (SEC(2024) 47 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 5 and 11 February 2024.

6.2. EMPOWERMENT (SEC(2024) 48 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 5 and 11 February 2024.

6.3. DELEGATION / SUBDELEGATION OF POWERS
(SEC(2024) 49 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedures between 5 and 11 February 2024 archived in Decide.

6.4. SIGNIFICANT WRITTEN PROCEDURES
(SEC(2024) 50 AND /2)

The Commission took note of the significant written procedures for which the time limit expired between 12 and 16 February 2024.

6.5. COMMISSION DECISION GRANTING AN EMPOWERMENT
RELATING TO THE ADOPTION OF IMPLEMENTING RULES AND
SECURITY NOTICES UNDER DECISION (EU, EURATOM) 2015/443
AND DECISION (EU, EURATOM) 2015/444, AND REPEALING
DECISIONS C(2016) 2797 FINAL AND C(2021) 2684 FINAL
(C(2024) 980)

The Commission decided:

- to empower the Member of the Commission with responsibility for security matters to adopt, on behalf of the Commission and under its responsibility, subject to the conditions laid down in Articles 2 to 5 of the Decision, certain measures relating to the adoption of implementing rules and security notices;
- to repeal Decisions C(2016) 2797 and C(2021) 2684.

The Commission adopted the Decision in C(2024) 980.

7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2024) 51)

ADMINISTRATIVE MATTERS
(PERS(2024) 16)

7.1. DG COMMUNICATION NETWORKS, CONTENT AND TECHNOLOGY – EXTENSION OF THE TERM OF OFFICE OF THE EXECUTIVE DIRECTOR OF THE EUROPEAN HIGH PERFORMANCE COMPUTING JOINT UNDERTAKING (EuroHPC), AT GRADE AD14

On a proposal from Mr HAHN, in agreement with the PRESIDENT and after consulting Mr BRETON, the Commission decided:

- to propose to the Governing Board of the European High Performance Computing Joint Undertaking to extend the term of office of Mr Anders Dam JENSEN as Executive Director for a period of four years, with effect from 16 September 2024, in accordance with Article 8(4) of the Annex to Regulation (EU) 2021/1173;
- to ask Mr BRETON, the Member of the Commission responsible, to communicate this decision to the Governing Board of the European High Performance Computing Joint Undertaking.

These decisions would take effect immediately.

7.2. DG HEALTH AND FOOD SAFETY – ADOPTION OF A LIST OF CANDIDATES FOR THE POST OF EXECUTIVE DIRECTOR OF THE EUROPEAN FOOD SAFETY AUTHORITY (EFSA), AT GRADE AD14
(PERS(2024) 8 TO /3)

On a proposal from Mr HAHN, in agreement with the PRESIDENT, and after consulting Ms KYRIAKIDES, the Commission decided:

- to approve the list of one candidate set out in point 2 of PERS(2024) 4, for the post of Executive Director of the European Food Safety Authority (EFSA) in Parma (Italy), and to consider this list as the Commission proposal;
- to ask Ms KYRIAKIDES, the Member of the Commission responsible, to communicate this decision to the Management Board of the European Food Safety Authority.

These decisions would take effect immediately.

**8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – 2024 ANNUAL SINGLE MARKET AND COMPETITIVENESS REPORT
(COM(2024) 77 TO /3; SWD(2024) 77; SWD(2024) 78 AND /2; RCC(2024) 70)**

Ms VESTAGER presented to the College the 2024 Annual Single Market and Competitiveness Report, which was the fourth edition since the beginning of the current Commission. This report followed two important Communications published on the subject the previous year, namely the Communication on the Single Market at 30 and the Communication on the long-term competitiveness of the EU.

This report also responded to the requests of the 2023 Spring European Council, which called on the Council and the Commission to set up an annual competitiveness cycle. This was why, for the first time, the word ‘competitiveness’ appeared in the title of this annual report, reflecting the importance of measuring and improving the performance of the single market in this respect.

Ms VESTAGER pointed out that the single market had played a vital protective role in the face of the unprecedented challenges that had put the European economy under strain in recent years. A competitive single market was essential for the success of the twin green and digital transitions, which were themselves prerequisites for its competitiveness. She also pointed out that, in the current geopolitical context, the European single market was more of a strategic asset than ever.

Ms VESTAGER felt that the single market was constantly developing in a very dynamic way and that it was therefore necessary to stop every once in a while and assess the progress made before planning the next steps. The report did this, by providing a snapshot of the current state of the single market and assessing its performance against the nine competitiveness drivers identified in the Communication on long-term competitiveness, as well as providing a comparison with the previous year.

The overall picture was positive, although further efforts were undeniably needed. Export data confirmed the EU's position as a world leader: Europe's trade with the rest of the world had increased, as a share of gross domestic product (GDP), from 15% in 2021 to 18% in 2022 for goods, and from 7% to 8% for services. Europe was therefore the largest exporter globally, on an equal footing with China and well ahead of the United States.

As regards digitalisation, the share of small and medium-sized enterprises using basic digital tools had increased by 8% between 2021 and 2022. The EU was therefore on track, although much remained to be done to achieve the 2030 digital targets. Moreover, Ms VESTAGER noted that digitalisation was also crucial to reducing the administrative burden on businesses.

Europe was struggling to scale-up businesses and finance its future growth, despite the efforts already made. The possibility of tapping private capital was still insufficient in the EU, and too many European start-ups were obliged to seek

funding outside the EU. In this context, private capital would be essential to reach the EUR 650 billion that the EU needed to invest each year in order to achieve the objectives of the twin transitions.

Ms VESTAGER concluded by pointing out that the competitiveness drivers set out in this report were based on several factors, including key legislation adopted by the EU in the digital sector. She mentioned in particular the Digital Markets Act (DMA), the Digital Services Act (DSA), the Data Act and the Artificial Intelligence Act. This legislative framework contributed to the creation of a digital single market and made users and investors feel safe. She felt that in the coming years, efforts should focus in particular on the effective application of legislation already adopted at EU level, in order to harness the full potential of the EU's tools to strengthen its competitiveness.

Mr BRETON, in turn, highlighted the innovative nature of this year's report, which rightly linked the single market and competitiveness, and the thoroughness of the analysis and indicators used to prepare it. He noted that this report would feed into discussions in the context of the preparation of Mr Enrico LETTA's report on the future of the single market, requested by the European Council in June 2023, and the report which Mr Mario DRAGHI would present before the summer on the future of European competitiveness.

The current Commission had worked hard to develop the single market during its term of office, particularly as regards the emergence of cleaner and circular products across Europe and the development of the digital single market. The report noted these positive developments. He explained that the main obstacle to the completion of the digital single market was its fragmentation into 27 regulatory frameworks, which each hindered the emergence of large European companies in the digital sector. He noted that the EU now had a genuine digital single market and a unified information space, which he regarded as essential assets for the future.

Mr BRETON added that this annual report highlighted the work of the Single Market Enforcement Taskforce (SMET) – a forum for dialogue and cooperation between the Commission and the Member States to overcome unjustified obstacles within the single market, such as checks imposed on the recognition of professional qualifications, barriers to the granting of permits to renewables, and red tape for cross-border service providers. In this connection, although penalties were laid down for single market operators who did not respect the rules, discussions were under way in the Task Force to resolve the identified problems even before penalties were imposed.

Mr BRETON noted that the setting up of Single Market Offices as independent bodies, modelled on competition authorities, would also be extremely useful for ensuring the proper functioning of the single market and frictionless trade within the EU.

He nevertheless pointed out that over EUR 650 billion a year in investment would be needed by 2030 for the EU to meet the objectives of the twin green and digital transitions and of strengthening resilience. In this context, being able to count on private investment as well as on the Capital Markets Union was essential, so that start-ups could finance themselves in Europe. He noted that private financing would not be sufficient and that public authorities would have to be mobilised against a backdrop of limited budgetary growth. In this respect, he made reference to the major role played by the Recovery and Resilience Facility and REPowerEU, and underlined how important it was that these efforts were undertaken at EU level in order to avoid the risks of fragmentation and ensure a level playing field.

Mr BRETON went on to explain how the report presented facts and figures highlighting the many assets of the EU economy. The best use should be made of the EU's export power for certain key technologies, such as quantum technology, advanced materials and certain technologies linked to renewables. The focus of EU efforts had to be on these key technologies, following the example of

semiconductors, which should be able to benefit from investment worth over EUR 100 billion.

He also emphasised the importance to the EU of acquiring all the skills needed to carry out the green and digital transitions and of meeting the training needs identified in the report. In this context, he welcomed the provisional agreement reached between the co-legislators on the Net Zero Industry Act, since it also addressed skills given their crucial importance for that ecosystem.

Mr BRETON concluded his presentation by reiterating the importance of international trade for European competitiveness, with the EU currently accounting for 16% of global exports. He therefore considered it imperative, in the current geopolitical context, to strengthen the EU's domestic production capacities, develop strategic partnerships and anticipate strategic dependencies as best as possible.

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

- the many factors contributing to the single market's competitiveness, which justified an assessment based on a wide range of drivers;
- the importance for competitiveness of trade policy, which had to be looked at in the long term, since, in the decades to come, 85% to 90% of global growth would take place outside the EU;
- the opening of the EU to international trade in line with the principle of open strategic autonomy and with a view to reducing risks without commercial decoupling;
- the need to implement all legislation adopted during this Commission's term of office, in order to complete the Capital Markets Union and facilitate access to investment within the single market;

- the opportunity for swift implementation of the single market in renewable energy trading;
- the possibility of envisaging joint projects between the EU and its main partners on the green transition, such as extending the Emissions Trading System (ETS) to several parts of the world, in order, in particular, to focus investment on developing green technologies;
- the value also of boosting the EU's competitiveness through the measured use of State aid;
- the importance of continuing to reflect on the establishment of a sovereign fund and the options to be considered when the Recovery and Resilience Facility came to an end in 2026.

In conclusion, Ms VESTAGER confirmed that the report published that day highlighted many of the EU's competitive advantages. She considered that a sound and well-functioning single market was essential to enable companies to prosper and take advantage of new opportunities. She emphasised the additional efforts that would be needed to continue to attract investment, boost the EU's strategic technologies and ensure that the EU's workforce had the appropriate skills.

The PRESIDENT concluded the discussion by underlining the vital role played by digitalisation in strengthening competitiveness, including by cutting red tape. As regards skills, she highlighted the need to consider qualified migration as one part of the response to the identified needs.

Lastly, she pointed out that, while the US Inflation Reduction Act had a budget of USD 370 billion, the EU had allocated EUR 150 billion to developing renewables under REPowerEU. In this context, the EU had a competitive advantage in the field of green technology, which had to be maintained by ensuring that investment stayed in Europe through appropriate incentives and favourable conditions.

Following these presentations, the Commission approved the Communication in COM(2024) 77/3 for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions and, for information, to the national parliaments, together with the staff working documents distributed as SWD(2024) 77 and SWD(2024) 78/2, the contents of which were noted.

9. OTHER BUSINESS

9.1. *LATEST DEVELOPMENTS IN EXTERNAL RELATIONS*

Mr BORRELL began by expressing his deep concern about the situation in the Sahel, referring in particular to the postponement by President Macky SALL of the elections in Senegal and the continuing conflict in Sudan, marked by the growing numbers of victims, displaced persons and refugees seeking asylum in neighbouring countries. He also mentioned that the EU electoral observation mission to the Democratic Republic of the Congo had been cancelled because the current government had failed to provide security guarantees.

Turning to the recent devastating fires in Chile, he highlighted the fact that the Member States had asked for an audit of the EU's capacity to respond effectively to such crises. He also mentioned the disastrous consequences of drug trafficking in Latin America, and the shift to authoritarianism stemming from the fight against this plague in some countries.

Mr BORRELL welcomed the progress made in setting up a new European naval mission to deal with the situation in the Red Sea; this mission differed in nature and scope to the Atalanta mission. The new mission was expected to be endorsed at the next Foreign Affairs Council meeting on 19 February, and would then be launched swiftly with the support of many Member States.

He then turned to the catastrophic humanitarian situation in the Gaza Strip and the concerns raised by many countries, including Egypt. The situation in the Middle East would be discussed with Egypt at the Munich Security Conference scheduled on 16 February.

He observed that Mr Philippe LAZZARINI, the Commissioner General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), had attended the recent meeting of EU Development Ministers. The Ministers had agreed on the need to continue supporting UNRWA in its work of protecting civilians, which was crucial for regional stability, and they welcomed the independent audit that would examine the allegations against UNRWA. The audit to be carried out would be a complex task given the size of the institution and its presence in several countries.

He also mentioned that some countries had decided to impose sanctions against extremist settlers responsible for violence in the West Bank. Since this measure had been blocked by two EU Member States, it would in the end be adopted individually by each Member State. The UN Humanitarian Coordinator in Gaza had been invited to the Foreign Affairs Council on 18 February to report on the situation in Gaza and the West Bank.

Mr BORRELL ended by referring to his recent visit to Ukraine, where he had met President ZELENSKY and his Ministers of Foreign Affairs and Defence, and had addressed the Ukrainian Parliament. The Ukrainian Parliament had passed a controversial law on military mobilisation and the subsequent replacement of the Commander-in-Chief of the Ukrainian army. Lastly, he emphasised that it was crucially important to increase EU military aid to Ukraine to ensure its survival in the face of Russia's unprovoked and unjustified aggression.

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

- the adoption by the US Senate the previous day of a major aid package for Ukraine and Taiwan – yet to be approved by the House of Representatives – shortly after the recent approval by the EU of a similar package for Ukraine;
- the critical situation in Ukraine and the need for the EU to maintain its support for the country in the long term, with some saying that frozen Russian assets should be used for this purpose;
- the immediate need to strengthen the capabilities of the EU defence industry to support Ukraine effectively;
- the significant expansion of EU ammunition production, with around a dozen Member States doubling their production in the last 10 months;
- a reminder of the various military support strategies for Ukraine, in particular the European Peace Facility, bilateral contributions by Member States and direct or indirect purchases by Ukraine from the EU industrial sector;
- efforts to counter the circumvention of sanctions imposed on Russia in order to prevent indirect EU support for the supply of dual-use goods;
- concern about the deterioration of the situation in Senegal, a key partner and a symbol of hope for democracy, which risked increasing instability in the region;
- reference to the thorough investigation relating to UNRWA and the importance of protecting infrastructure in Gaza, a task which only UNRWA was equipped to carry out.

Mr BORRELL stressed the crucial importance of Ukraine's defence, which he regarded as being of existential significance for the EU, adding that all the Member States must be fully aware of the issues at stake. He drew attention to

the pressing need to send ammunition to Ukraine, underlining the urgency of this request. It was vital that the sale of arms to third countries, falling within the individual competence of Member States, should be redirected rapidly in order to give priority to military support for Ukraine.

The PRESIDENT emphasised the ingenuity of the Ukrainian people who, even in a time of war, had managed to develop advanced technologies and improve the accuracy and efficiency of the equipment they had by using artificial intelligence. Underscoring the crucial role of digitisation, she reiterated the urgent need to increase the EU's military support for Ukraine.

Stressing the significance of launching Ukraine's accession negotiations to the European Union, she reminded the meeting of the substantial support already provided by the EU – a total of EUR 88 billion since the beginning of Russia's war of aggression, including EUR 28 billion in military aid – and the commitment to provide a total of EUR 50 billion over the next four years. The EU had started to integrate Ukraine into various programmes relating to agriculture, electricity grid interconnection and EU defence, marking milestones in the country's future EU integration. Pointing out that a Russian victory in Ukraine was inconceivable, she reiterated the crucial importance of the EU's commitment to supporting Ukraine for as long as it took.

The Commission took note of this information.

9.2. 2024 WINTER ECONOMIC FORECAST

Mr GENTILONI reported on the broad outlines of the Commission's 2024 winter economic forecast. The strong growth in the EU in 2022 had been followed by a slowdown in the second half of 2023, marked by negative growth in ten Member States. However, the forecast for 2024 was still banking on a rebound in growth, most likely postponed to the second half of the year. The recovery was expected to result from increased purchasing power and consequent higher consumption in the EU. It would gradually

accelerate in 2025, with the growth rate edging closer to that of the United States. This forecast was in line with the World Economic Outlook figures published in January 2024 by the International Monetary Fund.

The inflation rate had dropped faster than had been signalled in the autumn 2023 forecast, and the target of 2% was expected to be reached by 2025. This trend was mainly due to the stabilisation of energy prices. The European Central Bank had announced that it would maintain its monetary policy based on these figures.

Lastly, Mr GENTILONI referred to the risks, mainly arising from geopolitical uncertainty, that could jeopardise this forecast.

The Commission took note of this information.

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The meeting closed at 10.37.