

## Decisions EU Summit of 21 July 2020

<b>Programme “Next Generation”</b> <i>Status as of 21.7.2020</i>	<b>750 bn. Euro</b>
<b>Grants for Investments</b>	390 bn. Euro
<b>Loans</b>	360 bn. Euro
<b>Multiannual Financial Framework (MFF) 2021-2027</b> <i>Status as of 21.7.2020</i>	<b>1,074 bn. Euro</b>
<b>Total</b>	<b>1,824 bn. Euro</b>

## Existing Corona Rescue Packages

<b>Emergency Aid (Loans)</b>	<b>540 bn. Euro</b>
<b>ESM Euro Rescue Fund</b> Every EU state (27) can receive 2% of its GDP, [19 Euro countries]	240 bn. Euro
<b>EIB guarantees for business loans</b>	200 bn. Euro
<b>Short-time compensation of the EU Commission (SURE) for employees</b>	100 bn. Euro
<b>ECB Bond purchases</b>	<b>1,350 bn. Euro</b>
<b>European Central Bank PEPP Programme</b> (Pandemic Emergency Purchase Programme) → Extendable at any time → Without consideration of further purchase programmes like EAPP, PSPP SMP etc.	
<b>Total</b>	<b>1,890 bn. Euro</b>

## Further planned indirect/direct EU-Packages

<b>In addition to the MFF, European Parliament and Commission want</b> bonds for financial aids, loans, Green Deal, Digitalization, Health Programme etc.	2,000 bn. Euro
<b>Total</b>	<b>2,000 bn. Euro</b>

At the summit in July 2020, a total of **EUR 1,824 billion** was agreed:

- EUR 750 billion for the “Next Generation Programme”
- EUR 1,074 billion for the Multiannual Financial Framework Framework (MFF)

In addition, however, there are concrete plans for further direct payments, loans, guarantees, etc. to cope with the consequences of the Corona economic crisis and to achieve the political goals of the EU! If you add all this up, then the EU level is **actually talking about more than EUR 5,700 billion!**

This sum does not include the trillions of Euros in national contributions, aid, programmes and new debts that the EU countries themselves are shouldering. Nor does it include the Target II debts.

The sums that are now being called for go beyond anything previously imaginable!

## Overview Target II

<b>Target II</b> Claims participating National Central Banks towards ECB <i>Status as of May 2020</i>	1,381 bn. Euro
<b>Total</b>	<b>1,381 bn. Euro</b>

<b>Target II Balances May 2020</b>	
<b>Country</b>	<b>in bn. Euro</b>
Germany (DE)	916.1
Luxembourg (LU)	224.6
Netherlands (NL)	77.9
Finland (FI)	72.7
Ireland (IE)	47.6
Slovakia (SK)	14.6
Cyprus (CY)	7.6
Slovenia (SL)	7.2
Malta (MT)	5.4
Lithuania (LT)	3.6
Estonia (EE)	0.8
Latvia (LV)	-2.2
France (FR)	-20.0
Austria (AT)	-36.6
Greece (GR)	-55.9
Portugal (PT)	-72.0
Belgium (BE)	-79.6
Spain (ES)	-451.8
Italy (IT)	-517.3
<b>ECB</b>	<b>-145.5</b>
<b>U4*)</b>	<b>2.9</b>

Source: ECB, Target II Balances May 2020; <https://sdw.ecb.europa.eu/reports.do?node=1000004859>  
Layout TAE

\*) Extra euro area aggregate (changing composition): since 1 February 2016, the extra euro area countries of which the NCBs participate to TARGET2 are Bulgaria, Croatia, Denmark, Poland and Romania. Lithuania was also participating as an extra-euro area country with its NCB until 31/12/2014, Latvia until 31/12/2013, Estonia until 31/12/2010 and Slovakia until 31/12/2008. Individual TARGET balances of euro area NCBs are not provided for dates before the accession of their countries to the euro area.

## Summary of the Criticism and Suggestions of the TAE

- In the course of the Corona crisis, there is a threat of the situation being misused to push through political goals now. At the same time immutable facts are to be created
- In spite of the departing of one member (BREXIT), increase of the Multiannual Financial Framework MFF is requested
- **There are currently already sufficient means and possibilities for refinancing available:**
  - Breach of Maastricht is condoned (stability pact suspended (!))
  - There are already purchasing programmes by the ECB
  - Low interest of the ECB makes refinancing easier
  - Available monies/ means are not even called up
- **Nevertheless further programmes have been and will be decided!**
- There is no comprehensive needs assessment
  - No transparency about the funds used so far and other necessary funds
- No strategic and coordinated crisis planning, neither on EU nor national level
- Rate of subsidies too high instead of providing primary and exclusive credits
- If any subsidies are awarded at all, there should always be national co-financing of the same amount
- The EU is permitted for the first time to go in to long-term debt:
  - repayment planned over 30 years, but not after the next financial framework 2028
  - Increase of the EU budget by increasing EU own resources
    - „temporary“ 2.00 % of the gross national income (GNI) in the EU;
    - this is supposed to create leeway for the borrowing planned by the EU Commission
- EU gets its own EU taxes, its own right to levy taxes (Financial Transaction Tax (FTT), Digital-, Plastic-, CO2-Tax, etc.)
- The EU taxes now planned and the raising of EU debts must be directly related to the Corona economic crisis and must be limited in time
- Especially now during the crisis tax reductions and reliefs would be necessary, not tax increases!
  - Example Germany: Decrease of VAT is a step into the right direction
- Clear abuse of the situation in order to push harmonisation
- Conditioning of corona aids overburdens and endangers the achievement of objectives. Green Deal, digitalisation, social issues, equality; fighting unemployment, etc. cannot be solved in one go. Separate budgets should also be drawn up for this purpose in order to examine and measure the success of individual measures and programmes
- Where is the probing to ensure that the damages were really caused by Corona?
  - Not all economic problems are caused by the Corona pandemic.
    - It needs to be clear that payments, take-overs of liabilities and loans must be in direct connection to Corona.
- Establishment of binding redemption plans for the EU and the individual EU states
  - Establish repayment by law
- Maintain room for manoeuvre for the future. Don't fire all your ammunition all at once!
- Strategy for targeted F&E is missing
- EU: Self-supply with protective products or respectively supply guarantee necessary
- No comprehensive impact assessment

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