Decisions EU Summit of 21 July 2020

Programme "Next Generation" *Status as of 21.7.2020*	**750 bn. Euro**
Grants for Investments	390 bn. Euro
Loans	360 bn. Euro
Multiannual Financial Framework (MFF) 2021-2027 *Status as of 21.7.2020*	**1,074 bn. Euro**
Total	**1,824 bn. Euro**

Existing Corona Rescue Packages

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

Further planned indirect/direct EU-Packages

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

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 (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! All added up, the EU level is **actually talking about more than EUR 5,700 billion Euro**!

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

Target II Claims participating National Central Banks towards ECB *Status as of May 2020*	1,381 bn. Euro
Total	**1,381 bn. Euro**

Target II Balances May 2020	
Country	**in bn. Euro**
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

ECB	-145.5
U4*)	2.9

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.

Criticism and und Suggestions by the TAE

- In the wake of the Corona crisis, there is the threat of the situation being misused to push political goals. At the same time immutable facts are to be created.
- In spite of the departure of one member (BREXIT), an increase of the Multiannual Financial Framework MFF is requested
- **From the viewpoint of the TAE there are currently already sufficient means and possibilities for financing available, because**:
  - The EU condones a breach of Maastricht criteria (stability pact is suspended),
  - There are already purchasing programmes by the ECB
  - Low interest policy of the ECB makes refinancing easier, and
  - Available funds/ means are not called up or exhausted.

  There is currently no necessity to approve further programmes.
- There is no comprehensive needs assessment. Transparency regarding the funds used thus far and the way in which further funds are to be used, is completely lacking.
- There is no strategic and coordinated crisis planning - neither on EU nor the national level.
- The rate of subsidies is too high. Instead, exclusively loans should be granted.
- With subsidies, there must always be national co-financing of the same amount
- The EU should not be permitted to incur debt of its own.
- EU should not be permitted to levy its own taxes (neither a Financial Transaction Tax (FTT), nor a Digital-, Plastic-, CO2-Tax, or any other taxes), hence not be awarded its own right to collect taxes.
- The planed EU taxes and the incurrence of EU debts are in no direct correlation with the Corona economic crisis and would carry no time limit.
- Especially now during the crisis, tax reductions (instead of increases), reliefs in dues, and a reduction of bureaucracy would be necessary. The reduction of value added tax in Germany, for examples, was a step in the right direction.

  → Example Germany: Decrease of VAT is a step into the right direction
- The conditioning of corona aids is overburdened and endangers the achievement of target objectives. In order to make the success of individual measures (e.g. Green Deal, digitalisation, social issues, equality; fighting unemployment, etc.) verifiable and measurable, separate budgets should be drawn up.
- There is an absence of any kind of probing to ensure that the damages were really caused by Corona. In nowhere near all economic problems is that the case. With payments, take-overs of liabilities, and loans it must be made absolutely certain that they are in fact connected to Corona.
- Every granting of a loan has to be bound to binding repayment plans. Repayment must be fixed by law.
- The EU must maintain room for manoeuvre for the future. It must not fire all its ammunition all at once because of the Corona crisis.
- A targeted R & D strategy is missing
- There is no concept for self-supply with protective products or respectively for supply security.
- There is no comprehensive analysis of the consequences of the adopted measures.

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