

Outcome of the meetings of EU leaders, 21-22 March 2019

Discussions at the March 2019 European Council meeting focussed on agreeing on a both legally and politically workable response to the request of the UK Prime Minister, Theresa May, that Brexit be delayed until 30 June 2019. The European Council (Article 50) agreed to extend the Article 50 period until 22 May 2019, provided that the Withdrawal Agreement is approved by the House of Commons by 29 March. If not approved, the extension would end on 12 April, with the UK required to indicate a way forward. The EU-27 also formally approved the texts agreed by the UK and the European Commission on 11 March, which add further clarification to the Withdrawal Agreement and the political declaration, in particular regarding the 'Irish backstop'. On Friday 22, the European Council discussed jobs, growth and competitiveness, climate, external relations and fighting disinformation. As part of these discussions, EU leaders endorsed the Annual Growth Survey, decided to strengthen the EU's economic base and called for a more assertive industrial policy. They reiterated their commitment to the Paris Agreement and called on the Council to intensify its work on a long-term climate strategy. Regarding external relations, EU Heads of State or Government prepared the forthcoming EU-China summit, reiterated their commitment to Ukraine's sovereignty and territorial integrity, and expressed the EU's readiness to provide humanitarian relief assistance to Mozambique, Malawi and Zimbabwe. The European Council also [marked](#) the 25th anniversary of the European Economic Area, together with the Prime Ministers of Iceland, Liechtenstein and Norway. Finally, it also [appointed](#) Philip Lane as a member of the Executive Board of the European Central Bank.

1. Follow-up on previous European Council commitments

The President of Romania, Klaus Iohannis – whose country currently holds the six-monthly rotating presidency of the Council of Ministers – provided an overview on the progress made in implementing previous European Council conclusions. To date, the Romanian Council Presidency has managed to [conclude](#) 60 legislative files in Council, reach 12 provisional agreements, and achieve eight common understandings (on new MFF programmes).

Table 1: New European Council commitments and requests with a specific time schedule

Policy area	Action	Actor	Schedule
Single market	Develop a long-term action plan for better implementation and enforcement of single market rules	Commission, in coordination with Member States	March 2020
Industrial policy	Present a long-term vision for the EU's industrial future, with concrete measures to implement it	Commission	March 2020

Competition policy	Identify how to fill gaps in EU law regarding foreign state ownership and state-aid financing	Commission	December 2019
Economic base of the EU	Hold an overall discussion on strengthening the economic base of the EU	European Council	March 2020
Climate	Intensify its work on a long-term climate strategy	Council	June 2019
Disinformation	Come back to the issue	European Council	June 2020

2. European Council meeting

Jobs, growth and competitiveness

In December 2018, the Heads of State or Government [committed](#) to holding an in-depth discussion in March 2019 on the future development of the single market and European digital policy, with a view to the next Strategic Agenda. In order to prepare the EU for increasing global competition, the European Council called for the strengthening of the single market, with particular emphasis on the deepening of the [capital markets union](#), the development of a service economy and on mainstreaming digital services. The aim is to secure the EU's role as an industrial power through an assertive industrial policy, complemented by a competition policy which also addresses the distortive effects of foreign state ownership and state-aid financing in the single market. EU leaders also stressed the importance of more risk-taking, and of stepping up investment in research and innovation through further support to the [European Innovation Council](#) and more efficient implementation of [Important Projects of Common European Interest](#).

Heads of State or Government want to see the EU establish itself as a leader in the digital economy, data economy, and artificial intelligence. In that context, they emphasised the need to ensure world-class connectivity, as well as access to, sharing of and use of data. Moreover, EU leaders stressed the importance of the security of 5G networks (an area in which Huawei, a Chinese company, is a world leader), for which a Commission recommendation is expected to propose a concerted approach.

In relation to the current economic situation in Europe, the European Council held an exchange of views on and endorsed the [Council recommendation on the economic policy of the euro area](#), as well as the policy priority areas of the [Annual Growth Survey](#), both part of the [2019 European Semester exercise](#). It invited Member States to reflect them in their forthcoming national reform programmes, and stability or convergence programmes

Regarding global competition, the European Council called for a [resumption](#) of discussions on an [international procurement instrument](#) so as to strengthen the EU's position in negotiations on access to public procurement markets outside the EU, thus ensuring a [level playing field](#). While EU policy tools, such as [trade defence instruments](#) and [screening of foreign direct investment](#) address unfair trading practices, they do not cover all the [potential effects](#) of unfair subsidies or support by third countries. Regarding ongoing trade talks with the United States, EU leaders stressed the need for rapid implementation of [all the elements](#) of the US-EU Joint Statement of 25 July 2018. EU leaders equally [reiterated](#) their firm commitment to the [reform](#) of the World Trade Organization.

Main messages of the EP President: President Antonio Tajani stressed that the EP had recently voted a resolution expressing Parliament's concerns over 5G security, underlining the need to fill the loopholes in digital security. Moreover, he expressed regret at the failure of the last Ecofin Council to achieve an agreement on the web tax, underlining that it was urgent to provide a clear response to big digital platforms in order to secure a fair and uniform tax.

Climate

The outcome of the discussion on climate change was perhaps less ambitious than expected, due to [persistent diverging views](#) among the EU Member States, particularly on [achieving](#) a carbon-neutral economy by 2050. The European Council reaffirmed its commitment to the [Paris Agreement](#) and recognised 'the need to step up the global efforts to tackle climate change'. It asked the Member States to finalise their national long-term greenhouse-gas emission strategies and to communicate them to the UN Framework Convention on Climate Change (UNFCCC) by 2020. To date, only four EU Member States (the Czech Republic, France, Germany, and the United Kingdom) [have fulfilled](#) this commitment. President Tusk [spoke](#) of the EU leaders 'determination to tackle climate change with urgency and ambition', and confirmed that the topic would be discussed again in June 2019.

Main messages of the EP President: President Tajani stated the Parliament's commitment to fighting climate change and support for 'a prosperous, modern, competitive and climate-neutral economy'. He underlined that climate change has an economic cost, estimated at around €12.8 billion per year between 2010 and 2016, and called for 'a fair energy transition fund' to be established.

External relations

EU-China summit

On Friday (Brexit discussions having continued over dinner), the European Council discussed the 'overall relations with China in the global context' and prepared the forthcoming EU-China summit, to be held in Brussels on 9 April 2019. EU leaders did not formally endorse the [joint communication](#) on 'EU-China: A strategic outlook' of the European Commission and the High Representative, but gave a series of guidelines on the priority actions expressed in the document, including on EU industrial policy, trade and critical digital infrastructure. President Juncker [spoke](#) of an 'asymmetry' in relations with China and stressed the importance of 'reciprocity in commercial relations'.

Main messages of the EP President: President Tajani [stated](#) that 'the EP does not regard China as a market economy. Europe is open; we want good relations with China, but we need a level playing field.' He stressed the lack of 'reciprocity' on access to public procurement procedures, and pointed to the adoption of the EU regulation on the screening of [foreign direct investment](#) into the EU.

Crimea

The European Council noted that five years had elapsed since the illegal annexation of Crimea and Sevastopol by Russia. It reaffirmed the EU's commitment to the non-recognition policy, which includes the implementation of restrictive [measures imposed](#) on Russia.

Securing free and fair elections and fighting disinformation

The European Council took stock of progress made since its last [meeting](#), welcomed the establishment of the [Rapid Alert System](#) facilitating information-sharing, and urged those private operators who have agreed to comply with the [Code of Practice on disinformation](#), to implement it fully.

Main messages of the EP President: President Tajani spoke of 'the absolute need to guarantee the freedom of choice of European voters' in the run-up to the European elections. He drew attention to a recent [resolution](#) in which the Parliament stressed the hybrid warfare character of disinformation and 'condemned the increasingly aggressive actions of Russia, China, Iran, North Korea and others'.

3. European Council (Article 50) meeting

EU-27 Heads of State or Government met to discuss the [letter](#) from UK Prime Minister Theresa May to the President of the European Council, Donald Tusk, in which she requested the European Council

approve the texts agreed between the UK and the European Commission in Strasbourg on 11 March, and for the UK's withdrawal to be delayed until 30 June 2019.

Regarding the extension, the European Council (Article 50) adopted [a decision](#) to extend the Article 50 period, but not until 30 June 2019. The decision [provides for](#) two scenarios: 1) If the Withdrawal Agreement is approved by the House of Commons by 29 March 2019, the period provided for in Article 50(3) TEU will be extended until 22 May 2019; 2) If the Withdrawal Agreement is not endorsed by the House of Commons, this period will last only until 12 April 2019, with the UK then requested 'to indicate a way forward before this date for consideration by the European Council'. The UK Government [agreed](#) to the extension under these conditions. Donald Tusk [stressed](#) that, until 12 April, all options remain open and the UK government still has the choice between the current deal, no deal, a long extension period, or revoking Article 50. If a longer extension were to be sought, then, by 12 April, the UK would be required to decide on holding European Parliament elections.

Answering the UK's other request positively, the European Council (Article 50) [approved](#) the [Instrument relating to the Withdrawal Agreement](#) and the [Joint Statement supplementing the Political Declaration](#), which the European Commission President, Jean-Claude Juncker, warmly [welcomed](#). EU-27 Heads of State or Government also reiterated their position that the Withdrawal Agreement would not be reopened, and that 'any unilateral commitment, statement or other act should be compatible with the letter and the spirit of the Withdrawal Agreement'.

The European Council (Article 50) also called for work to be continued on preparedness and contingency at all levels for the consequences of the United Kingdom's withdrawal, taking into account all possible outcomes. Jean-Claude Juncker [recalled](#) that the Commission had already put forward 19 legislative proposals to tackle the main problems that a 'no-deal' Brexit would create. Whether or not an extraordinary European Council (Article 50) will take place remains uncertain, and largely depends on the results of the expected vote in the House of Commons. Donald Tusk [stressed](#) that he currently did not foresee an extraordinary European Council'. He nevertheless indicated that he 'will not hesitate to invite the members of the European Council to Brussels', if the need arises.

Main messages of the EP President: President Tajani [expressed](#) the European Parliament's 'disappointment that the UK Government has not yet succeeded in securing a majority for the proposed deal in the House of Commons'. The decision taken by the European Council (Article 50) reflects the preferences of the European Parliament, namely to keep the extension period as short as possible, and to link it to a successful vote in the House of Commons. While [recalling](#) that the Parliament's last sitting before the European elections will take place on 18 April, he indicated that he would be willing to convene an extraordinary part-session after this date, if need be.

DISCLAIMER AND COPYRIGHT

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© European Union, 2019.

eprs@ep.europa.eu (contact)

www.eprs.ep.parl.union.eu (intranet)

www.europarl.europa.eu/thinktank (internet)

<http://epthinktank.eu> (blog)

