



**Brussels, 22 March 2019
(OR. en)**

EUCO 1/19

**CO EUR 1
CONCL 1**

NOTE

From: General Secretariat of the Council
To: Delegations
Subject: European Council meeting (21 and 22 March 2019)
– Conclusions

Delegations will find attached the conclusions adopted by the European Council at the above meeting.

I. JOBS, GROWTH AND COMPETITIVENESS

1. The European Council held an exchange of views on the current economic situation. It endorses the policy priority areas of the Annual Growth Survey and invites Member States to reflect them in their forthcoming National Reform Programmes and Stability or Convergence Programmes, with the aim of fostering growth and jobs through investment and reforms. It also endorses the draft Council recommendation on the economic policy of the euro area.
2. A strong economic base is of key importance for Europe's prosperity and competitiveness, and for its role on the global stage. This should be achieved through an integrated approach addressing the current and emerging global, technological, security and sustainability challenges, and connecting all relevant policies and dimensions: the Economic and Monetary Union which should be deepened, the Single Market in all its dimensions, as a cornerstone of the Union's growth; an assertive industrial policy allowing the EU to remain an industrial power; a forward-looking digital policy, fit for an age of digital transformation and the rise of the data economy; and an ambitious and robust trade policy ensuring fair competition, reciprocity and mutual benefits. Due regard should be paid to an improved business environment for SMEs, skills development and the social dimension.
3. To that end, the European Council calls for action by the EU and its Member States along the following lines:
 - the Single Market should be further deepened and strengthened, with particular emphasis on the development of a service economy and on mainstreaming digital services; remaining unjustified barriers must be removed, building on the Commission Communication of November 2018, and no new ones created. Further steps should be taken to deepen the Capital Markets Union and the Energy Union, and to ensure fair and effective taxation. The Commission is invited to develop by March 2020, in close coordination with the Member States, a long-term action plan for better implementation and enforcement of Single Market rules;

- in view of the importance of a globally integrated, sustainable and competitive industrial base, the Commission is invited to present, by the end of 2019, a long-term vision for the EU's industrial future, with concrete measures to implement it. It should address the challenges European industry faces, touching upon all relevant policy areas;
- the EU needs to go further in developing a competitive, secure, inclusive and ethical digital economy with world-class connectivity. Special emphasis should be placed on access to, sharing of and use of data, on data security and on Artificial Intelligence, in an environment of trust. The European Council looks forward to the Commission's recommendation on a concerted approach to the security of 5G networks;
- in order to remain globally competitive in key technologies and strategic value chains, the EU needs to encourage more risk-taking, and step up investment in research and innovation. Measures should be taken to further support the European Innovation Council and to facilitate the implementation of Important Projects of Common European Interest, while ensuring a level playing field, as well as a regulatory environment and state-aid framework that are conducive to innovation;
- fair competition should be ensured within the Single Market and globally, both to protect consumers and to foster economic growth and competitiveness, in line with the long-term strategic interests of the Union. We will continue to update our European competition framework to new technological and global market developments. The Commission intends to identify before the end of the year how to fill gaps in EU law in order to address fully the distortive effects of foreign state ownership and state-aid financing in the Single Market;

- the EU should continue to push for an ambitious and balanced free trade agenda through the conclusion of new Free Trade Agreements, promoting EU values and standards, and ensuring a level playing field. The European Council reaffirms its commitment to an open rules-based multilateral trading system with a modernised WTO at its core, and to resisting all forms of protectionism and distortions. The European Council calls for the necessary steps to be taken towards rapid implementation of all elements of the U.S.-EU Joint Statement of 25 July 2018;
 - the EU must also safeguard its interests in the light of unfair practices of third countries, making full use of trade defence instruments and our public procurement rules, as well as ensuring effective reciprocity for public procurement with third countries. The European Council calls for resuming discussions on the EU’s international procurement instrument;
 - the new European foreign investment screening framework will enable Member States to address investments that threaten security or public order.
4. In March 2020 the European Council will hold an overall discussion on strengthening the economic base of the EU, on the basis of a comprehensive contribution by the Commission.

II. CLIMATE CHANGE

5. The European Council:
- reiterates its commitment to the Paris Agreement and recognises the need to step up the global efforts to tackle climate change in light of the latest available science, especially the IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels;

- emphasises the importance of the EU submitting an ambitious long-term strategy by 2020 striving for climate neutrality in line with the Paris Agreement, while taking into account Member States' specificities and the competitiveness of European industry;
- calls for the timely finalisation of the national long-term strategies;
- recognises that the implementation of the Paris Agreement objective offers significant opportunities and potential for economic growth, new jobs and technological development and for strengthening European competitiveness, which must be reaped while ensuring a just and socially balanced transition for all;
- calls on the Council to intensify its work on a long-term climate strategy ahead of a further discussion in the European Council in June 2019.

III. EXTERNAL RELATIONS

6. The European Council prepared the EU-China summit to be held on 9 April 2019. It exchanged views on overall relations with China in the global context.
7. Five years after the illegal annexation of Crimea and Sevastopol by Russia the EU remains resolute in its commitment to Ukraine's sovereignty and territorial integrity. The EU reiterates that it does not recognise and continues to condemn this violation of international law which remains a direct challenge to international security. The EU remains committed to implementing its non-recognition policy.
8. The European Council deeply regrets the loss of lives and the destruction in Mozambique, Malawi and Zimbabwe, caused by tropical cyclone Idai. The European Council welcomed the emergency response already provided by the European Union and its Member States, and expressed its readiness to continue supporting the concerned countries in providing urgent humanitarian relief assistance to the affected populations.

IV. SECURING FREE AND FAIR ELECTIONS AND FIGHTING DISINFORMATION

9. Welcoming the important work accomplished in this respect in the past months, the European Council calls for further enhanced coordinated efforts to address the internal and external aspects of disinformation and protect the European and national elections across the EU. Information-sharing is key in that context and the recent establishment of the Rapid Alert System is an important step forward. The European Council urges private operators such as online platforms and social networks to fully implement the Code of Practice and ensure higher standards of responsibility and transparency. It calls for continued and coordinated efforts to safeguard the Union's democratic systems and to combat the immediate and long-term threats posed by disinformation, as an integral part of strengthening the EU's resilience against hybrid threats. The European Council will come back to this issue at its June meeting on the basis of a report on the lessons learnt prepared by the Presidency in cooperation with the Commission and the High Representative, in order to inform our long-term response.
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