
BREXIT AND TRADE WILL TOP THIS WEEK

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They could also grant a Brexit transition deal to the UK, crucial for London to avoid a shock for businesses after Britain withdraws from the EU in March next year.

However, EU officials insist the UK accepts, in the draft withdrawal treaty, the inclusion of a 'backstop' solution to avoid a disruptive hard border between EU member Republic of Ireland and Northern Ireland, part of the UK.

UK and EU officials will negotiate throughout the weekend, and UK Brexit minister David Davis is expected to be in Brussels on Monday (19 March).

But the Irish border is not the only obstacle. Three outstanding issues need to be resolved before the transition agreement can be secured at next week's summit, an EU official said. These are citizens' rights after Brexit, foreign policy coordination and fisheries.

EU officials warn also that without an agreement on the withdrawal deal, there will be no transition.

Money talks

EU leaders will also discuss on Friday (23 March) possible euro reforms after Germany's Angela Merkel took office for the fourth time this week.

French president Emmanuel Macron is pushing for a common eurozone finance minister and an investment budget, but Nordic EU members rejected the idea, while Merkel also remains cautious.

EU leaders will also discuss trade, as the EU scrambles to secure exemptions from the US's new tariffs on steel and aluminium.

The draft conclusions of the summit state that EU leaders confirm their commitment "to an open and rules-based multilateral trading system with the WTO at its core, firm in the belief that free and fair trade is one of the most powerful engines for growth".

GAFA - Google, Apple, Facebook, Amazon

The European Commission will on Wednesday (21 March) unveil plans, pushed by the big four

member states of Germany, France, Italy and Spain, to tax internet giants, such as Google, Apple, Facebook and Amazon - often known by the shorthand 'GAFA'.

The new tax, likely to be set around three percent, would be put on revenues in every country where they operate in an effort to prevent them from taking advantage of low-tax countries such as Ireland.

Steel

Trade commissioner Cecilia Malmstroem and US commerce secretary Wilbur Ross are expected to meet during the week to try to resolve the deepening trade crisis between the EU and the US.

The EU argues that the US's new tariffs under the pretext of national security interests violate World Trade Organization (WTO) rules. The bloc is planning to take the US to the WTO and introduce countermeasures unless the EU is exempted.

Russia

British prime minister Theresa May is expected to raise Russia at the EU summit after an ex-spy and his daughter was poisoned by Russian made military grade nerve agent in the UK.

While the EU plans no further sanctions on Russia, it will give a rare opportunity against the backdrop of Brexit for the EU and the UK to show they stand firmly together.

EU foreign ministers will also discuss the issue on Monday (19 March) in Brussels.

The bloc's European affairs ministers will also meet on Tuesday (20 March) and prepare the Western Balkans summit in May in Bulgaria.

The ministers will be briefed by Commission vice president Frans Timmermans on Poland, after Warsaw presented its arguments on why the judicial overhaul, under scrutiny by the EU, was necessary.

Poland will give its official response to the EU executive's concerns on Tuesday, so those arguments will not be featured yet at the meeting, and no decisions are expected to be made at this stage.

Ministers could decide to come back to the issue on their meeting in April, but it is not decided yet.

Gas supply

The European Parliament's energy committee will vote on Wednesday (21 March) on a law to enforce EU gas market rules on suppliers from non-EU countries. It would apply to all future gas pipelines to the EU from non-EU countries.

The committee will also debate the latest developments on Russia gas supplies to Ukraine with commission vice president Maros Sefcovic.

Kaynak/Source: