

POLITICS

The SPD won the German parliamentary elections, receiving 25.7% of the vote. The conservative CDU/CSU union came in second with 24.1% of the vote, a record low after 16 years of Chancellor Angela Merkel's governments. Possible coalitions will now be sought.

The Court of Justice of the European Union fined Poland half a million euros a day for failing to stop mining at the Turów brown coal mine near the Czech-German border. Warsaw is to pay the financial penalty until it obeys the court's spring order and work at the mine ends. The CEO of PGE, which owns the mine, said he disagreed with the court's decision on the fine and expected mining to continue at the site.

The European Commission wants to speed up the digitisation of society and at the same time strengthen cybersecurity. It intends to achieve this by massively investing in digitisation, better adapting people to technological change, attracting IT professionals to the EU and deepening cooperation with the private sector, all while setting reasonable rules.

ECONOMY

In the second quarter of 2021, seasonally adjusted GDP increased by 2.1% in the EU compared with the previous quarter. In the first quarter of 2021, GDP had declined by 0.1% in the EU. Compared with the same quarter of the previous year, seasonally adjusted GDP increased by 13.8% in the EU in the second quarter of 2021, after -1.2% in the previous quarter. Ireland (+6.3%) recorded the sharpest increase of GDP compared to the previous quarter, followed by Portugal (+4.9%) and Latvia (+4.4%). Declines were observed in Malta (-0.5%) and Croatia (-0.2%).

The EU unemployment rate was 6.8% in August 2021, down from 6.9% in July 2021 and from 7.7% in August 2020. Eurostat estimates that 14.469 million men and women in the EU were unemployed in August 2021. Compared with July 2021, the number of persons unemployed decreased by 224 000 in the EU and by 261 000 in the euro area. The lowest unemployment rate in August was in Czechia (2,9 %) followed by Malta and the Netherlands (both 3,2 %), the highest was in Spain (14 %) and Greece (13,2 %).

EU annual inflation was 3.2% in August 2021, up from 2.5% in July. A year

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Sources: European Commission, Reuters, EurActiv, Euronews and others.

earlier, the rate was 0.4%. The lowest annual rates were registered in Malta (0.4%) and Greece (1.2%). The highest annual rates were recorded in Estonia, Lithuania and Poland (all 5.0%). Compared with July, annual inflation remained stable in one Member State and rose in twenty-six.

In the second quarter of 2021, hourly labour costs slightly rose by 0.6% in the EU, compared with the same quarter of the previous year. In the first quarter of 2021, hourly labour costs increased by 1.6% respectively. The two main components of labour costs are wages & salaries and non-wage costs. In the EU, the costs of hourly wages & salaries increased by 0.2% and the non-wage component by 2.0% in the second quarter of 2021. In the I. quarter of 2021, the annual change in wages & salaries was +2.4%, for the non-wage component -1.0%.

SECTORS

In the first quarter of 2021, the number of rail passengers remained significantly below those in the same quarter a year ago, when COVID-19 did not yet have a tangible impact on the EU countries. The largest decrease was observed in Ireland (-85%, -8.4 million passengers compared with the first quarter of 2020), followed by Greece (-66%, -2.6 million passengers) and Slovakia (-60%, -9.8 million passengers). Slovenia (-11%, -0.3 million passengers), Bulgaria (-19%, -0.9 million passengers) and Romania (-19%, -2.8 million passengers) recorded the smallest passenger decreases during the same period.

United Kingdom is plagued by shortages of drivers and petrol. The military must also be mobilised to solve the supply crisis, with lorry drivers lacking and people panicking about buying petrol for their needs when there are insufficient supplies. In the longer term, new work visas should relieve the country.

The European Commission has presented a proposal for rules for uniform chargers for mobile phones and tablets, which will require all manufacturers to adapt to the USB-C standard. According to the EU, making the end of charging cables the same should make life easier for customers and reduce the volume of electronic waste. The plan has previously been criticized by Apple, which is likely to be the most affected. Apple says that it hampers innovation.

The wind has not been blowing in Germany this year so coal has become

the largest source of electricity generation. In the first half of this year, 27% of electricity was produced from coal in Germany, which is the highest share of all energy sources used. At the top of the notional ranking it thus replaced wind energy, which dominated electricity generation in the same period last year.

The Nord Stream 2 pipeline, which will double Russian gas export capacity along the bottom of the Baltic Sea to Germany, is ready. However, commercial deliveries will start only after they have been approved by the German regulator. Certification is now pending. This could take up to four months.

FOCUS ON IAA MOBILITY 2021

At the beginning of September, an automobile and mobility fair took place in Munich, Germany. The emphasis was mainly on electric cars; cars with internal combustion engines took a back seat. At the fair Volkswagen presented the form of the small electric car ID.LIFE, which should go on sale in 2025 for about 20,000 euros. It will be equipped, among other things, with a game console and a projector for showing films. VW also said it was considering only renting the batteries in electric cars to its customers. Every group brand would thus remain the owner of the batteries, thanks to which the price of new electric cars would fall.

BMW in turn boasted about the concept of the completely recyclable Vision Circular electric car. The bodywork of the car is unpainted thanks to anodized aluminum and heat-treated steel. The tires are made of natural rubber and the seats are upholstered in recycled plastic. The dashboard and steering wheel are made from wood from fallen trees.

The Israeli autonomous driving specialist Mobileye, which is owned by Intel, again promised to launch a pilot fleet of autonomous taxis in Munich, Germany and Tel Aviv, Israel in the middle of next year, in cooperation with the Sixt car rental company.

EU CALENDAR

Meetings of EU institutions

- *European Parliament committee meetings on 11 and 14 October*
- *European Council on 14 -15 October*
- *European Parliament plenary session on 18 - 21 October*
- *Foreign Affairs Council on 18 October*
- *European Parliament committee meetings on 25 - 28 October*