

POLITICS**Political leaders from Madrid to Vienna are calling for a cap on energy prices that should apply throughout the EU.**

The reason for this is the sharp increase in the price of electricity and gas, caused by Russian aggression in Ukraine.

The European Commission and Moderna have reached an agreement to better address Member States needs for COVID-19 vaccines

for the late summer and winter period. Doses originally scheduled for delivery in the summer will now be delivered in September and during the autumn and winter period 2022, when Member States will more likely need additional stocks of vaccines.

Poland and Slovakia have been connected by a new pipeline

that will allow for greater diversification of natural gas supplies in Europe. The new pipeline, whose capacity will roughly cover Slovakia's annual gas consumption, provides an alternative to supplies of raw materials from Russia. This opened up a new route for the import of Norwegian gas to Slovakia, and the country also gained access to supplies of liquefied natural gas (LNG) from Polish ports.

ECONOMY**In the second quarter of 2022, seasonally adjusted GDP increased by 0.6% in the EU,**

compared with the previous quarter. In the first quarter of 2022, GDP had grown by 0.6% in the EU. Compared with the same quarter of the previous year, seasonally adjusted GDP increased by 4.0% in the EU in the second quarter of 2022.

The eurozone's inflation rate broke another record in August.

The annual growth rate of consumer prices accelerated to 9.1% from 8.9% in July. EU annual inflation was 9.8% in July 2022, up from 9.6% in June. A year earlier, the rate was 2.5%. High inflation is primarily due to the continued sharp rise in energy prices. According to the preliminary estimate, prices rose the most in Estonia, where inflation accelerated to 25.2 percent. Prices also rose by more than 20% in Lithuania and Latvia. Inflation was lowest in France, where it amounted to 6.5 percent.

In January to June 2022, extra-EU exports of goods rose to €1 237.3 bn (an increase of 17.9% compared with January-June 2021), and imports rose to €1,438.0 bn (an increase of 48.9% com-

pared with January-June 2021). As a result, the EU recorded a deficit of €200.7 bn, compared with a surplus of €83.2 bn in January-June 2021. Intra-EU trade rose to €2 064.5 bn in January-June 2022, +24.3% compared with January-June 2021.

The EU unemployment rate was 6.0% in July 2022, down from 6.1% in June 2022 and from 6.9% in July 2021.

In June 2022 compared with May 2022, seasonally adjusted production in the construction sector decreased by 1.2% in the EU. In May 2022, production in construction increased by 0.1% in the EU. In June 2022 compared with June 2021, production in construction increased by 0.6% in the EU.

SECTORS

The companies Total and Eni have discovered a large natural gas deposit near Cyprus. This is already the third discovery of gas in the sea off Cyprus, none of which has yet been exploited. Preliminary estimates suggest that there are 2.5 trillion cubic feet (79 billion m³) of gas at the site with significant additional potential.

The European Commission approved the first package of Common Agricultural Policy (CAP) strategic plans for seven countries: Denmark, Finland, France, Ireland, Poland, Portugal, and Spain. The new CAP is designed to shape the transition to a sustainable, resilient and modern European agricultural sector. Under the reformed policy, funding will be more fairly distributed to small and medium-sized family farms, as well as to young farmers.

In 2021, 70% of EU households enjoyed high-speed internet coverage, up from only 16% in 2013. Very high capacity network (VHCN) connectivity also improved in low settled areas. Between 2013 and 2021, the share of households in low settled areas with fixed VHCN connection increased from 4% to 37% across the EU.

In the first quarter of 2022, EU economy greenhouse gas emissions totalled 1,029 million tonnes of CO₂-equivalents, a 7% and 6% increase compared with the same quarter of 2020 and 2021, but still below pre-COVID levels registered in the first quarter of 2019, when the EU economy emitted 1,035 million tonnes of CO₂-eq.

From 2024, the European cryptocurrency market is awaiting regulation.

The new European rules for trading crypto-assets, called Markets in Crypto-Assets (MiCA), should apply by then. These introduce greater protection for investors, supervision of central banks, mandatory licenses for entrepreneurs in the cryptocurrency sector and high penalties for violating the rules. At the same time, so-called passportization will also be possible, when a license for the provision of services issued in one EU country will be valid for the entire Union.

Germany will introduce a charge for gas consumption to protect its energy companies from collapse. At the same time, it will reduce VAT on gas from 19% to 7% and is seriously considering extending the operation of nuclear power plants.

FOCUS ON AUTOMOTIVE

The world's largest manufacturer of batteries for electric vehicles, the Chinese company Contemporary Amperex Technology, will build a battery production plant in Hungary for 7.3 billion euros, which will be the largest in Europe. Construction of the 100 GWh plant in Debrecen is to start this year. Once completed, the factory will produce batteries for Mercedes-Benz, BMW, Stellantis and Volkswagen.

Truck manufacturer Volvo also plans to build a battery factory. The Swedish producer of trucks is thus responding to the growing demand for heavy vehicles and electric machines.

The Chinese electric car manufacturer Nio then plans to open its first plant abroad in September. A factory for the production of battery exchange stations is being built near Budapest. These stations do not charge the discharged battery, but replace it with a fully charged battery. The company's goal is to expand car sales in Western Europe already in the 2nd half of this year.

EU CALENDAR**Meetings of EU institutions**

- *European Parliament committee meetings on 12 - 15 September*
- *European Cybersecurity Challenge 2022 on 13 - 16 September*
- *European Parliament committee meetings on 26 September*
- *Eurogroup on 3 October*