

## POLITICS

**The Baltic countries switch off electricity reliance on Russia as they connect to the European grid.** Lithuania, Latvia, and Estonia are fully independent from Russia's and Belarus's electricity systems after joining the European continental network via Poland.

**The European Commission has presented a Competitiveness Compass.** The Competitiveness Compass identifies three core areas for action: innovation, decarbonization, and security. In the area of security, the compass emphasises the importance of integrating security considerations into EU economic policies. A secure environment is essential for EU firms' economic success and competitiveness.

**The Commission has selected 39 innovative projects across the EU, dedicated to deploying alternative fuels infrastructure.** A total investment of €422 million, provided through the Alternative Fuels Infrastructure Facility (AFIF), will support these initiatives in driving the transition to cleaner transport. The selected projects will focus on installing public electric recharging stations, developing hydrogen refueling stations and onshore power installations in ports as well as electrifying airports.

**Croatian President Zoran Milanović defended his mandate in the second round of the presidential election,** as expected, winning three-quarters of the vote.

**The Serbian prime minister has resigned.** Prime Minister Miloš Vučević announced his resignation after weeks of protests that began after a November's tragic roof fall accident in Novi Sad, northern Serbia. His resignation is likely to lead to early elections.

**Spain is to impose a 100% tax on properties purchased by people from outside the EU.** In this way the government seeks to address the country's housing shortage.

## ECONOMY

**In the fourth quarter of 2024, seasonally adjusted GDP increased by 0.1% in the EU,** compared with the previous quarter. In the third quarter of 2024, GDP had grown by 0.4%. According to a first estimation of annual growth for 2024, based on seasonally and calendar adjusted

quarterly data, GDP increased by 0.8% in the EU.

**EU annual inflation was 2.7% in December 2024,** up from 2.5% in November. A year earlier, the rate was 3.4%. The lowest annual rates were registered in Ireland (1.0%) and Italy (1.4%). The highest annual rates were recorded in Romania (5.5%) and Hungary (4.8%). Compared with November 2024, annual inflation fell in seven Member States, remained stable in one and rose in nineteen.

**The EU unemployment rate was 5.9% in December 2024,** up from 5.8% in November 2024 and down from 6.0% in December 2023.

## SECTORS

**In 2023, the share of renewable energy sources in transport reached 10.8% at EU level,** a 1.2 percentage points (pp) increase from 2022 (9.6%). This share was 18.2 pp lower than the 29% target for 2030 on the use of energy from renewable sources in transport. Sweden was the EU country with the highest share of renewables in transport and the only country already having achieved the 2030 target (33.7%), followed by Finland (20.7%). By contrast, the lowest shares were registered in Croatia (0.9%) and Latvia (1.4%).

**Lufthansa Group will hire 10,000 people this year, half of them in Germany.** The airline is looking for 2,000 cabin crew, 1,400 ground crew, 1,300 technical specialists, 1,200 administrative staff and 800 pilots.

**Airbus delivered 766 aircraft to customers last year.** American competitor Boeing delivered 348 aircraft last year to customers. Its production was negatively affected by strikes and safety issues.

**In 2023, the EU railway network had 200 947 km of railway lines,** with the highest densities being found in and around main cities and other population hubs. The highest railway network density was registered in Czechia, with 123.2 metres of railway lines per km<sup>2</sup>, followed by Belgium (119.2 m/km<sup>2</sup>) and Germany (109.5 m/km<sup>2</sup>).

**In 2023, the average price of 1 hectare of arable land in the EU was €11 791,** while the average annual rental price of arable land and or permanent grassland stood at €173 per hectare. Among the 22 EU countries with available data, by far

the highest average price for 1 hectare of arable land was recorded in Malta, at €283 039 per hectare. The next highest average price was in the Netherlands at €91 154 per hectare. By contrast, the lowest average prices were recorded in Croatia (€4 491 per hectare) and Latvia (€4 591).

**In 2024, 13.5% of enterprises in the EU with 10 or more employees used artificial intelligence (AI) technologies** to conduct their business, indicating a 5.5 percentage points (pp) growth from 8.0% in 2023. All EU countries recorded increases in the share of enterprises using AI technologies compared with 2023. The highest shares of these enterprises were in Denmark (27.6%), Sweden (25.1%) and Belgium (24.7%). At the other end were Romania (3.1%), Poland (5.9%) and Bulgaria (6.5%).

## FOCUS ON AUTOMOTIVE

**Growth in EU car sales stagnated last year, with electric car sales down 6%. Sales of new passenger cars in the EU rose 0.8% to 10.6 million units last year.** Deliveries of battery electric cars fell 5.9% year-on-year to 1.45 million units, i.e. a market share of 13.6% of total sales (down from 14.6% in 2023). Norway is the pioneer, where fully electric cars accounted for 88.9% of new car sales last year.

**The Chinese brand MG will start producing cars for Europe in Egypt.** The owner of the MG brand – the Chinese concern SAIC – will invest over CZK 3 billion in a plant in the Egyptian industrial zone New October City.

**BMW will eliminate the ability to control cars using hand gestures.** According to the brand, the feature did not take off, and the company will focus on improving voice control.

## EU CALENDAR

## Meetings of EU institutions

- *Plenary Session of the European Parliament on 10 - 13 February*
- *Eurogroup on 17 February*
- *Economic and Financial Affairs Council on 18 February*
- *Foreign Affairs Council on 24 February*
- *General Affairs Council on 25 February*
- *Plenary session of the European Economic and Social Committee on 26 - 27 February*