

POLITICS

The European Union will postpone by 90 days the entry into force of countermeasures against US tariffs, which were due to take effect on 15 April, European Commission President Ursula von der Leyen announced on 10 April. In this way the EU responded to US President Donald Trump's announcement on 9 April that he would immediately reduce the originally envisaged high tariffs on most countries to 10 percent for a period of 90 days.

The European Commission has imposed fines of over 458 million euros on 15 carmakers and the European Automobile Manufacturers' Association. The companies agreed not to pay compensation to car scrapyards for recycling vehicles. They also agreed not to advertise the proportion of recycled materials in their new cars.

The European Parliament has approved a postponement of two directives that require companies to report regularly on their environmental and social activities. The postponement applies to companies that were supposed to start reporting in 2026 and 2027. They will now be given two extra years. Under the current rules, reports were to be submitted by companies with more than 250 employees. After the change, the threshold should be changed to 1,000 employees. This will relieve 80% of the companies that would have been subject to the obligation.

The European Commission has announced that it will invest 910 million euros to strengthen European defence. The funds will be directed to 62 selected projects from EU Member States, including the Czech Republic. This was announced in a statement from the EU executive.

Repayment of principal and interest on debts to finance the EU Recovery Plan, the so-called NextGeneration EU, will require 25 to 30 billion euros annually in the new EU budget after 2027. The repayments will thus represent about a fifth of the current Union budget.

The European Commission has proposed creation of the first EU list of safe countries of origin. There are seven countries on the list: Kosovo, Bangladesh, Colombia, Egypt, India, Morocco and

Tunisia. This would give Member States the option to process asylum applications from citizens of these countries in an accelerated procedure on the basis that the applications are unlikely to be successful, the Commission said. The European Parliament and the Council of the EU now need to decide on the proposal.

ECONOMY

In the first quarter of 2025, seasonally adjusted GDP increased by 0.3% in the EU, compared with the previous quarter. In the fourth quarter of 2024, GDP had increased by 0.4% in the EU. Compared with the same quarter of the previous year, seasonally adjusted GDP increased by 1.4% in the EU in the first quarter of 2025.

The EU unemployment rate was 5.8% in March 2025, also stable compared with February 2025 and down from 6.0% in March 2024.

The annual growth rate of consumer prices in the European Union slowed to 2.5 percent in March from 2.7 percent in February. In the Czech Republic, the annual inflation rate in March decreased by one tenth of a percentage point, falling to 2.7 percent.

In February 2025, compared with January 2025, seasonally adjusted production in construction decreased by 0.4% in the EU, in January 2025, production in construction grew by 0.2%. In February 2025, compared with February 2024, production in construction increased by 0.3% in the EU.

SECTORS

TikTok's owner will be fined over half a billion euros in the EU. Apple and Meta are to pay fines as well. ByteDance illegally sent data about European users to China. Apple and Meta Platforms, in turn, have been fined for violating the EU's Digital Markets Act (DMA) according to the European Commission - Apple 500 million euros and Meta 200 million euros.

In 2024, 93.3 million people in the EU (21.0% of the population) were at risk of poverty or social exclusion, which means they lived in households experiencing at least 1 of 3 poverty and social exclusion risks: risk of poverty, severe material and social deprivation, and living in a household with very low work intensity. The highest values were reported in Bulgaria (30.3%) and Romania (27.9%), the

lowest shares were recorded in Czechia (11.3%) and Slovenia (14.4%).

FOCUS ON AUTOMOTIVE

European Commission proposes annual checks for older cars and stricter emissions measurements

The proposal for new rules includes:

Adapting tests to new vehicles: Regular technical inspections for electric vehicles and new tests for electronic safety systems, including software integrity testing of safety and emissions-related systems.

New emissions tests: Identification of high-emitting vehicles using advanced methods for ultra-fine particles and NOx.

Combating fraud: Recording odometer data in national databases for cross-border exchange of odometer history.

Annual checks: For cars and vans over 10 years old.

Digitalisation: Issuing electronic vehicle registration certificates and periodic technical inspections.

Mutual cross-border recognition of periodic technical inspection certificates.

The auto manufacturer Stellantis has stopped producing the T03 small electric car from its Chinese partner Leapmotor at its plant in Tychy, Poland. The company is now looking for other production locations. According to the media, the decision may be due to a warning from the Chinese government, which last October urged domestic carmakers to suspend investments in countries that supported additional EU tariffs on Chinese electric cars. Poland was among the countries that supported these measures.

The Swedish truck manufacturer Scania, part of the Volkswagen Group, has agreed to buy the bankrupt division of Northvolt, which produces batteries for use in construction, mining and heavy industry.

EU CALENDAR

Meetings of EU institutions

- *Informal meeting of foreign affairs ministers on 7 - 8 May*
- *Eurogroup on 12 May*
- *Economic and Financial Affairs on 13 May*
- *Foreign Affairs Council on 15 May*
- *Foreign Affairs Council and Foreign Affairs Council on 20 May*