

Meeting of the Chairpersons of COSAC

Vienna, 8 - 9 July 2018

Background Paper

Session 1: Priorities of the Austrian EU Presidency

On 1 July 2018, Austria will take over the Presidency of the Council of the European Union for the third time after 1998 and 2006. This is a Union whose great achievements in respect of peace, freedom and the therewith associated increase in prosperity must be maintained in all member countries. The European Union is currently facing new challenges that no country can meet on its own. If Europe wants to safeguard these achievements, values and the European way of life, retain the support of its citizens and remain among world leaders in the years to come, it must find solutions here and now.

It will be the task and the ambition of the Austrian Presidency to help find answers to these great challenges. Accordingly, Austria has placed its Presidency under the motto: **“A Europe that protects.”** Austria's efforts are aimed at strengthening the European Union, bringing it closer to its citizens and rebuilding their confidence in the Union's ability to act, as well as restoring mutual trust among the Member States and confidence in the EU as a reliable and stabilising force in the world.

Accordingly, the Austrian Presidency will focus on the effective protective function of the EU, particularly in three priority areas: security and migration, maintaining competitiveness through digitalisation and stability in the neighbourhood. Looking ahead to the elections to the European Parliament in May 2019, the Austrian Presidency is committed to promoting and fulfilling legislative projects at the EU level to the greatest possible extent.

Security and the fight against illegal migration

The impact of Europe's biggest migration crisis since the Second World War and people's concerns about further uncontrolled migratory flows underline the importance of tackling illegal migration together and ensuring the EU's capability to act. A key aspect will be the reform of the Common European Asylum System and the refocusing and strengthening of the European Border and Coast Guard Agency FRONTEX in order to ensure effective external border management. In addition, the aim will be to strengthen cooperation with third countries, with the twin goals of helping people who need protection even before they have entered the EU and preventing those who are not in need of protection from embarking on the dangerous crossing to Europe or ensuring measures for efficient repatriation. These are some of the topics to be discussed at the informal EU summit of Heads of State and Government in Salzburg on 20 September 2018.

As organised crime develops its networks in a converging, globalised world, Austria will also strive during its Presidency to boost efficient cooperation, the exchange of information between Member States' security authorities and the interoperability of

the relevant large databases in this field. In addition, joint action must also be taken at the European level against terror threats and radicalisation of all kinds.

Securing prosperity and competitiveness through digitalisation

Although the EU is still the leading trade power and the world's largest internal market, Europe's share in global GDP and its economic weight are declining. If the EU wants to secure its prosperity and competitiveness in the long term, it is essential to consistently avoid overregulation and to make progress in the areas of innovation and digitalisation. In addition, many citizens are concerned about the possible effects of digitalisation on the economy and their personal living conditions.

Today, the digital economy already provides a significant share of growth in Europe. With an intelligent policy of digital transformation, it will be possible to safeguard the competitiveness and sustainability of the European economy also in the future. Completing the digital single market, modernising public administration on a comprehensive scale and renewing industrial policy will improve framework conditions for digital business models and services.

A modern and balanced regulatory framework is needed, if the digital economy is to develop its full potential and benefit the public at large. We have to protect our public budgets against harmful tax competition and tax avoidance, and fair conditions of competition must be created for all companies. The EU's ongoing work on the taxation of the digital economy will be pursued under the Austrian Presidency to ensure that profits are taxed in the place where they are generated.

Stability in the neighbourhood – bringing South-Eastern Europe closer to the EU

The European Union can only offer its citizens stability, security and peace, if there is stability and security in its immediate vicinity. With this in mind, Austria will focus on promoting good relations between the EU and its neighbours during its Presidency.

In this process, the focus will be placed on the countries of South-Eastern Europe. This region is part of Europe in economic and security terms and proved to be a reliable partner during the migration crisis. It is in the economic and security interest of Europe that the future of South-Eastern Europe should be anchored in the European Union. Building on the work of the Bulgarian Presidency and the European Commission's enlargement strategy of 6 February 2018, Austria will work during its Presidency to give concrete shape to the EU perspective of all South-Eastern European states, on the basis of clear criteria geared to their individual developments, and to achieve measurable progress in this domain.

Further priority areas

Strengthening the principle of subsidiarity is one route to achieving the objectives of the Council Presidency. The European Union should concentrate on the big issues that need a common solution and take a back seat on minor issues where the Member States or regions are better placed to take decisions.

This takes account of the EU's motto "United in diversity" and the ongoing debate on the future of Europe, and, particularly, reflects the scenario of "doing less but more efficiently". Only if there is sufficient scope for local solutions on minor issues will there be credible support for unity in the major issues. Austria will attach great importance to citizens' participation in questions concerning the future development of the European Union. In view of the major challenges mentioned before, the EU can be of added value for citizens and Member States alike.

Beyond these priority areas, the second half of 2018 will see the EU addressing two issues that will set the course for the future: the conclusion of negotiations on the UK's exit from the EU (Brexit) and the negotiations on the Multiannual Financial Framework after 2020 (see background paper Session 2: Future and Perspectives of the European Union).