



EUROPEAN COMMISSION

Cabinet of President Ursula von der Leyen  
Member of Cabinet

Brussels, 23 September 2022  
CA.1.CAB STAFF

**SHORT NOTES OF A MEETING**

**Subject:** Meeting (VTC) 19 July 2022 on economic situation

Participants :

EC : President von der Leyen, Björn Seibert, Anthony Whelan

External :

Main remarks by the external participants :

EU is the only major world region that is not energy independent.

As 100 years ago, the key to emerge from war, recession and pandemic is greater investment in infrastructure, research & innovation.

EU lagging US & CN on digital (e.g. 5G, AI, automation). Broadband / 5G roll-out needs stronger business case, improved market structure. Chips dependency is not just at the cutting edge.

Need for competitiveness KPIs to guide policy.

Need to complete single market (only 75% complete for goods, 66% for services). Need to further enhance enforcement efforts.

Fragmentation slows scale-up, and speed now beats size in digitalised economy.

EU promotes right strategy, execution is key. Vaccines shows EU can be fast & effective on critical needs.

End of monetary QE will enhance incentives for fiscal responsibility and intelligent investment by MS.

Current recession risk is not driven by demand shortfall but supply restrictions (gas, supply chains) so generalised fiscal support is not the right response, need to focus on specific vulnerable groups. Policy should drive supply (including labour and capital supply).

The single market and competition policy are anti-inflationary tools.

Gas storage build-up may contribute to temporary spike in inflation, but worthwhile to prepare for winter when assured supply may ease price tensions. Output loss risks from gas disruption look manageable in aggregate, but some MS very exposed. Advantages of a single buyer platform.

e-signed -  
Anthony WHELAN