

TODAYS  
News

Tuesday, 22 December, 2015

### EU and the Philippines launch negotiations for a free trade agreement

EU Trade Commissioner Cecilia **Malmström** and Philippine Secretary of Trade and Industry Gregory Domingo today agreed to start negotiations for an EU-Philippines free trade agreement (FTA). Both sides share the ambition to conclude an agreement that covers a broad range of issues, including elimination of customs duties and other barriers to trade, services and investment, access to public procurement markets, as well as additional disciplines in the area of competition and protection of intellectual property rights. The prospective agreement will also include a comprehensive chapter that will ensure that closer economic relations between the EU and the Philippines go hand in hand with environmental protection and social development. *"Launching negotiations with the Philippines will represent an important milestone in the EU-Philippine relations and a further evidence of the EU's commitment to Southeast Asia"*, said EU Trade Commissioner Cecilia **Malmström**. *"The Philippines has been one of the fastest growing economies in the region in the recent years. We need to make sure our companies enjoy right conditions to seize the great potential of that market of 100 million consumers."* The first round of negotiations is expected to take place in the first half of 2016 in the Philippines. The joint press release is available [online](#) in all languages.

### No outcome reached at the final trilateral ministerial meeting on the EU-Ukraine Deep and Comprehensive Free Trade

European Commissioner Cecilia **Malmström**, Ukrainian Foreign Minister Pavlo Klimkin and Russian Minister for Economic Development Alexei Ulyukayev could not come to a political agreement during the talks yesterday in Brussels on the practical solutions to Russia's concerns related to the implementation of the Deep and Comprehensive Free Trade Area (DCFTA) between the EU and Ukraine. Commissioner **Malmström** said: *"We spent 18 months in extensive discussions on Technical Barriers to Trade (TBT), Sanitary and Phytosanitary (SPS) rules and customs cooperation to accommodate Russia's concerns. We were ready to make the efforts needed to reach a joint understanding. Therefore, I was deeply surprised by President Putin's decree of 16 December 2015 that suspends all Russia's obligations towards Ukraine in the framework of the CIS FTA. This measure goes against the mandate, the spirit and the objective of these talks."* Russia's continued insistence on a legally binding agreement, which would amount to a reopening of the bilateral agreement between the EU and Ukraine, could not be accommodated, as has been made clear throughout these talks. The Commissioner added that: *"As has been conveyed from the beginning of the talks and reconfirmed by [President Juncker last week](#) the DCFTA cannot be amended – neither directly nor indirectly."* Commissioner **Malmström** held a [press point](#) and answered a [few questions](#) yesterday which are available on [ebs](#). A full [press release](#) and [memo](#) containing more background information on the trilateral

talks on the implementation of the EU-Ukraine Association Agreement/Deep and Comprehensive Free Trade Area (DCFTA) are available online.

## **Over €11 million to projects enhancing the EU's cooperation with India, China, Brazil and the Latin Investment Plan for Europe backs €1 billion of financing for Italian SMEs**

The European Investment Fund (EIF) and Italian banks Cassa Depositi e Prestiti, and SACE have signed two guarantee agreements to provide €1 billion in financing to small and medium-sized businesses in Italy. The signing event took place on Monday in the presence of Mr. Pier Carlo Padoan, Minister of Economy and Finance and it is backed by the European Fund for Strategic Investments (EFSI), the heart of the [Investment Plan for Europe](#). Commission Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness, said: *"The two EFSI-backed agreements signed today are going to have a real impact on small businesses in Italy, who are the backbone of the economy. With the EU guaranteeing loans up to €1 billion, Italy is feeling the positive effects of the Investment Plan for Europe. And with six Italian infrastructure projects already approved by the EIB for EFSI financing, the Investment Plan is off to a very good start in Italy"*. For more information see [press release](#)

## **BalticConnector ends isolation in Finnish gas market and completes Baltic Gas Ring**

Investing in energy solidarity and bridging missing links in energy infrastructure are essentials for the completion of the Energy Union, a key priority of this Juncker Commission. In the presence of the Finnish Economic Affairs Minister Olli Rehn and EU Climate Action and Energy Commissioner Miguel **Arias Cañete**, a grant agreement of €5.4 million will be signed for studies necessary to launch construction works of the BalticConnector gas pipeline. The BalticConnector will be the first gas pipeline to connect Estonia and Finland and will significantly increase energy security in the eastern Baltic Sea region. It will allow the transportation of gas in both directions and, together with the gas interconnector Poland-Lithuania, will help finalise the Baltic Gas Ring and end the isolation of the Finnish gas market. EU Commissioner for Climate Action and Energy Miguel **Arias Cañete** said: *"Today's signature is a result of close regional cooperation and a proof of true commitment on all sides to end energy isolation. It marks an important first step for connecting the gas markets of the Eastern Baltic Sea region with the rest of the EU gas market. Building missing infrastructure links which is a prerequisite for a resilient, competitive and sustainable EU energy market, is a priority for the Energy Union."* Energy security and security of gas supplies are the cornerstone of the Energy Union. Finland is still fully dependent on gas flows from a single supplier and, until recently, the three Baltic States also had to rely on gas imports from a single gas source. Once completed, the BalticConnector and the gas link between Poland and Lithuania GIPL (see [IP/15/5844](#) and [MEMO/15/5845](#)) will allow Finland and the Baltic States to diversify their gas sources and routes and thus help to effectively deal with possible supply shortages in the future. And it integrates the entire region into the EU's internal energy market. Read more information about today's [grant agreement](#) and the [Energy Union](#).

## **Action on cross-border parcel delivery needed to boost online shopping**

A [study](#) published today shows that cross-border parcel prices for national postal operators are almost 5 times higher than their domestic equivalents. The results of the Commission's [public consultation on parcel delivery](#), also published today, confirm that consumers and retailers are still held back by high costs of cross-border delivery and problems placing online orders which involve a parcel being delivered from one Member State to another. EU consumers could save over €11 billion each year, if they could choose from the full range of goods and services when shopping online. Currently, 44% of consumers buy online in their own country, but only 15% order online from another EU Member State. As set out in the [Digital Single Market](#) strategy, the Commission plans to make shipments of cross-border parcels more affordable and will

launch measures in spring 2016 to enhance price transparency and regulatory oversight of the cross-border parcel markets. Vice-President Andrus **Ansip**, in charge of the Digital Single Market, said: *"Today, it often costs much more to send home something that you have bought from a website in another EU country than to have it delivered nationally, even when the distance is the same or shorter. The high prices and inefficiency of cross-border parcel delivery deter people from selling to or buying from other EU countries. This means that e-commerce is not being used to its full potential. We now need to make sure that it can develop across all of the European Union, putting this important part of the DSM strategy into effect as quickly as possible."* Elzbieta **Bieńkowska**, Commissioner for Internal Market, Industry, Entrepreneurship and SMEs, added: *"Our objective is to make shipments of cross-border parcels seamless and more affordable for both individuals and SMEs – not by regulating prices or imposing caps but by increasing transparency and competition."* More information [here](#).

### **€160 million loan for Redexis Gas backed by the Investment Plan**

Today the European Investment Bank (EIB) has signed a loan agreement worth €160 million with Redexis Gas to construct new gas pipelines in Spain. The loan will allow Redexis to reach customers in remote and rural areas in Spain, replacing polluting fuels with cleaner and cheaper natural gas. The project, which is backed by the [Investment Plan for Europe](#), will reduce energy costs and cut household and business emissions, as well as creating hundreds of new jobs. European Commissioner for Climate and Energy, Miguel **Arias Cañete**, said: *"The Commission welcomes the fact that the European Fund for Strategic Investments (EFSI) is prioritising investments in energy infrastructure which is key for growth and economic development. Internal and external energy connectors are a top priority for this Commission to complete the Energy Union."*

### **EU provides €12 million in humanitarian aid to Afghanistan**

The European Commission is today providing an additional €12 million to meet growing humanitarian needs in Afghanistan, bringing the total of the Commission's humanitarian aid to the country to €40 million in 2015. The support comes amid a drastic intensification of the conflict, which increasingly affects urban centres with high population density. *"This new EU humanitarian support will help people directly affected by the escalation in violence. Afghanistan is back to a critical humanitarian crisis with the situation worsening over the past few weeks. The civilian population is paying a heavy toll in casualties and displacement."* said Christos **Stylianides**, EU Commissioner for Humanitarian Aid and Crisis Management. Read more in the press release [here](#).

### **Mergers: Commission approves acquisition of Elster by Honeywell, subject to conditions**

The European Commission has approved under the EU Merger Regulation the proposed acquisition of Elster by Honeywell, subject to divestment of Honeywell's gas metering business. The activities of the Elster and Honeywell overlap in a number of areas, namely: residential heating products (valves and electronic boards for boilers), industrial heating products (industrial burner systems and their components); and metering products, which are products for the upstream/mid-stream gas sector. The Commission's market investigation identified competition concerns with regard to several upstream/midstream gas metering markets. To eliminate any competition concerns Honeywell offered to divest to an independent purchaser all shares in a plant manufacturing gas meters and located in Butzbach, Germany, including all tangible and intangible assets as well as personnel. This divestiture completely eliminates the overlap of the parties' activities and allows a purchaser to develop the acquired assets in competition with the merged entity. The full press release is available online in [here](#). More information will be available on the [competition](#) website, in the Commission's [public case register](#) under the case number [M.7737](#).)

## **Mergers: Commission clears acquisition of C+C Pfeiffer by Transgourmet**

The European Commission has approved under the EU Merger Regulation the acquisition of C+C Pfeiffer GmbH of Austria by Swiss Transgourmet Holding AG. Transgourmet is active in the wholesale of food and other daily consumer goods cash&carry outlets and mail-order delivery. C+C Pfeiffer is active in the wholesale of food and other daily consumer goods via cash&carry outlets and mail-order delivery, wholesale of drinks via mail-order delivery, as well as in the retail sale of drinks in Austria. The Commission concluded that the proposed transaction would not raise any competition concerns as the companies' combined market shares would be modest. The operation was assessed under the simplified merger procedure. More information is available on the Commission's [competition](#) website in the public [case register](#) under the case number [M.7829](#).

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**NOTE: Next edition Monday 04 January 2016**



Find out [here](#) what will be discussed next week in the European Commission, European Council and the European Parliament.

