



Friday, 08 April, 2016

### EU and Mercosur agree to advance trade talks

The EU and Mercosur will exchange market access offers in the second week of May, following a meeting held today in Brussels by EU Trade Commissioner Cecilia **Malmström** and Rodolfo Nin Novoa, Foreign Minister of Uruguay, which currently holds the rotating presidency of the Latin American trading bloc Mercosur. This exchange will specify the ways to increase mutual openness to each other's goods and services, including in public tenders. The meeting today also resulted in the adoption of a roadmap for talks during the rest of the year. Following the meeting, Cecilia **Malmström**, EU Commissioner for Trade, said: *"I am glad we can now move forward with these longstanding negotiations. Europe has strong economic and political links with Latin America. Enhancing trade conditions between the EU and the countries of Mercosur would bring important economic benefits to our economies. Both sides are strongly committed, so I trust that the upcoming exchange of offers will allow us to successfully resume these talks towards an ambitious and comprehensive deal."* Intense negotiations between the EU and Mercosur took place between 1999 and 2004. After an unsuccessful exchange of market offers in 2004, the negotiations were halted for six years. Since the resumption of negotiations in 2010, nine negotiation rounds have taken place, preparing the work for a new exchange of offers soon. Renewed political support by Mercosur countries and EU Member States will pave the way for new rounds of negotiations this year. The EU's exports to the region have steadily increased over the last few years, making Mercosur the EU's 6th most important export market. EU-Mercosur trade in goods amounted to over €88 billion in 2015. The EU is Mercosur's first trading partner, a major provider of commercial services, as well as the biggest foreign investor in the region. EU companies pay over 4 billion euros in tariff duties annually when exporting to the Mercosur countries. [Video](#) and [photo](#) footage is available online.

### EU boosts aid to Ethiopia amid worsening drought

Today the European Commission has announced €122.5 million for Ethiopia to address the immediate needs of people affected by the worsening humanitarian situation caused by one of the most severe extreme El Niño weather phenomenon on record. This new support aims to combine a humanitarian response and early recovery assistance with initiatives that address the root causes of fragility and vulnerability. European Commissioner for Humanitarian Aid and Crisis Management, Christos **Stylianides** stated: *"With over 10 million people currently struggling to find food, the humanitarian situation is very worrying. The EU is taking action; our new support will allow us to step up our efforts to help the most vulnerable in Ethiopia."* European Commissioner for International Cooperation and Development, Neven **Mimica** also said: *"Our support aims at combining short-term lifesaving with*

*strengthening Ethiopia's resilience by addressing the root causes of fragility and vulnerability. We can build on the past successes of Ethiopia which has already stepped up its efforts to tackle the drought crisis."* Commissioners **Mimica** and **Stylianides** together with Vice-President responsible for the Euro and Social Dialogue, Valdis **Dombrovskis** and Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne **Thyssen** visited one of the worst hit areas in Ethiopia, Dire Dawa, to assess the humanitarian situation. A press release is available [here](#).

### **Investment Plan for Europe: EIF signs two more SME financing agreements in Italy**

The European Investment Fund (EIF) has signed two new SME financing agreements in Italy: one with [Banco Popolare](#), and one with [Banca Popolare di Bari](#). Together these agreements will provide a further EUR 400 million in finance to innovative SMEs in Italy over the next two years. European Commission Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness, said: *"Today's agreements mark yet more good news for SMEs in Italy: thousands of growing, innovative businesses can now access fresh loans worth EUR 400 million in total. Once again I congratulate Italian banks for showing such initiative and collaborating with the EIF so effectively"*. For more information see [here](#)

### **Commissioner Carlos Moedas hands out the European Capital of Innovation 2016 Award**

Commissioner **Moedas**, responsible for Research, Science and Innovation, will this afternoon award the [The European Capital of Innovation Award – iCapital](#), together with Markku **Markkula**, President of the European [Committee of the Regions](#). The iCapital award celebrates and rewards cities that take ambitious and creative steps to develop their capacity to innovate. The winning city will receive €950,000, intended to help scale up and expand the city's efforts on innovation. Two runner-up cities will receive prizes of €100,000 and €50,000 respectively. Commissioner **Moedas** said: *"The competition will be very tough today, and the outstanding achievements of all nine shortlisted cities are an inspiration to others. They are shining examples of how cities can put innovation to work to improve the way people live and businesses work."* Barcelona won in 2014 for using new technologies and initiatives such as open data, residual energy from heating and cooling networks, and smart services provided through ICT to foster innovation and the welfare of its citizens. This year, the nine shortlisted cities are Amsterdam, Berlin, Eindhoven, Glasgow, Milano, Oxford, Paris, Torino and Vienna. The video presentations of each of the nine shortlisted cities [can be found here](#). The event will take place in Brussels at the Committee of the Regions at 14:20, and can be followed on [#iCapitalAwards](#). For more information, please see [the website](#).

### **Commissioner Avramopoulos in Geneva: High-level conference on prevention of violent extremism and meeting with UN High Commissioner for Refugees Filippo Grandi**

Today, Commissioner for Migration, Home Affairs and Citizenship Dimitris **Avramopoulos** is in Geneva to attend a High-level conference on 'Preventing Violent Extremism – The Way Forward', organised by the United Nations and in partnership with the government of Switzerland. At the conference, the UN's Action Plan to Prevent Violent Extremism and key issues related to the fight against radicalisation will be discussed. During his intervention, Commissioner **Avramopoulos** said: *"Terrorism cannot be defeated with security measures alone. We need to counter radicalisation and recruitment to terrorism holistically, by involving all relevant policy areas and actors of society; we need to find innovative cross-sectoral approaches and partnerships. The UN has an important role to play in these global efforts"*. The full intervention of Commissioner **Avramopoulos** is available [here](#). In the afternoon, Commissioner

**Avramopoulos** will meet with the UN High Commissioner for Refugees Filippo Grandi to discuss EU and UNHCR cooperation in the refugee crisis.

### **Which obstacles do you face in border regions? Commission releases results of public consultation**

In September 2015 the Commission launched the [Cross-border Review](#), to study the obstacles that people in the border regions are still facing. Part of this review was [an EU-wide public consultation](#), for which the results are unveiled today. Not only did respondents clearly identify remaining cross-border issues, but they were also asked to put forward concrete ideas on how to overcome them, which are compiled in [this report](#). They mention five main obstacles: 1. legal and administrative barriers (lack of recognition of qualifications, differences in social security, pension and taxation systems), 2. language barriers, 3. difficult physical access (lack of infrastructures and of integrated public transport systems), 4. lack of cooperation between public authorities on cross-border issues, and 5. economic disparities (differences in the labour market and wages, creating asymmetric flows). Commenting on the results, Commissioner for Regional Policy Corina Crețu said: *"I'm glad to see that two-third of the respondents consider the border in their region as an opportunity, but still, these results show that we have work to do to overcome remaining obstacles. This will feed into my reflection on Cohesion Policy and cross-border cooperation in the coming years."* More than €10 billion from ESI Funds will be invested in fostering cross-border cooperation over 2014-2020.

### **Antitrust: successful market opening allows early termination of commitments in Deutsche Bahn case**

The European Commission has relieved Deutsche Bahn ahead of schedule from commitments made binding in [December 2013](#), as several competitors have now entered the German railway traction current market, thereby addressing the Commission's competition concerns. Commissioner Margrethe Vestager, in charge of competition policy, said: *"The growth in the level of competition in the German railway power supply market confirms that the commitments were successful at remedying our competition concerns. This is a good example of how commitment decisions can quickly and effectively open up markets, ensure a level playing field and lead to more competition and lower prices for consumers and businesses."* Traction current is the electricity used for powering locomotives and is therefore an indispensable input for railway companies. Prior to the commitments entering into force DB Energie, a Deutsche Bahn subsidiary, was the only supplier of traction current in Germany. A full press release is available in [EN](#).

### **State aid: Commission opens in-depth investigation into support for Romanian petrochemical company Oltchim**

The European Commission has opened an in-depth probe to verify whether debt write-offs by the Romanian State and continued supplies by State-owned enterprises in favour of Oltchim, despite the company's deteriorating financial situation, were in line with EU state aid rules. Commissioner Margrethe Vestager, in charge of competition policy, stated: *"Following the economic difficulties of Oltchim and the cancellation of public debts owed by the company, we need to verify whether a private creditor would have accepted to act in the same way. Thanks to its recent reorganisation, Oltchim's financial situation has improved and Romania hopes to find a new investor. Our aim is to facilitate a sustainable future for the economic activities of the company without the need for further government support."* Oltchim is one of the largest petrochemical companies in Romania and South-East Europe. The Romanian State has a controlling stake of 54.8% in the company. In January 2013, Oltchim was declared insolvent. Since then, it has been in the process of reorganisation following a plan established by the insolvency administrator

(and endorsed by a majority of Oltchim's creditors), with the aim of paying past debts from the proceeds of a future privatisation. As the estimated sale price in the event of a privatisation would not cover the entire debt, Oltchim's public creditors have accepted total or significant debt waivers. A full press release is available in [here](#).

## **Mergers: Commission clears acquisition of ENI Hungaria and ENI Slovenija by MOL**

The European Commission has approved under the EU Merger Regulation the acquisition of ENI Hungaria Zrt. ("ENI Hungaria") and ENI Slovenija družba za trženje z naftnimi derivati, d.o.o. ("ENI Slovenija") by MOL Hungarian Oil and Gas Plc. ("MOL"). MOL is an integrated oil and gas company active across the entire crude oil and natural gas value chain. ENI Hungaria is active in the ex-refinery, non-retail and retail sales of various refined oil products in Hungary. ENI Slovenija is active in the non-retail and retail sales of various refined oil products in Slovenia. The companies' activities overlap for the non-retail supply of diesel and gasoline in Hungary, of bitumen in Hungary and Slovenia and for the retail supply of motor fuels in Hungary. Furthermore, vertical overlaps arise between the ex-refinery sales of diesel and gasoline and the Hungarian non-retail sales of the same refined oil products, as well as between the upstream markets for the non-retail supply of refined oil products and the downstream markets for the retail supply of motor fuels in Hungary. The Commission concluded that the proposed acquisition would raise no competition concerns given the small increments brought by ENI Hungaria and ENI Slovenija and the remaining strong competitors in the affected markets. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.7849](#).

## **ANNOUNCEMENTS**

### **High Representative/Vice-President Federica Mogherini travels to Hiroshima for G7**

On Sunday 10 and Monday 11 April, Federica **Mogherini**, the EU High Representative for Foreign and Security Policy/Vice-President of the European Commission will be in Japan to participate in the G7 Foreign Ministers' Meeting in Hiroshima. The G7 Ministers, along with the High Representative, are expected to discuss the main international issues, from countering terrorism and violent extremism to the refugee crisis, from the crisis in Syria to the situation in Libya, in the Middle East and in Ukraine. Also on the agenda for discussion are maritime security, cyber, disarmament and non-proliferation, Africa, and Asian affairs. G7 participants will, in the margins of the meeting, pay a visit to Hiroshima Peace Memorial Park and Museum. Whilst in Hiroshima, the HR/VP will take the opportunity to meet bilaterally with her counterpart, Foreign Minister Fumio Kishida, so as to discuss enhanced cooperation and engagement between the EU and Japan. For more information on EU-Japan relations, visit the [website](#).)

### **Upcoming events**

- [Monday 11 April: Commission publishes the 2016 EU Justice Scoreboard](#) European Commission - Upcoming events The news: On 11 April, the European Commission will publish the 2016 EU Justice Scoreboard. The aim of the Scoreboard is to assist national authorities in their efforts to improve their justice systems by providing this comparative data.
- [On 14 April, the European Agency for Safety and Health at Work \(EU-OSHA\) will launch its two-year Europe-wide campaign called "Healthy Workplaces for All Ages"](#). The background: This is the world's biggest workplace safety and health campaign.

- [Thursday 28 April: The Commission adopts its monthly infringements package](#) European Commission - Upcoming events The news: On Thursday, 28 April 2016, the European Commission will adopt its monthly infringements package. These decisions seek to enforce EU law across Europe so that citizens and businesses can benefit fully from the internal market.
- [26-27 May: The EU at the G7 summit in Japan](#) European Commission - Upcoming events The news: The 42nd edition of the G7 will take place from 26 to 27 May in Ise-Shima, in the Mie Prefecture (Japan), under Japanese presidency. The European Union, who is a full member of the G7 (and the G20), will be jointly represented by by the President of the European Commission, Jean-Claude Juncker, and the President of the European Council, Donald Tusk.

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