



Tuesday, 19 July, 2016

European Commission outlines new support package worth €500 million for European farmers

The European Commission yesterday presented a new package of measures worth €500 million from EU funds to support farmers in the face of ongoing market difficulties, particularly on the dairy market. This comprehensive support package is further evidence of the Commission's continued commitment to the agricultural sector across the EU. The measures were presented to yesterday's Council of EU Agriculture Ministers by Commissioner for Agriculture and Rural Development, Phil **Hogan**: *"Our ultimate goal is to see the much needed recovery of prices paid to farmers, so that they may make a living from their work and continue to provide safe, high quality food for citizens, as well as their contribution to rural areas and rural jobs and the provision of public goods."* The package contains three main elements: an EU-wide scheme to incentivise a reduction in milk production (€150 million), conditional adjustment aid to be defined and implemented at Member State level (€350 million), and a range of technical measures. The precise details of all the different measures will be finalised in the coming weeks, in consultation with Member State experts. The budget implications of the proposed measures will be incorporated in an amending letter to the draft budget 2017 in the autumn. **A full press release is available [here](#).**

The economic outlook after the UK referendum: Commission publishes a first assessment for euro area and the EU

The UK 'leave' vote on 23 June has led to increased uncertainty, financial market volatility and abrupt exchange rate movements. Today, the European Commission's Directorate General for Economic and Financial Affairs publishes a [first assessment of the economic outlook](#) for the euro area and the EU after the UK referendum. First results were already presented and discussed in last week's Eurogroup meeting. A prolonged period of uncertainty could influence the modest recovery in the European economy by dampening investment and consumption. The study is not an economic forecast. The Commission is due to update its next economic forecast in November 2016. To illustrate the potential effects, the Commission has analysed two scenarios, a 'mild' and a 'severe'. Ahead of the UK referendum, the latest available data pointed to expected GDP growth in the euro area of 1.7% (EU28 1.8%) in both 2016 and 2017. Following the referendum, growth in the euro area would moderate to 1.5%-1.6% in 2016 and to 1.3%-1.5% in 2017, according to both scenarios. Although the depreciation of the pound sterling mitigates the economic fallout for the UK, the analysis suggests that the UK economy is likely to be more severely affected, with a GDP loss of 1% to 2.75% by 2017. Growth in the other 27 Member States would slow from an expected

1.9% in 2016 to 1.7%-1.8% and from 1.8% to 1.4%-1.7% in 2017. Neither of the analysed scenarios contains assumptions on the shape of any future agreement between the UK and the EU.

EU 2015 accounts adopted: performance focus shows the EU budget is delivering

Today the European Commission published accountability reports on the implementation of the 2015 EU budget, bringing them all together for the first time. With the accounts set to receive a clean bill of health for the ninth year in a row, the package provides a comprehensive overview of how the EU budget is supporting the European Union's political priorities, while being spent in line with EU rules. The reports put a particular emphasis on performance, thus making a big step forward in transparency and accountability and achieving one of the concrete outcomes of this Commission's 'Budget Focused on Results' initiative. **More information is available in the press release [here](#).**

Investment Plan for Europe: EFSI supports almost EUR 200 million investment in renewable energy sector

The European Investment Bank (EIB) and Landesbank Saar (SaarLB) signed a EUR 100 million guarantee agreement yesterday, which is designed to grant SaarLB additional scope to invest in the renewable energy sector. This transaction benefits from the support of the European Fund for Strategic Investments (EFSI), the heart of the [Investment Plan for Europe](#), and will facilitate SaarLB making almost EUR 200 million worth of additional loans available for renewable energy projects. Maroš Šefčovič, Vice-President for the Energy Union, said: "*The energy transition will only succeed in Europe if we think beyond national borders and work together. SaarLB is doing precisely that by financing renewable energies in Germany and France. I am pleased that the European Union is able to contribute to this through the EIB and the so-called Juncker Plan.*" **For more information see [here](#)**

EUROSTAT: Europe 2020 Strategy - Positive developments since 2008 in the EU on education, climate change and energy... but limited or no progress for employment, poverty and R&D

The Europe 2020 strategy, adopted by the European Council in June 2010, aims at establishing a smart, sustainable and inclusive economy with high levels of employment, productivity and social cohesion. The key objectives of the strategy are expressed in the form of targets in five areas: employment, research & development (R&D), climate change & energy, education and poverty reduction, to be reached by 2020. These have been translated into national targets in order to reflect the situation and possibilities of each Member State to contribute to the common goal. A set of nine headline indicators and additional sub-indicators, compiled by Eurostat, give an overview of how close the European Union (EU) is to its overall targets. **A full EUROSTAT press release is available [online](#).**

EU takes legal action against export restrictions on Chinese raw materials

The European Union launched today a third case against China's restrictions on exports of raw materials essential for European industries. Following the successful legal actions in 2012 and 2014 on similar measures, this time the EU is focusing on restrictions concerning graphite, cobalt, copper, lead, chromium, magnesia, talcum, tantalum, tin, antimony and indium. "*We cannot sit on our hands seeing our producers and consumers being hit by unfair trading practices. The past two WTO rulings on Chinese export restrictions have been crystal clear - these measures are against international trade rules. As we do not see China advancing to remove them all, we must take legal action,*" said EU Trade Commissioner Cecilia

Malmström. China currently imposes a set of export restrictions, including export duties and export quotas that limit access to these products for companies outside China. These measures have distorted the market and favoured Chinese industry at the expense of companies and consumers in the EU, in violation of general WTO rules and also of China's specific commitments from the time of its accession to the WTO. Also, their alleged aim to support an environmentally friendly and sustainable production of raw materials could be achieved more effectively with other measures, without negative impact on trade. The formal consultations between the EU and China – the first step in the WTO dispute settlement - will be conducted in parallel to a similar procedure initiated by the US. In absence of a satisfactory solution within 60 days, the EU may request the WTO to set up a panel to rule on the compatibility of China's measures with WTO rules. **Full press release available [here](#).**

New terminal at Dubrovnik Airport: smoother travel thanks to ESI Funds investment

Yesterday the European Commission approved a [major project](#) worth €214.9 million, with €134.6 million from the [European Regional Development Fund \(ERDF\)](#) for the upgrade of Dubrovnik Airport, a part of the [Trans-European Transport Network \(TEN-T\)](#). The project will improve the international and national accessibility of the Dubrovnik-Neretva County, directly benefiting the Croatian economy. Commissioner for Regional Policy Corina **Crețu**, said: *"I had the opportunity to see the expansion works at Dubrovnik Airport in May, and I believe it is a flagship project for ESI Funds investments in transport. It is great news for business, tourism and for everybody using the airport."* EU co-financed works will increase the capacity of the airport, which currently operates close to its maximum capability. The airport will be able to handle more travellers, and passengers processing and waiting times will be reduced. The new terminal building will meet the requirements of the Schengen border code. This major project is co-financed under the 2007-2013 [Transport operational programme](#). More information on ESI Funds investments in Croatia is available [on the Open Data Platform](#) and in [this factsheet](#).

Antitrust: Commission fines truck producers € 2.93 billion for participating in a cartel

The European Commission has found that MAN, Volvo/Renault, Daimler, Iveco, and DAF broke EU antitrust rules. These truck makers colluded for 14 years on truck pricing and on passing on the costs of compliance with stricter emission rules. The Commission has imposed a record fine of € 2 926 499 000. Commissioner for competition, Margrethe **Vestager**, said: *"We have today put down a marker by imposing record fines for a serious infringement. In all, there are over 30 million trucks on European roads, which account for around three quarters of inland transport of goods in Europe and play a vital role for the European economy. It is not acceptable that MAN, Volvo/Renault, Daimler, Iveco and DAF, which together account for around 9 out of every 10 medium and heavy trucks produced in Europe, were part of a cartel instead of competing with each other. For 14 years they colluded on the pricing and on passing on the costs for meeting environmental standards to customers. This is also a clear message to companies that cartels are not accepted."* MAN was not fined as it revealed the existence of the cartel to the Commission. All companies acknowledged their involvement and agreed to settle the case. The infringement covered the entire EEA and lasted 14 years, from 1997 until 2011, when the Commission carried out unannounced inspections of the firms. **The press release is available online in [here](#), and other languages.**

Mergers: Commission clears acquisition of Tipico Group by CVC

The European Commission has approved under the EU Merger Regulation the acquisition of Tipico Group of Germany by CVC Capital Partners and CVC Capital Partners Advisory Group Holding Foundation (together "CVC") of Luxembourg. Tipico Group provides online, mobile and retail betting

and gambling services in Germany, Belgium, Denmark and Austria, and online and mobile betting and gambling services in Italy, Sweden and the Netherlands. CVC provides investment advice to various funds and manages investments on their behalf. Sky Bet, one of CVC's portfolio companies, provides online gaming and betting services to customers in the United Kingdom, Ireland, Finland, Gibraltar, the Isle of Man and the Channel Island. The Commission concluded that the proposed acquisition would raise no competition concerns, because the companies' activities do not overlap at national level and therefore the impact on the market structure is very limited. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8051](#).

Mergers: Commission clears joint venture between Sumitomo and MonotaRO

The European Commission has approved under the EU Merger Regulation the creation of a joint venture between Sumitomo Corporation of Japan, PT Sumitomo Indonesia, controlled by Sumitomo Corporation, and MonotaRO Co., Ltd of Japan. Sumitomo Corporation is a global trading group active in a variety of sectors, including metal products, media, energy, chemicals and electronics. MonotaRO markets maintenance, repair and operations supplies to small and medium companies across Asia through its online channel and product catalogues. PT Sumitomo Indonesia is active in a variety of areas including import and export, trilateral trade, and domestic business investment. The joint venture, Pt Sumisho E-commerce, will be active in the online-supply of consumer products to businesses. The Commission concluded that the proposed transaction would raise no competition concerns as the newly created joint venture would not have any activities in the European Economic Area. The operation was examined under the simplified merger review procedure. More information will be available on the Commission's [competition](#) website, in the [public case register](#) under the case number [M.8086](#).

Mergers: Commission clears acquisition of Qlik Technologies by Thoma Bravo

The European Commission has approved under the EU Merger Regulation the acquisition of Qlik Technologies by Thoma Bravo, both of the United States. Qlik Technologies is a provider of business intelligence and analytics software. Thoma Bravo is a private equity firm, with a particular focus on application and infrastructure software and technology-enabled services. The Commission concluded that the proposed acquisition would raise no competition concerns, because there are only minimal overlaps between the activities of Qlik Technologies and the activities of Thoma Bravo's portfolio companies. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8113](#).

Results of evaluation on Cotonou Partnership Agreement announced

The European Commission will today announce the results of its evaluation of the Cotonou Partnership Agreement (CPA). The evaluation is expected to report on the good progress being made towards the main objectives of the partnership between the EU and the African, Caribbean and Pacific (ACP) States. The Cotonou Partnership agreement contributes considerably to the eradication of poverty, increases integration of the ACP countries into the world economy and enhances the capacity of regional organisations to intervene in conflict management, according to the evaluation. The EU Commissioner for International Cooperation and Development Neven **Mimica** said: *“The findings of this evaluation are an important step forward in terms of putting in place our future relationship with ACP partners. It allows us to build on existing successes and improve in areas where progress can still be made. With one single objective in mind: bringing more prosperity to all”*. The current agreement with the EU and its ACP partners - the Cotonou Agreement - runs from 2000 until 2020. It has a huge geographic scope, with 78

ACP countries adhering to it, and is wide ranging, as it covers many policy areas. The evaluation, carried out by the European Commission and the EEAS, will be used to draw lessons from the past and provide inputs to the reflection process on how to govern relations with ACP countries after 2020. **The evaluation, as well as further information, is available [here](#).**

European Medical Corps deployed in the Democratic Republic of Congo to help tackle yellow fever

The European Union is set to deploy a mobile laboratory and five laboratory technicians to the Democratic Republic of Congo (DRC) today amid the ongoing outbreak of yellow fever in the country. The deployment is part of the new [European Medical Corps](#) which makes it possible for teams and equipment from the EU Member States to be rapidly deployed to provide medical assistance and public health expertise both inside and outside the EU. Since March 2016, 1798 suspect cases of yellow fever have been reported in the DRC. European Commissioner for Humanitarian Aid and Crisis Management Christos **Stylianides** said *"Our solidarity is not just words but action. Our European Medical Corps is up and running and helping to provide a faster response to support efforts to tackle medical emergencies. I thank Germany and Italy who have provided teams to support efforts to tackle the outbreak of yellow fever in the Democratic Republic of Congo"*. The European team will provide support in speeding up the samples confirmation process. It will help improve the analysis, diagnosis and response to the outbreak. The mobile laboratory is provided by Germany via the Bernhard Nocht Institute for Tropical Medicine. It has previously been engaged in the response to Ebola in West Africa and is now part of the [European Medical Corps](#) (EMC) set up in December last year. The laboratory technicians are from Germany and Italy. The team will stay in the Kahemba District Hospital in Kwango province for an initial duration of two months. Its deployment follows a request for assistance by the World Health Organization (WHO) via the [EU Civil Protection Mechanism](#). The first deployment of a public health team under the European Medical Corps [took place in May](#) in the Republic of Angola, where the yellow fever outbreak originated.

EUROSTAT: May 2016 compared with April 2016-Production in construction down by 0.5% in euro area-Down by 0.7% in EU28

In May 2016 compared with April 2016, seasonally adjusted production in the construction sector fell by 0.5% in the **euro area** (EA19) and by 0.7% in the **EU28**, according to first estimates from **Eurostat, the statistical office of the European Union**. In April 2016, production in construction fell by 0.3% in the **euro area**, while it grew by 0.6% in the **EU28**. [Full text available on EUROSTAT website](#)

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Upcoming Events

[Friday 22 July: The Commission adopts its monthly infringements package](#)



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