NEWS FROM THE COMMISSION MIDDAY BRIEFING

TODAYS News

Friday, 16 June, 2017

Article 50 negotiations with the United Kingdom to begin on 19 June – Read agenda here

Michel Barnier, the European Commission's Chief Negotiator, and David Davis, Secretary of State for Exiting the European Union, agreed yesterday to launch Article 50 negotiations on Monday, 19 June. An agenda for the first formal negotiating round is available here. This follows preparatory "talks about talks" this week at civil service level between the European Commission and the United Kingdom. The opening of negotiations at political level next week will focus on issues related to citizens' rights, the financial settlement, the Northern Irish border and other separation issues, as part of the sequenced approach to the talks. Both sides will also discuss the structure of the negotiations and the issues that need to be addressed over the coming months. The European Commission has already provided the United Kingdom with its position papers on citizens' rights and the financial settlement and **published both texts on Monday 12 June**, in keeping with the Commission's transparency policy. The opening of the negotiations will take place at the European Commission in Brussels and will be a one-day event, starting at approximately 11am and ending in the late afternoon, with a joint press conference by Michel Barnier and David Davis. Media arrangements will be confirmed on Monday morning.

Commission welcomes agreement reached at the Eurogroup between Greece and the institutions

The European Commission welcomes the breakthrough agreement reached at last night's Eurogroup meeting in Luxembourg, which will act to restore confidence in Greece's recovery, boost growth and investment and allow the country to meet its financing needs. President **Juncker** personally played a crucial role in facilitating this final agreement, with Vice-President **Dombrovskis** and Commissioners **Moscovici** and **Crețu**. It represents an acknowledgment that Greece has delivered on its commitments by adopting a significant reform package. Pierre **Moscovici**, Commissioner for Economic and Financial Affairs, Taxation and Customs said: *"This is truly good news. After months of discussions, we have reached a comprehensive agreement that will allow Greece to turn over a new leaf after a very difficult period for the Greek people. Last night's success was made possible by all partners taking their responsibilities and acting in the general interest."* The Commission put forward a set of measures to mobilise up to €35 billion for the period 2014-2020, under various EU funding programmes, €11 billion of which has already been received. The Eurogroup statement on Greece is available here.

Commissioner Malmström to co-host International Forum on Women and Trade, 20 June in Brussels

On 20 June, Cecilia **Malmström**, European Commissioner for Trade, will co-host the International Forum on Women and Trade in Brussels. Organised in conjunction with the Geneva-based International Trade Centre (ITC), the forum will look at trade as a lever for women's economic empowerment. The forum aims to stake out the way forward and galvanise support for inclusive trade policy, and to support the ITC's *SheTrades*initiative which aims to connect one million women to markets by 2020. The event has attracted high-level speakers from around the world, including Director-General of the World Trade Organization Roberto Azevêdo, Canadian Minister of International Trade François-Philippe Champagne and Danish Minister of Equality, Karen Elleman. They will be joined by a range of prominent speakers from government, the European Parliament, business, civil society and international organisations. Commissioner **Malmström** and co-host ITC Executive Director Arancha Gonzalez will open and close the forum. Panellists will examine issues such as the role of the digital economy and trade finance in helping women entrepreneurs. The 300 participants already registered will also reflect on how trade-related technical assistance can help bring women entrepreneurs into value chains. Women entrepreneurs from a range of countries (Ghana, Brazil, Turkey, etc.) will also share their stories to illustrate the restraints that hamper women from accessing global markets. Register here and engage in the discussion via the hashtag #WomenAndTrade.

Aviation: Commission is taking the European drone sector to new heights

Following a request by the European Commission, the Single European Sky Air traffic management Research Joint Undertaking – whose role is to develop the new generation European air traffic management system – has today unveiled its blueprint to make drone use in low-level airspace safe, secure and environmentally friendly. This "U-Space" covers altitudes of up to 150 metres and will pave the way for the development of a strong and dynamic EU drone services market. Registration of drones and drone operators, their e-identification and geo-fencing should be in place by 2019. Commissioner for Transport Violeta **Bulc** said, "*Drones mean innovation, new services for citizens, new business models and a huge potential for economic growth. We need the EU to be in the driving seat and have a safe drone services market up and running by 2019. The EU needs to take a leading role worldwide in developing the right framework for this market to flourish, by unleashing the benefits for key economic sectors."* More information is available in a press release in here

Maritime Transport: European proposal for the safety of passenger ships endorsed by the International Maritime Organisation

The European Commission welcomes the agreement reached this week within the International Maritime Organisation (IMO) introducing more stringent requirements for the safety of passenger ships. Upon their entry into force in 2020, all new passenger ships will have to be designed to remain afloat for longer if their hull gets damaged. As a result, it is estimated that the safety level will increase by up to 90% for the largest ships (carrying 1.350 passengers or more). This international agreement follows a proposal made in January 2016 by the European Commission and the EU Member States with the support of the European Maritime Safety Agency (EMSA). Commissioner for Transport Violeta **Bulc** said, *"With more than 200 million passengers embarking in EU ports each year, passenger safety is at the heart of the Commission's transport policy. It is a matter of great satisfaction to see that the EU has also successfully contributed to ambitious global standards that will guarantee the safety of passengers across the globe"*. More information is available here.

Commission extends its action against dumped steel imports of construction material from Belarus

The Commission decided today to impose definitive anti-dumping measures against imports of steel rebars from Belarus. The import duties imposed today will shield European producers from unfair Belarusian competition in the next five years. The Commission's investigation demonstrated that the products from Belarus had been sold in Europe at prices over 58% lower than their normal market price. Based on the initial findings of the investigation opened in March 2016, the Commission imposed already in December last year provisional measures to prevent economic damage to EU rebarproducers. The EU uses all possible legal means to ensure fair trading conditions for European steel industry in the context of the global overcapacity and also works to address rootcauses of the problem in the global and bilateral EU-China dedicated fora. The EU has currently 42 anti-dumping and anti-subsidy measures on various steel products, with the highest number concerning imports from China. The details of the today's decision can be found as of tomorrow in the EU official journal.

State aid: Commission approves restructuring aid to Greek railway companies OSE and TRAINOSE

The European Commission has concluded that Greek measures to support the restructuring of OSE, the national rail infrastructure manager, and TRAINOSE, the passenger and freight rail transport operator, are in line with EU state aid rules. Both companies have been facing financial difficulties for several years. In this context, Greece notified to the Commission several support measures in favour of OSE and TRAINOSE in 2011. Concerning OSE, the Commission's investigation found that the measures to support the restructuring, in particular through a debt cancellation of €14.3 billion do not constitute state aid and that the annual grants of up to €340 million implemented before 22 October 2014 are in line with EU state aid rules. Concerning TRAINOSE, the Commission concluded that the measures in its favour worth a total of €1079 million, are also in line with EU state aid rules. Commissioner Margrethe **Vestager,** in charge of competition policy, said: "*The measures will help the two public rail companies become more efficient and provide better service to Greek passengers and business customers. This fits into the wider context of Greece's efforts to restore its economy's competitiveness and achieve significant growth. The aid will also facilitate the future privatisation of the companies and the opening of the Greek railway sector to competition*." The full press release is available online in here

State aid: Commission approves public support for Bulgarian railway company BDZ

The European Commission has concluded that Bulgarian support measures in favour of the publicly-owned railway incumbent BDZ are in line with EU state aid rules. The measures will allow the company to address its debt level without unduly distorting competition in the Single Market. Bulgaria notified in 2011 a restructuring plan for BDZ to the Commission for assessment under EU state aid rules. In November 2011, the Commission opened an in-depth investigation, during which, the Commission focused on the cancellation by the Bulgarian state of certain debts incurred by BDZ. The investigation found that the planned cancellation of these debts, amounting to BGN 224 million (around €114 million), is in line with the Commission's 2008 Guidelines on state aid for railways. The Commission found no concerns under EU state aid rules for the measures of the reimbursement of certain amounts of VAT paid by BDZ and the repayment of BDZ's debts towards the national railway infrastructure manager. The full press release is available online in here

State aid: Commission approves creation of €24 billion fund formanagement of radioactive waste in Germany

The European Commission has approved under EU state aid rules the transfer of radioactive waste liabilities to a new public fund in return for the payment of about €24.1 billion by nuclear power plant operators. The Commission concluded that the state support is proportionate to the objective. Germany intends to transfer the liabilities relating to the management of radioactive waste and spent fuel from nuclear power plant operators to the German state. To this end, a new public fund will be set up and the necessary funds secured in it. In return for being released from their radioactive waste liabilities, nuclear power operators in Germany have to make a cash payment to the new public fund of about €24.1 billion.

The Commission's assessment concluded that Germany's decision to take over the radioactive waste management liability involves state aid. The Commission has decided that the support granted does not exceed what is necessary to achieve this objective and that the competition distortions created by it are limited. The full press release is available online in here

Mergers: Commission clears the acquisition of sole control over Shell's Northern North Sea petroleum business by Chrysaor

The European Commission has approved under the EU Merger Regulation the acquisition of sole control over the Northern North Sea petroleum business of the Shell Group, of the Netherlands, by Chrysaor Holdings Limited, part of EIG Global Energy Partners, of the US. The target assets consist of Shell's Northern North Sea asset portfolio, including shareholdings in a number of oil fields and infrastructure and the relevant licences. Chrysaor develops and commercialises oil and gas incremental resources. EIG is a global investment fund specialising in energy and energy-related infrastructure. The Commission concluded that the proposed acquisition would raise no competition concerns given the very limited overlap between the companies' activities and the presence of strong competitors. 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.8461.

Mergers: Commission clears acquisition of CWT by HNA

The European Commission has approved under the EU Merger Regulation the acquisition of sole control over CWT Limited ("CWT" of Singapore) by HNA Group Co. Ltd. ("HNA Group" of China), by way of a voluntary conditional offer. CWT is a corporation that provides integrated logistics solutions and related services ancilliary to its core logistics business. In the European Union, CWT's activities relate mainly to logistics services and commodity marketing. The HNA Group is a conglomerate with investments in companies operating in several areas including airlines, real estate, hotels, shipping and logistics. The Commission concluded that the proposed acquisition would not raise competition concerns, because of its limited impact on the market structure. 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_8474.

Mergers: Commission clears acquisition of Eurovita by Cinven

The European Commission has approved under the EU Merger Regulation the acquisition of Eurovita Assicurazioni S.p.A of Italy ("Eurovita") by Cinven Capital Management (V) General Partner Limited of Guernsey ("Cinven"). Eurovita isactive in the life insurance sector, offering life insurance policies and investment products exclusively in Italy.Cinven is a private equity firm controlling a number of portfolio companies active in a variety of sectors, including the life insurance sector, in many countries. The companies' activities give rise to a minor overlap in the provision and distribution of life insurance products in Italy. The Commission concluded that the proposed acquisition would not raise competition concerns, given the companies' moderate combined market positions resulting from the proposed transaction and the presence of a number of strong players in the market after the merger. 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.8489.

Mergers: Commission clears acquisition of SB Energy by Softbank, Bharti and Hon Hai

The European Commission has approved, under the EU Merger Regulation, the proposed acquisition of joint control over SB Energy Holdings Limited (India) by SoftBank Group Corp. (Japan), Bharti Overseas Private Limited (India) and Hon Hai Precision Industry Co. (Taiwan). SB Energy develops, constructs and operates renewable energy projects. SoftBank is an internet company which provides a comprehensive range of telecommunication services and products, primarily in Japan and the USA. Bharti is a holding and investment company which invests and provides services in different sectors, such as telecommunications, hospitality, real estate development and also invests in equities, securities and instruments. Hon Hai provides third-party electronic manufacturing services to original equipment manufacturers of electronic products such as computers, mobile phones, video game consoles and televisions. The Commission concluded that the proposed transaction would raise no competition concerns as SB Energy will operate only in India. 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.8502.

Mergers: Commission clears acquisition of sole control over the petroleum trading and marketing business of Cargill by Macquarie

The European Commission has approved under the EU Merger Regulation the acquisition of sole control by Macquarie Holdings (U.S.A.) Inc. over the petroleum trading and market business of the Cargill Group, both of the US. Cargill is active in the production and sale of food, agricultural and risk management products, as well as global trading of multiple petroleum products. Macquarie is a global investment banking and financial services group. The Commission concluded that the proposed acquisition would not raise competition concerns given the very limited overlap between the companies' activities and the presence of strong competitors. 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.8506.

Antitrust: Commission re-imposes €4.7 million fine on envelopes manufacturer Printeos for price-fixing cartel

The European Commission has readopted a cartel settlement decision against the envelopes manufacturer Printeos (formerly known as Tompla) and has imposed a fine of €4 729 000 for its participation in a price fixing cartel. Printeos and four other manufacturers agreed to settle the case in December 2014. In December 2016, the General Court annulled the fine against Printeos due to lack of sufficient reasoning concerning discretionary fine reductions (case T-95/15). The judgment did not question Printeos' liability for the cartel, which the company had itself acknowledged in the settlement procedure. Today's decision addresses the procedural error identified by the General Court and re-imposes a fine on Printeos. The new fine is identical to the fine imposed in the original decision. The amending decision will be made available under the case number 39780 in the public case register on the Commission's competition website. More information on the Commission's action against cartels is available in the cartels section of the competition website.

EUROSTAT: First quarter of 2017 - Annual growth in labour costs at 1.5% in euro area - At 1.7% in EU28

Hourly labour costs rose by 1.5% in the **euro area** (EA19) and by 1.7% in the **EU28** in the first quarter of 2017, compared with the same quarter of the previous year. In the fourth quarter of 2016, hourly labour costs increased also by 1.5% and 1.7% respectively. These figures are published by **Eurostat, the statistical office of the European Union**. Full text available here

EUROSTAT: May 2017 - Annual inflation down to 1.4% in the euro area - Down to 1.6% in the EU

Euro area annual inflation was 1.4% in May 2017, down from 1.9% in April. In May 2016 the rate was -0.1%. **European Union** annual inflation was 1.6% in May 2017, down from 2.0% in April. A year earlier the rate was -0.1%. These figures come from **Eurostat, the statistical office of the European Union**. Full text available here

EUROSTAT: Digital economy & society in the EU" - New digital publication presenting our online world in figures

Surfing, chatting, online shopping are among our everyday activities that use information and communication technologies (ICT), such as computers, laptops or smartphones. Nowadays, we spend a considerable part of our time online for various reasons, whether at work, at school or university, at home or on the move. Often we depend on our digital devices to stay in contact with family and friends, to get directions to shops, hotels and restaurants or to check our bank accounts. Full text available here

ANNOUNCEMENTS

Vice-President Šefčovič in Bratislava on the future of Europe

On 19 June, in Bratislava Vice-President for Energy Union Maroš**Šefčovič** will participate in the Conference 'The EU in 2017: How to improve Europe´s future' to present the scenarios of the White Paper on the Future of Europe. The White Paper sets out the main challenges and opportunities for Europe in the coming decade. It presents five scenarios for how the Union could evolve by 2025 depending on how it chooses to respond. To encourage this debate, Vice-President for Energy Union Maroš **Šefčovič** will focus on EU´s potential to innovate and modernize: *'Now is the time for us to embrace the transition and make Europe the most digitised continent of the 21st century. We should focus on building a smart and fair society by enticing positive technological trends across sectors such as energy, transport, and agriculture; by modernizing our industry; and by encouraging the work of our researchers and innovators.'* said Vice-President **Šefčovič** ahead of his visit. While in Bratislava Vice-President will participate in the EFEKTIA 2017 Awarding Ceremony of Energy efficiency projects in Slovakia and meet with the Speaker of the National Council of the Slovak Republic Andrej Danko.

Vice-President Katainen in Portugal

Jyrki **Katainen**, Vice-President responsible for Jobs, Growth, Investment and Competitiveness, will be in Lisbon, Portugal on 19-20 June 2017. The visit takes place in the context of the ongoing dialogue on the Future of Europe, following the presentation of the Commission's White Paper and the series of reflection papers which followed it, as well as to discuss the Investment Plan for Europe, the so-called "Juncker Plan", and the Commission's proposals to strengthen Europe's security and defence. He will meet the Minister of National Defense, José Alberto Azeredo Lopes, Minister of Finance, Mário Centeno and the Minister of Planning and Infrastructure, Pedro Marques. He will also meet with stakeholders, take part in an exchange of views with members of parliament, address an investment conference and visit projects supported by the Juncker Plan.

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Find out **here** what will be discussed next week in the European Commission, the European Council and the European Parliament.