# Digital Single Market: New EU rules allow Europeans to shop online without borders

**On 3rd of December 2018 the new regulation proposed by the European Commission in May 2016 to end unjustified geoblocking online will enter into force. Europeans will not have to worry about a website blocking or re-routing them just because they, or their credit card, come from a different country. Wherever they are in the EU, they will be able to access goods and services online.**

On this occasion, Vice-President for the Digital Single Market Andrus **Ansip**, Commissioner in charge of Internal Market, Industry, Entrepreneurship and SMEs Elżbieta **Bieńkowska,** Commissioner for Justice, Consumers and Gender Equality Věra **Jourová,** and Commissioner in charge of the Digital Economy and Society Mariya **Gabriel** said:

*"In 2015, 63% of the websites did not let shoppers buy from another EU country. As a result, nearly two-thirds of consumers who wanted to shop online abroad were prevented from doing so. On 3rd of December we are putting an end to this practice. We want a Europe without barriers, and this also means removing barriers to online shopping.*

*Together with the end of roaming charges, the new rules on data protection and the possibility for citizens to travel with their online content, the end of unjustified geoblocking is another essential initiative that makes the Digital Single Market a reality for all, delivering concrete benefits to citizens and businesses.*

*The new rules will enable consumers to have a wider choice of products at competitive prices and consequently better deals. At the same time businesses will see their customer base expand across borders and enjoy lower transaction and administrative costs. The Regulation is also part of a wider EU effort to boost e-commerce in the Single Market, which includes measures to better protect consumers online, ensure more affordable cross-border parcel delivery and simplify VAT rules to make it easier to buy and sell goods online.*

*We now call on all Member States to ensure an effective implementation of these rules and do all that is in their power so that effective enforcement of the Regulation takes place as of Day One. We also call for an agreement on harmonised rules for the sale of digital goods and services and online purchases. All these elements are crucial for creating a well-functioning and competitive Digital Single Market."*

**Next steps**

Member States are in charge of the enforcement of the Regulation and need to put in place the necessary structures to ensure a smooth start to its application. In particular, Member States must designate bodies entrusted with its enforcement and bodies which will provide practical assistance to consumers. In addition, Member States must set out effective, proportionate and dissuasive measures applicable to infringements of the Regulation. The Commission will conduct a first review of the Geo-blocking Regulation by March 2020. This assessment will cover the possible extension of the non-discrimination principle in accessing goods and services to non-audiovisual electronically supplied services whose main feature is copyright protected content, such as e-books, music, games and software. The Commission will also carefully analyse whether in other sectors, such as services in the field of transport and audio-visual services, any remaining unjustified restrictions based on nationality, place of residence or place of establishment should be eliminated.

**Background**

Consumers and businesses – especially SMEs – show an increasing interest in shopping and selling across the EU. Online sales of products are growing by 22% per year. However, frequently traders refused to sell to customers from another EU Member State or to offer equally advantageous prices in comparison with local clients.

The Regulation (EU) 2018/302 ("Geo-blocking Regulation") which enters into force on 3 December aims to provide consumers and businesses within the EU's internal market with more opportunities. In particular, it addresses the problem of some customers not being able to buy goods and services from traders located in a different Member State, even at the same conditions as locals, only because of their nationality, place of residence or place of establishment. In 2015, a Commission survey found that only 37% of websites actually allowed cross-border customers to reach the final step before completing the purchase by entering payment details.

The Geoblocking Regulation is part of a wider set of measures aimed at boosting e-commerce in the Single Market, such as the revised Consumer Protection Cooperation Regulation, the new rules on cross border parcel delivery services, the new rules for digital contracts, and the new VAT rules for electronic commerce.

**For more information**

Factsheet on how you can make the most out of eCommerce in the EU as a consumer
Short guide on the geoblocking rules for online sellers
Questions and answers on geo-blocking with information for national authorities enforcing the new rules and practical assistance to consumers
Political agreement to end unjustified geoblocking
Political agreement to make cross-border parcel delivery more affordable
Political agreement on simpler and more efficient VAT rules for online companies

# EU approves disbursement of €500 million in Macro-Financial Assistance to Ukraine

With this disbursement, the total Macro-Financial Assistance extended to Ukraine by the EU since 2014 will reach €3.3 billion, the largest amount of such assistance directed at any non-EU country.

**Valdis Dombrovskis**, Commission Vice-President responsible for the Euro and Social Dialogue, also in charge of Financial Stability, Financial Services and Capital Markets Union, said: *"The European Union has shown constant political and financial support to Ukraine. Today's European Commission decision on disbursement comes at a crucial moment when Ukraine and its people face a new aggression from Russia and need to see solidarity from international partners. Such aggressive behaviour is not acceptable in today's Europe."*

**Pierre Moscovici**, Commissioner in charge of Economic and Financial Affairs, Taxation and Customs, added: *"Ukraine has fulfilled the policy commitments agreed with the EU for the release of the first payment under the Macro-Financial Assistance programme. This is an important and encouraging signal that Ukraine continues to deliver on reforms despite the current security environment and the upcoming electoral cycle."*

Under the new MFA programme approved by the European Parliament and the Council in July 2018, up to €1 billion is available to Ukraine. The programme helps Ukraine cover its financing needs and supports the implementation of a wide-ranging structural reform agenda. The MFA funds are available in the form of low-interest long-term loans, conditional on the implementation of specific policy measures agreed in the Memorandum of Understanding.

Ukraine has fulfilled the policy commitments agreed with the EU for the release of the first payment under the programme. These included important measures to step up the fight against corruption, improve transparency of company registers, enhance the predictability of the tax environment and strengthen the governance of state-owned enterprises. Ukraine has also agreed with the International Monetary Fund (IMF) on a new Stand-by Arrangement, which will replace its previous programme under the IMF's Extended Fund Facility, thus continuing the country's engagement with the IMF. The parliamentary adoption on 23 November of a budget for 2019, which IMF considers satisfactory, has been an important step towards the endorsement of the new programme by the IMF Executive Board, expected in December.

The EU will continue working with the Ukrainian authorities on its reform agenda, including in those areas related to the next disbursement of the MFA programme. These include further measures in the fight against corruption, such as progress in making the High Anti-Corruption Court of Ukraine operational, public financial management, the continuation of reforms of the energy and banking sectors and reforms in the area of social policy. The Commission will continue to follow developments closely and monitor implementation.

**Background**

Macro-Financial Assistance (MFA) is part of the EU's wider engagement with neighbouring countries and is intended as an exceptional EU crisis response instrument. It is available to the EU's neighbouring countries experiencing balance-of-payments problems. It is complementary to assistance provided by the IMF. MFA loans are financed through EU borrowing on capital markets. The funds are then on-lent with similar financial terms to the beneficiary countries. MFA grants come from the EU budget.

In March 2018, in response to Ukraine's request, the Commission proposed a new MFA programme for up to €1 billion. This proposal was adopted by the European Parliament and the Council in July 2018. The Memorandum of Understanding was signed by Ukraine and the European Commission, on behalf of the EU, in September 2018 and subsequently ratified by the Parliament of Ukraine.

Ukraine has so far benefitted from a total of €2.8 billion worth of EU MFA loans since 2014. This includes €1.6 billion disbursed in 2014-2015 as part of two earlier MFA operations and €1.2 billion in 2015-2017 as part of a third operation. In addition to MFA, the EU supports Ukraine through several other instruments, including humanitarian aid, budget support, technical assistance and blending facilities to support investment. Overall, the EU and European Financial Institutions have mobilised over €12 billion in loans and 1 billion in grants since 2014 to help Ukraine stabilise its economy, carry out comprehensive reforms and improve the livelihoods of its citizens.

**Further Information**

EU macro-financial assistance operations to Ukraine

EU macro-financial assistance and economic analysis of EU Neighbourhood countries

EU-Ukraine relations

EU Delegation to Ukraine website

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# Type approval of cars: agreement on

# new rules to ensure the smooth transition in view of Brexit

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# Declaration by the High Representative on behalf of the EU on the escalating tensions in the Azov Sea

The EU expresses its utmost concern about the dangerous increase of tensions in the Azov Sea and Kerch Strait in recent days which has led to the seizure of Ukrainian vessels and their crews by Russia and shots being fired at them, wounding several Ukrainian servicemen. We are dismayed at this use of force by Russia which, against the backdrop of increasing militarisation in the area, is unacceptable.

The European Union expects Russia to ensure unhindered and free passage through the Kerch strait to and from the Azov Sea, in accordance with international law. We call on all for utmost restraint to de-escalate the situation immediately. In this context, we also call strongly on Russia to release the captured vessels, their crew and equipment unconditionally and without delay.

The illegal annexation of the Crimean peninsula by Russia in 2014 remains a direct challenge to international security, with grave implications for the international legal order that protects the unity and sovereignty of all

States. We reconfirm our condemnation of this violation of international law. The construction of the Kerch bridge constitutes a further violation of Ukraine's sovereignty and territorial integrity.

The European Union reiterates its full support for the independence, sovereignty and territorial integrity of Ukraine within its internationally recognised borders. The European Union does not and will not recognise the illegal annexation of the Crimean peninsula by Russia. The European Union will continue to follow closely the situation and is determined to act appropriately, in close coordination with its international partners.

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# Mergers: Commission opens in-depth investigation into Nidec's proposed acquisition of Whirlpool's refrigeration compressor business

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *"Refrigeration compressors are used not only in commercial applications but also in our homes, in fridges and freezers. This industry is already highly concentrated, therefore the Commission will closely analyse the impact on competition of Nidec's proposed acquisition of Embraco, to ensure their customers and final consumers are not harmed due to higher prices or less choice."*

Nidec and Embraco, the compressor business of Whirlpool, both produce compressors that are used in refrigeration appliances for household use, such as kitchen refrigerators and freezers, and for light commercial use, for instance beverage coolers, commercial refrigerators and freezers, and refrigerated display cabinets.

Compressors run at either a **fixed speed**, regulating the temperature by turning on and off as needed, or **variable speed**, adjusting the speed at which they run depending on the need for cooling in order to maintain the desired temperature. Variable speed compressors tend to be more energy efficient, quieter and more expensive than fixed speed compressors with the same cooling capacity. As energy efficiency standards are progressively increased in the refrigeration appliances industry, the demand for variable speed compressors is expected to grow at the expense of fixed speed compressors.

Nidec and Embraco are among the leading suppliers worldwide and in the European Economic Area (EEA) for variable speed compressors used in household applications. They are also the two leading suppliers of fixed and variable speed compressors for light commercial applications, at both global and EEA level.

**The Commission's competition concerns**

The Commission's initial market investigation identified the following main concerns:

- For **variable speed compressors used in household applications**, the elimination of competition between Nidec and Embraco could lead to higher prices and less choice.
- For both **fixed and variable speed compressors used in light commercial applications**, the elimination of competition between Nidec and Embraco could lead to higher prices and less choice.

Nidec submitted commitments in order to address the competition concerns identified by the Commission. Having tested these commitments with market players, the Commission concluded that they were insufficient to remove the concerns raised.

The transaction was notified to the Commission on 8 October 2018. The Commission now has 90 working days, **until 15 April 2019**, to take a decision. The opening of an in-depth investigation does not prejudge the outcome of the investigation.

**Companies and products**

**Nidec**, based in Japan, is active in the engineering, manufacture, and distribution of a range of electric motors and motor application products. Since its acquisition of Secop GmbH in 2017, Nidec also manufactures and sells compressors for use in refrigeration appliances. Nidec manufactures compressors in Austria, Slovakia and China.

**Embraco**, based in Brazil, is active in the manufacture and sale of compressors for use in refrigeration appliances. Embraco manufactures compressors in Slovakia, Brazil, Mexico and China. Embraco is owned and controlled by Whirlpool, a U.S. company that manufactures a full line of home appliances and related products, including refrigeration appliances.

**Merger control rules and procedures**

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the Merger Regulation) and to prevent concentrations that would significantly impede effective competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

In addition to the current transaction, there are currently six on-going phase II merger investigations: the proposed creation of a joint venture by Tata Steel and ThyssenKrupp, the proposed acquisition of Aurubis Rolled Products and Schwermetall by Wieland, the proposed acquisition of MKM by KME, the proposed acquisition of Gemalto by Thales, the proposed acquisition of Alstom by Siemens and the proposed acquisition of Solvay's nylon business by BASF.

More information will be available on the competition website, in the Commission's public case register under the case number M.8947.