## Myanmar: EU mission assesses human rights and labour rights situation

This follows deeply worrying developments highlighted in various United Nations reports, in particular as regards human rights violations in Rakhine, Kachin and Shan States and concerns around labour rights.

This week's high-level mission was part of the broader engagement that the European Commission has launched to monitor Myanmar's respect of fifteen fundamental UN and International Labour Organisation (ILO) conventions. In order to continue to benefit from duty-free, quota-free access to the EU market through the Everything But Arms (EBA) scheme, Myanmar must uphold and respect the principles enshrined in these conventions.

The findings of this mission will feed into the analysis on whether to remove these trade preferences through a temporary EBA withdrawal procedure. The European Union will now analyse as a matter of priority the information gathered during the mission, as well as further information from the Myanmar government, before considering the next steps. The EU stands ready to provide necessary support to Myanmar to address the concerns of the international community. Nevertheless, withdrawal of trade preferences is a clear possibility if other channels of cooperation have failed to reach results.

Commissioner for Trade Cecilia Malmström said: "Trade, done right, is a powerful force for good. Since several years, we have worked to ensure that trade preferences and access to the EU market are an incentive to promote fundamental human and labour rights. We now expect Myanmar to address the severe shortcomings that have been highlighted during this monitoring mission. If they do not act, Myanmar authorities are putting their country's tariff-free access to the EU market in danger— a scheme which has proved to be vital for the economic and social development of the country, providing thousands of jobs to workers in sectors such as textiles, agriculture and fisheries. We are committed to helping Myanmar improve the situation and ensure that the principles enshrined in the international conventions to which Myanmar has committed are not undermined."

The EU has reiterated at several occasions its serious concerns about the disproportionate use of force and widespread and systematic grave human rights violations committed by the Myanmar military and security forces, in particular in Rakhine State but also in Kachin and Shan States. These violations were also evidenced most recently in the detailed report of the UN Independent International Fact-Finding Mission on Myanmar in September of this year.

The EU mission this week met with several ministers, as well as with trade unions, businesses, civil society, and United Nations and International Labour Organisation representatives in the country. It provided the opportunity for an open dialogue with Myanmar on key issues such as: ensuring constructive cooperation with relevant UN bodies; supporting international

efforts to investigate and prosecute individuals suspected of having committed crimes against humanity; ensuring full humanitarian access notably in Rakhine, Kachin and Shan States; ensuring implementation of the recommendations of the Advisory Commission on Rakhine State, creating conditions for a voluntary, safe and dignified return of Rohingya refugees in Bangladesh to their places of origin.

The EU mission also discussed its concerns regarding the continued use of forced labour in parts of the country, in particular by Myanmar's armed forces, including child recruitment, as well as the need for further reforms as regards freedom of association and collective bargaining.

### **Background**

Under the EBA arrangement of the Generalised Scheme of Preferences (GSP), the EU unilaterally grants exporters from Least Developed Countries (LDCs) tariff-free and quota-free access to its market for all products (except arms and ammunition) with the aim to contribute to the economic development of these countries and their integration into the global trading system.

A beneficiary country can have its trade preferences withdrawn temporarily if there is evidence of serious and systematic violations of the core principles laid down in the 15 fundamental international human rights and labour rights conventions of the United Nations and the International Labour Organisation.

The EBA arrangement has brought important benefits to the economy of Myanmar. Preferential exports to the EU have risen sharply in recent years from €535 million in 2015 to €1.3 billion in 2017. Out of all of Myanmar's EBA-eligible exports, 95% were made under EBA preferences. In 2017, 72.2% of Myanmar's exports to the EU could be attributed to textiles, leading to particularly strong job creation and growth in this sector. The EU is the 3rd largest export market of Myanmar, absorbing around 8.8% of Myanmar's total exports in 2017.

The EU has stepped up its engagement with Myanmar (see also the EU <u>GSP report of January 2018</u>) in response to serious concerns about the continuing deterioration of respect for human rights and the rule of law, as flagged further by the European Parliament (<u>Resolution of 13 September 2018</u>) and the Council (Foreign Affairs Council's <u>Conclusions of 26 February 2018</u>).

#### For More Information

Blog post by Commissioner Malmström, 5 October

What is Everything But Arms (EBA)?

# Mergers: Commission opens in-depth investigation into new joint venture proposed by steel suppliers Tata Steel and ThyssenKrupp

Commissioner Margrethe **Vestager**, in charge of competition policy, said: "Steel is a crucial input for many of the goods we use in our everyday life, and competitive steel prices are vital for the European economy. Industries dependent on steel employ over 30 million people in Europe and we must be able to compete in global markets. This is why we will carefully investigate the impact of the planned combination of Tata Steel's and ThyssenKrupp's steel businesses on effective competition in the steel markets."

Tata Steel and ThyssenKrupp are major integrated producers of flat carbon steel and electrical steel with significant production facilities in the European Economic Area (EEA), in particular in Germany, the Netherlands and the UK. With the transaction, Tata Steel and ThyssenKrupp would combine their European carbon steel and electrical steel businesses in a joint venture.

## The Commission's preliminary competition concerns

The Commission's initial market investigation raised several issues relating in particular to combining both companies' offer of certain specialty flat carbon steel and electrical steel products, namely:

- steel for automotive applications, which concerns various types of steel, predominantly galvanised, that are used to produce cars and car parts;
- metallic coated steel for packaging, which is used to produce various packaging solutions, such as food and aerosol cans; and
- grain oriented electrical steel, which is used to produce a variety of engineering products such as transformers.

At this stage, the Commission is concerned that, following the transaction, customers would face a reduced choice in suppliers, as well as higher prices. These customers include various European companies, ranging from major corporations to numerous small and medium-size enterprises (SMEs). Many compete with imported products in the EEA, or export their products outside Europe and compete globally.

The Commission will now carry out an in-depth investigation into the effects of this transaction to determine whether its preliminary competition concerns are confirmed.

The transaction was notified to the Commission on 25 September 2018. Tata Steel and ThyssenKrupp have decided not to submit commitments during the initial investigation to address the Commission's preliminary concerns. The

Commission now has 90 working days, until 19 March 2019, to take a decision. The opening of an in-depth investigation does not prejudge the outcome of the investigation.

### Companies and products

**Tata Steel**, headquartered in India, is a diversified steel producer with global operations throughout the carbon steel and electrical steel value chains. Tata Steel has several production locations in the EEA, with its main production hubs in the UK (Port Talbot) and in the Netherlands (IJmuiden).

**ThyssenKrupp**, headquartered in Germany, is a diversified industrial group active in various sectors of the economy, including in the manufacture and supply of flat carbon steel and electrical steel products. Its main flat carbon steel and electrical steel production hubs are located in Germany.

#### 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 <a href="Merger Regulation">Merger Regulation</a>) 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 six ongoing Phase II merger investigations: the proposed acquisition of Gemalto by Thales, the proposed acquisition of Alstom by Siemens, the proposed acquisition of Solvay's nylon business by BASF, the proposed acquisition of Tele2 NL by T-Mobile NL, the proposed acquisition of MKM by KME, and the proposed acquisition of Aurubis Rolled Products by Schwermetall.

More information will be available on the Commission's <u>competition</u> website, in the <u>public case register</u> under the case number M.8713.

Luca Jahier: " Europe must be
sustainable or it will simply not
be"



Luca Jahier, the president of the European Economic and Social Committee (EESC), opened the high-level conference on Sustainable Development Goals and Initiatives for Sustainable Global Value Chains co-hosted by the EESC, the European Commission and the Social and Economic Council of the Netherlands by stating that there is no alternative to a sustainable economy: "Europe must be sustainable or it will simply not be". The conference gathered representatives of businesses, trade unions, NGOs and professional organisations from all across Europe, and the opening session also counted on the participation of Frans Timmermans, Vice-President of the European Commission, and Sigrid Kaag, Minister for Foreign Trade and Development Cooperation of the Netherlands.

Luca Jahier emphasized the role of civil society in the implementation of adequate policies in order to tackle the risks of climate change, pollution and social inequalities: "The challenges we face can be seen as an opportunity for private companies to drive the transition towards a sustainable economy, but this will only become a reality if we all pull in the same direction: businesses, trade unions, civil society and local authorities". Jahier also called the Commission to take the necessary steps to make sure that the EU plays a leading role in this process, because "the real question here is if we are leading this change or other will do".

Frans Timmermans pointed out that "for the first time humanity has realized that our planet cannot fulfil all our ambitions if we don't change the way we live and we produce". In his view, this situation can only be solved by

facing the challenges instead of chaining people to their fears in order to control them better, even admitting that "constructive solutions are not being convincing enough and nostalgia has become the new opium for the people". Timmermans expressed his optimism by stating that private companies are more and more convinced of the need of implementing sustainable policies as "sustainability is a winning business proposition in the long term, which creates growth and jobs. However, he declared that this attitude cannot rely only in the good faith of companies and that, at some point, regulation is needed: "From my experience I know that civility helps to drive out rudeness, confidence drives out fear, dialogue drives out violence and love drives out hate; but, unfortunately, this is also true the other way around".

**Sigrid Kaag** presented some examples of good practices implemented by the Dutch authorities that could be scaled up at EU level in order to create a "EU level playing field" in which sustainable development standards could be used as a starting point".

The conference was structured in four parallel workshops dealing with global value chains and corporate social responsibility in the textile sector, the banking sector, the extractive industries and the agro-food sector. These workshops were addressed to the representatives of the civil society and were aimed to identify and share successful experiences and explore which initiatives could be scaled up to EU-level.

https://ec.europa.eu/avservices/video/player.cfm?ref=I162772&lg=INT&sublg=non
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## Updated technical RFR documentation for the Danish krone and Denmark applicable as of 1 January 2019

On <u>14 August 2018</u> the European Insurance and Occupational Pensions Authority (EIOPA) published an updated technical documentation for risk free interest rate term structures (RFR) including a revised methodology for the calculation of the Danish Volatility Adjustment.

Due to a technical error the application of the methodology was suspended until further notice on 6 September 2018. This error has now been resolved.

The new date for the updated technical RFR documentation to become applicable is set for 1 January 2019. Therefore, the first calculation based on the updated technical RFR documentation will be end of January 2019.

Until the end of this year, the <u>current version of the technical RFR</u>

documentation will apply.

All the documents are available via a dedicated section on EIOPA's Website.

#### **Background**

Technical information relating to risk-free interest rate (RFR) term structures is used for the calculation of the technical provisions for (re)insurance obligations.

In line with the Solvency II Directive, EIOPA publishes technical information relating to RFR term structures on a monthly basis via a dedicated section on EIOPA's Website also containing the provisional release calendar for 2018, the RFR Technical Documentation, the RFR coding and Frequently Asked Ouestions.

By this publication EIOPA ensures consistent calculation of technical provisions across Europe.

## **Daily News 30 / 10 / 2018**

## Le Plan Juncker investit dans la recherche médicale pour le traitement des troubles neurologiques

La Banque européenne d'investissement (BEI) vient d'accorder un prêt de 40 millions d'euros à la société biopharmaceutique italienne Newron afin de lui permettre de développer ses activités de recherche et développement sur le traitement des troubles neurologiques, avec un focus sur les maladies rares. Cet accord est soutenu par le Fonds européen pour les investissements stratégiques (EFSI) — le cœur du <u>Plan d'investissement pour l'Europe, le Plan</u> <u>Juncker</u>. Vytenis **Andriukaitis**, Commissaire à la santé et à la sécurité alimentaire, a déclaré: "Il est essentiel d'investir de manière soutenue dans la recherche et l'innovation pour le traitement des troubles neurologiques. Ce nouvel accord apporte une preuve supplémentaire de la valeur ajoutée du Plan d'Investissement, non seulement pour la compétitivité de l'économie de l'UE, mais surtout pour le bien-être de ses citoyens. "Un communiqué de presse est disponible ici. En octobre 2018, le Plan Juncker a déjà mobilisé 344,4 milliards d'euros d'investissements supplémentaires à travers l'Europe, permettant à 793 000 petites et moyennes entreprises de bénéficier d'un meilleur accès aux financements. (Pour plus d'informations: Christian Spahr -Tél.: +32 229 50055, Sophie Dupin de Saint-Cyr — Tél.: +32 229 56169)

Qualité de l'air urbain: la Commission annonce le lauréat du prix Horizon

#### pour la qualité de l'air

La Commission a annoncé aujourd'hui le lauréat du prix Horizon pour la qualité de l'air, d'une valeur de 3 millions d'euros, récompensant une technologie durable et à prix abordable permettant de réduire la concentration de particules dans les zones urbaines. La Commission soutient ainsi la nécessité pour les Européens de respirer de l'air pur, comme récemment rappelé dans la <u>Communication sur la qualité de l'air</u>. Les particules sont le polluant atmosphérique ayant le plus grand impact sur la santé, provoquant des maladies telles que l'asthme, le cancer du poumon ou les complications cardiovasculaires et respiratoires. L'équipe de recherche lauréate, dirigée par le Dr Jean-Jacques Theron de Corning SAS (France), a mis au point un filtre à air en céramique en nid d'abeille pouvant atténuer le problème de la mauvaise qualité de l'air, en enlevant jusqu'à 95% des particules fines de l'air et de le maintenir en deçà des normes de qualité de l'air de l'Organisation mondiale de la santé (OMS). Cette invention peut réduire la concentration de particules dans les villes, en intérieur et à l'extérieur, par exemple à proximité d'écoles ou d'hôpitaux. Environ 90% des habitants des villes européennes sont exposés à des niveaux de particules supérieurs aux recommandations de l'OMS, comme le souligne également le rapport de l'Agence européenne pour l'environnement intitulé «La qualité de l'air en Europe - 2018». Carlos Moedas, le commissaire chargé de la recherche, de la science et de l'innovation, a déclaré: "Dans de nombreuses villes européennes, la pollution de l'air est une préoccupation majeure pour les citoyens car elle affecte leur santé et pose des problèmes environnementaux. La solution innovante mise au point par le Dr Theron et son équipe contribuera à réduire la concentration de particules en particulier dans les zones urbaines fortement contaminées." Karmenu Vella, le commissaire chargé de l'environnement, des affaires maritimes et de la pêche, a ajouté: «C'est le type d'innovation pour la promotion de la santé que nous serons heureux de promouvoir lors de nos dialogues sur la qualité de l'air dans les États membres de l'UE». Les dialogues sur la qualité de l'air font partie de la vaste étude sur la mise en œuvre environnementale réalisée par l'UE pour aider les États membres à améliorer leurs normes environnementales. Le prix Horizon pour la qualité de l'air, financé dans le cadre du programme européen de recherche et d'innovation Horizon 2020, a été présenté à la conférence sur <u>les technologies industrielles à Vienne</u>. Plus d'informations sont disponibles en ligne avec <u>notre article</u>, <u>fiche technique</u> et <u>vidéo</u>. (For more information: Ricardo Cardoso — Tel.: +32 229 80100; Enrico Brivio — Tel.: + 32 229 56172; Victoria von Hammerstein - Tel.: +32 229 55040; Daniela Stoycheva - Tel.: +32 229 53664)

## New EU rules bring more transparency and information on bank fees for consumers

As of tomorrow, banks and financial services providers across the EU will have to better inform their customers about the fees associated with opening and maintaining bank accounts thanks to new EU rules. Valdis **Dombrovskis**, Vice-President for the Euro and Social Dialogue, also in charge of Financial Stability, Financial Services and Capital Markets Union, said "Bank accounts are an essential part of everyday life, allowing us to make and receive

payments, shop online, and pay our bills. Thanks to the Payment Accounts Directive, consumers have the right since 2016 to open a basic bank account anywhere in the EU, as well as switching to a new provider. With tomorrow's new rules, we will increase transparency of fees for all consumers. This will make it easier to shop around for the best and cheapest offers from banks." Commissioner Věra Jourová added "Recent figures show that consumer trust in banking services is low due to a lack of transparency. These new rules will make sure that banks' offers are more transparent and clearer on fees. This is good news for consumers: it will not only make it easier for them to get an overview of the fees, but they will also be able to compare different offers". The 'Fee Information Document' (FID) is a standardised document with a short summary presenting the fees related to most common services, such as money transfers, that a bank will provide customers with when they open a bank account (see document <a href="here">here</a>). In addition, EU consumers will also be receiving — at least annually and free of charge — a 'Statement of Fees', an information document following the same standardised format. In this document, banks have to detail all expenses incurred by their customers as well as information regarding the interest rates for services linked to a bank account. The Payment Accounts Directive requires all banks in the EU to present this document as of 31 October 2018, except France and Italy, which already have similar information requirements in place and will implement these changes by the end of July 2019. More information on the new obligations is available on the Access to bank accounts page. The 2018 Consumer Markets Scoreboard, presenting consumer trust in different markets, is also available online. (For more information: Christian Wigand— Tel.: +32 229 62253; Mélanie Voin - Tel.: +32 229 58659)

Eurostat: Estimation rapide préliminaire pour le troisième trimestre 2018 – Le PIB en hausse de 0,2% dans la zone euro et de 0,3% dans l'UE28 – +1,7% et +1,9% respectivement par rapport au troisième trimestre 2017

Au cours du troisième trimestre 2018, le PIB corrigé des variations saisonnières a augmenté de 0,2% dans la zone euro (ZE19) et de 0,3% dans l'UE28 par rapport au trimestre précédent, selon l'estimation rapide préliminaire publiée par Eurostat, l'office statistique de l'Union européenne. Au cours du deuxième trimestre 2018, le PIB avait progressé de 0,4% dans la zone euro et de 0,5% dans l'UE28. Un communiqué de presse est à votre disposition en ligne. (Pour plus d'informations: Christian Spahr – Tél.: +32 229 50055; Enda McNamara – Tél.: +32 229 64376)

## Mergers: Commission approves Mars' acquisition of AniCura, subject to conditions

The European Commission has approved, under the EU Merger Regulation, the acquisition of AniCura by Mars, subject to conditions. Mars is a global supplier of consumer products, including pet food. AniCura is a Swedish veterinary clinic chain, active in several EU Member States. It also owns VetFamily, a purchasing organisation for independent veterinary clinics. The

Commission examined the effects of the proposed transaction on the retail market of dietetic pet food sold by veterinarians. It was concerned that the transaction, as originally notified, would have enabled Mars to shut out its dietetic pet food competitors from the downstream retail channels, namely the AniCura veterinary clinics and the VetFamily member clinics, in particular in Denmark and Sweden. In these markets AniCura and VetFamily together account for a very significant share of sales of dietetic pet food. The Commission was concerned that the transaction could affect the ability of other producers of dietetic pet food to compete with Mars, possibly resulting in higher prices, less choice or lower quality and in a reduction in innovation in dietetic pet food. To address these concerns, Mars offered to divest AniCura's VetFamily business in its entirety in the whole of Europe. As a result Mars will not be able to influence the purchasing activities of the clinics belonging to VetFamily. The commitments fully address the Commission's concerns as they will significantly reduce Mars' overall influence on the downstream retail channels in Denmark and Sweden. On this basis, the Commission concluded that the proposed transaction, as modified by the commitments, would no longer raise competition concerns. A full press release is available in EN, FR, DE, SV. (For more information: Ricardo Cardoso - Tel.: +32 229 80100; Giulia Astuti - Tel.: +32 229 55344)

## Mergers: Commission clears acquisition of joint venture by Continental, CITC and JHDT

The European Commission has approved, under the EU Merger Regulation, the acquisition of joint control over the newly created joint ventureContinental CALB Battery Power System Co., Ltd by Continental Automotive Holding Co., Ltd ("Continental"), Sichuan Chengfei Integration Technology Corp., Ltd ("CITC") and Jiangsu Jintan Hualuogeng Technology Development Ltd("JHTD"), all of China. The joint venture will develop, produce and sell battery systems for hybrid electric vehicles. Continental belongs to the German automotive manufacturing group Continental AG which mainly specialises in products for automotive and transportation industries. CITC is owned by Aviation Industry Corporation of China and is active in designing and manufacturing batteries and power systems. JHTD is a vehicle ultimately controlled by two local government bodies of Changzhou, in China. The Commission concluded that the proposed acquisition would raise no competition concerns because the companies' activities do not overlap in the European Economic Area. More information is available on the Commission's competition website, in the public case register under the case number M.9075. (For more information: Ricardo Cardoso — Tel.: +32 229 80100; Giulia Astuti — Tel.: +32 229 55344)

#### Mergers: Commission clears joint venture by SNAM and Società Gasdotti Italia

The European Commission has approved, under the EU Merger Regulation, the proposed creation of a joint venture, Sardinia Newco, by SNAM and Società Gasdotti Italia, all of Italy. The joint venture will build and operate a natural gas transmission pipeline in the Sardinian territory. SNAM is active in the development and management of gas infrastructures in Italy and other European countries. Società Gasdotti Italia, jointly controlled by the

Macquarie Group of Australia and the Swiss Life Group of Switzerland, is active in the transmission of natural gas in Italy. The Commission concluded that the proposed transaction would raise no competition concerns because the companies' activities do not overlap in the European Economic Area. 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.9091. (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Giulia Astuti – Tel.: +32 229 55344)

## Antitrust: Commission closes investigation into Brussels Airlines and TAP Air Portugal codeshare agreement on Brussels-Lisbon route

The European Commission has decided to close its antitrust investigation into a codeshare agreement between Brussels Airlines and TAP Air Portugal relating to the Brussels-Lisbon route, which the Commission was carrying out on its own initiative. On 27 October 2016, the Commission adopted a Statement of Objections against the two airlines, raising preliminary concerns that their codeshare cooperation on passenger services between Brussels and Lisbon may have restricted competition between them. Today's closure decision is based on a thorough analysis of all relevant evidence, including information received from the two airlines in their replies to the Statement of Objections and during an oral hearing, which took place in May 2017. The Commission concluded that the evidence collected was not sufficient to confirm its initial concerns and has therefore decided to close its investigation. Throughout the investigation, the Commission emphasised that its concerns related to certain specific features of this particular codeshare, rather than to codeshares in general. However, today's closure decision does not mean that close forms of cooperation between competing airlines will not raise competition concerns. Finally, it should be noted that since 2014 new airlines have begun to compete with the code-sharing airlines on the Brussels-Lisbon route, to the benefit of consumers. The Commission will continue to monitor the European air travel market. (For more information: Ricardo Cardoso — Tel.: +32 229 80100; Giulia Astuti — Tel.: +32 229 55344)

#### **ANNOUNCEMENTS**

## Commissioner Hahn in Belarus on 30-31 October for the Munich Security Conference core group meeting

Commissioner for European Neighbourhood Policy and Enlargement Negotiations Johannes **Hahn** is in Minsk, today and tomorrow for an official bilateral visit to <u>Belarus</u> and to attend the <u>Munich Security Conference (MSC) core group meeting</u>. At the MSC core group meeting, Commissioner **Hahn** will address the roundtable on transnational security, where he will call for a joint inclusive approach for the security challenges faced across the region, notably by maintaining open channels of communication and fostering mutual understanding. As part of the official bilateral visit he will meet with Prime Minister of Belarus Sergei Rumas and Foreign Minister Vladimir Makei. The Commissioner will also meet human rights defenders including representatives of civil society and media organisations. More information on EU-Belarus relations is available on our dedicated <u>factsheet</u>. Photos and videos of the visit will be available on <u>EbS</u>. (For more information: Maja Kocijancic —

#### Commissioner Andriukaitis in Lithuania

Today, Commissioner for Health and Food Safety Vytenis **Andriukaitis** is in Kelme, Lithuania. He is attending a conference on oncologic diseases, where he will deliver the keynote speech entitled 'The future of preventing oncologic diseases — decisions needed and cooperation'. "I am looking forward to highlight once again the importance of prevention and the need to mitigate risk factors to reduce the risk of oncological diseases", said Commissioner **Andriukaitis** before the event. Whilst in Kelme, he will also hold a <u>Citizens' Dialogue</u>, during which there will be discussions on several issues, including the future of Europe and the importance of prevention, promotion and protection in healthcare. (For more information: Anca Paduraru — Tel.: +32 229 91269; Aikaterini Apostola — Tel.: +32 229 87624)

Upcoming events of the European Commission (ex-Top News)