

## June 2018 compared with May 2018 – Volume of retail trade up by 0.3% in euro area – Stable in EU28

In June 2018 compared with May 2018, the seasonally adjusted volume of retail trade increased by 0.3% in the **euro area** (EA19) and remained stable in the **EU28**, according to estimates from **Eurostat, the statistical office of the European Union**. In May, the retail trade volume increased by 0.3% in the **euro area** and by 0.6% in the **EU28**.

[Full text available on EUROSTAT website](#)

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## MiFID II: ESMA makes new bond liquidity data available

ESMA has started, since July 30, to make available the second quarterly liquidity assessment for bonds. However, this assessment, which is dependent on the data submitted to ESMA, experienced data quality issues. ESMA will proceed to update the publication in the following days ahead of the day of application of the liquidity classification on August 16.

This issue is also affecting the [Systematic Internalisers regime publication for non-equity](#), published on 1 August. The content of the non-equity file has now been updated, by removing the affected instruments.

ESMA's liquidity assessment for bonds is based on a quarterly assessment of quantitative liquidity criteria, which include the daily average trading activity (trades and notional amount) and percentage of days traded per quarter. ESMA will update its bond market liquidity assessments quarterly. However, additional data and corrections submitted to ESMA may result in further updates within each quarter, published in FITRS.

The list of assessed bonds is available through ESMA's [Financial Instruments Transparency System \(FITRS\)](#) in the XML files with publication date from 30 July 2018. The information will also be available through the [Register system](#) in due course.

### **Background**

MiFID II became applicable on 3 January 2018 introducing, amongst others, pre- and post-trade transparency requirements for equity and non-equity instruments, including for bonds. Post-trade, MiFID II requires real-time

publication of the price and quantity of trades in liquid bonds. It is possible to defer the publication of post-trade reports if the instrument does not have a liquid market, or if the transaction size is above large-in-scale thresholds (LIS), or above a size specific to the instrument (SSTI).

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## [MiFID II: ESMA publishes data for the systematic internaliser calculations for equity, equity-like instruments and bonds](#)

More specifically, ESMA has published the total number of trades and total volume over the period January-June 2018 for the purpose of the systematic internaliser (SI) calculations for 9,173 equity and equity-like instruments and for 73,828 bonds.

The results are published only for instruments for which trading venues submitted data for at least 95% of all trading days over the 6-month observation period. The data publications also incorporate OTC trading to the extent it has been reported to ESMA.

The publication of the data for the SI calculations for derivatives and other instruments will start on 1 February 2019 as set out in the [plan](#) announced by ESMA on 12 July 2018.

### **Background**

According to Article 4(1)(20) of Directive 2014/65/EU (MiFID II) investment firms dealing on own account when executing client orders over the counter (OTC) on an organised, frequent systematic and substantial basis are subject to the mandatory SI regime.

Commission Delegated Regulation (EU) No 2017/565 specifies thresholds determining what constitutes frequent, systematic and substantial OTC trading. In particular, investment firms are required to assess whether they are SIs in a specific instrument (for equity and equity-like instruments, bonds, ETCs and ETNs and SFPs) or for a (sub-)class of instruments (for derivatives, securitised derivatives and emission allowances) on a quarterly basis based on data from the previous six months. For each specific instrument/sub-class, an investment firm is required to compare the trading it undertakes on its own account compared to the total volume and number of transactions executed in the European Union (EU). If the investment firm exceeds the relative thresholds it will be deemed an SI and will have to fulfil the SI-specific obligations. ESMA, upon request of market participants, decided to compute the total volume and number of transactions

executed in the EU in order to help market participants in the performance of the test since that data is essential for the operation of the SI regime and is not otherwise easily available.

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## Statement by Commissioner for Humanitarian Aid and Crisis Management Christos Stylianides on attacks on civilians and humanitarian workers in Jalalabad, Afghanistan

*I am appalled by the cowardly attacks in Jalalabad, Afghanistan, which claimed the lives of 15 civilians, including three humanitarian workers from some of our partners. We stand united with the people of Afghanistan and with the whole humanitarian community.*

*My thoughts are with the families of the victims and all those who were severely wounded as they tried to escape from the building under attack.*

*The senseless, pervasive violence in Afghanistan continues to pose a threat to the lives of innocent civilians and of those whose mission is to save the lives and relieve the suffering of vulnerable people.*

*All parties to this conflict must abide by the principles of International Humanitarian Law, and respect and protect civilians and those who are assisting them.*

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## Mergers: Commission opens in-depth investigation into Wieland's proposed acquisition of Aurubis Rolled Products and Schwermetall

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *“Copper is used not only in many industries but also in our homes, in electrical equipment or piping. The proposed transaction would bring together*

*the top two suppliers of copper rolled products in an industry that is already highly concentrated and where, just a few days ago, we opened another in-depth investigation. Therefore, the Commission will closely analyse the impact on competition of Wieland's proposed acquisition of Aurubis Rolled Products and Schwermetall, to ensure their customers and final consumers are not harmed."*

Wieland and Aurubis Rolled Products both produce rolled copper products and copper alloys. Rolled copper products are used as an input in the manufacturing of many products, including transformers, semiconductors, heat exchangers and roofing materials. In addition, Aurubis Rolled Products produces billets, an input in the manufacturing of copper tubes.

Schwermetall produces pre-rolled strip made of copper, and copper alloys. Pre-rolled strip is used as an input in the manufacturing of rolled copper products. Schwermetall sells pre-rolled strip to both Wieland and Aurubis Rolled Products, as well as to other copper manufacturers.

### **The Commission's preliminary competition concerns**

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

- For **rolled copper products**, and notably for some **specific copper alloys** and some **specific end-applications**, the elimination of competition between Wieland and Aurubis Rolled Products could lead to higher prices and less choice of alloys.
- For **pre-rolled strip**, following the transaction, Wieland could make access to this important input manufactured by Schwermetall more costly or difficult for its competitors in rolled copper products.
- For **billets**, following the transaction, Wieland could make access to this important input manufactured by Aurubis Rolled Products more costly or difficult for its competitors in the copper tubes sector.

The transaction was notified to the Commission on 13 June 2018. On 11 July 2018, Wieland submitted commitments to address some of the Commission's preliminary concerns. However, the Commission considered these commitments insufficient to clearly dismiss its serious doubts. The Commission therefore did not test them with market participants.

The Commission now has 90 working days, until **10 December 2018**, to carry out an in-depth investigation into the effects of this transaction and determine whether its initial competition concerns are confirmed. The opening of an in-depth investigation does not prejudge the outcome of the investigation.

### **Companies and products**

**Wieland**, based in Germany, is active in the manufacturing and supply of semi-finished products made of copper and copper alloys. Wieland covers the production chain for copper products from casting shapes to selling semi-finished products. It manufactures rolled copper and copper alloys products

in Germany, the United Kingdom, the US and Singapore.

**Aurubis Rolled Products**, based in Germany, is controlled by Aurubis AG and is active in the manufacturing and supply of semi-finished copper and copper alloy products. Aurubis is a worldwide provider of non-ferrous metals (including copper) and is the largest integrated European copper producer to serve the full value chain from the production of copper anodes, cathodes and shapes to the production of rolled and drawn copper products.

**Schwermetall**, based in Germany, is a 50/50 joint venture between Wieland and Aurubis. It is active in the manufacturing of pre-rolled copper and copper alloy strips.

### **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).

This transaction is one of two proposed mergers in the rolled copper sector that the Commission is currently assessing. On [23 July 2018](#), the Commission opened an in-depth investigation into the proposed acquisition of MKM by KME.

In addition to the current transaction, there are seven ongoing Phase II merger investigations: the [proposed acquisition of MKM by KME](#), 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 Shazam by Apple](#), and the [proposed merger of Praxair and Linde](#).

More information will be available on the Commission's [competition](#) website, in the [public case register](#) under the case number [M.8900](#).