

Commission launches two projects to support cooperation and innovation in Romanian regions and cities

The Commission is launching two projects to provide expertise to Romanian regions and cities, in cooperation with the Romanian government and the World Bank.

Under the first project, Commission and World Bank experts will help Romanian county capitals develop stronger links with their periphery and use EU funding for projects that benefit the whole urban area, not only the main economic centre. For example, experts will study how to expand urban transport networks or how to cooperate better in the field of public services to make them more accessible.

Under the second project, a group of experts will help the eight Romanian regions to improve their innovation capacity and enhance cooperation between research centres and businesses to develop innovative products for the market. This project is launched under the "[Catching up Regions](#)" initiative, which helps low-income and low-growth regions catch up with the rest of the EU.

Commissioner for Neighbourhood Policy & Enlargement Negotiations and Regional Policy, Johannes **Hahn** said: *"Romania will benefit from significant resources to invest in sustainable urban development in the next-long term EU budget 2021-2027. The work of Commission and World Bank experts together with the Romanian authorities will help pave the way for the success of these investments. In parallel, we are providing tailored support to Romanian regions so they can capitalise on their assets, cooperate with each other and become more innovative."*

Better cooperation between Romanian county capitals and their periphery

The project will focus on helping cities develop joint projects in the following sectors: public transport, environment and circular economy, digitalisation, entrepreneurship and education. The aim is to provide better services to citizens, make more efficient use of public funding and make sure positive spillovers reach surrounding, smaller towns as well.

Concretely, Commission and World Bank experts will help Romanian cities identify sectors with great potential for inter-municipal cooperation, help them design joint project, make the best use of EU funding and set the right administrative conditions for a lasting cooperation between partners.

The project is financed with €500,000 from the European Regional Development Fund. By the end of this year, the experts will issue a report with specific recommendations that should help Romania with the planning of several billion euros earmarked for urban investments and regional innovation in the next

long-term EU budget 2021-2027.

More innovative regions

Romanian regions will receive tailored Commission and World Bank expertise in order to better commercialise research projects, build capacity for technology transfer, create jobs in research and innovation (R&I) and promote innovation in local small and medium businesses. The experts will help the regions to:

- support selected, high-potential research teams in the North East and North West regions and help them bring their innovative ideas to the market;
- facilitate the transfer and dissemination of knowledge and new technology between research organisations and businesses;
- promote public-private cooperation, helping public research organisations from the North East and North West regions to increase and improve R&I services provided to companies;
- help entrepreneurs from all Romanian regions test and improve the commercial viability of their prototypes, in view of creating a robust pipeline of projects ready to receive European and national funding in the future.

The project will be carried out until end 2020, with a budget of €2 million from the European Regional Development Fund. €110 million of funding is still available under the 2014-2020 [Regional Operational Programme](#) to support research activities linked to [smart specialisation](#) and technology transfer.

Background

The [Catching up Regions](#) initiative has been launched by the Commission to study what holds back growth and investment in low-income and low-growth regions in the EU and how EU funds can be best used to address these challenges.

In 2016, a pilot phase was launched in the Romanian North East and North West regions with the help of the [Joint Research Centre](#) with the aim to develop, update and refine their [smart specialisation strategies](#), i.e. regional industrial and innovation strategies based on local competitive strengths, resulting in a set of projects that are currently being financed.

These projects will contribute to the design of the new Cohesion Policy programmes. For 2021-2027, the Commission proposed a total allocation of more than €30.8 billion in Cohesion Policy funding for Romania, €6.1 billion more than in the current period.

La Commission lance deux projets visant à soutenir la coopération et l'innovation dans les régions et villes de Roumanie

La Commission européenne lance aujourd'hui deux projets destinés à fournir de l'expertise aux régions et villes de Roumanie, en coopération avec les autorités roumaines et la Banque mondiale. Dans le cadre du premier projet, des experts de la Commission et de la Banque mondiale vont aider les capitales de comtés roumains à renforcer leurs liens avec les périphéries et à utiliser les fonds européens pour des projets qui profiteront à l'ensemble de la zone urbaine, et pas seulement aux principaux centres économiques. Par exemple, ces experts vont étudier comment étendre les réseaux de transports urbains ou améliorer la coopération dans le domaine des services publics afin de les rendre plus accessibles. Dans le cadre du second projet, un groupe d'experts va aider les huit régions roumaines à accroître leur capacité d'innovation et à renforcer la coopération entre les centres de recherche et les entreprises afin de développer des produits innovants pour le marché. Ce projet est lancé dans le cadre de l'initiative « [Régions en phase de rattrapage](#) » (*Catching up Regions*), qui aide les régions à faibles revenus et à faible croissance à se mettre au même niveau que le reste de l'Union. Johannes **Hahn**, commissaire chargé de la politique européenne de voisinage, des négociations d'élargissement et la politique régionale, a déclaré: « *La Roumanie va bénéficier de ressources considérables à investir dans le développement urbain durable pendant le prochain budget à long terme de l'Union de 2021 à 2027. Les travaux menés par les experts de la Commission et de la Banque mondiale en coopération avec les autorités roumaines contribueront à mettre en place les conditions propices à la réussite de ces investissements. Parallèlement, nous apportons un soutien sur mesure aux régions roumaines afin qu'elles puissent faire fructifier leurs atouts, coopérer les unes avec les autres et accroître leur capacité d'innovation.* » Un communiqué de presse est disponible en [ligne](#). (Pour plus d'informations: Christian Spahr – Tél.: +32 2 295 00 55; Sophie Dupin de Saint-Cyr – Tél.: +32 229 56169)

Mergers: Commission opens in-depth investigation into PKN Orlen's proposed acquisition of Lotos

The European Commission has opened an in-depth investigation to assess the proposed acquisition of Grupa Lotos ("Lotos") by PKN Orlen, under the EU Merger Regulation. PKN Orlen and Lotos are two large Polish integrated oil and gas companies. They are both mostly active in Poland, where they own the only two existing refineries, but they also have activities in several other Central and Eastern European (CEE) countries as well as in the Baltic countries. Both companies have a wide portfolio of products and are both active across the whole value chain of the supply of fuels. At this stage, the Commission is concerned that the proposed transaction would reduce competition in several markets where the merged entity would be active. In particular, the Commission is concerned that the proposed transaction could lead to higher prices and less choice for business customers and end-

consumers of several products, especially at fuel stations and airports. The Commission will now carry out an in-depth investigation into the effects of the transaction to determine whether its initial competition concerns are confirmed. The transaction was notified to the Commission on 3 July 2019. The Commission now has 90 working days, until 13 December 2019 to take a decision. The opening of an in-depth investigation does not prejudice the outcome of the investigation. Commissioner Margrethe **Vestager**, in charge of competition policy, said: *“The proposed acquisition of Lotos by PKN Orlen would affect several strategically important energy markets. The Commission will investigate whether the proposed acquisition would reduce competition and lead to higher prices for or less choice of fuels and related products for business customers and end consumers in Poland and other Member States”*. A full press release is available in [EN](#), [FR](#), [DE](#) and [PL](#). (For more information: Anna-Kaisa Itkonen – Tel.: +32 229 56186; Giulia Astuti – Tel.: +32 229 55344).

Mergers: Commission clears acquisition of sole control over Lekkerland by REWE after referring parts of the assessment to Austria and Germany

The European Commission has approved, under the EU Merger Regulation, the acquisition of sole control of Lekkerland AG & Co. KG and Lekkerland AG (“Lekkerland”) by REWE-ZENTRALFINANZ eG (“REWE”), all of Germany. On 8 July 2019, the Commission granted a request to refer the assessment of the effects of the transaction on competition in Austria and Germany to the respective national competition authorities. As a result, the Commission limited its assessment to all other markets within the European Economic Area (EEA). In these markets, Lekkerland is mainly active in the wholesale distribution of daily consumer goods. REWE is mainly active in the retail distribution of daily consumer goods. The Commission concluded that the proposed acquisition would raise no competition concerns because of the lack of horizontal overlaps and of the limited vertical relations between the activities of the companies in the EEA, to the exclusion of Austria and Germany. The transaction was examined under the simplified merger review procedure. More information is available on the Commission’s [website](#), in the public [case register](#) under the case number [M.9142](#). (For more information: Anna-Kaisa Itkonen – Tel.: +32 229 56186; Giulia Astuti – Tel.: +32 229 55344).

Mergers: Commission clears acquisition of joint control over control.IT by Patrizia, KGAL and HIH

The European Commission has approved, under the EU Merger Regulation, the acquisition of joint control over control.IT Unternehmensberatung GmbH (“control.IT”) by PATRIZIA Acquisition Holding delta GmbH (“Patrizia”), KGAL GmbH & Co. KG (“KGAL”) and HIH Real Estate GmbH (“HIH”), all of Germany, together with Jan Körner, Klaus Weinert and Rieks Westers. Control.IT is a software- and IT-consulting firm providing software solutions for asset and portfolio management. Patrizia is part of Patrizia AG which is active on the European real estate markets. KGAL is an asset management firm providing real capital investments in the areas of real estate, aeroplanes and infrastructure. HIH provides real estate investment services in Europe. The

Commission concluded that the proposed acquisition would raise no competition concerns given that control.IT has negligible actual or foreseen activities within the territory of 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.9402](#). (For more information: Anna-Kaisa Itkonen – Tel.: +32 229 56186; Giulia Astuti – Tel.: +32 229 55344).

STATEMENTS

Declaration by the High Representative on behalf of the EU on the occasion of the International Day for the World's Indigenous Peoples

Ahead of the International Day of the World's Indigenous Peoples and in the International Year of Indigenous Languages, High Representative/Vice-President Federica **Mogherini**, on behalf of the EU, "[...] reiterates the EU's strong commitment to promote and fight for indigenous languages and cultures. [...] The Charter of Fundamental Rights of the European Union states that the EU shall respect cultural, religious and linguistic diversity, and prohibits discrimination based on language. This is why the EU underlines the right of every indigenous child to learn and practice his or her own language and culture. Through its external action the EU supports indigenous peoples' rights to revitalise, develop and transmit their languages, oral traditions and literatures to future generations. [...] The EU will pursue its work with various partners, international organisations, governments and, most importantly, directly with indigenous peoples to protect indigenous languages worldwide and their fundamental rights." Read the full statement [online](#). (For more information: Maja Kocijančič – Tel.: +32 229 86570; Claire Struss – Tel.: +32 229 75144; Judith Hebekeuser – Tel.: +32 229 52656)

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

[Declaration by the High Representative on behalf of the EU on the occasion of the International Day for the World's Indigenous Peoples](#)

This year, as we mark the International Day of the World's Indigenous Peoples, we also honour the International Year of Indigenous Languages by celebrating the contributions of indigenous peoples to the world's linguistic diversity.

Language is the most direct expression of culture and what gives each of us a sense of identity and belonging. Of the 7,000 languages spoken in the world, 5,000 are indigenous, and most of the world's 2,680 endangered languages are indigenous. This is one of the direct consequences of the continued violation of indigenous peoples' rights to their traditional lands, territories, resources and to self-determination as set out in the United Nations Declaration on the Rights of Indigenous Peoples. Indigenous people are also disproportionately affected by poverty, climate change and violence, including gender-based violence. In front of this alarming reality, the EU reiterates its strong commitment to promote and fight for indigenous languages and cultures.

The Charter of Fundamental Rights of the European Union states that the EU shall respect cultural, religious and linguistic diversity, and prohibits discrimination based on language. This is why the EU underlines the right of every indigenous child to learn and practice his or her own language and culture.

Through its external action the EU supports indigenous peoples' rights to revitalise, develop and transmit their languages, oral traditions and literatures to future generations. We promote mother-tongue based multilingual education and the revitalisation of indigenous languages, for instance in Namibia where the European Instrument for Democracy and Human Rights contributes to the revitalisation of endangered indigenous languages, or in the Chittagong Hills Tracts of Bangladesh where we helped develop a multilingual mother tongue education programme in seven different tribal languages, as part of the €500 million the EU invests annually in education programmes in around 60 countries across the world.

The EU will pursue its work with various partners, international organisations, governments and, most importantly, directly with indigenous peoples to protect indigenous languages worldwide and their fundamental rights.

MIFID II: ESMA ISSUES LATEST DOUBLE VOLUME CAP DATA

Today's updates include DVC data and calculations for the period 1 July 2018 to 30 June 2019 as well as updates to already published DVC periods.

The number of new breaches is 84: 56 equities for the 8% cap, applicable to all trading venues, and 28 equities for the 4% cap, that applies to individual trading venues. Trading under the waivers for all new instruments in breach of the DVC thresholds should be suspended from 12 August 2019 to 11 February 2020. The instruments for which caps already existed from previous periods will continue to be suspended.

In addition, ESMA highlights that none of the previously identified breaches of the caps proved to be incorrect thus no previously identified suspensions of trading under the waivers had to be lifted.

As of 7 August 2019, there is a total of 267 instruments suspended.

Please be aware that ESMA does not update DVC files older than 6 months.

ESMA is also publishing the completeness indicators. From today's publication onward, the file includes a single list with the indicators for all equity and equity-like instruments, instead of two separate lists, one for liquid shares and one for non-liquid shares and other equity like instruments.

Background

MiFID II introduced the DVC to limit the amount of dark trading in equities allowed under the reference price waiver and the negotiated transaction waiver. The DVC is calculated per instrument (ISIN) based on the rolling average of trading in that instrument over the last 12 months.

[Mergers: Commission opens in-depth investigation into PKN Orlen's proposed acquisition of Lotos](#)

The European Commission has opened an in-depth investigation to assess the proposed acquisition of Lotos by PKN Orlen, under the EU Merger Regulation. The Commission is concerned that the merger may reduce competition in the supply of fuels and related markets in Poland and neighbouring countries.

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *"The proposed acquisition of Lotos by PKN Orlen would affect several strategically important energy markets. The Commission will investigate whether the proposed acquisition would reduce competition and lead to higher prices for or less choice of fuels and related products for business customers and end consumers in Poland and other Member States"*.

PKN Orlen and Grupa Lotos ("Lotos") are two large Polish integrated oil and gas companies. They are both mostly active in Poland, where they own the only two existing refineries, but they also have activities in several other Central and Eastern European (CEE) countries as well as in the Baltic countries.

Both companies have a wide portfolio of products and are both active across the whole value chain of the supply of fuels, including:

- the **wholesale supply** of fuels, such as diesel, gasoline or jet fuel. The wholesale supply of fuels comprises two levels: “ex-refinery” supply, where only companies having direct access to fuel are active (namely producers and importers) and “non-retail” supply, where other wholesalers also sell fuels to smaller retailers and other end-customers;
- the **retail supply of fuels**, such as **motor fuels** and **jet fuel (fuels into planes)**;
- the related markets of **by-products** of the refining process (such as bitumen, and lubricants) and the provision of **associated services**, such as mandatory storage.

The Commission’s competition concerns

At this stage, the Commission is concerned that the proposed transaction would reduce competition in several markets where the merged entity would be active. In particular, the Commission is concerned that the proposed transaction could lead to higher prices and less choice for business customers and end-consumers of several products, especially at fuel stations and airports.

More specifically, the Commission’s initial investigation found that:

- For the **wholesale supply of fuels**, the transaction would lead to the creation of a quasi-monopoly at ex-refinery level in Poland, since it would combine the only two companies owning a refinery in the country. The merged entity would also become the market leader at non-retail level in the supply of diesel, gasoline and other fuels. As PKN Orlen and Lotos are the only two domestic suppliers in Poland, imports are the only potential alternative. However, imports are limited due to significant barriers such as a lack of infrastructure and storage and regulatory requirements. Specifically in the wholesale supply of jet fuel, PKN Orlen and Lotos are the only suppliers in Poland and Estonia and the merged entity would also become the market leader in Czechia.
- For the **retail supply of fuels**, the proposed transaction would remove a very strong competitor of PKN Orlen (which is currently the largest player in Poland) in the retail supply of motor fuels. After the transaction, the merged entity would be approximately four times larger than the next competitor and would be unlikely to face significant competitive pressure. With respect to the retail supply (into planes) of jet fuel, the proposed transaction would eliminate PKN Orlen’s only competitor at a number of airports.
- For **by-products**, the transaction would remove a very strong integrated competitor and/or reinforce PKN Orlen’s position in the supply of bitumen in Poland, Czechia, Lithuania, Slovakia, Latvia and Estonia, as well as in the supply of lubricants in Poland.
- The Commission at this stage also has concerns regarding the **provision of mandatory storage services**, since PKN Orlen and Lotos account for a large share of the storage available in Poland.

In addition, considering the volumes of fuels held by PKN Orlen and Lotos in both the upstream and downstream markets for fuels, the Commission is

concerned that the merged entity would have the ability and incentive to **stop supplying its downstream rivals**, thus shutting them out of the markets.

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

The transaction was notified to the Commission on 3 July 2019. The Commission now has 90 working days, until 13 December 2019 to take a decision. The opening of an in-depth investigation does not prejudice the outcome of the investigation.

Companies and products

PKN Orlen is a Polish integrated oil and gas company. It owns one of the two refineries existing in Poland as well as refineries in Lithuania and in Czechia. PKN Orlen is active on the wholesale and retail markets for refined oil products in Poland, Austria, Czechia, Estonia, Latvia, Lithuania, Germany and Slovakia. It also has activities in the upstream exploration, development and production of crude oil and natural gas. In addition, PKN Orlen is active in the petrochemicals market.

Lotos is a Polish integrated oil and gas company. It owns the other Polish refinery. Lotos is active on the wholesale and retail markets for refined oil products, mostly in Poland but also in Czechia, Lithuania, Slovakia, Latvia and Estonia. As PKN Orlen, it is also active in the upstream exploration, development and production of crude oil and natural gas. In addition, Lotos is active in the petrochemicals market.

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 (Phase I) to decide whether to grant approval or to start an in-depth investigation (Phase II).

In addition to the current transaction, there are currently three ongoing Phase II merger investigations: the proposed [acquisition of Bonnier Broadcasting by Telia Company](#), the proposed [acquisition of Aleris by Novelis](#) and the proposed [acquisition of Innogy by E.ON](#).

More information will be available on the Commission's [competition](#) website, in the [public case register](#) under the case number [M.9014](#).