

Daily News 20 / 07 / 2017

Customs Union: EU customs seized over 41 million fake goods at EU borders last year

New figures released by the European Commission today show that customs authorities detained more than 41 million fake and counterfeit products at the EU's external border in 2016. The goods had a total value of over €670 million. Everyday products which are potentially dangerous to health and safety – such as food and drink, medicines, toys and household electrical goods – accounted for over a third of all intercepted goods. Pierre **Moscovici**, Commissioner for Economic and Financial Affairs, Taxation and Customs, said: *“A high level of protection of intellectual property is crucial to support growth and create jobs. Fake goods pose a real threat to health and safety of EU consumers and also undermine legal businesses and state revenues. Studies show that the EU is particularly exposed to imports of counterfeit products. I want to pay tribute to the hard work of customs authorities in combating these fake goods. They need support and resources to enable them to protect us all from the dangers that they can pose. Cooperation between law enforcement authorities should be strengthened and risk management systems upgraded to protect the EU from goods infringing on intellectual property rights.”* Cigarettes were the top category (24%) for articles detained and toys the second largest group (17%), followed by foodstuffs (13%) and packaging material (12%). The number of intercepted articles rose by 2% compared to 2015. The Commission's report on customs actions to enforce IPR has been issued annually since 2000 and is based on data transmitted by Member States' customs administrations to the Commission. The data provide valuable information which supports the analysis of intellectual property rights infringements and helps other institutions such as the European Union Intellectual Property Office and the OECD to map economic data and the most common routes for counterfeiters. A more detailed press release is available [here](#). The full report can be consulted [here](#). (For more information: Vanessa Mock – Tel.: +32 229 56194; Patrick McCullough – Tel.: +32 229 87183)

Juncker Plan backs upgrades to the University of Latvia's campus and enhanced access to finance for SMEs

The [Juncker Plan](#) has backed European Investment Bank Group loan agreements with the University of Latvia and ProCredit, a bank which specialises in lending to small and medium-sized enterprises (SMEs). Both agreements, made in two separate transactions, were made possible by the European Fund for Strategic Investments (EFSI), the central pillar of the Investment Plan for Europe, the so-called “Juncker Plan”. The loan to the University of Latvia will finance the construction of new state-of-the-art facilities for the University's science, social and humanities faculties. The agreement with ProCredit is expected to generate some EUR 450 million in financing for SMEs. Commenting on the agreement with the University of Latvia, Vice-President of the European Commission, Valdis **Dombrovskis** said: *“Investing today in the facilities our students need to realise their full potential is an investment*

in our future economic growth. Today's agreement demonstrates that the Juncker Plan can deliver for jobs and growth whilst also contributing to wider objectives, such as ensuring that Europe maintains its competitiveness in research and innovation. I trust that these new facilities will serve generations of Latvian students and will help them to excel." As of June 2017, the Juncker Plan is expected to trigger over EUR 390 million in investments in Latvia and EUR 209 billion across Europe. For the latest figures country-by-country, see [here](#). Full press releases are available [here](#). (For more information: Vanessa Mock– Tel.: +32 229 56194; Enda McNamara – Tel.: +32 229 64976)

L'Union européenne apporte un soutien de €100 millions à la Tunisie

La Commission européenne, au nom de l'Union européenne (UE), a versé aujourd'hui à la Tunisie [un prêt de €100 millions](#), dix jours après avoir donné le feu vert à ce déboursement. Il s'agit de la troisième et dernière tranche du programme d'assistance macrofinancière (AMF-I) à la Tunisie d'un montant total de €300 millions, adopté en [mai 2014](#). Ce financement fait partie des efforts globaux de l'UE visant à aider la Tunisie à faire face aux graves difficultés économiques que le pays rencontre et à l'instabilité politique qui persiste dans la région. Il soutient le processus de relance économique de la Tunisie tant par l'octroi à ce pays de financements à des conditions préférentielles que par l'encouragement de la mise en œuvre de plusieurs mesures importantes de politique publique convenues dans un protocole d'accord entre l'UE et la Tunisie. Les fonds nécessaires ont été levés par la Commission européenne sur les marchés financiers grâce à l'émission d'une obligation de €100 millions avec une échéance de 15 ans et un taux d'intérêt de 1,3%. Ce prêt a été alloué à la Tunisie sous les mêmes conditions. Pierre **Moscovici**, Commissaire pour les affaires économiques et financières, la fiscalité et les douanes, a déclaré: « Ce versement est une autre démonstration du soutien fort de l'UE à la Tunisie dans la poursuite de ses efforts de réformes. L'UE est déterminée à soutenir le peuple tunisien, ainsi que le processus de transition démocratique du pays.» Le [deuxième programme d'assistance macrofinancière](#) (AMF-II) s'élève à un montant de €500 millions sous la forme de prêts. Cet octroi de fonds a été approuvé par le Parlement européen et le Conseil le 6 juillet 2016 et le versement devrait avoir lieu au cours de l'année 2017 ainsi qu'au premier semestre de 2018. (Pour plus d'informations: Vanessa Mock – Tel.: +32 2 295 61 94; Barbara Ochotnicka – Tel.: +32 2 291 37 54)

EU steps up humanitarian assistance in Libya

The European Commission has today announced an additional €10 million in humanitarian aid for those most in need in Libya as violence and instability continue to affect vulnerable populations. This is part of the EU's broader support for Libya to address the ongoing crisis in the country, which includes funding of €220 million allocated through various support programmes, including the [EU Emergency Trust Fund for Africa](#). "The European Commission is stepping up support for the worrying humanitarian situation in Libya. Our new funding aims to help humanitarian organisations respond to

urgent needs, especially in terms of access to emergency health services and essential medicines. We urge all parties to the conflict to ensure immediate, safe and unrestricted humanitarian access so all in need receive lifesaving assistance. We stand by all those suffering as a result of the conflict and are committed to pursuing our impartial and neutral humanitarian response to help those that need it most.” said Commissioner for Humanitarian Aid and Crisis Management Christos **Stylianides**. A full press release is available [here](#). (For more information: Carlos Martín Ruiz de Gordejuela – Tel.: + 32 229 65322; Daniel Puglisi – Tel.: +32 229 69140)

La Commission lance une consultation publique sur les soins de santé dans le marché unique numérique

Aujourd’hui, la Commission européenne lance une consultation publique sur la manière dont l’Union européenne devrait promouvoir l’innovation numérique dans le secteur des soins de santé, au profit des citoyens et des systèmes de santé en Europe. La consultation contribuera à l’adoption d’une nouvelle communication d’ici la fin de 2017, comme annoncé dans [l’examen](#) récent de la stratégie pour un marché unique numérique de la Commission. En accueillant l’initiative, le vice-président Andrus **Ansip** et les commissaires Vytenis **Andriukaitis**, Mariya **Gabriel** et Carlos **Moedas** ont déclaré: “*Nous sommes engagés dans l’amélioration de la qualité de vie des citoyens européens en améliorant les systèmes de santé, de soins et de recherche en Europe en utilisant le plein potentiel des technologies numériques. Cette consultation nous aidera à identifier les moyens d’offrir aux citoyens, aux professionnels de santé et aux chercheurs un meilleur accès aux données sur la santé, à la prévention, aux réponses rapides face aux menaces pandémiques, aux traitements et soins personnalisés. Nous envisageons de nouvelles initiatives numériques visant à assurer la libre circulation des patients et des données, à soutenir la modernisation des systèmes de santé nationaux et à agréger des données et des connaissances novatrices de toute l’Europe. Au cœur de nos politiques, les citoyens et leur bien-être restent notre première priorité*”. Un communiqué de presse est disponible en [ligne](#). Plus d’informations [ici](#) et la page principale consacrée à la consultation [ici](#). (Pour plus d’informations: Anca Paduraru – Tel.: +32 229-91269; Nathalie Vandystadt – Tel.: +32 229 67083; Iris Petsa – Tel.: + 32 229 93321; Mirna Talko – Tél.: +32 229 87278)

EU reinforces its strong partnership with Colombia, focussing on rural reforms

Commissioner for International Cooperation and Development, Neven **Mimica**, reaffirms the EU’s strong and long-standing partnership with Colombia during an official visit to Colombiatomorrow, where he will meet with President Juan Manuel **Santos**. At the heart of this partnership stands the EU’s commitment to support the implementation of the Colombian peace agreement, with a particular emphasis on comprehensive rural reforms. In this context, Commissioner **Mimica** said: “*Restoring rural areas that were affected by the prolonged armed conflict is at the heart of Colombia’s peace agreement, and an important priority for our development cooperation with the country. Together with the Food and Agriculture Organization of the United Nations, we will support Colombia’s efforts to build lasting peace by strengthening rural*

communities and agricultural productivity". Commissioner **Mimica**, together with the Food and Agriculture Organization of the United Nations, will launch a joint initiative for Colombia. Through this initiative, the EU will support the Colombian government institutions that are involved in food security, nutrition and sustainable agriculture by means of targeted policy assistance and capacity building. These actions will help to implement the comprehensive rural reform, which is one of the priorities of the Peace Agreement signed in November 2016. The initiative can be considered a significant step forward towards achieving sustainable development in the country, as it focuses in particular on improving the situation of the poor in rural areas, the capacity of the State in conflict-affected areas, and rural development. Commissioner Mimica will also participate in the fair [AgroExpo](#) in Bogota. Read the full press release [here](#). (For more information: Carlos Martin Ruiz De Gordejuela – Tel.: +32 229 65322; Christina Wunder – Tel.: +32 229 92256)

Nouvelle proposition visant à réduire les substances cancérigènes dans les aliments

Les représentants des États membres ont voté hier en faveur de la proposition de la Commission européenne visant à réduire la présence d'[acrylamide](#) – une substance cancérigène – dans les denrées alimentaires. Une fois mis en œuvre, le nouveau règlement exigera des exploitants du secteur alimentaire (ESA) qu'ils appliquent des mesures obligatoires, proportionnées à la taille et à la nature de leur établissement, afin de réduire la présence d'acrylamide. Le commissaire pour la santé et la sécurité alimentaire, Vytenis **Andriukaitis**, s'est félicité de ce vote: «*Nous avons franchi un pas important dans la protection de la santé et du bien-être des citoyens. Le nouveau règlement permettra non seulement de réduire la présence de cette substance cancérigène, mais contribuera à sensibiliser l'opinion publique à la manière d'éviter l'exposition à ladite substance, qui est souvent liée à la cuisine domestique.*» La Commission a également l'intention d'entamer des discussions sur des mesures supplémentaires, telles que la fixation de teneurs maximales en acrylamide dans certaines denrées alimentaires. Le texte approuvé va maintenant être transmis au Conseil et au Parlement européen avec un délai d'examen de trois mois avant son adoption finale par la Commission. Un communiqué de presse dans toutes les langues est disponible [en ligne](#). (Pour plus d'informations: Anca Paduraru – Tel.: +32 229-91269; Iris Petsa – Tel.: + 32 229 93321)

Agriculture: Commission launches crops' market observatory

The Commission launched today a market observatory for crops to ensure more transparency and increase availability of market data for European farmers and traders. A range of market information and short-term analysis will be made available on a new [dedicated website](#). The observatory consists of 14 organisations representing various stages of the grain supply chain. A board of 23 market experts will meet twice a year, chaired by the Commission. Speaking at the [inaugural meeting](#), Commissioner for Agriculture and Rural Development Phil **Hogan** said: "*Today's meeting is the fulfilment of a commitment to extend to the crops sector the successful story of the Market*

Observatories for Milk, Meat and Sugar. The EU Crops sector plays a key role for the global competitiveness of European agriculture. It is therefore our ambition for the Observatory to become an additional and useful tool to manage the market more effectively". Crops production is an essential part of the EU farming activity, with over 300 million tonnes of cereals, 30 million tonnes of oilseeds and five million tonnes of protein crops produced every year. (For more information: Daniel Rosario – Tel.: + 32 229 56185; Kinga Malinowska – Tel.: +32 229 51383)

Mergers: Commission clears the creation of a mobile payments joint venture by Bitė, Tele2 and Telia in Lithuania

The European Commission has approved, under the EU Merger Regulation, the creation of a joint venture by UAB Bitė Lietuva (Bitė), UAB Tele2 (Tele2) and Telia Lietuva AB (Telia), all of Lithuania. The joint venture will provide mobile payment services to businesses and consumers in Lithuania. Bitė is controlled by the US investment firm Providence Equity. Tele2 is part of the Tele2 Group, ultimately controlled by the Swedish investment company Kinnevik. Telia is part of the Swedish Telia Company AB. Bitė, Tele2 and Telia are active in the supply of retail mobile telecommunications services in Lithuania. In addition, Telia provides colocation services in Lithuania, hosting other companies' servers in its data centers. The Commission assessed the impact of the transaction on the nascent market for mobile payment services in Lithuania. The Commission concluded that the transaction would raise no competition concerns given the minor overlap between the joint venture's envisaged activities and the parents' potential activities in the supply of mobile payment services. Moreover, the Commission found that the joint venture's parents would not have the ability, or incentive, to shut out rivals, in particular due to the presence of alternative means for competitors of the joint venture to securely store information and to authenticate users. The transaction was examined under the normal merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8251](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

Concentrations: La Commission autorise l'acquisition de GE Water par Suez

La Commission européenne a autorisé, en vertu du règlement européen sur les concentrations, le projet d'acquisition de GE Water and Process Technologies, basée aux Etats-Unis, par SUEZ S.A., basée en France. GE Water est actif dans la fourniture de produits chimiques et d'équipement de systèmes de traitement des eaux pour des clients industriels ainsi que des municipalités. Suez fournit des solutions de gestion des eaux, de recyclage et de récupération des eaux usées, ainsi que des systèmes de développement urbain. La Commission a conclu que l'acquisition envisagée ne soulèverait pas de problèmes de concurrence car il y existe un nombre suffisant de fournisseurs alternatifs sur les marchés de la fourniture de services mobiles de traitement des eaux et de la fourniture de produits chimiques, où GE Water et Suez sont des concurrents directs. GE Water est aussi un fournisseur de membranes utilisées

dans les usines de traitement des eaux et eaux usées que Suez produit. La Commission a conclu que les entreprises n'auraient ni l'incitation ni la capacité d'exclure les concurrents du marché des membranes. L'opération a été examinée dans le cadre de la procédure normale du contrôle des concentrations. De plus amples informations sont disponibles sur le [site internet](#) concurrence de la Commission, dans le [registre public](#) des affaires sous le numéro d'affaire [M.8452](#). (Pour plus d'informations: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

Concentrations: la Commission autorise l'acquisition du contrôle conjoint de NextDoor par Bouygues Immobilier et Accor

La Commission européenne a approuvé, en vertu du règlement européen sur les concentrations, l'acquisition du contrôle conjoint de la société NextDoor par les sociétés Bouygues Immobilier S.A.S. et Accor S.A., toutes trois basées en France. NextDoor a pour activité la mise à disposition et commercialisation d'espaces de travail intelligents et collaboratifs destinés aux entreprises, assortis d'un ensemble de services d'affaires. Bouygues Immobilier intervient dans les différents domaines de la promotion immobilière et développe des projets de logements, d'immeubles de bureaux et de parcs commerciaux. Accor est actif dans le secteur de l'hôtellerie. La Commission a conclu que la concentration envisagée ne soulèverait pas de problème de concurrence compte tenu de son impact très limité sur la structure du marché. L'opération a été examinée dans le cadre de la procédure simplifiée du contrôle des concentrations. De plus amples informations sont disponibles sur le site internet [concurrence](#) de la Commission, dans le [registre public](#) des affaires sous le numéro d'affaire [M.8534](#). (Pour plus d'informations: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

Eurostat: Comment l'Union européenne progresse-t'elle vers ses objectifs Europe 2020? – Un tableau contrasté

La stratégie Europe 2020, adoptée par le Conseil européen en juin 2010, est l'agenda de l'Union européenne en matière d'emploi et de croissance pour la décennie en cours. La stratégie s'est fixée comme but principal d'assurer des niveaux élevés d'emploi, de productivité et de cohésion sociale dans les États membres, tout en réduisant l'impact sur notre environnement naturel. Afin d'atteindre ce but, l'UE a adopté des objectifs, à atteindre d'ici 2020, couvrant cinq domaines: l'emploi, la recherche & développement (R&D), le changement climatique & l'énergie, l'éducation ainsi que la réduction de la pauvreté. Ceux-ci ont été traduits en objectifs nationaux afin de refléter la situation et les possibilités de contribution de chaque État membre à l'objectif commun. Un ensemble de neuf [indicateurs clés](#) et des sous-indicateurs complémentaires, compilés par Eurostat, donnent un aperçu de la distance à laquelle se trouve l'UE dans l'atteinte de ses objectifs. Un communiqué de presse est disponible [ici](#). (Pour plus d'informations: Christian Wigand – Tel.: +32 229 62253; Sara Soumillion – Tel.: + 32 229 67094)

Eurostat: Déficit public désaisonnalisé en baisse à 0,9% du PIB dans la zone euro

Au premier trimestre 2017, le ratio du déficit public par rapport au PIB, corrigé des variations saisonnières, s'est établi à 0,9% dans la zone euro (ZE19), en baisse par rapport au quatrième trimestre 2016 où il se situait à 1,1%. Dans l'UE28, le ratio du déficit public par rapport au PIB s'est établi à 1,0%, contre 1,2% au trimestre précédent. Un communiqué de presse est disponible [ici](#). (Pour plus d'informations: Barbara Ochotnicka – Tel.: +32 229 13754)

Eurostat: Premier trimestre 2017 par rapport au quatrième trimestre 2016 – La dette publique en hausse à 89,5% du PIB dans la zone euro

À la fin du premier trimestre 2017, le ratio de la dette publique par rapport au PIB s'est établi à 89,5% dans la zone euro (ZE19), contre 89,2% à la fin du quatrième trimestre 2016. Dans l'UE28, le ratio a également augmenté, passant de 83,6% à 84,1%. Par rapport au premier trimestre 2016, le ratio de la dette publique par rapport au PIB a baissé dans la zone euro (de 91,2% à 89,5%) ainsi que dans l'UE28 (de 84,3% à 84,1%). Un communiqué de presse est disponible [ici](#). (Pour plus d'informations: Vanessa Mock – Tel.: +32 229 56194; Barbara Ochotnicka – Tel.: +32 229 13754)

ANNOUNCEMENTS

High Representative/Vice-President Federica Mogherini travels to Kuwait

At the invitation of the Emir of Kuwait, EU High Representative/Vice-President Federica Mogherini will travel to Kuwait on July 23 to discuss the situation in the Gulf and mark the EU's full support for Kuwait's ongoing mediation efforts. The HR/VP will notably meet with H.H. the Emir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah of Kuwait, Foreign Minister Sheikh Sabah Al-Khalid Al-Hamad Al-Sabah and Sheikh Mohammad Al-Abdullah Al-Mubarak Al-Sabah, Minister of State for Cabinet Affairs of Kuwait and Emissary for the Gulf crisis, as well as with H.E. Marzouq Al-Ghanem, Speaker of the National Assembly of Kuwait. Photos and videos of the visit will be available on [EbS](#). (For more information: Maja Kocijancic – Tel.: +32 229 86570; Lauranne Devillé – Tel.: +32 229 80833)

Central Mediterranean Route: Commissioner Avramopoulos in Tunis for Ministerial Meeting

Commissioner for Migration, Home Affairs and Citizenship Dimitris **Avramopoulos** will be in Tunis on Sunday and Monday for the second Ministerial Meeting on the Central Mediterranean Route alongside interior ministers from Algeria, Austria, Chad, Egypt, France, Germany, Italy, Libya, Mali, Malta,

Niger, Slovenia, Switzerland and Tunisia, as well as Estonia which holds the Presidency of the European Union. Discussions will focus on ways to strengthen cooperation between both sides of the Mediterranean as well as between Libya and all its neighbours with a view to saving lives at sea and in the desert, stemming irregular migration, fighting against smugglers and traffickers in human beings, protecting migrants and refugees' rights, and increasing cooperation on border management along the Central Mediterranean Route. A press conference is scheduled to take place on Monday 24 July and will be broadcast on EbS. (For more information: *Natasha Bertaud – Tel.: +32 229 67456; Markus Lammert – Tel.: +32 229 58602*)

Le Commissaire Moscovici rencontre les autorités françaises à Paris demain

Pierre **Moscovici**, Commissaire aux affaires économiques et financières, à la fiscalité et aux douanes sera à Paris le vendredi 21 juillet. Il s'entretiendra avec le Premier ministre, M. Édouard Philippe; le ministre de l'Économie et des Finances, M. Bruno Le Maire; et le ministre de l'Action et des Comptes publics, M. Gérard Darmanin. Le Commissaire Moscovici a dit: *“La France s'est engagée à corriger son déficit excessif dès cette année. C'est ce que ses partenaires européens attendent d'elle et c'est à portée de main. J'en discuterai avec les autorités françaises ce vendredi. Nous évoquerons également la préparation du projet de budget 2018 qui devra confirmer dans la durée la crédibilité budgétaire de la France en Europe.”* (Pour plus d'information: *Vanessa Mock – Tel.: +32 229 56194; Patrick McCullough – Tel.: +32 229 87183*)

[Calendar](#)

The Commissioners' weekly activities

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

[ESMA to cooperate with Indian regulators on CCPs](#)

The MoU establishes cooperation arrangements, including the exchange of information, regarding Central Counterparties (CCPs) which are established and authorised or recognised in India, and which have applied for EU recognition under EMIR.

EMIR provides for cooperation arrangements between ESMA and the relevant non-EU authorities whose legal and supervisory framework for CCPs have been deemed equivalent to EMIR by the European Commission.

The MoU is effective as of 21 June 2016.

[It is getting harder and harder for ordinary young people to access higher education – Gordon Marsden](#)

Gordon Marsden MP, Labour's Shadow Universities Minister, commenting on the University and College Union (UCU) report into student loan repayments, said:

“The Tories have tripled tuition fees, abolished maintenance grants for poorer students and frozen the repayment threshold, hitting graduates on the lowest incomes. This report confirms yet again that the impact has been deeply unfair and it is getting harder and harder for ordinary young people to access higher education.

“It is professions such as nurses and midwives that are being hit the hardest, and if the NHS can't recruit the staff it needs then we will all be worse off as a result.

“The Government needs to decide if they think it is fair that the debt burden should fall so heavily on the very people our society relies so heavily on.”

[News story: Defence Secretary reveals name of first Type 26 as manufacture begins](#)

In front of the assembled BAE Systems workforce, Sir Michael Fallon officially began the manufacture of HMS Glasgow the first in a new generation of cutting edge frigates, delivering on the commitment to start production this summer on a programme that will sustain 1700 jobs in Scotland for two decades. Together the three ships being built under the first contract will safeguard 4000 jobs in Scotland and across the wider UK supply chain until 2035.

The Defence Secretary met some of the 260 apprentices that will be supported by the work on the Frigate on the Clyde by the autumn.

Defence Secretary Sir Michael Fallon said:

Today marks a historic milestone for the Royal Navy, Scottish shipbuilding and UK Defence more widely. HMS Glasgow and the other seven frigates in this new class will protect our powerful new aircraft carriers and nuclear deterrent, helping keep Britain safe across the world.

The Type 26 is a cutting-edge warship that will maintain our naval power with a truly global reach. Designed for a service life of at least 25 years, the Type 26 frigates will form a backbone of the future Royal Navy surface fleet well into the future.

The Type 26 is an advanced Anti-Submarine Warfare frigate that will provide essential protection to our nuclear deterrent and aircraft carriers, building on the pedigree of the Royal Navy's current Type 23 frigates.

Its flexible design will allow its weapon systems to be adapted throughout its lifespan to counter future threats. The Type 26 benefits from the latest advances in digital technologies, including 3D and virtual reality, which ensures that the ship's design is refined earlier in the process.

Admiral Sir Philip Jones, First Sea Lord and Chief of the Naval Staff, said:

The Clyde was the birthplace of some of the greatest fighting ships the world has ever known, and so cutting steel there today for the future HMS Glasgow is symbolic of a Royal Navy on the rise once again.

As an island nation, we are utterly dependent on the sea for our security and prosperity, and the City-class names have been chosen for the Type 26 to provide an enduring link between the Royal Navy and our great centres of commerce and industry.

The name Glasgow brings with it a string of battle honours, stretching from the Arctic Circle to the South Atlantic. As one of the world's most capable anti-submarine frigates, the Type 26 will carry the Royal Navy's tradition of victory far into the future.

As a world-class ship, the Type 26 has strong export opportunities. BAE Systems and the MOD are exploring these, with interest from international customers including Australia.

Tony Douglas, Chief Executive Officer for Defence Equipment and Support, the

MOD's procurement organisation said:

This is a very proud moment for all of those who have worked so hard to get the manufacture of the Type 26 underway.

With the first steel cut today in Scotland and further work spread out across the UK supply chain the Type 26 programme is truly a national endeavour harnessing all our skills and knowledge to produce the best possible ships for the Royal Navy.

Earlier this month the Defence Secretary announced the signing of a [contract worth around £3.7 billion](#) to start building the Royal Navy's Type 26 frigates, securing the long term future of the Scottish shipbuilding industry. The contract is specifically structured to motivate both sides to deliver a successful outcome where both parties share in the pain and gain in the delivery of the programme. This will deliver better value for money for the UK taxpayer.

It is deeply concerning that the size of the Army has fallen yet again on this Government's watch – Nia Griffith

"It is deeply concerning that the size of the Army has fallen yet again on this Government's watch.

"Since Michael Fallon became Defence Secretary in 2014, the number of fully trained soldiers has fallen by over 7,000. That trend is simply not sustainable and it has very real consequences for the UK's defence capabilities.

"We know that satisfaction with pay and service life are some of the biggest reasons why servicemen and women are leaving the Armed Forces in their droves.

"If the government was serious about tackling this crisis in recruitment and retention, they would agree to lift the public sector pay cap to give our Armed

Forces the pay that they deserve.”