Mrs Merkel, Mr Macron and free trade

The Merkel and Macron speeches at Davos were hailed by the media as statements promoting free trade. If we are to believe them, they should take up the UK's offer of a comprehensive free trade agreement between the UK and EU and make sure it is complete by March 2019.

Transition to what?

I have told Ministers this week that I do not want a two year Transition period agreed anytime soon before we know what if anything we are going to transit to. If there is no Agreement on a comprehensive Free Trade deal and wider partnership then we should just leave in March 2019 and get the full benefits immediately of paying them no more money and being able to change our laws and control our own borders as we see fit. That is what Leave voters voted for.

The Prime Minister has always said she would consider an Implementation period after March 2019, but that implies there is an Agreement to implement. She also said it should be as short as possible, and of variable duration depending on the clauses of the Agreement to be implemented and their complexities. None of this is needed if there is no acceptable deal. Her argument for considering an Implementation period was to avoid a double adjustment – first to being out, then to the terms of a new Agreement. That makes sense. By definition you cannot know what if anything you need for implementation before you have even started negotiating the trade agreement.

Neither Remain nor Leave voters will be happy if we replicate the obligations and costs of EU membership without any longer being a voting member of the Council. Leave must mean leave. That means taking back control of our money, our borders and our laws, and leaving on 29 March 2019 as agreed.

European safety and health experts meet with EU Commissioner to confront challenges for micro and small

enterprises

The European Agency for Safety and Health at Work (EU-OSHA) welcomes Commissioner Marianne Thyssen and other stakeholders to a seminar on how to ensure workers' safety and health in micro and small enterprises (MSEs). The seminar takes place on 25 January in Bilbao and coincides with the publication of two new reports that explore the latest findings of EU-OSHA's project on MSEs. The reports, as well as the seminar, focus on good practice examples from throughout the EU, identifying key success factors and challenges, and the important role of intermediaries when it comes to improving occupational safety and health (OSH) in MSEs.

Protection of health and safety at work is one of the key principles of our European Pillar of Social Rights. It is imperative that employer and worker representatives, national authorities and OSH advisors work together to ensure that workers in micro and small enterprises can enjoy safe and healthy working conditions.

Many MSEs find managing OSH challenging, and workers are more likely to be at risk of safety or health issues in these enterprises than in other, larger enterprises. In fact, more than 80% of all occupational injuries in the EU occur in micro, small or medium-sized businesses – and the smaller the business, the higher the risk. The findings of the latest reports shed light on MSE-specific problems and concerns, OSH attitudes and behaviours, and the drivers of and barriers to the implementation of OSH measures in such enterprises. The good practice examples from MSEs, analysed in depth during the course of the project, provide experts with a view of what works, for whom and under what circumstances. Successful approaches to supporting OSH include those involving awareness-raising activities, training, the provision of practical tools, and economic incentives. The instrumental role played by intermediaries in supporting OSH in MSEs is also clear from the reports, and is a key topic of discussion at the seminar.

Marianne Thyssen, European Commissioner for Employment, Social Affairs, Skills and Labour Mobility, emphasises that: *'Protection of health and safety at work is one of the key principles of our European Pillar of Social Rights, as well as social dialogue and involvement of workers. As part of this and as the good examples demonstrate, it is imperative that employer representatives and worker representatives as well as national authorities and occupational safety and health advisors work together to support safety and health in micro and small enterprises and to ensure that workers in these enterprises can enjoy safe and healthy working conditions.'*

Good practice examples

The value of cooperation among different stakeholders and the incorporation of OSH into the supply chain is particularly well illustrated by the British Olympic Park project. During the construction of the Olympic Park, all

relevant stakeholders – including the national OSH regulator, the contractors and the unions – were consulted before the project began and at all stages throughout. Safety and health was a top priority and – through supply chain management – all subcontracted MSEs were required to adhere to strict OSH standards which led to an outstandingly low rate of accidents during construction. Motivating MSEs to take action and raising awareness of relevant tools and legislation are key to improving OSH. In Denmark, under a nationwide labour inspection initiative, inspectors systematically visit MSEs and provide OSH-related guidance and resources, with the aim of reaching and opening up dialogue with all MSEs.

EU-OSHA Director, Christa Sedlatschek, highlights another example of how the actions of intermediaries at the national level can help MSEs deal with OSH: '*In France, Online interactive Risk Assessment (OiRA) tools have been integrated into the preventive approach to OSH. Using the framework developed by EU-OSHA, the National Research and Safety Institute has tailored OiRA tools to the needs of two MSE-dominated and vulnerable sectors – the road transport and restaurant sectors – enabling businesses to assess their own risks and implement measures to improve safety and health. What is particularly impressive about this example is how the concerted actions of several regional and national OSH institutes, professional organisations and other relevant sectoral partners have enabled the development and dissemination of these tools to MSEs.*'

Although all of the examples provide evidence that effective tools and well-designed interventions can successfully support OSH in MSEs, many of the initiatives are voluntary and therefore will not reach MSEs that take a reactive approach to OSH and do not actively engage with OSH institutions.

So how can policies and programmes be shaped to meet the needs of the hardest-to-reach MSEs? The project's final analysis report, to be published later in the year, will discuss this in detail, by focusing on the transferability of good practices and exploring the role of policies and programmes in a regulatory and socio-economic context.

Links:

Joint Statement on the attack against the NGO Save the Children in Afghanistan

Federica Mogherini, the High Representative of the European Union for Foreign Affairs and Security Policy/Vice-President of the European Commission, Christos Stylianides, the Commissioner for Humanitarian Aid and Crisis Management, and Neven Mimica, the Commissioner for International Cooperation

and Development, issue the following statement:

Saving lives should not cost lives.

Today's terrorist attack against the NGO Save the Children, whose staff work to help vulnerable children in Afghanistan, is a grave violation of international humanitarian law.It is an affront to all humanitarian organisations, to humanity, and in particular, it demonstrates a blatant disregard for the wellbeing and future of all Afghan children, who rely on the dedicated work of others.

Our condolences go to the families of all those who have been killed, and we wish a speedy recovery to those injured. At this time, our thoughts are also with Save the Children, a longstanding partner of the European Union in Afghanistan and around the world, working tirelessly to save and change peoples' lives for the better.

We will not allow acts of terror to deter our support to those most in need in Afghanistan. The European Union stands by the Afghan authorities and peopleand remains committed to helping the Afghan people to achieve a peaceful future.

Statement by Commissioner Vestager on Commission decision to fine Qualcomm for abuse of market dominance in LTE baseband chipsets

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Today, the Commission has decided to fine Qualcomm 997 million euros for behaviour that is illegal under EU antitrust rules.

Qualcomm has abused its market dominance for a type of chipsets, namely baseband chipsets that comply with the Long-Term Evolution standard – in short "LTE", or you may know it better as 4G. LTE baseband chipsets are vital components in smartphones and tablets. What they do is enable our phones and tablets to transmit voice and data when we call our friends, share pictures with them or read online news.

For quite some time, Qualcomm has been the world's largest maker of LTE baseband chipsets. Our decision found that Qualcomm cemented its position by illegally shutting out rivals from the market for over five years. Between 2011 and 2016, Qualcomm paid billions of US Dollars to a key customer, Apple, so that they would not buy from rivals. These payments were not just

reductions in price – they were made on the condition that Apple would exclusively use Qualcomm's baseband chipsets in all its iPhones and iPads. This meant that no one could challenge Qualcomm effectively in the market for LTE baseband chipsets.

So, to be clear, this case is about Qualcomm having taken measures to avoid competition on the merits. Its illegal behaviour denied consumers and other companies the benefits of effective competition, namely more choice and innovation – and this in a sector with a huge demand and potential for innovative technologies.

Why Qualcomm's behaviour is illegal

Our investigation showed that Qualcomm has held a dominant position in the market for LTE baseband chipsets. For the majority of the period investigated, more than 90% of these chipsets sold worldwide were produced by Qualcomm. There are significant barriers to enter this market. One reason is that these chipsets are complex products. Companies have to spend large amounts on research and development to be able to make them. They also need to support a variety of technical standards.

Just because Qualcomm has become dominant in this market is not, as such, a problem under EU antitrust rules. We congratulate companies for becoming successful due to their skill and innovation.

However, since competition is already weakened in a market dominated by just one company, such a market needs extra vigilance. That's why EU antitrust rules put special responsibilities on dominant companies. They are not allowed to abuse their strong market position to hinder competition in the market.

This means that dominant companies may not try to stop their rivals from entering a market, by blocking their access to customers. When a lot of money is at stake for the customer, this strategy can be very effective. And it becomes even more effective, if it is targeted at a large and important customer.

The outcome is that rivals are prevented from challenging dominant companies with new, more innovative products.

And this is what Qualcomm did in this case.

During the period we investigated, Intel was one of Qualcomm's main potential rivals in this market. Intel was of course the dominant company for chips used in computers. But as regards chipsets for smartphones and tablets, Intel was at the time a relatively small player. They were trying to challenge Qualcomm in the market for chipsets used in mobile devices.

And it seems they had the ability to do so: in our investigation we obtained internal documents from Apple, showing that Apple was seriously thinking about switching from Qualcomm to Intel for some of its supplies of baseband chipsets. They did so at various moments between 2011 and 2016.

This would have made a big difference to Intel. Apple is one of the largest makers of smartphones and tablets in the world.

But in the end, Apple decided not to make the change during that time.

Why? Trying out a new chipset supplier would have cost Apple a lot of money. Qualcomm paid billions of US dollars to Apple on the condition that Apple sources exclusively from Qualcomm.

Qualcomm's terms made clear that they would stop these payments, if Apple commercially launched even a single iPhone or iPad model with a chipset not supplied by Qualcomm.

Qualcomm's terms also reduced Apple's incentives to change their mind: if Apple decided to switch suppliers, they wouldn't just forego the future payments to be received from Qualcomm. They would also have had to return some of the payments already received.

So, it wasn't until late in 2016 that Apple started to source some of its input from Intel. In other words, only when the agreements with Qualcomm were about to expire, and switching no longer cost them as much money. And there is evidence that competition in the market is now on the up.

This shows that Qualcomm's payments were decisive to shut out rival chip manufacturers from the market. Qualcomm's behaviour denied rivals the chance to compete effectively, no matter how good their products were. And that denied consumers and other companies the benefits of choice and innovation.

This is why we today fined Qualcomm 997 million euros for having abused its dominant market position. The fine reflects both the seriousness and the duration of the infringement, and is also aimed at deterring market players from engaging in such anti-competitive practices in the future.

Impact of Intel judgment

The internal documents I mentioned are just part of the evidence we relied on to prove our case. Our decision sets out how consumers and competition have suffered as a result of Qualcomm's conduct based on a variety of qualitative and quantitative evidence.

Of course, I say this also because this is the Commission's first decision on an abuse of a dominant market position since the Court of Justice ruling on the Intel case last September. This judgment gave guidance on how the Commission has to prove its case and which tools it can rely on. We have carefully examined the ruling and the evidence in our case file, to make sure our decision fully complies with the guidance given by the Court.

As always, we will publish our decision for all to see, as soon as we agree with Qualcomm and third parties on any confidential business secrets that need to be removed.

Conclusion

What our decision today confirms is that dominant companies operating on European markets must compete on the merits. Qualcomm chose to instead shut out competitors from the market. That is illegal under EU antitrust rules. And that’s why we have taken today’s decision. So that European consumers can enjoy the full benefits of competition and innovation.