Daily News 13 / 07 / 2018

President Juncker travels to Beijing for EU-China Summit and to Tokyo to sign landmark EU-Japan trade and strategic partnership agreements

The President of the European Commission, Jean-Claude Juncker will, alongside the President of the European Council, Donald Tusk represent the European Union at the 20th EU-China Summit and the 25th EU-Japan Summit on Monday 16 July in Beijing and Tuesday 17 July in Tokyo respectively. The two Summits will allow EU Leaders, who will be accompanied throughout by Commission Vice-President Jyrki Katainen and in Beijing also by Commissioners Cecilia Malmström and Violeta Bulc, to assess with their counterparts — President Xi Jinping and Premier Li Keqiang of the People's Republic of China and Prime Minister Shinzō Abe of Japan — developments in the respective bilateral relationships as well as regional and global challenges. In China, discussions are expected to focus on the expansion of the EU-China strategic relationship, on trade and investment, on their commitment to combating climate change and investing in clean energy, and on foreign and security issues, including the situation on the Korean Peninsula and the joint commitment to preserving the Joint Comprehensive Plan of Action — the Iran nuclear deal. In the margins of the Summit, President Juncker will also deliver the keynote speech at the EU-China business roundtable. While in Beijing, Commissioner Bulc will chair the EU-China Connectivity Platform, while Commissioner for Regional Policy, Corina Creţu, who will also be in China, will speak at the EU-China High Level Forum on sustainable urban development and, in the context of the EU's International Urban Cooperation programme, witness the signature of a joint declaration between Chinese and European cities. In Japan, the Leaders will sign two landmark agreements. The Economic Partnership Agreement between the EU and Japan is the biggest ever negotiated by the European Union. It will create an open trade zone covering over 600 million people and nearly a third of global GDP, and bring vast benefits both to EU consumers and EU exporters. The Strategic Partnership Agreement will provide an overarching framework for the EU and Japan to reinforce and enhance their relationship, building on existing cooperation both bilaterally and in multilateral fora, for example the United Nations and the G7. Discussions at the EU-Japan Summit are also expected to cover investment protection, and regional and global challenges. More information on the <u>EU-China</u> and <u>EU-Japan</u> summits is available online. Press conferences following the Summits are foreseen and coverage will be available on EbS. (For more information: Margaritis Schinas - Tel.: +32 229 60524; Mina Andreeva — Tel.: +32 229 91382; Maja Kocijancic — Tel.: +32 229 86570; Daniel Rosario - Tel.: +32 229 56185; Adam Kaznowski - Tel.: +32 229 89359)

Employment and Social Developments in Europe: 2018 review confirms positive trends but highlights challenges, in particular linked to automation and digitalisation

Today, the Commission has published the <u>2018 edition of its yearly Employment</u> and <u>Social Developments in Europe (ESDE) review</u>. This year's edition confirms the ongoing positive labour market trends as well as an improving social

situation. The numbers of people in employment reached new record levels. At the same time we witness rising disposable incomes and lower levels of poverty. Severe material deprivation has receded to an all-time low, with 16.1 million fewer people affected, compared with 2012. But looking at the impact of technological developments, there are uncertainties about the future effects of automation and digitalisation. This is why the 2018 ESDE review is dedicated to the changing world of work. Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne Thyssen, said: "The European economy is growing faster and more evenly than before. This favours employment, props up household incomes, and improves social conditions. Technological change has a high potential to boost growth and jobs, but only if we shape this change. The European Pillar of Social Rights provides a compass for getting everyone ready for this transformation. Our proposals turn the Pillar into practice, by equipping people in Europe with better education and skills throughout their life and by ensuring that all workers are covered by basic rights in this fast changing world of work, with our proposals on transparent and predictable working conditions and access to social protection." The annual Employment and Social Developments in Europe review provides up-to-date economic analysis of employment and social trends in Europe. This year's edition of the report aims to analyse opportunities and risks linked to technological innovation, demographic change and globalisation. The review shows what needs to happen so that everybody can benefit from these developments. More information on the outcome of the review can be found in this <u>press release</u> and <u>memo</u>. The <u>following factsheet</u> gives an overview of certain key figures. (For more information: Christian Wigand— Tel.: +32 229 62253; Sara Soumillion — Tel.: + 32 229 67094)

Better access to finance for Maltese small businesses thanks to the SME initiative

The Commission, the European Investment Bank Group and the Maltese government have agreed to increase the financing available under Malta's SME initiative programme. The SME invests Cohesion Policy funds via financial instruments and provide SMEs with better access to financing, with advantageous conditions. New resources from Cohesion Policy funds will top-up the programme's budget, bringing it from €15 million from Malta's Cohesion Policy envelope to up to €22 million. Three years after its launch in 2015, the programme has already triggered €60 million of financing for Maltese businesses. With this increase in the budget, overall the programme is expected to deliver €90 million of SME financing in the country. Commissioner for Regional policy Corina Cretu said: "I welcome Malta's decision to increase the available financing under its SME initiative programme. This is a smart move that will directly benefit Maltese small and medium-sized businesses and entrepreneurs. It will give them the financial boost they need to turn their ideas into concrete projects or expand beyond their local markets. (For more information see the <u>EIB Group press release</u> or contact Johannes Bahrke — Tel.: +32 229 58615; Sophie Dupin de Saint-Cyr — Tel.: +32 229 56169)

Mergers: Commission approves acquisition of LaudaMotion by Ryanair

The European Commission has approved unconditionally under the EU Merger

Regulation the proposed acquisition of LaudaMotion by Ryanair. LaudaMotion is the company through which Mr Niki Lauda re-acquired in January 2018 the assets of NIKI, the leisure air carrier he founded in 2003 and was then later integrated into Air Berlin. The assets of NIKI were for sale because in December 2017 Lufthansa decided to withdraw from a deal to buy the company, leaving NIKI to enter into insolvency proceedings in Austria. The Commission investigated the impact of the proposed transaction on (i) the market for air transport of passengers on the routes where the activities of Ryanair and LaudaMotion overlap and (ii) examined whether LaudaMotion's portfolio of airport slots to be acquired by Ryanair at different airports would allow Ryanair to prevent competitors from entering or expanding their presence at these airports. The Commission found that Ryanair will continue to face strong competition from other carriers on the routes to and from airports where the activities of both airlines overlap and that the increase in the slot portfolio of Ryanair is unlikely to have a negative effect on passengers. The Commission therefore concluded that the proposed transaction would raise no competition concerns in any of the relevant markets. The full press release is available online in EN, FR, DE, GA. (For more information: Ricardo Cardoso — Tel.: +32 229 80100; Maria Tsoni — Tel.: +32 229 90526)

State aid: Commission approves Dutch support to compensate damage linked to gas extraction in the province of Groningen

The European Commission has found that the support put in place by the Netherlands to compensate damage to real estate caused by earthquakes induced by drilling in the Groningen gas field is in line with EU State aid rules. The Dutch authorities notified to the Commission a plan to set up a nonprofit foundation to manage real estate activities related to the repair and sale of buildings in the area concerned. This is required because the province suffers from earthquakes caused by gas extraction in the Groningen gas field. Three quarters of the activities of the foundation will be financed by Nederlandse Aardolie Maatschapij, a company involved in gas extraction at the Groningen gas field, while the remaining quarter will be financed in part by the State through a €10 million grant. The Commission is satisfied that the repair activities are ultimately funded by Nederlandse Aardolie Maatschapij, in line with the polluter pays principle. The Commission found that the financing by the State ensures the continuity of real estate transactions in the area and does not confer an advantage to Nederlandse Aardolie Maatschapij. The Commission therefore concluded that the measure does not constitute State aid. More information will be available on the Commission's <u>competition website</u>, in the <u>State Aid register</u> under the case numberSA.47866. (For more information: Ricardo Cardoso - Tel.: +32 229 80100; Maria Tsoni - Tel.: +32 229 90526)

STATEMENTS

European Aviation: No more delays, the time for action is now

Commissioner for Transport Violeta **Bulc** and Chair of the European Parliament's Committee on Transport and Tourism Karima **Delli** todayissued a joint statement calling for action to tackle delays in air traffic in Europe. In it, they note that "2018 is expected to be the busiest year so far in

terms of air traffic, with 11 million flights forecast. On top of that the summer holiday season is upon us, which is the busiest period for air travel. The bleak reality is that around 50,000 passengers will face delays — every day — of up to 2 hours in airports across Europe, leading to missed connections and unforeseen costs. Our current air traffic system is struggling to cope with the ever increasing volume of traffic, and other disruptions which contribute to these delays. The system needs an urgent upgrade. Now is the moment to be bold — we need a more genuine cooperation between national air navigation service providers, and we need to work with Eurocontrol to create a more effective management of the European network." The full version can be found here.(For more information: Enrico Brivio — Tel.: +32 229 56172; Alexis Perier — Tel.: +32 229 6 91 43)

<u>Calendar</u>

The Commissioners' weekly activities

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