

Main topics and media events 16 – 29 July 2018

Press contacts

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Overview of the main subjects to be discussed at meetings of the Council of the EU over the next two weeks.

Foreign Affairs Council, Monday 16 July 2018

Foreign ministers will discuss the Eastern Partnership, Libya and North Korea.

Agriculture and Fisheries Council, Monday 16 July 2018

The Council will be informed about the Austrian presidency work programme and will have an exchange of views on the post 2020 CAP reform.

EU-CELAC ministerial meeting, Monday 16 and Tuesday 17 July 2018

Ministers of foreign affairs from the EU and from the Community of Latin American and Caribbean States (CELAC) will meet on 16-17 July in Brussels. **“Building bridges and strengthening our partnership to face global challenges”** is the theme of the meeting. At the end of the meeting, EU and CELAC ministers are expected to adopt a declaration.

General Affairs Council (Art. 50), Friday 20 July 2018

EU27 ministers will take stock of the state of play of Brexit negotiations.

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Mergers: Commission opens in-depth investigation into Siemens proposed acquisition of Alstom

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *“Trains and the signalling equipment that guide them are essential for*

transport in Europe. The Commission will investigate whether the proposed acquisition of Alstom by Siemens would deprive European rail operators of a choice of suppliers and innovative products, and lead to higher prices, which could ultimately harm the millions of Europeans who use rail transportation every day for work or leisure."

Siemens and Alstom are global leaders in rail transportation. Both companies have a wide product portfolio and compete in tenders for the manufacture and supply of:

- **high speed, mainline and urban rolling stock** (trains). High speed rolling stock includes trains operated for long-distance travel at speeds above 250 km/h, mainline rolling stock includes intercity and regional trains and urban rolling stock includes metros and trams.
- **mainline and urban signalling solutions**. Signalling solutions include signalling systems that provide safety controls on mainline and urban rail networks.

The proposed transaction would combine the two largest suppliers of rolling stock and signalling solutions in the European Economic Area (EEA) not only in terms of size of the combined operations, but also in terms of geographic footprint of their activities.

The Commission's competition concerns

At this stage, the Commission is concerned that the proposed transaction would reduce competition in the markets where the merged entity would be active. In particular, the Commission is concerned that the proposed transaction could lead to higher prices, less choice and less innovation due to reduced competitive pressure in rolling stock and signalling tenders. This would be to the detriment of train operators, infrastructure managers and ultimately European passengers who use trains and metros on a daily basis.

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

- For **rolling stock**, the proposed transaction would remove a very strong competitor and reduce the number of suppliers. In relation to high speed trains, the Commission has examined the impact of the transaction both within the EEA and on a worldwide basis (excluding China, Japan and Korea which appear to have barriers preventing imports from foreign suppliers). On both of these geographic markets, the merged entity would be the undisputed market leader, over three times larger than the closest competitor. The merged entity will also become the market leader in mainline (including regional trains) and metro rolling stock in the EEA. Furthermore, after the proposed transaction, competitors in the sector would struggle to compete against the merged entity's track-record and installed-base of rolling stock.
- For **signalling solutions**, the proposed transaction would remove a very strong competitor from several mainline and urban signalling markets. After the proposed transaction, the merged entity would become the undisputed market leader, with around three times the market share of the closest competitor, and would be unlikely to face significant

competitive pressure.

Furthermore, at this stage the Commission has found that the entry of new competitors into the EEA rolling stock or signalling solutions markets, including in particular of potential Chinese suppliers, appears unlikely to occur in the foreseeable future.

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 8 June 2018. The Commission now has 90 working days, until 21 November 2018, to take a decision. The opening of an in-depth investigation does not prejudice the outcome of the investigation.

Companies and products

Siemens, based in Germany, is active worldwide in several industrial areas with its mobility division offering a broad portfolio of rolling stock, rail automation and signalling solutions, rail electrification systems, road traffic technology, IT solutions, as well as other products and services concerning the transportation of people and goods by rail and road.

Alstom, based in France, is active worldwide in the rail transport industry, offering a wide range of transport solutions (from high-speed trains to metros, trams and e-buses), personalised services (maintenance and modernisation) as well as products dedicated to passengers and infrastructure, signalling solutions, rail electrification systems and digital mobility.

Merger control rules and procedures:

The transaction was notified to the Commission on 8 June 2018.

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).

In addition to the current transaction, there are four ongoing Phase II merger investigations: 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.8677](#).

Press remarks by Vice-President Valdis Dombrovskis at the ECOFIN press conference

Thank you, Minister.

First of all, I would like to wish you a lot of success with the Austrian Presidency.

The Commission welcomes the focus of the Austrian Presidency on reaching deals in the areas of deepening our Economic and Monetary Union, setting up the Capital Markets Union, and also bringing forward the agenda for fair and efficient taxation.

We share these priorities.

On EMU deepening, we welcome the commitment to seal the Banking Package and to bring forward the work on the Non-Performing Loans proposals. These are important risk reduction measures.

We also feel there is enough of political will to fast track the work on the backstop to the Single Resolution Fund.

And we also have a mandate from leaders to work on the roadmap for starting political discussions on the European Deposit Insurance Scheme.

Today, the Commission presented its proposal for the Investment Stabilisation Function.

The idea is to help Member States that are hit by large asymmetric shocks to maintain their public investment, and in this way avoid deeper recessions.

We consider that our legislative proposal is a good basis for further work in the context of the EMU deepening discussions.

In addition, we presented other proposals tabled in the context of the new MFF, namely, the Reform Support Programme to provide greater financial and technical incentives for reforms at national level.

And we also presented the InvestEU programme, which builds on the success of the Juncker Plan to boost investment in Europe.

So we have a lot of work to do.

Finally, let me reiterate that the strengthening of our Economic and Monetary Union starts at home – it starts in Member States.

So today the Council formally adopted the Country-Specific Recommendations for reforms that, if implemented, could reinforce the resilience of our economies.

Thank you very much.

[Joint press statement following the third meeting of the Stabilisation and Association Council between Bosnia and Herzegovina and the European Union](#)

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The Stabilisation and Association Council (SA Council) between Bosnia and Herzegovina and the European Union (EU) held its third meeting on 13 July 2018. The SA Council welcomed Bosnia and Herzegovina's EU perspective as a single, united and sovereign country. It welcomed the finalisation of the country's first set of answers to the Commission's Opinion Questionnaire on Bosnia and Herzegovina's EU membership application through the use of the coordination mechanism on EU matters.

Bosnia and Herzegovina's EU membership application of February 2016 represented a strategic commitment to advance towards the EU. The SA Council welcomed the adoption of EU-oriented reforms in Bosnia and Herzegovina such as country-wide strategies for environment and rural development or excise duties, which guarantee the fiscal manoeuvre for other investment decisions. The SA Council encouraged Bosnia and Herzegovina to urgently translate its commitment into comprehensive reform results on the ground.

The SA Council took note of the announcement by the Central Election Commission of the general elections scheduled for 7 October 2018 and called on focusing on concrete needs of the citizens of Bosnia and Herzegovina and the future of the country, during the election campaign. In this context, the SA Council encouraged all political leaders and parties in Bosnia and Herzegovina to reach a compromise and find a domestic solution to address the Decision of the Constitutional Court of Bosnia and Herzegovina regarding elections to the Federation House of Peoples with a view to ensuring the

smooth implementation of the October 2018 elections results.

The SA Council reiterated the need for Bosnia and Herzegovina to adopt a new countrywide strategic framework for public administration reform, as well as a countrywide strategy on public financial management, among others as a pre-condition for accessing EU budget support in any sector.

The SA Council welcomed the adoption in November 2017 by the High Judicial and Prosecutorial Council (HJPC) of a detailed action plan to implement the European Commission's recommendations on issues within the HJPC remit. The SA Council noted that corruption in many areas continues to be a serious hindrance to socio-economic development of the country. The SA Council underlined the importance to address this issue with determination and to step up efforts to establish a track record of final convictions, including in organised crime cases, with particular focus on money-laundering.

The SA Council also positively noted the adoption of a new strategy on fighting organised crime and implementation of the action plan on anti-money laundering and financing of terrorism. In this context, the SA Council welcomed the decision by the Financial Action Task Force to remove Bosnia and Herzegovina from its monitoring under its on-going anti-money laundering and combating the financing of terrorism (AML/CFT) compliance process. The SA Council invited the competent authorities to amend without further delay the provisions of Bosnia and Herzegovina criminal procedure code on special investigative measures in line with international standards.

The SA Council welcomed the initiatives taken by Bosnia and Herzegovina to address counter-terrorism issues. The SA Council calls on the country's authorities to take further steps to prevent and fight radicalisation and financing of terrorism.

With respect to migration issues, the SA Council reiterated the importance of enhanced cooperation with the EU and neighbouring countries on border management issues and to improve cooperation between the relevant security agencies in Bosnia and Herzegovina. The SA Council welcomed the start of negotiations on a Status Agreement with the European Border and Coast Guard Agency (EBCGA). The SA Council also welcomed the provision of emergency funding by the European Union and the additional measures under preparation.

In terms of the Common Foreign and Security Policy (CFSP), the SA Council called for an increased alignment with EU declarations and decisions of the Council of the EU.

The SA Council welcomed the efforts of Bosnia and Herzegovina to become actively engaged with EU crisis management operations. While the recent purchases of weapons remains a concern, the SA Council welcomed the cooperation of the all law enforcement agencies in providing information on the holdings of weapons and ammunitions to EUFOR.

The meeting was chaired by Dr. Denis ZVIZDIĆ, Chairman of the Council of Ministers of Bosnia and Herzegovina, who was accompanied by Deputy Chairman of the Council of Ministers and Minister of Finance and Treasury Mr.

Vjekoslav BEVANDA and Minister of Foreign Affairs Mr. Igor CRNADAK. The Delegation of the European Union was led by Ms Federica MOGHERINI, High Representative of the Union for Foreign Affairs & Security Policy, Vice-President of the European Commission who was accompanied by Mr. Johannes HAHN, Commissioner for European Neighbourhood Policy and Enlargement Negotiations.

[Visit the meeting page](#) [Download as pdf](#)

Indicative programme – Agriculture and Fisheries Council of 16 July 2018

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