

## Daily News 07 / 05 / 2018

### **Juncker Plan: €250 million for female entrepreneurs in Spain; €500 million for SMEs in Central Europe**

The European Investment Bank (EIB) Group has signed two new deals under the Juncker Plan's European Fund for Strategic Investments (EFSI), providing €750 million in financing to small businesses in the EU. The first is a €250 million agreement with Caixa Bank in Spain which will focus on supporting innovative projects led by female entrepreneurs. The second is an agreement with UniCredit to finance SMEs in Bulgaria, Croatia, Czech Republic, Slovakia, Hungary and Romania; as well as in Bosnia and Herzegovina and Serbia (not backed by EFSI). Commission Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness, said: *"The geographical reach of the European Fund for Strategic Investments is of paramount importance and under today's agreement with UniCredit, six Central EU countries will benefit. SMEs in those Member States – as well as in two neighbouring countries – can now apply to UniCredit for loans with the EU budget guarantee to start up and scale up their businesses. I'm also glad that with the EFSI support more female entrepreneurs can get financing for their innovative projects."* (Full press releases can be found [here](#). For more information: Christian Spahr – Tel.: +32 229 50055; Siobhán Millbright – Tel.: +32 229 57361)

### **Snapchat joins the EU Code of Conduct to fight illegal hate speech online**

Snap.Inc announced today that it is joining the EU's Code of Conduct on countering illegal online hate speech. It is the seventh major IT platform committing to combat this phenomenon, and the next additional participant after Instagram and Google+ announced their participation in January 2018. Věra **Jourová**, Commissioner for Justice, Consumers and Gender Equality, said, *"I welcome Snapchat's commitment to tackle illegal online content. The growing number of participants proves that the EU Code of Conduct is an efficient way to make the Internet a safer place. This is particularly important as it will help protect the younger generations that use Snapchat."* To respond to the proliferation of racist and xenophobic hate speech online, the European Commission and four major IT companies (Facebook, Microsoft, Twitter and YouTube) presented a "[Code of conduct on countering illegal hate speech online](#)" in May 2016. Since then, the Commission with the help of NGOs has carefully monitored how the Code is implemented by the companies. The latest monitoring exercise in January 2018 showed that the Code is delivering important progress in the response to hate speech notices: 70% of the content is removed and in more than 81% of the cases this happens within 24 hours ([press release](#)). The Commission has also recently adopted a Recommendation to more generally reinforce the EU response to illegal content online ([press release](#) from 1 March) and will decide whether additional steps are necessary in the coming months. (For more information: Nathalie Vandystadt – Tél.: +32 229 67083; Melanie Voin – Tel.: +32 229 58659)

## Commission publishes evaluation reports on EU rules on machinery safety and product liability

Technology is developing rapidly and Europe needs to seize the opportunities ahead. In addition to supporting industry modernisation with initiatives such as [measures on artificial intelligence](#) and an upcoming strategy on connected and automated driving, the Commission wants to ensure that EU legislation is apt for emerging digital technologies and innovative products. As part of this exercise, the Commission has evaluated the Product Liability Directive ([Directive 85/374/EEC](#)) and the Machinery Directive ([Directive 2006/42/EC](#)). The results published today show that both Directives are fit for purpose and conducive to innovation. Commissioner Elżbieta **Bieńkowska**, responsible for Internal Market, Industry, Entrepreneurship and SMEs, said: *“European industry is competitive, not only because we have great innovative minds, but also because we have a conducive framework. We are happy to see that our existing legislation is fit for purpose in a changing world. It makes our EU products both safe and competitive. Technology changes fast, so we will continue to monitor the situation and are ready to act if the need arises.”* The Machinery Directive sets general health and safety requirements for products, such as robots or 3D printers. Which technical solutions should be deployed to meet the high safety level is then left to manufacturers. For this reason, the Directive functions like an umbrella framework leaving leeway for products to be innovated. The Commission will launch a study to further look into certain aspects of emerging technologies, such as issues arising from human-machine collaboration, which are not explicitly addressed by the Directive. The Product Liability Directive foresees that if a product causes damage to a person or their private property, the producer is liable to pay compensation. The evaluation shows that the Directive continues to strike a good balance between consumer protection and encouraging innovation in the EU. The Commission will publish interpretative guidance in mid-2019 to facilitate a common understanding between Member States and to further clarify to what extent it applies to emerging technologies. Find the evaluation of Product Liability Directive [here](#) and the Machinery Directive [here](#). (For more information: Lucía Caudet – Tel.: +32 229 56182; Maud Noyon – Tel. +32 229-80379; Victoria von Hammerstein – Tel.: +32 229 55040)

## Festival de Cannes: 18 films soutenus par le programme MEDIA mis à l'honneur

L'édition 2018 du [Festival de Cannes](#), qui ouvre ses portes demain, ainsi que ses sélections parallèles, [La Quinzaine des Réalisateurs](#) et la [Semaine de la Critique](#), présenteront 18 films cofinancés par [MEDIA](#), le programme de l'UE de soutien au secteur audiovisuel. Quatre films soutenus par MEDIA seront en compétition cette année pour remporter la Palme d'Or: “Dogman”, de Matteo Garrone (France, Italie), “Les filles du soleil”, d'Eva Husson (France, Belgique, Suisse et Géorgie), “Lazzaro Felice”, d'Alice Rohrwacher (Italie, France, Allemagne et Suisse) et “Cold War”, de Pawel Pawlikowski (Pologne, France et Royaume-Uni). Quatorze autres films soutenus par MEDIA seront présentés dans d'autres sélections du festival. Lundi 14 mai, Mariya **Gabriel**, commissaire à l'économie numérique et à la société, ouvrira le [Forum du film européen](#) qui mettra l'accent sur la puissance des réseaux et de la

collaboration afin d'augmenter la visibilité des œuvres européens. A cette occasion, la commissaire a déclaré : *“Le Festival de Cannes consacre la liberté d'expression artistique qui est au cœur de notre démocratie. Je suis très fière d'y présenter les priorités du programme MEDIA qui soutient depuis 1991 la création et la distribution cinématographiques en Europe. Je viens à Cannes pour porter un message fort d'une Commission qui a proposé d'intensifier ses actions futures en faveur d'un modèle européen du cinéma, fondé sur la liberté, la diversité et les collaborations transfrontalières au service du citoyen”*. Dans le cadre de [l'Année européenne du patrimoine culturel 2018](#) et de la stratégie #Digital4Culture de la Commission, la Commissaire participera à une table ronde sur la promotion et l'accès au patrimoine cinématographique européen. Elle animera un déjeuner-débat sur le thème «Les femmes dans l'audiovisuel» en présence de députés européens, de cinéastes et de représentants de l'industrie. Le Forum du film européen sera précédé par une conférence intitulée «Soyez créatifs, parlez à la banque» qui mettra en lumière les premiers résultats de la [Facilité européenne de garantie pour les secteurs culturels et créatifs](#). Plus d'informations sont disponibles [ici](#) et [ici](#), ainsi que dans une [brochure](#) et une [fiche d'informations](#). (Pour plus d'information: Nathalie Vandystadt – Tel.: +32 229 67083; Julia-Henriette Bräuer – Tel.: +32 229 80707)

### **Mergers: Commission clears ArcelorMittal's acquisition of Ilva, subject to conditions**

The European Commission has approved under the EU Merger Regulation the acquisition of Ilva by ArcelorMittal. The decision is conditional on the divestiture of an extensive remedy package to preserve effective competition on European steel markets to the benefit of consumers and businesses. In particular, it is subject to the divestiture of several steel plants, which would be sold to one or more buyers that will continue to operate and develop them, so they can compete effectively with ArcelorMittal. Today's decision follows an [in-depth review](#) of the deal, which combines ArcelorMittal, the largest producer of flat carbon steel in Europe and worldwide, with the main assets of Ilva, notably its steel plant in Taranto, Italy, which is Europe's largest single-site integrated flat carbon steel plant. Commissioner Margrethe **Vestager**, in charge of competition policy, said: *“Steel is a critical input for many European industries and products we use every day. Today's decision makes sure that ArcelorMittal's acquisition of Ilva, creating the by far largest steelmaker in Europe, does not result in higher steel prices – at the expense of European industries, the millions of people they employ and consumers. ArcelorMittal has proposed to sell a number of steel plants throughout Europe to one or more buyers, who will run them to compete with ArcelorMittal on a lasting basis. This will preserve effective competition on European steel markets. It goes hand in hand with decisive EU action to protect our steel industry from unfair trade distortions from third countries. Finally, the sale of Ilva's assets to ArcelorMittal should also help accelerate the urgent environmental clean-up works in the Taranto Region. This essential de-pollution work should continue without delay to protect the health of Taranto's inhabitants.”* The full press release is available online in [EN](#), [FR](#), [DE](#) and [IT](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100;

Yizhou Ren – Tel.: +32 229 94889)

## **Mergers: Commission approves acquisition of Rockwell Collins by UTC, subject to conditions**

The European Commission has approved, under the EU Merger Regulation, the acquisition of Rockwell Collins by United Technologies Corporation (UTC) in the aerospace sector. The decision is conditional on divestment of businesses in actuators, pilot controls, ice protection and oxygen systems. On the basis of its preliminary investigation, the Commission was concerned that the transaction, as originally notified, would have reduced competition in the markets for trimmable horizontal stabiliser actuators (THSA), certain pilot controls, pneumatic wing ice protection and oxygen systems. To address the Commission's preliminary concerns, UTC offered to divest the following activities: i) Rockwell Collins' entire global THSA and pilot control businesses, located at several sites mainly in the US and Mexico; ii) Rockwell Collins' entire global business in ice protection, located in a single facility in the US; iii) UTC's two research projects in oxygen systems. The Commission found that the proposed commitments fully remove the overlaps between UTC and Rockwell Collins in the markets where competition concerns had been identified. Commissioner Margrethe **Vestager**, in charge of competition policy said: *"When we take a trip on a plane, we usually don't think about all the different components that go into building the aircraft. UTC and Rockwell Collins are two of the biggest suppliers of these components to aircraft makers worldwide. We need to ensure that competition is preserved for all of them. We can allow this merger to go ahead because in all the markets where we raised concerns, UTC has committed to divest activities covering the entire overlap between the two companies."* A full press release is available in [EN](#), [FR](#), [DE](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

## **ANNOUNCEMENTS**

### **Commissioner Stylianides visits Greece, holds Citizens Dialogue**

Commissioner for Humanitarian Aid and Crisis Management Christos **Stylianides** is in Greece this week to participate in a series of events to celebrate Europe Day. Today he will hold a [Citizens' Dialogue](#) in Kavala, Greece, to discuss the future of Europe and the Commission's new proposal [rescEU](#) to upgrade the European system of civil protection. He will also meet with officials from the local authorities, and the Rector and the academic community of the Eastern Macedonia and Thrace Institute of Technology. On Europe Day, May 9, the Commissioner will speak at a High Level Breakfast on "Europe in front of Strategic Dilemmas", organised by DIKTIO-Network for Reform in Greece and Europe, and he will visit the premises of the organisation "Smile of the Child". On May 10, he will meet with Greece Migration Minister Dimitris Vitsas and Deputy Minister of Economy and Development Stergios Pitsiorlas. (For more information: Carlos Martin Ruiz de Gordejuela – Tel.: +32 229 65322; Daniel Puglisi – Tel.: +32 229 69140)

## European Medicines Agency closed 9-11 May 2018

07/05/2018

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Commissioner Margrethe **Vestager**, in charge of competition policy, said: *"Steel is a critical input for many European industries and products we use every day. Today's decision makes sure that ArcelorMittal's acquisition of Ilva, creating the by far largest steelmaker in Europe, does not result in higher steel prices – at the expense of European industries, the millions of people they employ and consumers. ArcelorMittal has proposed to sell a number of steel plants throughout Europe to one or more buyers, who will run them to compete with ArcelorMittal on a lasting basis. This will preserve effective competition on European steel markets. It goes hand in hand with decisive EU action to protect our steel industry from unfair trade distortions from third countries."*

*Finally, the sale of Ilva's assets to ArcelorMittal should also help accelerate the urgent environmental clean-up works in the Taranto Region. This essential de-pollution work should continue without delay to protect the health of Taranto's inhabitants."*

The European steel sector is a key industry across the EU – it employs about 360 000 people in more than 500 production sites in 23 Member States. Today's Commission decision is subject to the divestiture of several steel plants, which preserves effective competition on European steel markets and the competitiveness of this industry, also after this transaction. The steel plants would be sold to one or more buyers that will continue to operate and develop them, so they can compete effectively with ArcelorMittal. In other words, the sale of a plant to a buyer, which would plan to subsequently close it down, would not be an acceptable solution (see "Next Steps" below).

### **The Commission's competition concerns**

As part of its in-depth investigation, the Commission reviewed more than 800,000 internal documents and took into account feedback from over 200 customers. These customers, including many small and medium sized companies, are active in a wide range of sectors, such as construction, car manufacturing, household appliances, tubes etc. They rely on competitive steel prices to compete with imported products in the EEA as well as on global markets.

As a result of its investigation, the Commission had concerns that the transaction as notified would have resulted in higher prices for European customers for **hot rolled, cold rolled and galvanised flat carbon steel**.

The merged entity would have controlled over 40% of the production capacity for hot rolled, cold rolled and galvanised flat carbon steel products in the EEA, with a far larger market share than any of its **competitors in Europe**, such as Tata Steel, Thyssenkrupp and Voestalpine. The Commission investigation showed that the merged entity's competitors in Europe would have neither the incentive nor the ability to replace the reduced competition as a result of the transaction.

The Commission also carefully investigated the role of **imports from third countries** of hot rolled, cold rolled and galvanised flat carbon steel. It found that imports can play a significant role on the European market for hot rolled steel, particularly in those geographic areas and product grades where ArcelorMittal and Ilva compete. To a lesser extent, imports can also be relevant for the European markets for cold rolled and galvanised steel. However, imports are not a sufficiently strong and stable alternative to fully offset the likely negative effects on price due to the loss of competition between Ilva and ArcelorMittal.

Finally, the Commission also looked at certain other products, including metallic coated steel for packaging. However, the Commission concluded that there were no concerns relating to these products, in particular due to the

limited presence of Ilva and the very strong role played by other competitors.

### **The commitments**

It is the responsibility of the parties to address the Commission's competition concerns by proposing adequate remedies. To be effective, commitments have to address all of the Commission's concerns and be **viable long-term**.

ArcelorMittal proposed a set of commitments, which fully address the Commission's concerns on hot rolled, cold rolled and galvanised flat carbon steel. In particular, ArcelorMittal offered to divest an extensive package of production assets in Belgium (Liège), in the Czech Republic (Ostrava), in Luxembourg (Dudelange), in Italy (Piombino), in Romania (Galati) and in the Former Yugoslav Republic of Macedonia (Skopje). Furthermore, ArcelorMittal offered to divest a number of distribution assets in France and Italy.

- As regards **hot rolled steel**, the remedy package contains production capacity at the integrated steel plants in the Czech Republic (Ostrava) and in Romania (Galati), covering a significant part of the overlap created by the addition of the Taranto facility to ArcelorMittal's portfolio. The Commission found that the remedy is sufficient to reduce the market power that ArcelorMittal would have achieved, also taking into account that the competitive constraint from import is particularly strong for hot rolled commodity products in Italy and Southern Europe. Furthermore, as regards Galati, ArcelorMittal also committed to provide funding to incentivise the expansion of the hot rolled steel production under a new buyer.
- As regards **cold rolled steel**, the divested assets cover the vast majority of the parties' overlap in production capacity. This concerns in particular the finishing plants in Belgium (Liège), in Italy (Piombino) and in the Former Yugoslav Republic of Macedonia (Skopje), and the integrated steel plant in Romania (Galati).
- Finally, as regards **galvanised steel**, where competition between ArcelorMittal and Ilva is the strongest, the divested assets cover the parties' overlap in production capacity in full. This concerns in particular the finishing plants in Belgium (Liège), in Luxembourg (Dudelange), in Italy (Piombino) and in the Former Yugoslav Republic of Macedonia (Skopje), and the integrated steel plant in Romania (Galati).

The Commission also found that the divested assets constitute viable businesses that would enable a suitable buyer(s) to effectively compete with the merged entity in the long-term. Furthermore, the divested assets cover the entire value chain, from primary steel-making capabilities to distribution assets, matching what both ArcelorMittal and Ilva currently do.

Finally, ArcelorMittal proposed to remove **Marcegaglia** (a significant Italian competitor for the production of galvanised flat carbon steel) from the consortium purchasing Ilva and committed not to acquire shares in Marcegaglia as part of the transaction. This avoids that competition could be weakened further by a strengthening of structural ties between the three companies.

On this basis, the Commission concluded that the proposed transaction, as modified by the commitments, would no longer raise competition concerns and would ensure that competition is preserved on European steel markets, in the interest of European manufacturing industries and consumers. The decision is conditional on full compliance with the commitments.

### **Next steps**

ArcelorMittal has committed to organise an open, non-discriminatory and transparent sales process of the divestiture package open to all potentially interested buyers. ArcelorMittal will then notify to the Commission its choice of one or more buyers for the assets. The Commission will assess whether the buyer(s) has/have the ability (i.e. expertise, financial resources etc.) and incentives to continue operating and developing the production assets in order to replicate Ilva as an active competitor of the merged entity on a lasting basis. In other words, the sale of a plant to a buyer, which would plan to subsequently close it down, would not be an acceptable solution.

As always, it is the responsibility of the companies involved in a merger, i.e. in this case ArcelorMittal and Ilva, to engage in a social dialogue with its workers and keep them informed of the process.

### **EU trade measures to ensure a level playing field**

The EU takes action and is using the full potential of its trade defence toolbox to ensure a level-playing-field for EU steel industry and their ability to maintain jobs in the sector. While reacting to unfair imports by imposing anti-dumping and anti-subsidy duties, the Commission takes into account the concerns of EU steel industry but also the many small and large European businesses that rely on steel as an input. Currently, there are 53 trade defence measures in place on imports of steel and iron products, including from [China](#), Russia, India and several others. In addition, 9 trade defence investigations for steel products are currently ongoing.

The Commission can also defend EU industry in a situation of an import surge threatens its economic interests. For that reason, the Commission is currently running an investigation that might result in imposing safeguard measures on various imported steel products from any country. This is one of the ways the Commission reacts to the market perturbations resulting from the recent US import restrictions on steel.

In addition to that, the Commission participates in the Global Forum on Steel Excess Capacity to tackle root causes of the global overcapacity in the steel sector to develop [concrete policy solutions](#).

### **Companies and products**

**ArcelorMittal**, headquartered in Luxembourg, mainly manufactures and sells flat carbon steel. It operates a wide production site network throughout Europe and is part of the global ArcelorMittal group. The Mittal family of India is the largest shareholder in the company, controlling just under 40%



of the company.

**Ilva**, headquartered in Italy, manufactures and sells inter alia flat carbon steel. Its main production facilities are located in Italy, the largest site being the integrated steelworks in Taranto, Southern Italy. In addition, Ilva has finishing plants in Northern Italy.

In a separate investigation under EU State aid rules, the Commission concluded on [21 December 2017](#) that two loans granted by Italy in 2015 to support Ilva involved illegal State aid. The Commission requested Italy to recover this undue benefit of about €84 million from Ilva. Today's decision does not affect this previous State aid decision.

Today's merger decision also does not affect the outcome of the [distinct infringement proceedings](#) by the Commission against Italy for failure to ensure that Ilva complies with EU legislation on environmental standards. This means that the Commission is closely following whether environmental requirements are respected. The Commission continues to insist that the clean-up works urgently needed to safeguard the health of the neighbouring population and environment, as agreed in 2016-2017 with the Italian authorities, should suffer no delay.

### **Merger control rules and procedure**

The transaction was notified to the Commission on 21 September 2017, and the Commission opened an [in-depth investigation](#) on 8 November 2017.

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

There are currently three on-going phase II merger investigations: the [proposed merger between Praxair and Linde](#), the [proposed acquisition of Cristal by Tronox](#), and the [proposed acquisition of Shazam by Apple](#).

More information will be available on the [competition website](#), in the Commission's [public case register](#) under the case number [M.8444](#).

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## Remarks by President Donald Tusk after his meeting with Prime Minister of Slovenia Miro Cerar

Good afternoon. First of all, let me thank Prime Minister Cerar for the warm welcome, once again, here in Slovenia. This is my fourth visit to your country in my present role and again, as always, I feel very much at home here. Especially that we will visit today the city of Piran, which – like my hometown of Gdańsk – lies on the coast. After my many visits to Slovenia, I understand very well why the words *Ljubljana* and *ljubljenja* ('beloved') sound so similar, at least to the Polish ear.

Thank you Prime Minister for your hospitality but – more importantly – for your enormous engagement in making Slovenia stronger and Europe more united. I admire the way you are able to combine, on the one hand, fighting for the Slovenian interests and, on the other hand, contributing to the unity of the EU. Your efforts show that holding both national and European interests dear does not have to be in contradiction. In my eyes, and not only, you are both a tough Slovenian and a responsible European. Which makes you an extremely demanding, but also a constructive partner. Trust me, in today's politics this is a unique combination indeed. Whether we are discussing the migratory crisis, Brexit or economic matters, I can always count on your wisdom, forward-looking approach and shrewdness. Under your leadership, Slovenia has become a success story as a stable and reliable country.

Our talks today focused on the upcoming EU-Western Balkans summit in Sofia – the first such meeting of the EU with the Western Balkan partners in 15 years. We discussed the preparation for the summit and the situation in the region in more detail, also from the perspective of my recent visits to Tirana, Podgorica, Belgrade, Pristina, Sarajevo and Skopje. We agreed that the EU should use the summit in Sofia, in the first place, to reaffirm the European perspective of the Western Balkans. At the same time, we should aim

to improve, in concrete terms, human, digital and infrastructure connections with and within the Western Balkan partners. Last but not least, we should strive to boost cooperation in other areas of mutual interest, including migration and security. Because Balkan security is European security.

I really appreciate your engagement in keeping the enlargement agenda alive and your deep knowledge of the region. Slovenia has always been a strong advocate of the 'European perspective' for the Western Balkans. If the EU has remained fully committed to the enlargement policy, as was confirmed by the EU leaders during the last European Council in March, it is thanks also to your support. You have never given up on the idea that the future of the Western Balkans is with the European Union. Your engagement is truly invaluable. I have no doubt that Slovenia, and you yourself, will continue to play an important part in coordinating our action in the region, in order to create more stability and prosperity on our continent.

*Hvala lepa.* Thank you.

*(Delivered in Slovenian)*

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