

Statement by Commissioner Vestager on three Statements of Objections sent to Merck and Sigma-Aldrich, to General Electric, and to Canon for breaching EU merger procedural rules

Today, the Commission has sent Statements of Objections in three separate cases to Merck and Sigma-Aldrich, to General Electric and to Canon. We suspect that those companies may not have met their procedural obligations when they notified mergers to us for approval.

Why does that matter?

Each year, the Commission deals with hundreds of mergers – more than 350 of them in 2016.

Our job is to make sure those mergers don't harm competition. Because competition keeps down prices for consumers, and gives them a wider choice of innovative products.

But we shouldn't get in the way of mergers, as long as they don't undermine competition. Which is why our rules guarantee that we will take our decisions according to a very strict timetable.

Today, we use our simplified merger procedure for over two thirds of cases. And we approve more than 90% of mergers in less than 25 days from the day that they're notified.

Like every competition case, our merger decisions are based on the evidence and the law. And each case ends with a public decision, which sets out the reasons for the conclusion we've reached.

But all of that only works when companies do their part.

That means they mustn't put a merger into effect before they have our approval. Because if they do "jump the gun", competition could be harmed beyond repair before we've even had a chance to look at the merger.

And companies have to give us full and accurate information, so we can take the right decisions. These decisions require a forward looking assessment. That includes an assessment of the impact on innovation, an increasingly important part of the economy. And it should be the companies themselves telling us about their future strategies.

Having the right information is in some ways particularly important in the relatively few mergers where we have to intervene. So when we clear a merger with conditions, our information on the remedies must also be sound.

Otherwise, we can't be sure that the remedies protect competition and consumers.

Our work, of course, doesn't happen in isolation. We also engage with customers, suppliers, competitors and other third parties to gather additional information about transactions and understand the full picture. So we can compare information from many sources.

But that doesn't make it any less important that merging companies comply with their own obligations. That's why today's Statements of Objections send an important signal.

Let me say a few words about each of the three cases.

Merck – Sigma-Aldrich

The first case relates to a merger in 2015 between two life science companies, Merck and Sigma-Aldrich. We had concerns that the merger would reduce competition for certain lab chemicals. So we only approved the deal after the companies agreed to sell off part of that business.

Honeywell was the buyer of this business. It needed all the right assets to make it a viable competitor on the market. The Statement of Objections sent today to Merck and Sigma-Aldrich sets out our concern that the companies failed to tell us about an important research and development project. So it was not addressed in the commitments package.

Merck has in the meantime agreed to license the technology to Honeywell. This means that Honeywell now has the technology it should have received with the divested business. However, this happened almost one year after our decision and only because the Commission was made aware of the issue by a third party.

General Electric – LM Wind

The second Statement of Objections, to General Electric, is also about a failure to give us full information about research and development plans.

In January 2017, GE notified its purchase of LM Wind, a company that makes blades for wind turbines. We've reached the preliminary conclusion that, in this notification, GE failed to tell us about the development of a specific product.

This mattered because in this industry, innovation is essential. Without the latest technology, you just can't compete. So in our assessment of competition, we had to know, not just what the companies were currently selling, but also what products they were developing that could affect competition in the future.

A month after notifying, GE withdrew its notification and submitted a new one eleven days later, which did include information about the product. With that information in hand, we had a full picture of the market for our decision. And on the basis of the correct information, we were able to approve the merger as it stood.

Canon – Toshiba Medical Systems

Today's third Statement of Objections sets out our preliminary view that Canon "jumped the gun" when it bought Toshiba Medical Systems in 2016 by implementing the merger before both notifying to, and obtaining approval from, the Commission.

Even before Canon notified the merger, it paid the full price for Toshiba Medical Systems. First, it paid for non-voting shares in the company. Second, it paid for options for voting shares that were held by an interim buyer. Once merger clearance was obtained, Canon exercised these options.

This sort of arrangement is known as "warehousing". And our preliminary view is that it let Canon effectively acquire Toshiba Medical Systems before it notified the deal to us.

Next steps

Today's Statements of Objections set out our preliminary views. The three companies involved now have the opportunity to respond. And we'll look carefully at their arguments before we take any decision.

None of today's procedural cases affect our approval of these mergers. The approvals will still be valid.

Merck has granted a license for the technology that should be with the divested business. GE eventually submitted the information we required. And Canon is a case about early implementation of a merger, not our assessment of it.

If we do find that the companies have broken the rules, then we could fine them.

In the cases of GE and Merck, if we conclude that they have failed to supply relevant information we can fine them up to 1% of their annual turnover.

And if Canon has broken the rules by jumping the gun, we could fine it up to 10% of its annual turnover.

Concluding remarks

Because our system of merger control only works when companies meet their obligations. If they put mergers into effect without waiting for our decision, or give us misleading information, that affects our ability to do our job properly – which is to make sure that markets work well for consumers.

Respect du droit de l'UE par les États membres: pas encore suffisant

On 23 June 2016 citizens of the United Kingdom (UK) voted to leave the European Union (EU). On 29 March 2017 the UK formally notified the European Council of its intention to leave the EU by...

Over the past 20 years, the European Union has put in place some of the highest common asylum standards in the world. And in the past two years, European migration policy has advanced in leaps and...

'Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity.' Robert Schuman 9 May 1950 On 25 March 2017,...

In response to the illegal annexation of Crimea and deliberate destabilisation of a neighbouring sovereign country, the EU has imposed restrictive measures against the Russian Federation. Overview...

European Commission President Jean-Claude Juncker delivered his annual State of the Union speech at the European Parliament on 14 September 2016, just two days ahead of the informal meeting of 27...

Enlargement is the process whereby countries join the EU. Since it was founded in 1957, the EU has grown from 6 member countries to 28. Any European country that respects the principles of liberty,...

Einhaltung von EU-Recht in den Mitgliedstaaten: Noch nicht gut genug

On 23 June 2016 citizens of the United Kingdom (UK) voted to leave the European Union (EU). On 29 March 2017 the UK formally notified the European Council of its intention to leave the EU by...

Over the past 20 years, the European Union has put in place some of the highest common asylum standards in the world. And in the past two years, European migration policy has advanced in leaps and...

'Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity.' Robert Schuman 9 May 1950 On 25 March 2017, ...

In response to the illegal annexation of Crimea and deliberate destabilisation of a neighbouring sovereign country, the EU has imposed restrictive measures against the Russian Federation. Overview...

European Commission President Jean-Claude Juncker delivered his annual State of the Union speech at the European Parliament on 14 September 2016, just two days ahead of the informal meeting of 27...

Enlargement is the process whereby countries join the EU. Since it was founded in 1957, the EU has grown from 6 member countries to 28. Any European country that respects the principles of liberty, ...

[Daily News 06 / 07 / 2017](#)

EU and Japan announce agreement in principle on Economic Partnership Agreement

The EU and Japan have reached today an agreement in principle on the EU-Japan Economic Partnership Agreement, the most important bilateral trade agreement ever concluded by the EU (link to [Joint Statement](#)). Speaking following the 24th EU-Japan Summit held today in Brussels President Juncker said: *"Together, we are sending a strong message to the world that we stand for open and fair trade. As far as we are concerned, there is no protection in protectionism. Only by working together will we be able to set global standards. This will be the message that the EU and Japan will bring together to the G20 tomorrow."* (link to [speaking points](#) (available after the press conference), [press release](#) and [memo](#)). As highlighted in the Joint Statement from the Summit, the leaders from the EU and Japan reached also today an agreement in principle on the Strategic Partnership Agreement which, once in force, will provide a framework for an even deeper and more strategic cooperation. The EU-Japan Economic Partnership Agreement will create new opportunities for European companies and jobs in many sectors. The EU-Japan Economic Partnership Agreement is the first to include a specific commitment to the Paris climate agreement, as part of a dedicated chapter on sustainable development. The Agreement sets the highest standards of labour, safety, environmental and consumer protection. More information about the EU-Japan Economic Partnership Agreement (link to the dedicated [website](#) with [content of the agreement](#), [infographics](#) and [factsheets](#)). The EU and Japan leaders recognised also new opportunities to facilitate data exchanges, including through a simultaneous finding of an adequate level of protection by both

sides. [link to [Joint Declaration](#)]. (For more information: Margaritis Schinas – Tel.: +32 229 60524; Mina Andreeva – Tel.: +32 229 91382)

President Juncker to attend G20 Summit in Hamburg

On Friday 7 July and Saturday 8 July, European Commission President Jean-Claude **Juncker**, along with European Council President Donald Tusk, will represent the EU at the G20 Summit in Hamburg, Germany. The two Presidents sent a [joint letter](#) yesterday to EU Heads of State or Government on their priorities for the Summit, and will hold a joint press conference on Friday morning at 9:15 in the G20 press centre in Hamburg, which will be broadcast live [on EBS](#). In the margins of the Summit, Presidents **Juncker** and Tusk will hold bilateral meetings on Saturday 8 July with Mr Nguyễn Xuân Phúc, Prime Minister of Vietnam, Mr Lee Hsien Loong, Prime Minister of Singapore, Mr Malcolm Turnbull, Prime Minister of Australia and Mr Mauricio Macri, Prime Minister of Argentina, who takes over the rotating G20 Presidency from Germany later this year. President **Juncker** will also meet bilaterally with Russian President Vladimir Putin. More information about the EU's participation in the G20 is available in this [brochure](#). (For more information: Margaritis Schinas – Tel.: +32 229 60524; Mina Andreeva – Tel.: +32 229 91382)

La Commission européenne lance la première édition du « Moniteur des villes culturelles et créatives »

Le [Moniteur des villes culturelles et créatives](#) a été mis au point par le Centre commun de recherche (JCR), le service scientifique interne de la Commission, pour fournir des données comparables sur les performances des villes européennes dans les domaines culturels et créatifs. Cet outil couvre neuf dimensions et met en valeur les performances qui contribuent au développement social, à la croissance économique des villes et à la création d'emplois dans celles-ci. Le Moniteur aidera à recenser les points forts et perfectibles des villes culturelles et créatives, ainsi qu'à mettre en avant les liens étroits qui existent entre le dynamisme culturel et les diverses dimensions de la vie d'une ville. Tibor **Navracsics**, commissaire européen chargé de l'éducation, la culture, la jeunesse et du sport, responsable du JRC, a fait la déclaration suivante : « *Mon objectif est de placer la culture et la créativité au cœur du programme politique européen. En ces temps de transformations sociétales majeures et de concurrence mondiale effrénée entre les villes, nous devons regarder au-delà des sources traditionnelles de croissance et de bien-être socio-économique et explorer le rôle de la culture dans les villes dynamiques, innovantes et plurielles. Le Moniteur des villes culturelles et créatives met en évidence des villes européennes prospères qui ont trouvé leur propre façon d'exploiter le potentiel de la culture et de la créativité pour promouvoir le développement, l'innovation et la création d'emplois, et améliorer la qualité de vie des citoyens* ». Le Moniteur est le fruit d'un projet de recherche couvrant 168 villes dans 30 pays européens. Il prend la forme d'un [outil interactif en ligne](#) permettant aux utilisateurs de découvrir les villes sélectionnées ainsi qu'une foule d'informations quantitatives et qualitatives relatives à leurs performances. Pour plus

d'informations, un [communiqué de presse](#) et un [mémo](#) sont disponibles, ainsi qu'une vidéo [ici](#), et des fiches par pays [ici](#). Plus d'informations sur le [site](#) du JRC. (Pour plus d'informations : Nathalie Vandystadt – Tel.: +32 229 67083 ; Inga Höglund – Tel.: +32 229 50698).

Compliance with EU law: More progress by Member States needed in applying commonly agreed rules

Today's 34th *Annual report on monitoring the application of EU law* sets out how the Commission monitored and enforced EU rules in 2016. The online *Single Market Scoreboard (edition 2017)*, also published today, shows that whilst most barriers to the free movement of persons, services, goods and capital are being eliminated, in some fields the situation is stalling or even worsening. It also ranks Member States' performance in this respect. The Single Market remains Europe's most precious asset for the millions of citizens and businesses, and the Commission is committed to ensure, by checking on the implementation of EU Single Market rules, that they benefit each day from the freedom to live, work, shop and trade in 28 Member States. For the [Annual Report](#), a full [press release](#) and an [EU-28 fact sheet](#) are available online as well as 28 [fact sheets by country](#). For the [EU Single Market Scoreboard](#), see the [performance overview](#) and the performance per [Member State](#) (28 EU + 3 EEA). Finally, answers on the frequently asked questions on the general EU infringement procedure are available [here](#). (For more information: Alexander Winterstein – Tel.: +32 229 93265; Lucia Caudet – Tel.: +32 229 56182; Uldis Šalajevs – Tel.: +32 229 67560)

Mergers: Commission alleges Merck, General Electric and Canon breached EU merger procedural rules

The Commission has sent three separate Statements of Objections to Merck, General Electric and Canon alleging they breached EU merger rules: General Electric and Merck / Sigma-Aldrich by providing incorrect or misleading information; Canon by implementing a merger before notification and clearance. To be able to deliver accurate decisions within very tight timelines, the EU merger control system is built on clear procedural rules that companies must fully respect. EU merger rules require that merging companies notify transactions of Union dimension prior to their implementation and do not implement them until they have been notified to and cleared by the Commission. The Commission's merger assessment system also counts on companies providing complete and correct information. This is essential for the Commission to review mergers in a timely and effective manner. The three Statements of Objections sent today to Merck, General Electric and Canon relate to three separate cases concerning breaches of EU merger procedural rules. The current investigations are limited to the assessment of breaches of the EU merger procedural rules and will not have an impact on the Commission decisions approving the three mergers, which will remain effective. Commissioner Margrethe **Vestager**, in charge of competition policy, said: "We need companies to work with us to ensure fast and predictable merger control, to the benefit of both companies and consumers. But we can only do our job well if we can rely on cooperation from the companies concerned – they must obtain our approval before they implement their transactions and the information they supply us must be correct and

complete.” The full press release is available online in [EN](#), [FR](#), [DE](#) and [DA](#).
(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

Concentrations: la Commission autorise l'acquisition d'Opel par Peugeot

La Commission européenne a approuvé sans condition, en vertu du règlement européen sur les concentrations, l'acquisition d'Opel par Peugeot. Les deux entreprises sont actives dans la fabrication de véhicules particuliers et de véhicules utilitaires légers. La Commission a analysé l'impact de l'opération sur les marchés de l'automobile tant au niveau européen qu'au niveau national. L'enquête a établi que, en ce qui concerne la fabrication et vente de véhicules automobiles, les parts de marché combinées des deux sociétés sont relativement faibles sur tous les marchés concernés. En ce qui concerne les marchés de la distribution en gros et au détail, la Commission a aussi écarté la possibilité que l'opération puisse avoir un effet préjudiciable. En conséquence, la Commission a conclu que l'opération n'était pas susceptible de poser de problèmes de concurrence sur les marchés en cause. Un communiqué de presse est disponible en ligne en [FR](#), [EN](#) et [DE](#). (Pour plus d'informations: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

Concentrations: la Commission autorise l'acquisition de Lojas Francas de Portugal par Vinci et Dufry

La Commission européenne a approuvé, en vertu du règlement européen sur les concentrations, l'acquisition du contrôle en commun de Lojas Francas de Portugal par le groupe Vinci, établi en France, et Dufry, entreprise établie en Suisse. Lojas Francas de Portugal est active dans l'industrie du commerce de détail dans les aéroports portugais. Vinci est actif dans les domaines de la construction et de la gestion d'équipements et de concessions d'infrastructures de transport. Dufry est une entreprise spécialisée dans le commerce de détail dans les aéroports ainsi que dans d'autres centres de transport internationaux. La Commission a conclu que l'opération envisagée ne soulèverait pas de problème concurrentiel compte tenu de son impact limité sur la structure du marché et de la présence de concurrents importants. 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 [concentration](#) de la Commission, dans le [registre public](#) des affaires registre public des affaires sous le numéro d'affaire [M.8382](#). (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 trois parcs photovoltaïques par Engie et la Caisse des Dépôts et Consignations

La Commission européenne a approuvé, en vertu du règlement européen sur les concentrations, l'acquisition du contrôle conjoint des sociétés françaises SolaireCorsica 1, SolaireCorsica 2 et SolaireCorsica 3, par les groupes français Engie et Caisse des Dépôts et Consignations (CDC). Engie est active dans les secteurs du gaz, de l'électricité et des services énergétiques. CDC

est un groupe financier et gestionnaire de fonds français, détenu par l'État, qui investit à la fois dans des projets d'intérêt général et des activités ouvertes à la concurrence. SolaireCorsica 1, 2 et 3 exploitent chacune un parc photovoltaïque en Corse. Leur capital était jusqu'à présent réparti entre Engie via la société française Solairedirect (SD), CDC, Vatel Capital et Via Invest SARL sans qu'aucun des actionnaires n'en détienne le contrôle, de façon exclusive ou conjointe. La Commission a conclu que la concentration envisagée ne soulevait pas de problèmes de concurrence en raison des chevauchements limités entre les activités des entreprises concernées au niveau de la production, de la vente en gros et de la fourniture d'électricité, ainsi que du développement et de l'exploitation de parcs photovoltaïques. L'opération a été examinée en vertu de la procédure simplifiée de 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.8508](#). (Pour plus d'informations: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

Promoting cross-border research and innovation in the EU: Selection of consortia to participate in staff exchanges under the Marie Skłodowska-Curie Actions

80 successful consortia have been selected under the 2017 [Research and Innovation Staff Exchange \(RISE\)](#) call for proposals, which is part of the [Marie Skłodowska-Curie Actions](#). The RISE programme promotes cross-border and cross-sector collaboration through sharing knowledge and ideas from research to market and vice versa within Europe and beyond. With an overall budget of EUR 80 million, 811 participating organisations (including 113 SMEs and 227 organisations from third countries) involved in research and innovation activities will receive funding for 7,480 staff exchanges in all scientific domains. Researchers at doctoral level, post-doctoral fellows as well as technicians, managerial and administrative staff are involved in the exchanges. Commissioner for Education, Culture, Youth and Sport, Tibor **Navracsics**, said: "These research and innovation exchanges are a very powerful tool, promoting creativity and entrepreneurship and helping to turn creative ideas into innovative products, services or processes. They are instrumental in boosting the transfer of knowledge necessary to address Europe's challenges. I am delighted to see so many business partners involved in this year's selection, providing a boost to the EU's innovation capacity." Research and Innovation Staff Exchange represents a unique opportunity for individuals to expand their horizons, enlarge their networks, receive innovative research training and develop new career opportunities. By participating in Research and Innovation Staff Exchange, organisations can form partnerships with leading research and innovation organisations from across the world. Year-long celebrations are currently taking place to mark the [20th anniversary of the Marie-Skłodowska-Curie Actions](#), a programme dedicated to boosting excellence by supporting the human resources that drive research and innovation. Further details are available [here](#). (For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Inga Höglund – Tel.: +32 229 50698)

EUROSTAT: Le taux d'épargne des ménages en hausse à 12,3% dans la zone euro

Au premier trimestre 2017, le taux d'épargne des ménages s'est établi dans la zone euro à 12,3%, contre 12,1% au quatrième trimestre 2016. Le taux d'investissement des ménages a quant à lui été de 8,9% au premier trimestre 2017 dans la zone euro, contre 8,6% au trimestre précédent. Ces informations, qui proviennent de la première diffusion de données, corrigées des variations saisonnières, sur les comptes européens trimestriels des secteurs, sont publiées par Eurostat, l'office statistique de l'Union européenne, et la Banque centrale européenne (BCE). Un communiqué de presse est disponible [ici](#). (Pour plus d'informations: Annika Breidhardt – Tel.: +32 229 56153; Barbara Ochotnicka – Tél.: +32 229 13754)

EUROSTAT: Le taux d'investissement des entreprises en baisse à 22,2% dans la zone euro

Au premier trimestre 2017, le taux d'investissement des entreprises s'est établi à 22,2% dans la zone euro, contre 23,6% au trimestre précédent. La part des profits des entreprises s'est quant à elle située à 40,3% au premier trimestre 2017 dans la zone euro, contre 40,8% au quatrième trimestre 2016. Ces informations, qui proviennent de la première diffusion de données, corrigées des variations saisonnières, sur les comptes européens trimestriels des secteurs, sont publiées par Eurostat, l'office statistique de l'Union européenne, et la Banque centrale européenne (BCE). Un communiqué de presse est disponible [ici](#). (Pour plus d'informations: Annika Breidhardt – Tel.: +32 229 56153; Barbara Ochotnicka – Tél.: +32 229 13754)

ANNOUNCEMENTS

Vice-President Dombrovskis attends the Ukraine Reform Conference in London

Valdis **Dombrovskis**, Vice-President for the Euro and Social Dialogue, also in charge of Financial Stability, Financial Services and Capital Markets Union is attending today the Ukraine Reform Conference in London, organised by the Foreign and Commonwealth Office of the United Kingdom and the Ministry for Foreign Affairs of Ukraine. During the main plenary session, Vice-President **Dombrovskis** spoke about Ukraine's ambitious reform agenda and the EU's substantial and longstanding support to the country and the Ukrainian people: *"EU-Ukraine partnership is stronger than ever, with visa-free travel in place, growing trade ties, and Association Agreement soon in effect [...]. Ukraine has achieved a lot since 2014. Last year, Ukraine returned to economic growth and important reforms have been taken in major areas such as judiciary, banking, energy, and public administration. It shows Ukraine's impressive commitment to reform. The EU has supported this reform process, pledging around €12.8 billion for the period up to 2020, including €3.4*

billion in macro-financial assistance.” The Ukraine Reform Conference is taking place ahead of the [19th EU-Ukraine Summit](#) of 12-13 July 2017. The Vice-President’s speech is available [here](#) and more information on [EU-Ukraine relations](#), the [EU’s Delegation in Ukraine](#) and on [Macro-Financial Assistance to Ukraine](#) can be found online. (For more information: Annika Breidhardt – Tel.: +32 229 56153; Barbara Ochotnicka: +32 229 13754)

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

[Member States compliance with EU law: not yet good enough](#)

Today’s *Annual Report on monitoring the application of EU law* sets out how the Commission monitored and enforced EU law in 2016. [\[1\]](#) The online *Single Market Scoreboard*, also published today, shows that whilst most barriers to the free movement of persons, services, goods and capital are being eliminated, in some fields the situation is stalling or even worsening.

The effective application of the law is essential in order to guarantee citizens and businesses the enjoyment of the benefits granted by EU law. Often, when issues come to the fore – be it car emissions testing, illegal landfills or transport safety and security – the reason is not a lack of EU legislation but rather the fact that Member States do not apply EU law correctly and effectively. Likewise, the EU Single Market remains Europe’s most precious asset for the millions of citizens and businesses, and the European Commission is committed to ensure, by checking on the implementation of EU Single Market rules, that they benefit each day from the freedom to live, work, shop and trade in 28 Member States.

Annual Report on Monitoring the application of EU law in 2016

The *Annual Report* for 2016 shows a considerable increase (by 21%) of open infringement cases compared to the previous year, thus reaching a five-year peak (see chart 1). This is a concern because failure to correctly apply EU law denies citizens and businesses the rights and the benefits they enjoy under European law. For example, the full transposition and implementation of EU rules on public procurement and concessions is essential to make it easier and cheaper for small and medium-sized enterprises (SME) to bid for public contracts.

The Commission thus acts firmly when breaches of EU law obstruct the key EU policy objectives. For example, the Commission specifically targeted Member States’ failure to establish or apply penalties systems to deter car manufacturers from violating car emissions legislation.

The chart 2 (below) provides an overview of the situation for each Member

State. For late transposition cases, **Cyprus** and **Belgium** had the highest amount of open cases, whereas the fewest were open in **Italy**, **Slovakia** and **Denmark**. **Germany** and **Spain** had the highest number of cases pending for incorrect transposition and/or wrong application of EU law, while **Estonia** had the lowest total number of open cases last year.

Internal market, industry, entrepreneurship and SMEs as well as the environment remain the policy areas in which most infringement cases were opened in 2016 (see the chart 3).

Combating late transposition of directives

For citizens and businesses to reap the benefits of EU law, it is crucial that Member States transpose European directives into their national legal order within the deadlines they committed to.

In 2016, the number of new infringement procedures relating to late transposition almost doubled (847 cases) in comparison to previous year (543 cases). The Commission launched new infringement procedures against a majority of Member States for failure to transpose the Directives on public procurement and concessions (Directives [2014/23/EU](#), [2014/24/EU](#) and [2014/25/EU](#)) on tobacco products (Directives [2014/40/EU](#); [2014/109/EU](#)) and on driving licences (Directive [2014/85/EU](#)).

To facilitate timely transposition, the Commission continued to assist Member States by preparing implementation plans, dedicated websites and guidance documents, and by exchanging best practice in expert groups' meetings.

Last year, the Commission referred three cases to the Court of Justice of the EU requesting that financial penalties be applied: two cases against Luxembourg^[2] and a case against Romania^[3].

Single Market Scoreboard 2017

The online Single Market Scoreboard gives an accurate picture of the state of implementation of the EU Single Market rules. It evaluates how the EU Member States apply these rules and identifies the shortcomings where the EU countries should step up their efforts.

Depending on their performance in a series of governance tools and policy areas in 2016, Member States were given green (above average), yellow (average) and red (below average) cards. The arrows indicate whether their performance has improved or worsened (see the chart 4).

In addition to assessing Member States' compliance with Single Market law, the Scoreboard evaluates how they help citizens and businesses via various EU tools for general information, concrete problem solving and job search ([Your Europe](#) portal, [Your Europe Advice](#), [Solvit](#), [EURES](#)). The Scoreboard also monitors Member States' openness to trade and investment and their wider efforts in opening up sectors such as public procurement, professional qualifications or postal services.

Taking all these evaluated areas into account, **Austria**, **Denmark**, **Estonia**,

Lithuania, Malta and Slovakia performed best.

The Commission reacts to citizens' complaints

Citizens, businesses, NGOs and other stakeholders can report suspected breaches of EU law through an online complaint form accessible via the Europa portal [Your rights](#). In 2016, the majority of complaints concerned justice and consumer rights, employment, EU Single Market, industry and SMEs matters. As part of the complaint form, SOLVIT can help citizens and businesses solve their problems with a public authority in another EU country.

Background

Since 1984, following a request made by the European Parliament, the Commission presents an Annual Report on monitoring the application of EU law during the preceding year. The European Parliament then adopts a resolution on the Commission's report.

The online Single Market Scoreboard is published annually. It monitors the performance of EU Member States in a number of policy areas (public procurement, professional qualifications, postal services, trade integration, market openness) and governance tools (Transposition, infringement procedures and EU Pilot in Single Market-related areas; [EURES](#), [Your Europe](#), [Your Europe Advice](#), [SOLVIT](#), [IMI](#), [e-Certis](#), priority areas, [European Consumer Centres](#), [Consumer Protection Cooperation Network](#), Technical Regulation Information System ([TRIS](#)).

For More Information

a) Annual Report on Monitoring the application of EU law in 2016:

- [Annual report on national implementation of EU law](#)
- [Fact sheets by country](#)
- [EU-28 fact sheet](#)
- On the general EU infringement procedure, see a full MEMO [here](#).

b) Single Market Scoreboard (edition 2017):

- [Scoreboard](#)
- [Fact sheets by country](#)
- [Performance overview](#)

[1] Communication 'EU law: Better results through better application', [C\(2016\) 8600](#), OJ C 18, 19 January 2017.

[2] Commission v Luxembourg, [C-489/16](#). The Commission referred Luxembourg to the Court for failing to fully implement the Single European Railway Area Directive. It proposed a daily penalty of EUR 8 710; Commission v Luxembourg, [C-511/16](#). The Commission referred Luxembourg to the Court for failing to

fully implement the Directive [2014/27/EU](#) in order to align it to Regulation (EC) No [1272/2008](#) on the classification, labelling and packaging of substances and mixtures. It proposed a daily penalty of EUR 8 710.

[3] Commission v Romania, [C-62/156](#). The Commission referred Romania to the Court for failing to fully implement the Directive on sulphur content of marine fuels. It proposed a daily penalty of EUR 38 042.60. Romania subsequently adopted the necessary legislative measures and the Commission therefore withdrew this case from the Court.

[1] Communication 'EU law: Better results through better application', [C\(2016\) 8600](#), OJ C 18, 19 January 2017.

[2] Commission v Luxembourg, [C-489/16](#). The Commission referred Luxembourg to the Court for failing to fully implement the Single European Railway Area Directive. It proposed a daily penalty of EUR 8 710; Commission v Luxembourg, [C-511/16](#). The Commission referred Luxembourg to the Court for failing to fully implement the Directive [2014/27/EU](#) in order to align it to Regulation (EC) No [1272/2008](#) on the classification, labelling and packaging of substances and mixtures. It proposed a daily penalty of EUR 8 710.

[3] Commission v Romania, [C-62/156](#). The Commission referred Romania to the Court for failing to fully implement the Directive on sulphur content of marine fuels. It proposed a daily penalty of EUR 38 042.60. Romania subsequently adopted the necessary legislative measures and the Commission therefore withdrew this case from the Court.

[4] For Transposition, Infringements and Priority areas, the Single Market Scoreboard evaluates Member States' performance exclusively with respect to Single Market legislation, other EU law is not taken into account.