<u>Statement by the Spokesperson on Al</u> Shabaab's terror attack in S

The EU extends its condolences to the families and friends of all those who lost loved ones and wishes a speedy recovery to the injured.

These terrorist acts shall not deter the path to peace and security in Somalia.

The European Union stands closely with the Somali federal and regional governments and security forces in their efforts to defeat terrorist activities.

Concentrations: la Commission ouvre une enquête approfondie sur le projet d'acquisition de NXP par Qualcomm

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Security Union: European Commission welcomes the Council's commitment to improve information exchange and border management

Following the adoption by the Justice and Home Affairs Council of the conclusions on information systems and interoperability and the general approach on the Commission's proposal for a European Travel and Information Authorisation System (ETIAS), Commissioner for Migration, Home Affairs and Citizenship Dimitris Avramopoulos and Commissioner for the Security Union Julian King made the following joint statement:

"The recent tragic attacks in Europe have reminded us, once again, that all Member States need to work together to protect our citizens from the threat of terrorism. Effective information sharing is a key element of our efforts to prevent terrorism and the Commission has been working relentlessly over the past two years to improve information management for borders and security, make more effective use of EU-level systems and close information gaps.

We need to ensure that our border guards and police, our immigration officers, our customs and judicial authorities have the necessary information at their disposal to protect our external borders, lead the fight against terrorism and organised crime and better protect our citizens. Ensuring that persons can only be registered under one identity in our information systems for security, border and migration management is essential for this.

The conclusions adopted yesterday by the Council on the way forward to improve this information exchange and ensure interoperability of EU information systems prove that this is a shared priority at the highest political level. The Commission, together with the Council, the European Parliament, EU Agencies and the European Data Protection Supervisor will continue to drive this work forward with a view to increasing interoperability of the EU's information systems at every step of the way, in full respect of fundamental rights.

An important building block in this way forward is the European Travel and Information Authorisation System (ETIAS), and we welcome the Council's adoption today of a general approach. ETIAS will allow us to gather advance

information on persons travelling visa-free to the EU and to ensure that those who may pose a security risk are identified before they reach our borders. We call on the Council and the Parliament to work constructively in order to swiftly adopt the legislation and to make ETIAS operational as soon as possible."

Next steps

The Commission will continue discussing the new approach to data management for security and borders with the European Parliament and the Council with the aim of reaching a common understanding on the way forward before the end of 2017. The discussion will feed into the proposal on interoperability which the Commission will present shortly. The preparation of the legislative proposal will include a public consultation and an impact assessment, including on fundamental rights.

As regards ETIAS, the Council and the European Parliament should start negotiations as quickly as possible to reach an agreement before the end of 2017 and ensure it is operational by 2020.

Background

President Juncker's <u>State of the Union</u> address in September 2016 and the European Council conclusions of <u>December 2016</u> highlighted the importance of overcoming the current shortcomings in data management and of improving the interoperability of existing information systems. In his State of the Union speech, President Juncker also announced that the Commission would propose in <u>November 2016</u> a European Travel Information System (ETIAS) — an automated system to determine who will be allowed to travel to the Schengen Area. The setting up of this system was further prioritised in the <u>Bratislava Roadmap</u> signed and agreed by the EU 27 leaders.

In <u>April 2016</u> the Commission presented a Communication on stronger and smarter information systems for borders and security, initiating a discussion on how information systems in the European Union can better enhance border management and internal security. In June 2016, the Commission set up a High-Level Expert Group on Information Systems and Interoperability to take this work forward and to address the legal, technical and operational challenges to achieve interoperability. The High-Level Expert Group held its last meeting on 25 April 2017 and presented its final report on 11 May 2017.

The <u>seventh report</u> on progress made towards an effective and genuine Security Union welcomed the High-Level Expert Group's report and recommendations. Based on these, the progress report proposed the way forward to address structural shortcomings under the three main areas: maximising the utility of existing information systems; where necessary, developing complementary systems to close information gaps; and ensuring interoperability between our systems.

For More Information

Press Release on Commission sets out new approach on interoperability of

<u>Press Release</u> on Commission proposes a European Travel Information and Authorisation System

<u>Communication</u> on 7th Progress Report on Security Union

<u>Fusionen: Kommission leitet eingehende</u> <u>Untersuchung des vorgeschlagenen</u> Erwerbs von NXP durch Qualcomm ein

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Mergers: Commission opens in-depth investigation into Qualcomm's proposed acquisition of NXP

Commissioner Margrethe **Vestager**, in charge of competition policy, said: "We use our electronic devices every day — mobile phones or tablets. As semiconductors are used in practically every electronic device, we are dependent on them in those devices. With this investigation, we want to ensure that consumers will continue to benefit from secure and innovative products at competitive prices."

The proposed transaction involves the acquisition of the whole of NXP by Qualcomm and would combine two of the leading players in the semiconductor industry. More specifically, Qualcomm develops and supplies baseband chipsets (both standalone and integrated with an application processor) enabling cellular telecommunications standards such as UMTS and LTE. NXP is an important provider of semiconductors, in particular for the automotive industry. With respect to mobile devices, NXP is a leading provider of near-field communication ("NFC") chips and secure elements ("SEs").

The Commission's preliminary concerns

The Commission's initial market investigation raised several issues relating in particular to semiconductors used in mobile devices, such as smartphones, and in the automotive industry. The Commission is concerned that, following the transaction:

- The merged entity would hold strong market positions within both baseband chipsets and NFC/SEs chips, and would have the ability and incentive to exclude their rival suppliers from these markets through practices such as bundling or tying.
- The merged entity would have the ability and incentive to modify NXP's current intellectual property licensing practices, in particular in relation to NFC technology, including by bundling the acquired NFC intellectual property to Qualcomm's patent portfolio. The Commission will investigate whether such conduct could lead to anticompetitive effects, such as increased royalties for customers and/or exclusion of competitors
- The merger would remove competition between companies active in the markets for semiconductors used in the automotive sector and, in particular, in the emerging Vehicle-to-Everything ("V2X") technology, which will play an important role in the future development of "connected cars".

The transaction was notified to the Commission on 28 April 2017. The Commission now has 90 working days, until 17 October 2017, to take a decision. The opening of an in-depth investigation does not prejudge the outcome of the investigation.

Companies and products

Qualcomm is a leading semiconductors company, which develops and supplies integrated circuits for mobile devices, notably cellular baseband chips. Qualcomm also licenses the rights to its intellectual property portfolio, including rights to patents which are essential to the implementation within wireless production of cellular communication standards.

NXP Semiconductors manufactures and sells different categories of semiconductors, including semiconductors for the automotive sector and semiconductors for the mobile device sector, notably, NFC solutions.

Merger control rules and procedures

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).

More information will be available on the Commission's <u>competition</u> website, in the <u>public case register</u> under the case number <u>M.8306</u>.