

Speech by Jyrki Katainen, Vice President of the European Commission at the Leaders' Roundtable of the Belt and Road Forum for International Cooperation

[Mr. President, your Excellencies.]

On behalf of the European Union it is a pleasure to be here in Beijing at the Belt and Road Forum, together with so many countries with an interest in enhancing connectivity.

The EU has been working with China on this issue since President Xi Jinping's visit in March 2014. We have begun to reflect on how we could extend the concept of connectivity to Asia as a whole.

Connectivity is about transcending borders. It is about openness, and the opportunity that brings. And addressing the concerns that people have.

The last year has seen rising pressure in many of our countries – and elsewhere – to reverse the tide of globalisation. But we know that tides cannot be stopped. We should focus instead on channelling globalisation into improving our lives – and making sure there is space in the boat for all our citizens.

Last week the European Commission published its own reflection paper on 'harnessing globalisation'. This made clear that we see the future in terms of rules-based trade and investment. We want to work with our partners to ensure we keep markets open on a reciprocal basis to ensure sustainable and inclusive growth.

Through investments of up to ten trillion dollars per year in transport, energy, and communications networks, we are essentially rewiring the planet. Asia has important infrastructure needs and it is in Europe's interest to contribute.

China is at one end of the 'Belt and Road' – Europe is at the other. Done the right way, more investment in cross-border links could unleash huge growth potential with benefits for us all.

The European Union is already one of the biggest trade and investment partners of all Asian countries. Our economic prosperity is deeply interdependent – both ways.

We welcomed President Xi Jinping's speeches at Davos and Geneva, and his commitments on behalf of China to free trade, multilateralism and sustainable development.

More than ever, we must all work together to put these principles into practice, and to uphold the rules-based international system which underpins our the prosperity and security of all our citizens.

If we get it right, 21st century connectivity can also help the poorer parts of the world get a fairer share of the proceeds of globalisation. And it can bring the kind of economic development that helps to address the root causes of migration.

For connectivity to fulfil this promise, any scheme to connect Europe and Asia should adhere to the following principles.

- It should be an **open initiative** based on market rules and international standards.
- It should include **all modes of transport**, as well as digital and energy and people-to-people contacts.
- It should **complement existing networks and policies**. In the EU's case, we have decades of experience with the Trans-European Networks, which are now being extended into our neighbourhood, East and South.
- European and Asian infrastructure should not be designed in isolation. We need to build a **true network and not a patchwork**.
- Infrastructure networks must be **interoperable**. We want to bring down barriers, not create new ones.
- **Transparency** on our plans and activities must be the basis for our cooperation, and all partners should have a fair say about where the priorities lie. Multilateral frameworks like ASEM, should be used wherever possible.
- **Sustainability** is essential: projects must be economically viable, fiscally and socially responsible, as well as climate and environment-friendly.
- We must use the **wisdom of the multilateral banks**, whose decades of experience makes them an invaluable partner for new institutions such as the Asian Infrastructure Investment Bank.
- Finally, we should ensure that **there are real benefits** for all stakeholders. Not only for countries, but also for economic operators, who should have a fair chance to compete for business through open, transparent and non-discriminatory procurement procedures. A level-playing field for trade and investment is a critical condition if we want to maintain the political momentum and support for better connectivity between Europe and Asia.

The European Union is proud to work with China and other partners on improving connectivity between us. Finding synergies between our policies and projects will bring real benefits. The EU-China connectivity platform exemplifies this approach.

In times of growing tensions and geopolitical unpredictability, we all bear a

common responsibility to work together towards a more co-operative, rules-based global order that can bring our citizens together in peace and prosperity.

[EU strengthens humanitarian support for Myanmar/Burma, calls for greater aid access](#)

As the first Commissioner to visit Northern Rakhine State, he called for greater access for aid organisations working in the area and visited several EU funded humanitarian projects.

"The European Union is committed to supporting those in need in Myanmar/Burma. The recent violence in Northern Rakhine State has created pressing humanitarian needs. During my visit I saw that malnutrition rates have deteriorated after the recent crisis. Our humanitarian partners are helping government authorities develop a food security and nutrition strategy for this region, but we still need better humanitarian access in order to facilitate a quick and full response by aid agencies to assist all affected communities. It is particularly important to help Rohingya civilians who have suffered involuntary displacements as well as supporting their livelihoods." said Commissioner **Stylianides**.

More than half a million people in Myanmar need humanitarian assistance, including almost 220 000 who are living in displacement. Over €9 million of the new EU funding will provide direct humanitarian assistance to communities living in conflict-afflicted areas (including Rakhine, Shan, and Kachin States), while another €3 million will fund disaster-risk-reduction activities to strengthen the resilience of communities at risk of natural disasters.

Since 1994, the European Commission has provided €229 million in humanitarian aid to Myanmar/Burma.

Both photo and video coverage of the visit is available on [EbS](#).

Background

The visit follows the meeting on 2nd May in Brussels of High Representative / Vice-President Federica **Mogherini** and Commissioner **Stylianides** with State Counsellor and Foreign Minister, Daw Aung San Suu Kyi.

In early October 2016, a deadly assault on three border guard posts in Northern Rakhine State triggered military operations which resulted in the suspension of humanitarian activities in the region. To date, more than 130

000 people who were dependant on aid remain without much-needed regular assistance.

In this region, an estimated 800 000 Rohingya people are deprived of their basic rights, and restrictions of movement seriously impact their livelihood and access to basic services. Both in the Northern Rakhine and Kachin States, humanitarian access remains a problem.

Since 1994, the European Commission's humanitarian aid department has provided €145 million in relief assistance for victims of conflict, communal violence and epidemics, while €84 million has reached victims of natural disasters and to support Disaster Risk Reduction and Preparedness programs in the country. EU aid is channelled impartially to the affected populations, regardless of their race, ethnic group, religion, gender, age, nationality or political affiliation.

For more information

[Factsheet on Myanmar](#)

[Factsheet on the Rohingya crisis](#)

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EU announces 21 May as 'European Natura 2000 day'

[Today](#), Commissioner Karmenu **Vella**, Adina-Ioana Valean, Chairwoman of the European Parliament's Environment Committee, Karl-Heinz Lambertz, First Vice-President of the Committee of the Regions and Neil Kerr, Deputy Permanent Representative of Malta signed a [joint declaration](#) proclaiming 21 May as the [European Natura 2000 Day](#). Commissioner Karmenu **Vella** said: *"With the European Natura 2000 Day we pay tribute to this unique network and its value for people and our economy. For me it is one of the European Union's truly outstanding achievements: a network of over 27,000 protected sites, covering over 1 million square kilometres across the land and sea, made possible through the co-operation among all our Member States"*. With the proclamation of the European Natura 2000 Day, the Commission has fulfilled its first pledge from the recent [Action Plan for nature, people and the economy](#) with the aim to improve communication and outreach, engaging citizens, stakeholders and communities. Already this year, hundreds of local events and networking activities across Europe will mark the day. Today also saw the launch of the next round of the [European Natura 2000 Award](#). This is another Commission initiative dedicated to rewarding excellence in the management and promotion of the network and raising awareness about Natura 2000 and its benefits to European citizens. More information is available [here](#). (For more information: Enrico Brivio – Tel.: +32 229 56172; Iris Petsa – Tel.: +32 229 93321)

Health Technology Assessment: 87% of citizens and stakeholders support EU cooperation beyond 2020

The Commission has received some 250 replies to its public consultation on strengthening EU cooperation on [Health Technology Assessment](#) (HTA), 25% of which were from citizens and 75% from stakeholders. Almost all respondents (98%) acknowledge the usefulness of HTA, 81% consider the current EU cooperation on HTA to be useful to some degree, and 87% consider that EU cooperation on HTA should continue beyond 2020. Of those who support sustainable EU cooperation on HTA, 80% think the scope should include pharmaceuticals and 72% consider that medical technologies should also be covered. Commenting on these results, Vytenis **Andriukaitis**, Commissioner for Health and Food Safety, said *"I am pleased, but not surprised at the overwhelming support for sustainable cooperation on HTA at EU-level. Such cooperation will bring real added value to all countries, through the pooling of resources, exchange of expertise, and the avoidance of duplication. I am keen to finalise a proposal on what form this cooperation will take before the end of the year."* The results of the public consultation and views expressed by stakeholders in other forums will be summarised in the Synopsis Report which will form part of the Impact Assessment on strengthening EU cooperation on HTA beyond 2020. Read the full [report](#). (For more information: Anca Padurarú – Tel.: +32 229 91269; Aikaterini Apostola – Tel. +32 229 87624)

EU strengthens humanitarian support for Myanmar/Burma, calls for greater aid access

Commissioner for Humanitarian Aid and Crisis Management Christos **Stylianides** has concluded his official visit to Myanmar/Burma, announcing new funding of €12 million for the country as part of an overall €27 million package for the South and East Asia and Pacific. As the first Commissioner to visit Northern Rakhine State, he called for greater access for aid organisations working in the area and visited several EU funded humanitarian projects. *"The European Union is committed to supporting those in need in Myanmar/Burma. The recent violence in Northern Rakhine State has created pressing humanitarian needs. During my visit I saw that malnutrition rates have deteriorated after the recent crisis. Our humanitarian partners are helping government authorities develop a food security and nutrition strategy for this region, but we still need better humanitarian access in order to facilitate a quick and full response by aid agencies to assist all affected communities. It is particularly important to help Rohingya civilians who have suffered involuntary displacements as well as supporting their livelihoods."* said Commissioner **Stylianides**. Since 1994, the European Commission has provided €229 million in humanitarian aid to Myanmar/Burma. Read the full [press release](#) and see the [photo](#) and [video](#) coverage of the visit. (For more information: Carlos Martín Ruiz de Gordejuela – Tel.: +32 229 65322, Daniel Puglisi – Tel.: +32 229 69140)

Aides d'État: la Commission autorise, sous conditions, l'octroi d'une aide en faveur d'une centrale au gaz en Bretagne (France)

La Commission européenne a autorisé, sous conditions, l'aide que la France

envisage d'octroyer à la Compagnie électrique de Bretagne en vue de la construction d'une centrale électrique alimentée au gaz à Landivisiau, en Bretagne. L'[enquête approfondie de la Commission](#) a révélé que la mesure était compatible avec les règles de l'UE en matière d'aides d'État, et notamment avec les [lignes directrices de 2014 concernant les aides d'État à la protection de l'environnement et à l'énergie](#). La Commission craignait toutefois que la mesure ne soit susceptible, dans certains cas, d'entraver la concurrence, ce qui risquait de se produire si la CEB était amenée à vendre son électricité à l'opérateur historique national, celui-ci détenant déjà une part significative du marché de la production d'électricité. Elle a donc subordonné son autorisation à la condition que la CEB ne vende pas l'électricité produite dans la centrale de Landivisiau sur la base de contrats à long terme à des entreprises détenant plus de 40 % du marché français de la capacité de production d'électricité. Au vu de ces éléments, la Commission est parvenue à la conclusion que la mesure était conforme aux règles de l'UE en matière d'aides d'État, étant à la fois nécessaire et proportionnée pour répondre aux préoccupations en termes de sécurité d'approvisionnement électrique en Bretagne. M^{me} Margrethe **Vestager**, commissaire chargée de la politique de concurrence, a déclaré à ce sujet: *«La construction de la centrale électrique de Landivisiau, en Bretagne, contribuera à garantir l'absence de coupures de courant dans cette région, tout en préservant la concurrence sur le marché de l'électricité. La Commission a travaillé en étroite collaboration avec la France afin de s'assurer que l'aide octroyée en vue de la construction de cette centrale satisfait aux règles de l'UE en matière d'aides d'État.»* Voir le communiqué de presse en [EN](#), [FR](#), [DE](#). (Pour plus d'informations: Ricardo Cardoso – Tel.: +32 229 80100; Yizhou Ren – Tel.: +32 229 94889)

State aid: Commission finds Portugal's extension of hydro-power concessions to EDP does not involve state aid

The European Commission has concluded that the extension of hydro power concessions granted by Portugal to the national incumbent Electricidade de Portugal SA (EDP) does not involve state aid. The use of public water resources for electricity production in Portugal is subject to a concession agreement. The government picks a concessionaire following specific procedures determined by law. In 2007, Portugal extended several hydro power concessions beyond the termination date that had originally been granted (2020 in average). These extensions were granted to EDP against the payment of €704 million. This measure was never notified to the Commission for state aid approval and has the effect of maintaining 27 hydro power plants under the control of EDP, together accounting for 27% of Portugal's generation capacity. In September 2013, following the receipt of complaints, the Commission opened a [formal investigation](#) into the measure. The main concerns related to the price paid by EDP for the extension of the concessions and to the market impact of the extension given EDP's strong position on the Portuguese market. During the formal investigation, the Commission verified that the compensation paid by EDP for the extension of the hydro power concessions was in line with market conditions. On this basis, the Commission

has now concluded that the compensation paid by EDP for the extension of the concessions does not involve state aid. A full press release is available online in [EN](#), [DE](#), [FR](#) and [PT](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Yizhou Ren – Tel.: +32 22994889)

Antitrust: Commission opens formal investigation into Aspen Pharma's pricing practices for cancer medicines

The European Commission has opened a formal investigation into concerns that Aspen Pharma has engaged in excessive pricing concerning five life-saving cancer medicines. The Commission will investigate whether Aspen has abused a dominant market position in breach of EU antitrust rules. The investigation concerns Aspen's pricing practices for niche medicines containing the active pharmaceutical ingredients chlorambucil, melphalan, mercaptopurine, tioguanine and busulfan. The medicines in question are used for treating cancer, such as hematologic tumours. The Commission will investigate information indicating that Aspen has imposed very significant and unjustified price increases of up to several hundred percent, so-called 'price gouging'. The Commission has information that, for example, to impose such price increases, Aspen has threatened to withdraw the medicines in question in some Member States and has actually done so in certain cases. This is the Commission's first investigation into concerns about excessive pricing practices in the pharmaceutical industry. Commissioner Margrethe **Vestager**, in charge of competition policy, said: *"When we get sick, we may depend on specific drugs to save or prolong our lives. Companies should be rewarded for producing these pharmaceuticals to ensure that they keep making them into the future. But when the price of a drug suddenly goes up by several hundred percent, this is something the Commission may look at. More specifically, in this case we will be assessing whether Aspen is breaking EU competition rules by charging excessive prices for a number of medicines."* A full press release is available online in [EN](#), [DE](#) and [FR](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni – Tel.: +32 229 90526)

Mergers: Commission clears acquisition of Brocade by Broadcom, subject to conditions

The European Commission has cleared under the EU Merger Regulation the proposed acquisition of networking products supplier Brocade (US) by semiconductor manufacturer Broadcom (US/Singapore), subject to conditions on interoperability and protection of competitors' confidential information. The Commission had competition concerns regarding the relationship between the parties created by the transaction as notified, as well as regarding the complementarity between Broadcom's and Brocade's products. The Commission's investigation focused on two areas: (i) chips needed for Fibre Channel Storage Area Network and Internet Protocol networking products, and (ii) switches and cards for Fibre Channel Storage Area Networks, which are complementary products. To address these concerns, Broadcom committed to cooperate closely and in a timely manner with competing HBA cards suppliers to achieve the same level of interoperability as that of its own HBA cards

and to protect third party confidential information. In view of the proposed remedies, the Commission concluded that the transaction, as modified by the commitments, would no longer raise competition concerns. The decision is conditional upon full compliance with the commitments. A full press release is available online in [EN](#), [DE](#), [FR](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni – Tel.: +32 229 90526)

Mergers: Commission approves merger between chemical producers Reichhold and Polynt, subject to conditions

The European Commission has approved under the EU Merger Regulation the merger between chemical producers Reichhold (US) and Polynt (Italy). Both produce unsaturated polyester resins, used to make reinforced plastics. The decision is conditional on divestment of Reichhold's Etain plant in France. Both Reichhold and Polynt are active in the manufacturing of chemicals. Both companies produce and sell unsaturated polyester resins. Following the market investigation, the Commission concluded that the transaction, as notified, raised competition concerns in the market for the production and sale of unsaturated polyester resins. This is notably in view of the relatively high combined market shares of the merged entity and its extensive network of plants, as compared to its main competitors. To address the competition concerns identified by the Commission, Reichhold and Polynt offered to divest Reichhold's largest unsaturated polyester resin plant, in Etain, north-east France, together with the plant's customer and product information. The Commission therefore concluded that the proposed merger, as modified by the commitments, would no longer raise competition concerns. The decision is conditional upon full compliance with the commitments. A full press release is available online in [EN](#), [DE](#), [FR](#) and [IT](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni – Tel.: +32 229 90526)

Mergers: Commission clears acquisition of a shopping mall in Leipzig by Ares and Baupost

The European Commission has approved under the EU Merger Regulation the acquisition of the Nova Eventis shopping mall in Leipzig, Germany by Ares Management, L.P. (Ares) and the Baupost Group, L.L.C (Baupost), both of the USA. The Nova Eventis shopping mall is held and operated by Prejan Enterprises Limited. Ares is a publicly traded global alternative asset manager investing, among others, in real estate and holding residential, retail, office and industrial properties in Europe. Baupost is an investment organisation that invests in a range of financial instruments, asset classes and geographic regions. Through the transaction, Ares and Baupost acquired joint control over Prejan Enterprises Limited. The Commission concluded that the proposed acquisition would not raise competition concerns because of its limited impact on the market structure. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8388](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni – Tel.: +32 229 90526)

Mergers: Commission clears acquisition of S&T by Ennoconn

The European Commission has approved under the EU Merger Regulation the acquisition of S&T of Austria by Ennoconn of Taiwan. Hon Hai Precision Co Ltd of Taiwan holds an equity interest in Ennoconn. S&T develops hardware- and software-based appliances and embedded systems. Both Ennoconn and Hon Hai are providers of electronic manufacturing services. The Commission concluded that the proposed acquisition would not raise competition concerns because the companies' activities are mostly complementary and S&T has a limited presence in the markets for embedded systems and smart grid solutions. The transaction was examined under the normal merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8415](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni – Tel.: +32 229 90526)

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

[Council adopts conclusions on indigenous people](#)

The Council adopted conclusions on indigenous people, recalling that the EU is founded on values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities.

The Council underlines the importance of addressing discrimination and inequalities based on indigenous origin or identity as well as the importance of actions taken to address the threats to and violence against indigenous peoples. The Council also highlights the crucial importance of further enhancing opportunities for dialogue with indigenous peoples at all levels of EU cooperation.

These conclusions follow the joint staff working document “Implementing EU external policy on indigenous peoples” published by the High Representative and the European Commission in October 2016. The joint staff working document identified ways for the EU to strengthen its support to indigenous peoples through existing external policies and financing.

[Antitrust: Commission opens formal](#)

investigation into Aspen Pharma's pricing practices for cancer medicines

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *"When we get sick, we may depend on specific drugs to save or prolong our lives. Companies should be rewarded for producing these pharmaceuticals to ensure that they keep making them into the future. But when the price of a drug suddenly goes up by several hundred percent, this is something the Commission may look at. More specifically, in this case we will be assessing whether Aspen is breaking EU competition rules by charging excessive prices for a number of medicines."*

The investigation concerns Aspen's pricing practices for niche medicines containing the active pharmaceutical ingredients chlorambucil, melphalan, mercaptopurine, tioguanine and busulfan. The medicines in question are used for treating cancer, such as hematologic tumours. They are sold with different formulations and under multiple brand names. Aspen acquired these medicines after their patent protection had expired.

The Commission will investigate information indicating that Aspen has imposed very significant and unjustified price increases of up to several hundred percent, so-called 'price gouging'. The Commission has information that, for example, to impose such price increases, Aspen has threatened to withdraw the medicines in question in some Member States and has actually done so in certain cases.

Aspen's behaviour may be in breach of the EU's antitrust rules (Article 102 of the Treaty on the Functioning of the European Union (TFEU) and Article 54 of the European Economic Area (EEA) Agreement, which forbid the imposition of unfair prices or unfair trading conditions on customers.

The investigation covers all of the EEA except Italy, where the Italian competition authority already adopted an [infringement decision](#) against Aspen on 29 September 2016.

This is the Commission's first investigation into concerns about excessive pricing practices in the pharmaceutical industry.

The Commission will now carry out its in-depth investigation as a matter of priority. The opening of formal proceedings does not prejudge the outcome of the investigation.

Background

Aspen is a global pharmaceutical company headquartered in South Africa. Aspen has several subsidiaries in the EEA.

In the EU, national authorities are free to adopt pricing rules for medicines and to decide on treatments they wish to reimburse under their social security systems. Each country has different pharmaceutical pricing and

reimbursement policies, adapted to its own economic and health needs. The pricing of original medicines that are protected by patents is highly regulated. For off-patent medicines, Member States may directly influence prices of generic entrants, but also encourage competition to achieve lower prices. As a result, prices generally fall significantly when a medicine goes off-patent. However, in the present investigation the Commission has indications of significant price increases for off-patent medicines.

[Article 102 of the Treaty of the Functioning of the EU](#) prohibits the abuse of dominant market positions. The implementation of these provisions is defined in the EU's Antitrust Regulation ([Council Regulation No 1/2003](#)), which is also applied by national competition authorities.

Article 11(6) of the Antitrust Regulation provides that the initiation of proceedings by the Commission relieves the competition authorities of the Member States of their competence to also apply EU competition rules to the practices concerned. Article 16(1) of the same Regulation provides that national courts must avoid giving decisions which would conflict with a decision contemplated by the Commission in proceedings it has initiated.

There is no legal deadline to complete inquiries into anti-competitive conduct. The duration of an antitrust investigation depends on a number of factors, including the complexity of the case, the extent to which the undertaking concerned cooperates with the Commission and the exercise of the rights of defence.

More information on the investigation will be available on the Commission's [competition](#) website, in the public [case register](#) under the case number [40394](#).