

# [49/2017 : 10 May 2017 – Judgment of the General Court in case T-754/14](#)

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## [Antitrust: Commission publishes final report on e-commerce sector inquiry – frequently asked questions](#)

The European Commission has today published the final report on the competition sector inquiry into e-commerce which was [launched in May 2015](#). The sector inquiry forms part of the Digital Single Market strategy. One of the main goals of this strategy is better access for consumers and businesses to goods and services via e-commerce across the EU.

The e-commerce sector inquiry complements the Commission's legislative proposals in this regard. The objective of the sector inquiry was to allow the Commission to identify possible competition concerns in European e-commerce markets.

The Commission's initial findings presented in a [preliminary report](#) in September 2016 were largely confirmed by the stakeholder consultation that followed its publication.

Please also see the [press release](#). For more background about the e-commerce sector inquiry and competition sector inquiries in general, please see the [factsheet](#) published at the launch of the inquiry and the [sector inquiry's webpage](#).

### **1. What kind of information has the Commission gathered in the sector inquiry?**

The Commission gathered information from nearly 1900 stakeholders from all 28 EU Member States and collected around 8000 distribution and license agreements. The sector inquiry covered e-commerce in consumer goods and digital content.

With respect to **consumer goods** questionnaires were sent to retailers, manufacturers, e-commerce platforms (marketplaces and price comparison websites) and payment service providers. The following product categories were covered: clothing, shoes and accessories; consumer electronics (including computer hardware); electrical household appliances; computer games and software; toys and childcare articles; books; CDs, DVDs and Blu-ray discs; cosmetic and healthcare products; sports and outdoor equipment; and

house and garden.

With respect to **digital content**, the Commission sent questionnaires to service providers and right holders offering the following types of digital content: films, sports, fiction TV (e.g. drama), children programmes, non-fiction TV (e.g. documentaries), music and news.

The sample of respondents was designed to ensure a broad representation of companies and business models active in e-commerce.

## **2. What are the main findings in relation to e-commerce of consumer goods?**

### **High degree of price transparency leading to an increase in price competition**

Increased online price transparency is the market feature that most affects the behaviour of market players and consumers. 53% of respondent retailers track the online prices of competitors, with almost seven out of ten retailers using automatic software programmes to do so.

### **Increased direct retail activities by manufacturers**

64% of respondent manufacturers opened their own online retail shops in the last 10 years. Cosmetics and healthcare is the product category with the highest proportion of manufacturers with their own online shop. As a result of this trend, in the last decade many manufacturers increasingly compete with their distributors at the retail level.

### **Expansion of selective distribution**

In selective distribution systems, manufacturers select distributors on the basis of a set of specific criteria. These criteria seek to a large extent, both in relation to online and offline sales, to achieve high quality distribution, a coherent brand image and high quality pre- and after-sales services. In the last 10 years, in response to the growth of e-commerce, around one in five respondent manufacturers introduced selective distribution systems for the first time and 67 % of those who use selective distribution introduced new selection criteria, in particular for online sales. Selective distribution is particularly prevalent in some sectors, such as clothing and shoes.

Almost half of the manufacturers using selective distribution reported that they do not allow pure online players to join their selective distribution network.

However, the results of the e-commerce sector inquiry do not appear to question the principles of the Commission's approach to selective distribution as reflected in the current rules for vertical agreements between companies operating at a different level of the distribution chain. Many selective distribution systems pursue the legitimate aim of ensuring the quality of distribution, a coherent brand image and a high quality of pre- and after-sales services. Such systems therefore typically serve to increase competition on parameters other than price.

## More contractual sales restrictions

Manufacturers have also responded to the growth of e-commerce by using contractual sales restrictions regarding the distribution of their products. These restrictions may take various forms, such as pricing restrictions, and restrictions to sell or advertise through certain online channels or to sell cross-border.

### *Free-riding*

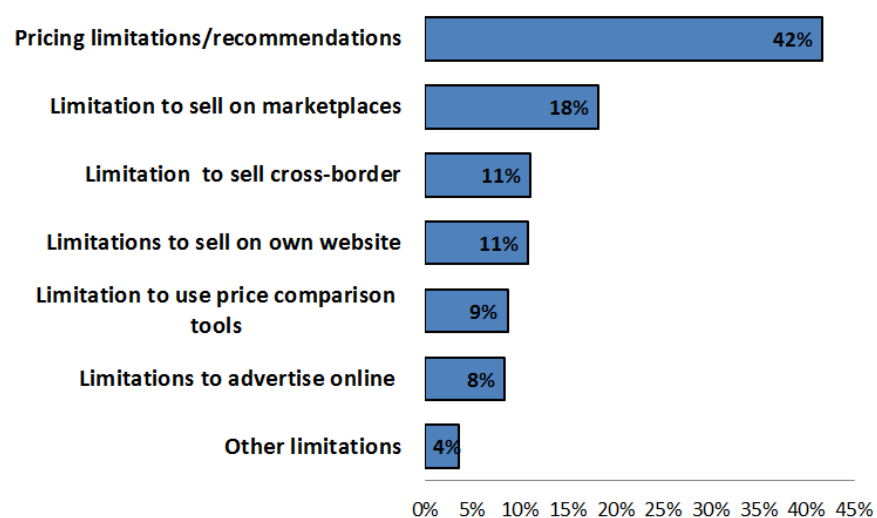
Customers can switch swiftly from one sales channel to another. Many of them use the pre-sales services offered by one sales channel (such as product demonstration, personal advice in a brick and mortar shops or search for product information online) but then purchase the product through another sales channel. In such cases the costs of pre-sales services become difficult to recoup (there is “free-riding”). This is a major concern for many manufacturers.

### 3. What are the main contractual sales restrictions that the Commission identified in e-commerce markets of consumer goods?

Overall, half of the retailers that replied to the sector inquiry report that they are affected by at least one contractual sales restriction. The figure below provides an overview of the prevalence of certain restrictions among such retailers.

#### Picture 1:

*Share of retailers having contractual restrictions, per type of restriction (retailers may have more than one type of restriction in place)*



The following types of contractual restrictions are the most commonly encountered:

#### (i) Pricing restrictions

Manufacturers and retailers use pricing restrictions/recommendations in response to increased online price competition and, in particular, to the

high online price transparency and low search costs for customers. Across the EU, two out of five respondent retailers report experiencing some form of pricing restrictions/recommendations and four out of five respondent manufacturers say that they recommend certain resale prices to their distributors.

Almost a third of respondent retailers confirm that they normally comply with the price indications given by the manufacturers, while slightly more than a quarter say that they never comply. The remaining retailers report that compliance with manufacturers' pricing indications depend on each specific circumstance.

## **(ii) Marketplace restrictions**

The usage of marketplace restrictions varies across the EU as can be seen from the chart below.

Across the EU, 18 % of retailers report marketplace restrictions in their contracts with suppliers. The Member States with the highest proportion of retailers with marketplace restrictions in their distribution agreements are Germany (32 %) and France (21 %). The Member States with the lowest proportion are Sweden (8 %) and Denmark (6 %). Marketplace restrictions encountered in the sector inquiry range from absolute bans to restrictions on selling on online marketplaces that do not fulfil certain quality criteria.

The results of the sector inquiry show that six out of ten retailers use only their own online shop when selling online. Only 4 % of the respondent retailers sell online only via marketplaces. 31 % of retailers use both sales channels when selling online.

The differences between Member States and product categories when it comes to marketplace restrictions confirm that a case by case assessment of the impact of marketplace restrictions on competition is necessary.

## **(iii) Cross-border sales restrictions**

Over one in ten retailers report that they have contractual cross-border sales restrictions in at least one product category. The product category with the highest proportion of retailers experiencing cross-border sales restrictions is clothing and shoes, followed by consumer electronics.

These contractual cross-border restrictions limit the ability of retailers to serve customers in other Member States and require retailers to apply geo-blocking measures. This means blocking access to websites, re-routing customers to websites targeting other Member States, refusing to deliver cross-border or to accept cross-border payments.

It should be noted that the majority of geo-blocking is based on unilateral business decisions of retailers. Even though only 11% of retailers face contractual limitations on their ability to sell cross-border, in total almost four in ten of them use geo-blocking to restrict cross-border online sales.

#### **iv) Restrictions on the use of price comparison tools**

The findings of the sector inquiry show that the use of price comparison tools is widespread with more than a third of retailers reporting that they supplied data feeds to price comparison tool providers.

Around one in ten retailers report that they have agreements with suppliers that contain some form of restriction in their ability to use price comparison tools. The proportion of retailers affected by price comparison tool restrictions is highest in Germany (14 %), Austria (13 %) and the Netherlands (13 %). These price comparison tool restrictions range from absolute bans to restrictions based on certain quality criteria.

#### **4. How does EU competition policy achieve the right balance between the diverging interests of manufacturers, online and 'bricks-and-mortar' retailers, marketplaces and ultimately consumers?**

Increased online price competition has benefits for consumers. It may however affect competition on parameters other than price, such as quality, brand and innovation. The sector inquiry shows that maintaining high quality distribution (including pre-and post-sale services) is central for manufacturers and brand owners.

EU competition policy/enforcement aims at finding the right balance between the interests of e-commerce businesses and 'bricks-and-mortar' distribution. For instance, manufacturers may operate selective distribution networks with a limited number of selected retailers, which have to fulfil certain selection criteria in order to be accepted to the network. Manufacturers can also charge different (wholesale) prices to different retailers in order to level the playing field, which is a normal part of the competitive process. Simultaneously, under EU competition rules, retailers must be able to independently set the resale prices, sell products online on their website and serve customers from outside their territory.

#### **5. What are the main findings in relation to e-commerce in digital content?**

Securing attractive digital content is essential for digital content providers that wish to be competitive, as emphasised by virtually all respondents. One of the key determinants of competition in digital content markets is therefore the availability of licences from the holders of the content copyrights.

Online distribution of content and demand for online rights has not dramatically altered the way in which right holders license their rights. Rights tend to be split between:

- technologies (such as the right to transmit online and to deliver the content via a certain technology, such as streaming),
- territories (for example on a national basis), and
- release windows (i.e. concerning certain release periods).

#### **6. What are the main licensing practices that the Commission**

## identified in e-commerce of digital content?

### *Contractual restrictions in relation to transmission technologies, timing of releases and territories*

There are a number of important factors that determine the availability of rights for online distribution of content, such as: (i) the (technological, territorial and temporal) scope of the rights as defined in the licencing agreements between right holders and digital content providers, (ii) the duration of the licencing agreements and (iii) the widespread use of exclusivity, which however is not a competition problem as such.

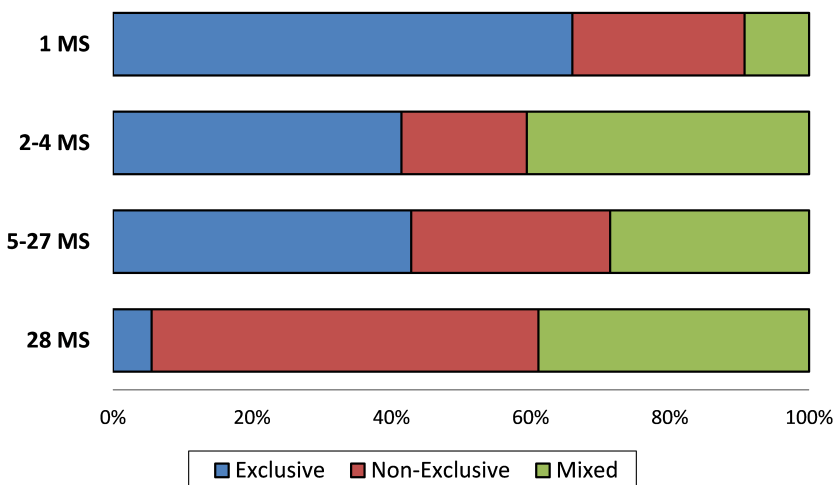
The results of the sector inquiry show that across the EU, seven out of ten respondent digital content providers report having implemented at least one type of geo-blocking measure. The large majority of respondents are required by rights holders to restrict access to their online digital content services for users from other Member States by means of geo-blocking.

Exclusive agreements and geo-blocking are widespread as can be seen in the charts below.

Content providers can engage in geoblocking for objectively justified reasons, such as to deal with VAT issues or certain public interest legal provisions. The Commission has already proposed legislation to ensure that consumers seeking to buy products and services in another EU country, be it online or in person, are not discriminated against in terms of access to prices, sales or payment conditions, unless this is objectively justified for a specific reason. The Commission has also made proposals on the modernisation of the EU copyright rules. Both proposals are currently being negotiated with the European Parliament and the Council.

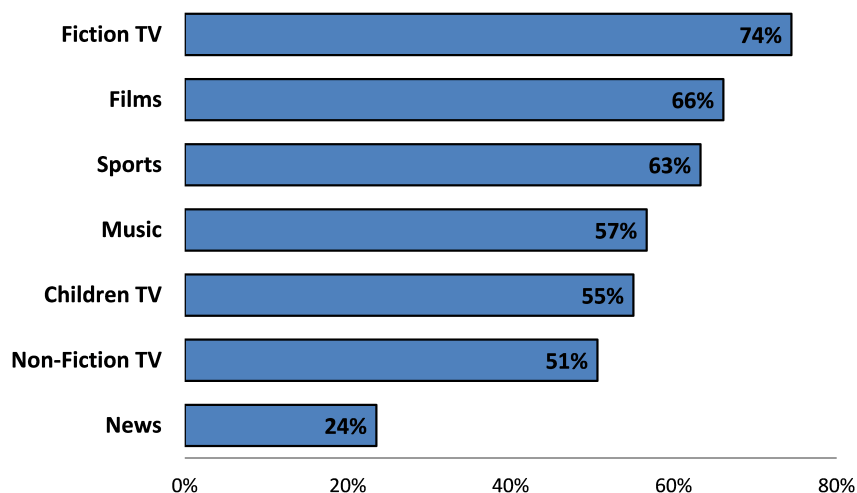
### **Picture 2:**

#### ***Share of agreements including exclusive/non-exclusive rights licensed for a certain territorial scope – all agreements submitted by right holders***



### Picture 3:

#### *Share of agreements requiring providers to geo-block by category – Average for all respondents – EU 28*



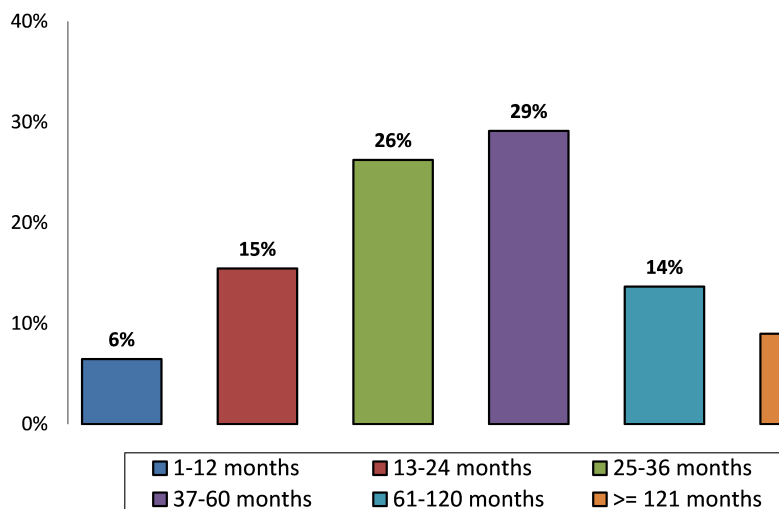
#### *Duration of the agreements and contractual relationships*

Right holders tend to have relatively long-term licensing agreements with digital content providers. Of the agreements submitted to the Commission by rights holders, four out of five have duration of at least two years and almost one out of ten have duration of over 10 years. As a result, digital content providers seeking to enter a certain market or expand their existing commercial activities in a market may face difficulties in accessing rights that are under long-term exclusive agreements between their competitors and right holders.

This issue may be exacerbated by certain contractual clauses that are part of licensing agreements – for example, first negotiation clauses, which provide for the contractual right to first renewal of the licensing agreement, automatic renewal clauses or other similar clauses. Explicit or implicit (re)negotiation clauses may affect the possibilities of new entrants and smaller operators wishing to grow their online digital content businesses.

### Picture 4:

#### *Duration of licensing agreements – proportion of all agreements submitted by right holders*



**7. What impact will the findings of the sector inquiry have on the future policy/enforcement of the Commission in e-commerce markets and will there be any follow-up in terms of enforcement?**

The publication of the final report is the last formal step of the sector inquiry.

The insight gained from the sector inquiry will enable the Commission to target EU antitrust enforcement in European e-commerce markets, which will include opening further antitrust investigations. It will particularly target the most widespread, problematic business practices that have emerged or evolved as a result of the growth of e-commerce and that may negatively impact competition and cross-border trade and hence the functioning of the EU's Digital Single Market.

In February 2017, the Commission already opened three separate investigations into [holiday accommodation](#), [PC video games distribution](#) and [consumer electronics pricing practices](#) that may limit competition.

The Commission will also use the findings in order to broaden the dialogue with national competition authorities within the [European Competition Network](#) on e-commerce-related enforcement to contribute to a consistent application of EU competition rules across the EU.

Finally, the results of the e-commerce sector inquiry do not appear to question the principles of the Commission's approach to selective distribution as reflected in the current rules for vertical agreements between companies operating at a different level of the distribution chain.

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**[Daily News 10 / 05 / 2017](#)**

**President Juncker receives proposal for nomination of candidate for**



## Commissioner from Bulgaria

President **Juncker** received this morning the proposal by Bulgarian Prime Minister Boyko Borissov for nominating Mrs Mariya Gabriel as the candidate to replace former Member of the Commission Kristalina Georgieva. The proposal for nomination follows a phone call between President **Juncker** and Prime Minister Borissov on Friday, 5 May, in which the two agreed that a candidate for Commissioner should be nominated swiftly. The next step is now for President Jean-Claude **Juncker** to receive Mariya Gabriel for an interview. The purpose of the interview will be to determine the candidate's ability to serve as a European Commissioner, particularly in light of Article 17(3) of the [Treaty on European Union](#) (TEU), which states that: *"The members of the Commission shall be chosen on the ground of their general competence and European commitment from persons whose independence is beyond doubt."* On the basis of the interview, President **Juncker** will also decide on the allocation of a portfolio for the future Commissioner of Bulgarian nationality – in line with Article 17(6) of the Treaty on European Union which reserves to him the prerogative to organise the work of the Commission. Procedurally, the appointment of a new Commissioner of Bulgarian nationality requires common accord between the President of the Commission and the Council after the consultation of the European Parliament (Article 246, subparagraph 2 of the [Treaty on the Functioning of the European Union](#)). In addition, the Interinstitutional [Framework Agreement on relations between the European Parliament and the European Commission](#) requires the President of the Commission to "seriously consider" the results of the consultation of the European Parliament – which will have an exchange of views with the candidate – before giving his accord to the decision of the Council to appoint the new Commissioner (para 6 of the Framework Agreement). Following the [decision of former Vice-President Kristalina Georgieva to resign](#) from the European Commission, Commissioner Günther H. **Oettinger** became on 1 January 2017 the Commissioner responsible for Budget and Human Resources, while President **Juncker** temporarily assigned the [Digital Economy and Society portfolio](#) to Vice-President Andrus Ansip. (For more information: Margaritis Schinas – Tel.: +32 229 60524; Mina Andreeva – Tel.: +32 229 91382)

## President Juncker speaks about Europe's future in Bonn and in Brussels

On the occasion of Europe Day (9 May), President **Juncker** spoke at length earlier this week about the European Union's future and its current challenges. On Monday, he addressed the *Bonner Akademie für Forschung und Lehre praktischer Politik* with a speech entitled *"Europe's end – Europe's beginning? The EU between crisis and breakup"*, where he said: *"Europe is losing weight. We are the smallest continent. Those who do not know how to change these figures will know that the time has not come to divide us into national parts, but rather to stand united."* The speech is available in German [here](#). Yesterday in Brussels, President **Juncker** also participated in a Citizens' Dialogue with the theme *"Europe Day 2017 – Which way forward for a better European Future?"*, along with other prominent European figures. The video of the event can be watched on EbS [here](#). (For more information: Mina Andreeva, Tel.: +32 229 91382; Natasha Bertaud, Tel.: +32 229 67456)

## **Digital Single Market: Commission calls for swift adoption of key proposals and maps out challenges ahead**

Having reached the middle of its mandate, the Commission published today the [mid-term review](#) of its [Digital Single Market strategy](#). It takes stock of the progress made and calls on co-legislators to swiftly act on all proposals already presented. The focus is now on obtaining [political agreements](#) with the European Parliament and the Council on all proposals, above all the [updated EU telecoms rules](#) which will boost investments in high-speed and quality networks, which are indispensable for the full deployment of the digital economy and society. The Commission has also identified three main areas where further EU action is needed: (1) to develop the European Data Economy to its full potential, (2) to protect Europe's assets by tackling cybersecurity challenges, and (3) to promote the online platforms as responsible players of a fair internet ecosystem. Andrus **Ansip**, Vice-President for the Digital Single Market said: *"The Commission has lived up to its promise and presented all main initiatives for building a Digital Single Market. Now, the European Parliament and Member States need to adopt these proposals as soon as possible, for new jobs, business and innovation to take off across Europe. Two years on, we propose to update our strategy to reflect new challenges and technologies. We need cyber-secure infrastructure across all parts of the EU so that everyone – everywhere – can enjoy high-speed connectivity safely. We have already agreed on strong EU rules for personal data protection; we now need to make sure that non-personal data can flow freely to assist connected cars and eHealth services. We need high-performance computing along with a digitally skilled workforce to make the most out of the data economy. All these areas are essential for Europe's digital future."* More details can be found in the [press release](#) and [MEMO](#). (For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Johannes Bahrke – Tel.: +32 229 58615; Inga Höglund – Tel.: +32 229 50698)

## **Commission launches reflection on harnessing globalisation**

Following the Commission's White Paper on the Future of Europe presented on 1 March, today the Commission will publish its Reflection Paper on Harnessing Globalisation. Based on a fair assessment of the benefits and downsides of globalisation, the Paper aims to launch a debate on how the EU and its Member States can shape globalisation in a way that anticipates the future and improves the lives of Europeans. A press release and factsheet will be available online once the press conference with First Vice-President **Timmermans** and Vice-President **Katainen** starts, which you can watch [here](#). (For more information: Natasha Bertaud – Tel.: +32 229 67456; Daniel Rosario – Tel.: +32 229 56185)

## **Juncker Plan: EUR 50 million for SMEs in Czech Republic**

The [Juncker Plan](#) has backed a European Investment Fund (EIF) agreement with Československá obchodní banka (CSOB), a financial intermediary based in Czech Republic, that will unlock EUR 50 million in loans for innovative small and medium-sized companies over the next two years. The European Fund for Strategic Investments (EFSI), the central pillar of the Juncker Plan, was a crucial factor in making this loan agreement possible. European Commission Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness, said: *“The Investment Plan for Europe aims to support jobs and growth through facilitating investment in infrastructure projects and access to finance for small and medium-sized businesses. Thousands of small businesses in the Czech Republic are already benefitting from the support of the Investment Plan. With today’s agreement, I am glad that even more will have access to the finance they need to create jobs, expand and innovate.”* The Juncker Plan is now expected to trigger around EUR 2 billion in investments in Czech Republic and EUR 183.5 billion across Europe. For the latest figures country-by-country, see [here](#). A full press release is available [here](#). (For more information: Annika Breidhardt – Tel.: +32 229 56153; Enda McNamara – Tel.: +32 229 64976)

## **Rapport de l’UE témoigne de relations fortes entre l’Union européenne et la Tunisie**

Un rapport conjoint publié aujourd’hui par la Commission européenne et le Service européen pour l’Action Extérieure évalue l’état des relations UE-Tunisie. Il note les progrès tangibles effectués par la Tunisie pour la période 2015-2016, notamment dans les domaines de la consolidation démocratique et la promotion de la bonne gouvernance, le renforcement sécuritaire et les échanges et l’intégration entre les peuples tunisiens et européens. Le soutien constant de l’UE, dès le lendemain de la révolution de 2011, s’est aussi démontré par l’association de la Tunisie au programme de recherche Horizon 2020, au programme Erasmus+ et l’adoption d’un partenariat UE-Tunisie pour la jeunesse ainsi que d’un partenariat pour la mobilité. La HR/VP Federica **Mogherini** a dit: *«Depuis la révolution de 2011, la Tunisie représente l’espoir de notre région commune. Elle a été le phare du changement et des aspirations des peuples de la Méditerranée. Aujourd’hui, la Tunisie a besoin de consolider les acquis de ces dernières années. [...] Au travers de ces actions, l’Union européenne répond “présente” pour la Tunisie, toujours. Nous allons continuer à travailler pour approfondir notre collaboration dans tous les domaines possibles – politique, culturel, économique, commercial, social, sécuritaire – et intensifier les échanges entre nos sociétés, entre nos jeunes [...]»*. Le Commissaire **Hahn** a évoqué: *«La Tunisie fait face à un enjeu majeur: traduire les formidables acquis démocratiques des dernières années en succès tangibles sur le front de la croissance et de l’emploi, donnant au peuple tunisien, en particulier à sa jeunesse, des perspectives d’avenir. [...]L’UE a mis sur la table un ensemble de propositions pour appuyer la Tunisie dans ses efforts de réforme, à travers la mobilisation de toute une gamme d’instruments. L’adoption par le Parlement tunisien du Plan du développement 2016-2020 va permettre d’ancre l’appui financier de l’UE dans une stratégie cohérente et ciblée. Il est urgent de passer à la vitesse supérieure et d’inscrire ces réformes dans la vie réelle»*. Un communiqué de presse complet est disponible [en ligne](#). De plus

amples informations sur les relations UE-Tunisie [ici](#) et [ici](#). (Pour plus d'informations: Catherine Ray – Tel.: +32 229 69921; Maja Kocijancic – Tel.: +32 229 86570; Lauranne Devillé – Tel.: +32 229 80833; Alceo Smerilli – Tel.: +32 229 64887)

### **Antitrust: Commission publishes final report on e-commerce sector inquiry**

The European Commission has published today the final report on the e-commerce sector inquiry, which identifies business practices that may restrict competition. It allows the Commission to target its enforcement of EU antitrust rules in e-commerce markets and has already prompted companies to review their practices. The report presents the Commission's definitive findings, taking account of comments received on the [preliminary report of September 2016](#) and confirming to a large extent the preliminary report's conclusions. The insight gained from the sector inquiry will enable the Commission to target EU antitrust enforcement in European e-commerce markets, which will include opening further antitrust investigations. Furthermore, the sector inquiry has prompted companies to review their commercial practices on their own initiative. Commissioner Margrethe **Vestager** in charge of competition policy said: *"Certain practices by companies in e-commerce markets may restrict competition by unduly limiting how products are distributed throughout the EU. Our report confirms that. These restrictions could limit consumer choice and prevent lower prices online. At the same time, we find that there is a need to balance the interests of both online and 'brick-and-mortar' retailers. All to the benefit of consumers. Our findings help us to target the enforcement of EU competition rules in e-commerce markets"*. The full [press release](#) in all languages and a fact sheet in [EN](#), [FR](#) and [DE](#) are available online. (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni- Tel.: +32 229 90526)

### **ANNOUNCEMENTS**

#### **President Juncker on official visit to Romania**

President **Juncker** is traveling to Bucharest for an official visit today and tomorrow, where he will participate in a Citizens' Dialogue and meet with Romania's political leadership. Tomorrow morning, President **Juncker** will meet the President of Romania, Klaus Iohannis; Prime Minister Sorin Grindeanu, the President of the Senate, Călin Popescu-Tăriceanu, and the President of the Chamber of Deputies, Liviu Dragnea. President **Juncker** will then attend a reception hosted by President Iohannis in celebration of Europe Day (9 May). In the afternoon he will participate in a Citizens' Dialogue at the National Museum of Art of Romania on the subject of the future of Europe. The dialogue follows the presentation of the Commission's White Paper on the Future of the European Union, which intends to launch a broad debate across Europe about how the EU should evolve at 27. The event is expected to be attended by over 450 participants and will be broadcast live on EbS between 17:00 and 18:00 local time (16:00 to 17:00 CET). Commissioner Corina **Crețu** will accompany President **Juncker** during the visit and will also participate in the Citizens' Dialogue. (For more information: Margaritis Schinas, Tel.: +32 229 60524; Mina Andreeva, Tel.: +32 229 91382)

## **HR/VP Mogherini to attend London Conference on Somalia tomorrow**

High-Representative/Vice President Federica **Mogherini** will represent the European Union at the London Conference on Somalia taking place on 11 May. The Conference aims to agree a Security Pact which sets the foundations for Somalia's long-term security and strengthen the relationship of the international community with the country. The EU is engaged in Somalia through a comprehensive approach based on active diplomacy, support for political stability, improving security, development assistance and humanitarian aid. The EU has three active Common Security and Defence Policy missions in the country. In addition, the EU is one of the main contributors to AMISOM, the African Union's peace mission to Somalia. *(For more information: Catherine Ray – Tel.: +32 229 69921; Daniel Puglisi – Tel.: +32 229 69140)*

## **Vice-President Šefčovič in Poland for second Energy Union Tour**

On 10-12 May, Vice-President for Energy Union Maroš **Šefčovič** will travel to Poland for the second Energy Union Tour. Vice-President **Šefčovič** will meet the Polish energy minister [Krzysztof Tchórzewski](#) to discuss the changes facing the Polish energy sector. He will also provide an opening speech at the 9th European Economic Congress in Katowice on 'The energy industry in Europe – the most important questions'. He will then take part in other high-level meetings with governmental officials and also engage in a wider debate with energy and business stakeholders at various events, including a roundtable discussion on Polish coal and carbon regions in transition and at the Regional Assembly of the Silesian and Małopolska Regions and European Start-Up Days. Ahead of the visit, Vice-President **Šefčovič** said: *"Europe is in the middle of the energy transition. With its large renewable energy resources and great potential in energy efficiency, both in buildings and in the transport sector, Poland can play an important part in this transition. Poland is also a country with a traditionally strong coal mining industry. The Commission is committed to making sure that restructuring of the coal mining sector happens in a socially fair way and wants to provide targeted assistance in order to facilitate access to existing funds, encourage the exchange of good practices, support technology development and kick-off discussions on re-skilling needs and industrial roadmaps. The EU climate and energy targets and the legal framework in the Energy Union areas are matched with significant investment support from the EU budget. Poland is the biggest beneficiary of the solidarity mechanisms under the EU Emissions Trading System".* Upcoming dates and more information on the 2017 Energy Union tour are available [here](#). More information on the Energy Union is available [here](#). *(For more information: Anna-Kaisa Itkonen – Tel.: +32 229 56186; Nicole Bockstaller – Tel.: +32 229 52589)*

## **Vice-President Dombrovskis and Commissioner Thyssen attend High-Level Conference on Youth Employment**

Valdis **Dombrovskis**, Vice-President for the Euro and Social Dialogue, Financial Stability, Financial Services and Capital Markets Union and Marianne **Thyssen**, Commissioner for Employment, Social Affairs, Skills and Labour Mobility, are today attending the [European Court of Auditors High-Level Conference on 'Youth Employment: confronting challenges and finding solutions'](#). The aim of the conference is to review how EU schemes have been delivering results in the labour market, to what extent they are providing appropriate support to young people and how Member States have been able to rise to the challenge. This follows on from the Court's special report '[Youth Unemployment – Have EU policies made a difference?](#)'. Since its launch in 2013, more than 10 million young people have already benefitted from the [Youth Guarantee](#). There are now 1.8 million fewer young unemployed in the EU and 1 million fewer young people not in employment, education or training (so-called NEETs). In line with the observations of both the [Commission's report on the implementation of the Youth Guarantee and the Youth Employment Initiative](#) and the European Court of Auditors' report on youth unemployment, this High-Level Conference provides a timely opportunity to discuss lessons learned and the way forward so that the Youth Guarantee benefits those young people furthest away from the labour market even more. Vice-President **Dombrovskis'** keynote speech will be published [here](#), Commissioner **Thyssen's** speech [here](#). (For more information: Annika Breidhardt – Tel.: +32 229 56153; Christian Wigand– Tel.: +32 229 62253; Sara Soumillion – Tel.: + 32 229 67094)

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

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## [Commission launches reflection on harnessing globalisation](#)

Based on a fair assessment of the benefits and downsides of globalisation, today's Paper aims to launch a debate on how the EU and its Member States can shape globalisation in a way that anticipates the future and improves the lives of Europeans.

Frans **Timmermans**, First Vice-President of the Commission, said: *"Globalisation is good for the European economy overall, but this means little to our citizens if the benefits are not shared fairly and more evenly. Europe must help rewrite the global rulebook so that free trade becomes fair trade. So that globalisation becomes sustainable and works for all Europeans. At the same time, we must focus our policies on getting people the education and skills they need to keep up with the evolution of our economies. Better redistribution will help guarantee the social cohesion and solidarity this Union is based on."*

Jyrki **Katainen**, Vice-President for Jobs, Growth, Investment and Competitiveness, said: *"Globalisation is a formidable force bringing benefits*

*to Europe and the rest of the world but also many challenges. To preserve the benefits of openness but also address its drawbacks, Europe must promote a stronger rules-based global order, act resolutely against unfair practices, make our societies more resilient and our economies more competitive in the face of a fast changing environment."*

The reflection paper takes an honest look at what globalisation has brought to the EU. The fact is that, even if the EU has greatly benefitted from globalisation, it has also brought many challenges. Around the world, globalisation has helped lift hundreds of millions of people out of poverty and enabled poorer countries to catch up. For the EU, global trade has boosted EU economic growth, with every €1 billion of additional exports supporting 14,000 jobs. Cheaper imports also benefit poorer households in particular. But these benefits are not automatic nor are they evenly distributed among our citizens. Europe is also impacted by the fact that other countries do not all share the same standards in areas such as employment, environmental or safety standards, meaning that European companies are less able to compete on price alone with their foreign counterparts; this can lead to factory closures, job losses or downward pressure on workers' pay and conditions.

However, the solution lies neither in protectionism nor in laissez-faire politics. The evidence presented in the Reflection Paper shows clearly that globalisation can be beneficial where it is properly harnessed. The EU must ensure a better distribution of the benefits of globalisation by working together with Member States and regions as well as with international partners and other stakeholders. We should seize together the opportunity to shape globalisation in line with our own values and interests.

Today's Reflection Paper opens up a vital debate on how the EU can best harness globalisation and respond to its opportunities and challenges:

- **On the external front**, the paper focuses on the need to shape a truly sustainable global order, based on shared rules and a common agenda. The EU has always stood for a strong and effective 'multilateral' global rulebook and should continue to develop it in a way that addresses new challenges and ensures effective enforcement. For example, the EU could push for new rules to create a level-playing field by addressing harmful and unfair behaviour like tax evasion, government subsidies or social dumping. Effective trade defence instruments and a multilateral investment court could also help the EU act decisively against countries or companies that engage in unfair practices.
- **On the domestic front**, the paper suggests tools to protect and empower citizens through robust social policies and providing the necessary education and training support throughout their lives. Progressive tax policies, investing in innovation and strong welfare policies could all help redistribute wealth more fairly. Meanwhile, use of EU structural funds to assist vulnerable regions and the **EU Globalisation Adjustment Fund** (see Factsheet on the EU Globalisation Adjustment Fund) to help displaced workers find another job can help mitigate negative impacts.

Background

Around a third of our national income comes from trade with the rest of the world. As overseas markets have grown, European exports have grown supporting higher-paid jobs. By specialising in what they do best, countries can produce more for less, boosting consumers' purchasing power. People travel, work, learn and live freely in different countries. They interact with each other on the web, sharing their ideas, cultures and experiences. Students have online access to courses run by leading universities across the world. International competition and scientific cooperation have accelerated innovation. Globalisation has also lifted hundreds of millions of people out of poverty and enabled poorer countries to catch up.

But globalisation also brings challenges. Many Europeans are concerned that globalisation leads to inequality, job losses, social injustice, or lowering environmental, health or privacy standards. They sometimes also feel threatened in their identities, traditions and ways of living. These concerns must be recognised and addressed.

Harnessing globalisation, shaping the world for the better, promoting high standards and values outside Europe, protecting our citizens from unfair practices, and making our societies resilient and our economies more competitive are all key priorities for this Commission.

The reflection paper on the harnessing globalisation follows up on the White Paper on the Future of Europe presented on 1 March, which set out the main challenges and opportunities for Europe in the coming decade. The White Paper marked the beginning of a process for the EU27 to decide on the future of their Union. To encourage this debate, the European Commission, together with the European Parliament and interested Member States, will host a series of 'Future of Europe Debates' across Europe's cities and regions.

The paper on the harnessing globalisation will be followed by a series of reflection papers on:

- deepening the Economic and Monetary Union, on the basis of the Five Presidents' Report of June 2015;
- the future of Europe's defence;
- the future of EU finances.

For More Information

[Reflection paper on harnessing globalisation](#)

[Factsheet](#): European Globalisation Adjustment Fund – Ten Years of European Solidarity

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# Report on the state of EU-Tunisia relations: towards a strengthening of our Privileged Partnership

Six years on from the 2011 revolution, and particularly over the past two years, there has been tangible progress, in particular as regards democratic consolidation and promotion of good governance, enhanced security, and exchange and integration between the people of Tunisia and Europe. The EU's constant support, which began immediately after the revolution, was further displayed when Tunisia was associated in the Horizon 2020 research programme and the Erasmus+ programme, and when EU-Tunisia partnerships for both youth and mobility were adopted.

*'Since the 2011 revolution, Tunisia has been a ray of hope for our common region. It has been a beacon for change and for the aspirations of the Mediterranean people. Today, Tunisia needs to consolidate what it has achieved over the past few years. The change initiated in Tunisia must continue, and we, as Europeans, stand alongside the Tunisians and the young people of Tunisia, who are the country's great wealth, every step of the way. Through these actions, the European Union is demonstrating its continuing support for Tunisia. We will continue to work to deepen our collaboration in all possible areas – political, cultural, economic, social and security-related – and to intensify exchanges between our societies and between our young people, based on the conviction that this will lead to a positive outcome.'* declared the High Representative/Vice-President for Foreign Affairs and Security Policy, **Federica Mogherini**.

The Commissioner for European Neighbourhood Policy and Enlargement Negotiations, Johannes **Hahn** said: *'Tunisia is facing a major challenge: to translate the incredible democratic achievements of the past years into tangible successes, and to create growth and employment, thereby giving the people of Tunisia, in particular its young people, prospects for the future. With the joint Communication presented in Autumn 2016, the EU tabled a series of proposals to support Tunisia in its reform efforts, mobilising a whole range of instruments, including substantial financial assistance. The recent adoption by the Tunisian Parliament of the Five-Year Development Plan 2016-2020 will make it possible to anchor the EU's financial support in a coherent and targeted strategy. It is now urgent to move into high gear and translate these reforms into day-to-day life'*.

## **Details**

The report assesses the state of progress of the implementation, by Tunisia and the EU, of the Privileged Partnership Action Plan (2013-2017) since March 2015. It focuses on the progress of key reforms, in accordance with the strategic priorities agreed between the two parties, such as:

- democratic consolidation and promotion of good governance in accordance with the Constitution and Tunisia’s international commitments;
- socio-economic recovery and implementation of structural reforms in line with the priorities identified in Tunisia’s 2016-2020 Development Plan;
- strengthening of trade ties between the EU and Tunisia, in particular with a view to concluding a deep and comprehensive free trade agreement (DCFTA),
- the security challenge and terrorism, while highlighting the significant operational results achieved by the Tunisian security services in 2016.

By means of this report, the EU reiterates its intent to support Tunisia in:

- creating a modern, environmentally-friendly and innovative economy. In this context, involving Tunisia in the Horizon 2020 research programme, along with its gradual implementation, represents an important step;
- promoting youth and student mobility, in particular through the Erasmus+ programme, and further increasing ties and exchanges between both societies. As part of the ‘EU-Tunisia Partnership for Youth’, adopted in 2016, the EU has pledged in parallel to boost this support by allocating an additional €10 million to Tunisia, intended to mobilise 1 500 students, teachers and young people every year until 2020;
- strengthening cooperation between the EU and its Member States and Tunisia in the field of security, in order to find joint solutions,
- intensifying their partnership in terms of migration management, thereby reaffirming the importance of the Partnership for Mobility and welcoming the launch in October 2016 of negotiations on visa facilitation and readmission.

**For further information:**

[Full report](#)

[EU-Tunisia Association Council – 11 May 2017](#)

[Plan d’action du Partenariat privilégié UE-Tunisie \(2013-2017\) \(only in French\)](#)

[Fact Sheet – EU-Tunisia Relations](#)

[Joint Communication ‘Strengthening EU Support for Tunisia’](#)

[Website of the EU Delegation in Tunis:](#)