

# Mergers: Commission clears acquisition of sole control of ITP by Rolls-Royce, subject to conditions

Rolls-Royce, together with ITP, MTU of Germany and Safran of France, is a member of the military engine consortium EPI (*Europrop International GmbH*). EPI designs and manufactures the engine powering the Airbus A400M, which competes with the Lockheed Martin C-130J aircraft, powered by a Rolls-Royce engine.

The Commission had concerns that the transaction, as originally notified, would have enabled Rolls-Royce, by acquiring ITP, to obtain additional influence on the decision-making process of the EPI consortium, on matters that affect its competitiveness against the Lockheed Martin C-130J.

In order to remove these concerns, Rolls-Royce offered commitments in relation to the EPI governance rules that will eliminate the conflict of interest created by the merger and ensure that the EPI consortium remains competitive.

The Commission also investigated whether the relationship between ITP and Rolls-Royce raised competition concerns. In particular, the Commission examined whether the merged entity would have the ability and incentive to shut out the supply of ITP's engine components to other manufacturers of aircraft engines competing with Rolls-Royce. However, the Commission concluded that, after the merger, Rolls-Royce would have neither the ability nor the incentive to do so.

The Commission concluded that the transaction, as modified by the commitments, would no longer raise competition concerns. The decision is conditional upon full compliance by Rolls-Royce with its commitments.

## **Companies and products**

**Rolls-Royce** is active in the development and manufacture of aircraft engines and power systems for civil aerospace, defence aerospace, marine and energy applications.

**ITP** (*Industria de Turbo Propulsores*) is a joint venture between Rolls-Royce and Spanish SENER, established in 1989. ITP specialises in the manufacture of aircraft engine components and includes among its activities design, research and development, manufacturing and casting, assembly and testing of aircraft engine components.

ITP is a supplier of engine components to Rolls-Royce and other aircraft engine manufacturers, whereas Rolls-Royce is mainly active in the production of aircraft engines for air frame manufacturers.

## **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 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).

A non-confidential version of today's decision will be available on the Commission's [competition](#) website, in the [public case register](#) under the case number [M.8242](#).

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## [Western Mediterranean: Actions for the sustainable development of the blue economy](#)

The region covers economic hubs like Barcelona, Marseille, Naples and Tunis. It also includes tourist destinations like the Balearic Islands, Sicily and Corsica.

The sea's biodiversity is under severe pressure with a recent [report](#) by scientists from the Joint Research Centre indicating that 50% has been lost in the last 50 years. In addition to this are recent security and safety concerns from the increase in migration from the South to the North.

This initiative will allow EU and neighbouring countries to work together to increase maritime safety and security, promote sustainable blue growth and jobs, and preserve ecosystems and biodiversity.

Karmenu **Vella**, Commissioner for Environment, Maritime Affairs and Fisheries said: *"Millions of holiday makers have a happy association with the Western Mediterranean. Like the millions more who live across the region, they understand the fragile link between conserving national habitats and traditions and ensuring economic viability. Blue economy is important for each of the countries involved and they have recognised the strength of working together."*

Johannes **Hahn**, Commissioner for European Neighbourhood Policy and Enlargement Negotiations, said: *"This new regional initiative recognises and taps into the economic potential of the Mediterranean Sea and its coast lines to further enhance economic growth, contribute to job creation and eventually the stabilisation of the region. It is an important step towards closer coordination and cooperation among participating countries."*

The initiative is the fruit of years' of dialogue between ten countries of the Western Mediterranean region who are ready and willing to work together on these shared interests for the region: five EU Member States (France, Italy, Portugal, Spain and Malta), and five Southern partner countries (Algeria, Libya, Mauritania, Morocco and Tunisia). It follows up on the Ministerial Declaration on Blue Economy endorsed by the Union for Mediterranean (UfM) on 17 November 2015.

### **The goals of the initiative**

By fostering cooperation between the ten countries concerned, this initiative has three main goals:

1. A safer and more secure maritime space
2. A smart and resilient blue economy
3. Better governance of the sea.

Gaps and challenges have been identified and a number of priorities and targeted actions have been set for each goal.

For **Goal 1** priorities include cooperation between national coast guards and the response to accidents and oil spills. Specific actions will focus on the upgrade of traffic monitoring infrastructure, data sharing and capacity building. For **Goal 2** priorities include new data sourcing, biotechnology and coastal tourism. For **Goal 3**, priority is given to spatial planning, marine knowledge, habitat conservation and sustainable fisheries.

The initiative will be funded by existing international, EU, national and regional funds and financial instruments, which will be coordinated and complementary. This should create leverage and attract funding from other public and private investors

This "Initiative for the sustainable development of the blue economy of the Western Mediterranean" is another example of the EU's successful neighbourhood policy. Barely three weeks ago, the EU secured a 10-year pledge to save Mediterranean fish stocks. The MedFish4Ever Declaration, signed by Mediterranean ministerial representatives from both Northern and Southern coastlines on 30 March, involves 8 Member States (Spain, France, Italy, Malta, Slovenia, Croatia, Greece, and Cyprus) and 7 third countries (Morocco, Algeria, Tunisia, Egypt, Turkey, Albania, Montenegro). The two projects will enhance each other in protecting the region's ecological and economic wealth.

### **Background**

The initiative is based on the Commission's long-standing experience with sea basin and macro-regional strategies (such as the Atlantic Strategy, the EU Strategy for the Baltic Sea Region and the EU Strategy for the Adriatic and Ionian Region). It is also based on over two decades of work within the 5+5 Dialogue, which has created strong ties between the participating countries. Furthermore, the initiative builds on other EU policies linked to the region, such as the European Neighbourhood Policy Review priorities and the recent Communication on International Ocean Governance.

The initiative is presented in two documents. A Communication outlines the main challenges, shortcomings and the possible solutions. A Framework for Action presents the identified priorities, actions and projects in detail, with quantitative targets and deadlines to monitor progress over time. Some of the actions could extend well beyond the countries in question and even beyond the sub-basin.

#### **For More Information**

[Communication](#)

[Framework for Action](#)

[MEMO/17/1001](#)

[MEDFISH4ever Declaration](#)

[Ocean governance](#)

[Blue Growth](#)

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## **Western Mediterranean: Actions for the sustainable development of the blue economy**

### **Why do we need an initiative for the sustainable development of the blue economy in the western Mediterranean?**

The western Mediterranean Sea has enormous wealth in terms of natural resources, cultural assets and diversity of people and places. The various sectors of the maritime economy have vast potential for development. But despite the major assets, the region faces a number of challenges which give rise to geopolitical instability: a prolonged economic and financial crisis with high youth unemployment in several countries, growing coastal urbanisation, the overexploitation of fish stocks, marine pollution and last but not least the refugee crisis. In addition climate change greatly affects the region and the rise in sea level is a major threat to coastal ecosystems and economies. Other factors such as population growth and ageing, migration and deepening globalisation are bound to magnify these pressures.

### **How has the initiative for western Mediterranean come about?**

This Initiative for the Western Mediterranean follows up on Ministerial Declaration on the Blue Economy endorsed by the Union for Mediterranean on 17 November 2015, which invited the participating countries to explore the added value and the feasibility of appropriate maritime strategies at sub-regional

level, and build on the experience of the 5+5 Dialogue. In October 2016, the Foreign Affairs Ministers of Algeria, France, Italy, Libya, Malta, Mauritania, Morocco, Portugal, Spain and Tunisia encouraged further work on an initiative for the sustainable development of the blue economy, together with the Union for the Mediterranean (UfM) Secretariat.

The Initiative results from close cooperation between the European Commission and the national governments, the UfM Secretariat, the region's stakeholders and regional organisations such as General Fisheries Commission for the Mediterranean, the UN Environmental Programme, the Mediterranean Action Plan and the Conference of Peripheral and Maritime Regions. The process started in February 2016 and culminated a year later with a Stakeholder Conference in Barcelona.

### **Which countries are involved?**

The geographical scope of this strategy is based on the western Mediterranean sub-basin and concerns ten countries: five EU Member States (France, Italy, Portugal, Spain and Malta) and five non-EU countries (Algeria, Libya, Mauritania, Morocco and Tunisia). As it concerns both EU and partner countries, it will have to be politically endorsed both in the EU and in the Union for the Mediterranean.

### **Will it be open to other countries?**

The scope of action and the potential benefits of this initiative could easily extend beyond the western Mediterranean sub-basin. Marine and coastal areas are interconnected systems, so depending on the needs to be addressed, actions may involve partners in the central Mediterranean and north-east Atlantic and will remain open to other partners.

### **What are the main objectives and goals of the Initiative?**

By fostering coordination and cooperation among the ten countries, the Initiative aims to increase safety and security; promote sustainable blue growth and jobs; and preserve ecosystems and biodiversity in the western Mediterranean region. It therefore focusses on three main goals (a safer and more secure maritime space, a smart and resilient blue economy and a better governance of the sea) and proposes a number of priority actions to reach those goals. A Framework for Action identifies the gaps that need to be filled and the potential added value of the actions proposed.

### **How is this initiative linked to EU policies? What areas will it cover?**

Rather than creating new legislation, this Initiative aims to achieve the Commission's priorities ('A New Boost for Jobs, Growth and Investment', 'A Resilient Energy Union with a Forward-Looking Climate Change Policy', 'Towards a New Policy on Migration' and 'A stronger global actor') by strengthening cross-border cooperation in the region and fostering compliance with EU law. Special emphasis is laid on better synergy between existing funds and on an integrated approach that ties together different policy strands and strongly interconnects EU policies and initiatives.

The Initiative complements the MedFish4Ever Declaration (Malta, 30 March 2017), which sets out a detailed work programme for the next 10 year to save the Mediterranean fish stocks and protect the region's ecological and economic wealth.

### **Who will benefit from the Initiative?**

All stakeholders in the region will benefit from the Initiative, including local, regional and national administrations, universities, maritime clusters, training institutions, businesses, SMEs, fishermen, civil society organisations and investors. And last but not least the people living in the region.

### **How will the Initiative be funded?**

The Initiative will be funded through the existing international, EU, national and regional funds and financial instruments. As per a conservative estimate, the funds available for implementing this Initiative amount to at least € 4 billion. In addition the EU is envisaging creating a dedicated assistance mechanism for the western Mediterranean and launching focused calls to promote maritime clusters, Maritime Spatial Planning and cooperation between maritime training institutes and between coastal communities on small scale fisheries in the region amounting to about €10 million.

### **What are the next steps?**

The Commission invites the European Parliament and the Council to endorse this Communication. The Commission also invites the Committee of the Regions and the European Economic and Social Committee to provide opinions on this Initiative.

The participating countries will also need to take ownership and define a governance structure to lead and implement this Initiative. Based on their reports, the Commission will in turn report on the implementation to the Council and the European Parliament by 2022.

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## **[Daily News 19 / 04 / 2017](#)**

### **President Juncker and Members of the Commission at the IMF/World Bank Spring meetings in Washington DC**

As of tomorrow, President **Juncker** and several Members of the Commission will travel to Washington DC (USA) for the [International Monetary Fund and World Bank Spring Meetings](#) on 20-22 April. President **Juncker**, Vice-President **Dombrovskis**, Commissioner **Hahn**, and Commissioner **Moscovici** will represent the Commission at different events hosted in that framework. The G20 Finance Ministers and Central Bank Governors meetings will also be held in the

margins. President Juncker will meet, among others with World Bank Group President Jim Yong Kim, IMF Managing Director Christine Lagarde and United Nations Secretary General António Guterres. He will also have a working dinner with Sir Suma Chakrabarti, President of the European Bank for Reconstruction and Development; Mr. Werner Hoyer, President of the European Investment Bank; Mr. Rolf Wenzel, Governor of the Council of Europe Development Bank; Mr. Jin Liqun, President of the Asian Infrastructure Investment Bank; Mr. Takehiko Nakao, President of the Asian Development Bank; Mr. Akinwumi Adesina, President of the African Development Bank, and Mr. Luis Alberto Moreno, President of the Inter-American Development Bank. The other Members of the Commission present in Washington also have a variety of high-level bilateral meetings, speaking engagements and other commitments. A more detailed calendar is available [here](#). (For more information: Margaritis Schinas – Tel.: +32 229 60524; Annika Breidthardt – Tel.: +32 229 56153)

### **Commission renews cooperation for sustainable development of the blue economy in the Western Mediterranean**

Today, the European Commission launches a new initiative for the sustainable development of the blue economy in the Western Mediterranean region that will increase maritime safety and security, promote sustainable blue growth and jobs, and preserve ecosystems and biodiversity. Karmenu **Vella**, Commissioner for Environment, Maritime Affairs and Fisheries said: *“Millions of holiday makers have a happy association with the Western Mediterranean. Like the millions more who live across the region, they understand the fragile link between conserving national habitats and traditions and ensuring economic viability. Blue economy is important for each of the countries involved and they have recognised the strength of working together.”* The initiative is an example of EU’s successful neighbourhood policy as five EU Member States (France, Italy, Portugal, Spain and Malta) and five Southern partner countries (Algeria, Libya, Mauritania, Morocco and Tunisia) will work jointly on their shared interests in the region. Johannes **Hahn**, Commissioner for European Neighbourhood Policy and Enlargement Negotiations, said: *“This new regional initiative recognises and taps into the economic potential of the Mediterranean Sea and its coast lines to further enhance economic growth, contribute to job creation and eventually the stabilisation of the region. It is an important step towards closer coordination and cooperation among participating countries.”* The enhanced cooperation is particularly timely as just three weeks ago the Commission secured a 10-year pledge to save Mediterranean fish stocks in the Ministerial [MedFish4Ever Declaration](#). Among others, the initiative’s targeted actions include cooperation between coast guards, response to accidents and oil spills, habitat conservation, biotechnology, data sharing, marine knowledge and coastal tourism. For more information on the priorities and specific actions of the initiative a full [press release](#) and [MEMO](#) are online. (For more information: Daniel Rosario – Tel.: + 32 229 56185; Iris Petsa – Tel.: + 32 229 93321)

### **Commission launches public consultation on how excise duties are applied to alcoholic beverages**

The European Commission has today launched a [public consultation](#) on how excise duties are applied to alcohol and alcoholic beverages (“excise duty structures”). EU excise duty [rules](#) for alcohol aim to prevent trade distortions in the Single Market, ensure fair competition between businesses, and reduce administrative burden for businesses. Concretely, the rules define product categories, methods to charge the duty and provide for reduced rates and exemptions from excise duty. However, these rules have not changed since 1992 and a recent Commission [report](#) has recommended clearer tax rules to support small producers of alcoholic beverages and to fight the sale of dangerous counterfeit alcohol. The Commission is also keen to reduce costs for smaller businesses. In December, EU Finance Ministers [requested](#) that the Commission carry out the necessary studies to prepare a possible legislative proposal to revise the common rules. The aim now is to identify ways to alleviate the administrative burden for both Member States and business, while reducing distortions in the internal market. Excise duties are indirect taxes on the sale or use of specific products. They are usually applied as an amount per quantity of the product – e.g. per 1,000 litres in the case of alcohol. Revenues from excise duty go directly to the coffers of EU Member States. The consultation will run until 7 July 2017 and is available [here](#).  
(For more information: Annika Breidhardt – Tel.: +32 229 56153; Patrick McCullough – Tel.: +32 229 87183)

### **Eurostat: Mars 2017: Le taux d’inflation annuel de la zone euro en baisse à 1,5% – Celui de l’UE en baisse à 1,6%**

Le taux d’inflation annuel de la zone euro s’est établi à 1,5% en mars 2017, contre 2,0% en février. Un an auparavant, il était de 0,0%. Le taux d’inflation annuel de l’Union européenne s’est établi à 1,6% en mars 2017, contre 2,0% en février. Un an auparavant, il était de 0,0%. Ces chiffres sont publiés par Eurostat, l’office statistique de l’Union européenne. En mars 2017, les taux annuels les plus faibles ont été observés en Roumanie (0,4%) ainsi qu’en Irlande et aux Pays-Bas (0,6% chacun). Les taux annuels les plus élevés ont été enregistrés en Lettonie (3,3%), en Lituanie (3,2%) et en Estonie (3,0%). Par rapport à février 2017, l’inflation annuelle a baissé dans dix-sept États membres, est restée stable dans six et a augmenté dans cinq autres. Un communiqué de presse est disponible [ici](#). (Pour plus d’informations: Annika Breidhardt – Tél.: +32 229 56153; Juliana Dahl – Tél.:+32 229-59914)

### **Eurostat: Février 2017: Excédent de 17,8 milliards d’euros du commerce international de biens de la zone euro – Excédent de 1,7 mrd d’euros pour l’UE28**

D’après les premières estimations pour le mois de février 2017, les exportations de biens de la zone euro (ZE19) vers le reste du monde se sont établies à 170,3 milliards d’euros, en hausse de 4% par rapport à février 2016 (163,2 mrd). Les importations depuis le reste du monde ont quant à elles été de 152,6 mrd d’euros, en hausse de 5% par rapport à février 2016 (144,9 mrd). En conséquence, la zone euro a enregistré en février 2017 un excédent de 17,8 mrd d’euros de son commerce international de biens avec le



reste du monde, contre un excédent de 18,2 mrds en février 2016. Le commerce intra-zone euro a progressé à 149,1 mrds d'euros en février 2017, en hausse de 5% par rapport à février 2016. Un communiqué de presse est disponible [ici](#).  
(Pour plus d'informations: Daniel Rosario – Tel.: + 32 229 56185; Kinga Malinowska- Tel.: +32 229 Kinga 51383)

## **ANNOUNCEMENTS**

### **First Vice-President Timmermans on a visit to Romania**

Tomorrow, First Vice-President Frans **Timmermans** will travel to Bucharest, Romania, where he will participate in a [Citizens' Dialogue](#) to exchange views with Romanians on the White Paper on the Future of Europe and the 60-year anniversary of the Treaty of Rome. During the visit, the First Vice-President will meet Prime Minister Sorin Mihai Grindeanu, the Minister of Justice, Tudorel Toader, and the Minister of the Interior, Carmen Daniela Dan to discuss progress in bringing forward the Cooperation and Verification Mechanism (CVM) reform. He will also discuss these matters with representatives from the Romanian Parliament including the Speaker of the Senate, Călin Popescu-Tăriceanu, and the Speaker of the Chamber of Deputies, Liviu Dragnea. These meetings will be followed by a joint discussion with members of the Justice and European Affairs Committees of the Chamber of Deputies and Senate. The First Vice-President will also attend a meeting with the leaders of parliamentary opposition parties and will further discuss the CVM with the relevant partners and stakeholders in the field of justice. A joint press conference with the Prime Minister and the Minister of the Interior and First Vice-President is scheduled for 13:00 (local time). The Citizens' Dialogue will take place at 17:30 (local time) and will be followed by a press doorstep. (For more information: Natasha Bertaud – Tel.: +32 229 67456; Katarzyna Kolanko – Tel.: +32 229 63444)

### **La Commissaire Thyssen rencontrera les autorités et partenaires sociaux belges dans le cadre du Semestre européen**

Demain 20 avril, la Commissaire responsable de l'emploi, des affaires sociales, des compétences et de la mobilité de travailleurs, Marianne **Thyssen**, sera en Belgique dans le cadre du [Semestre européen](#), le cycle annuel de surveillance budgétaire et socio-économique européenne. Le matin, elle rencontrera d'abord le Premier Ministre Charles Michel et le Vice Premier Ministre Kris Peeters. Cette rencontre sera suivie d'une conférence de presse qui sera diffusée [ici](#). Le discours de la Commissaire sera publié [ici](#). La Commissaire **Thyssen** participera ensuite à un échange de vues au parlement fédéral avec les comités budgets et finances et affaires sociales et avec le comité d'avis sur les affaires européennes. Son discours sera publié [ici](#). L'après-midi est réservé à une rencontre avec les Ministres régionaux et communautaires de l'emploi et à une discussion avec les partenaires sociaux interprofessionnels au sein du Conseil national de travail et du Conseil central de l'économie. L'objectif de cette journée de rencontres est de préparer les recommandations spécifiques par pays que la Commission européenne proposera en mai au Conseil. (Pour plus d'informations: Nathalie

Vandystadt – Tel.: +32 229 67083; Sara Soumillion – Tel.: + 32 229 67094)

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

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## February 2017-Euro area international trade in goods surplus €17.8 bn-€1.7 bn surplus for EU28

The first estimate for **euro area** (EA19) exports of goods to the rest of the world in February 2017 was €170.3 billion, an increase of 4% compared with February 2016 (€163.2 bn). Imports from the rest of the world stood at €152.6 bn, a rise of 5% compared with February 2016 (€144.9 bn). As a result, the **euro area** recorded a €17.8 bn surplus in trade in goods with the rest of the world in February 2017, compared with +€18.2 bn in February 2016. **Intra-euro area** trade rose to €149.1 bn in February 2017, up by 5% compared with February 2016.

[Full text available on EUROSTAT website](#)