

# Daily News 07 / 08 / 2019

## **Humanitarian Aid: additional €50 million to tackle drought in the Horn of Africa**

The European Commission is mobilising a further €50 million in emergency humanitarian funding to help the people hit by drought in the Horn of Africa. With many in the region relying on livestock herding and subsistence farming, the prolonged drought is having devastating consequences on food availability and livelihoods. Today's additional funding brings total EU humanitarian aid to the region to €366.5 million since 2018. Christos **Stylianides**, Commissioner for Humanitarian Aid and Crisis Management, said: *"The EU is stepping up its support for the people affected by a prolonged drought in the Horn of Africa. During my several visits to countries in the region, I have seen first-hand how much climate extremes are affecting this part of Africa. Our funding will help extend humanitarian assistance in the affected areas, helping communities ward off the risk of famine."* Funding from this aid package will support drought-affected communities in **Somalia** (€25 million), **Ethiopia** (€20 million), **Kenya** (€3 million) and **Uganda** (€2 million). The [full press release](#) is available online. (For more information: Carlos Martin Ruiz de Gordejuela, Tel.: +32 229 65322; Daniel Puglisi, Tel.: +32 229 69140)

## **Registre centralisé des indications géographiques : les boissons spiritueuses maintenant disponibles**

Conçu pour devenir le guichet unique pour les indications géographiques de l'UE, [eAmbrosia](#) vient de rajouter les termes protégés des boissons spiritueuses à ceux des vins déjà présents dans ce nouveau registre unique et centralisé. Jusqu'à maintenant, il existait trois bases de données séparées ([e-Bacchus](#), [e-Spirit](#) et [DOOR](#)) pour les indications géographiques des vins, boissons spiritueuses et produits alimentaires. Dans un souci de simplification et de transparence, la base de données publique [eAmbrosia](#) a été lancée par la Commission en avril 2019, et intègre peu à peu tous les 3 200 termes protégés dans l'UE. Les produits agricoles et alimentaires de la base [DOOR](#) devraient être également inclus d'ici la fin de l'année. Tous ces noms doivent leurs caractéristiques ou leur réputation à leur région de production en raison des particularités de leur environnement ou du savoir-faire des producteurs locaux. Les indications géographiques font la promotion de cette expertise et du statut particulier de ces produits. Plus d'informations sont disponibles sur les [pages concernant la politique de qualité](#) de la Commission européenne. (Pour plus d'informations: Daniel Rosario – Tél: +32 2 29 56185; Clémence Robin – Tél: +32 229 52 509)

## **Antitrust: Commission sends Statement of Objections to O2 CZ, CETIN and TMobile CZ for their network sharing agreement**

The European Commission has informed Czech operators of mobile telephony O2 CZ and T-Mobile CZ, as well as the Czech telecom infrastructure provider CETIN of its preliminary view that their network sharing agreement restricts competition in breach of EU antitrust rules. O2 CZ and T-Mobile CZ are major operators in the Czech retail mobile telecommunications market. O2 CZ's mobile infrastructure and wholesale business have been transferred to CETIN, a network infrastructure company belonging to the same corporate group. Network sharing is a widespread practice that can facilitate the roll out of electronic communications networks by reducing costs. In most cases, network sharing is a source of efficiencies. However, in some circumstances it may have a negative impact on competition. The Commission assessed a number of specific circumstances in the present case, including the fact that: (i) the Czech mobile communications market is highly concentrated with only three mobile network operators and (ii) the sharing parties O2 CZ/CETIN and T-Mobile CZ are the two largest operators, with their networks serving approximately three quarters of subscribers. The Commission, therefore, has reached the preliminary conclusion that the network sharing agreement between the two main mobile operators in Czechia restricts competition and thereby harms innovation in breach of EU antitrust rules. The Commission holds the view that in this instance, instead of leading to greater efficiencies and higher service quality, the network sharing agreement is likely to remove the incentives for the two mobile operators to improve their networks and services to the benefit of users. If confirmed, this would infringe Article 101 of the Treaty on the Functioning of the European Union, which prohibits anti-competitive agreements. The sending of a Statement of Objections does not prejudice the outcome of the investigation. Commissioner Margrethe Vestager, in charge of competition policy, said: *"Operators sharing networks generally benefits consumers in terms of faster roll out, cost savings and coverage in rural areas. However, when there are signs that co-operative agreements may be harmful to consumers, it is our role to investigate these and ensure that markets indeed remain competitive. In the present case, we have concerns that the network sharing agreement between the two major operators in Czechia reduces competition in the more densely populated areas of the country."* A full press release is available in [EN](#), [FR](#), [DE](#), [CS](#). (For more information: Anna-Kaisa Itkonen – Tel.: +32 229 56186; Giulia Astuti – Tel.: +32 229 55344)

### **Mergers: Commission clears acquisition of sole control over Lord by Parker-Hannifin**

The European Commission has approved, under the EU Merger Regulation, the acquisition of sole control over Lord Corporation by Parker-Hannifin Corporation, both of the U.S. Lord and Parker-Hannifin are both active in the supply of materials and equipment, in particular to the aerospace industry. The Commission concluded that the proposed acquisition would raise no competition concerns because of the companies' limited combined market shares in the markets concerned by the transaction. 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.9411](#). (For more information: Anna-Kaisa Itkonen – Tel.: +32 229 56186; Giulia Astuti – Tel.: +32 229 55344)

## ANNOUNCEMENTS

### **High Representative/Vice-President Federica Mogherini travels to the Maldives**

Tomorrow, High Representative/Vice-President Federica **Mogherini** will be in the Maldives for a bilateral visit. She will meet with the President of the Maldives, Ibrahim Mohamed Solih, the Foreign Minister, Abdulla Shahid, and the Defence Minister, Mariya Didi. Federica **Mogherini** will hold a joint press point together with Foreign Minister Shahid, whom she [last met during the Minister's visit to Brussels on 28 June](#). She will also address the Parliament on strengthening ties between the European Union and the Maldives at the invitation of the speaker, President Mohamed Nasheed. Her visit follows the [recent decision](#) of the Council of the European Union to revoke the framework for restrictive measures against the Maldives that it had adopted in July 2018 in light of the deteriorating political circumstances in the country. The lifting of sanctions is a direct response to the peaceful and democratic parliamentary elections in April 2019, the improvement of the general political situation since President Ibrahim Mohamed Solih took office and the government's commitment to consolidate good governance and democracy. The visit will also be an opportunity to reaffirm a joint commitment to climate action. The visit will conclude Federica **Mogherini**'s visit to the Asia Pacific region that included her participation in the [EU-ASEAN post-ministerial conference](#), the [ASEAN Regional Forum](#) and a [bilateral visit to Vietnam](#). Find more information on EU-Maldives relations [here](#). Coverage of the visit will be available on [EbS](#). (*For more information: Maja Kocijancic – Tel.: +32 229 86570; Adam Kaznowski – Tel.: +32 229 89359*)

### **Commissioner Avramopoulos in Turkey to participate in annual Ambassadors' Conference**

Commissioner Dimitris **Avramopoulos** will be in Ankara, Turkey tomorrow to deliver a keynote speech at the annual Ambassadors' Conference organised by the Turkish Ministry of Foreign Affairs. In the margins of the Conference, Commissioner **Avramopoulos** will meet with Mevlüt Çavuşoğlu, Minister of Foreign Affairs of Turkey to discuss EU-Turkey cooperation on migration and security. (*For more information : Carlos Martin Ruiz de Gordejuela – Tel.: +32 229 65322; Markus Lammert – Tel.: +32 229 80423*)

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

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# Humanitarian Aid: additional €50 million to tackle drought in the Horn of Africa

The European Commission is mobilising a further €50 million in emergency humanitarian funding to help the people hit by drought in the Horn of Africa. With many in the region relying on livestock herding and subsistence farming, the prolonged drought is having devastating consequences on food availability and livelihoods. Today's additional funding brings total EU humanitarian aid to the region to €366.5 million since 2018.

*"The EU is stepping up its support for the people affected by a prolonged drought in the Horn of Africa. During my several visits to countries in the region, I have seen first hand how much climate extremes are affecting this part of Africa. Our funding will help extend humanitarian assistance in the affected areas, helping communities ward off the risk of famine,"* said Christos **Stylianides**, Commissioner for Humanitarian Aid and Crisis Management.

Funding from this aid package will support drought-affected communities in **Somalia** (€25 million), **Ethiopia** (€20 million), **Kenya** (€3 million) and **Uganda** (€2 million). It will go towards:

- emergency food assistance and assistance to address immediate food needs;
- the provision of basic health services and the treatment of severe acute malnutrition in children under five years of age, and in pregnant and breastfeeding mothers;
- improving water access for both human and livestock consumption; and
- protecting households' livelihoods.

In addition, EU aid will contribute to assisting humanitarian agencies in the region to pre-emptively scale up their actions in the hardest hit areas.

A spell of drought, following two poor rain seasons in a row, has put almost 13 million people in need of emergency food assistance across the region. Over 4 million children are estimated to be acutely malnourished, in addition to around 3 million malnourished pregnant and breastfeeding women.

## **Background**

The 2019 spring rain season in the Horn of Africa was among the top three driest on record. The ongoing drought comes just one year after the end of a major drought in 2016-2017. Within such a short time span, neither households have had time to recover, nor pastures and livestock herds to regenerate. Most of the affected communities live in pastoral and agro-pastoral areas. Scarce rainfall means that families cannot sustain themselves with their agricultural and livestock activities. Food prices have already risen across

the entire region, thus further reducing poor households' access to basic food supplies.

### **For More Information**

Fact Sheets: [Somalia](#), [Ethiopia](#), [Kenya](#), [Uganda](#)

Flickr Album: [Somalia: WASH programme](#); [Preventing famine in Somali, a race again...](#); [Ethiopia: Thirsty for rain](#)

Press releases: [Humanitarian aid: Over €110 million in the Horn of Africa](#)

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## **[Antitrust: Commission sends Statement of Objections to O2 CZ, CETIN and T-Mobile CZ for their network sharing agreement](#)**

The European Commission has informed Czech operators of mobile telephony O2 CZ and T-Mobile CZ, as well as the Czech telecom infrastructure provider CETIN of its preliminary view that their network sharing agreement restricts competition in breach of EU antitrust rules.

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *“Operators sharing networks generally benefits consumers in terms of faster roll out, cost savings and coverage in rural areas. However, when there are signs that co-operative agreements may be harmful to consumers, it is our role to investigate these and ensure that markets indeed remain competitive. In the present case, we have concerns that the network sharing agreement between the two major operators in Czechia reduces competition in the more densely populated areas of the country.”*

**O2 CZ** and **T-Mobile CZ** are major operators in the Czech retail mobile telecommunications market. O2 CZ's mobile infrastructure and wholesale business have been transferred to **CETIN**, a network infrastructure company belonging to the same corporate group.

The network sharing cooperation between O2 CZ/CETIN and T-Mobile CZ started in 2011 and has been increasing in scope. Currently it covers all mobile technologies (i.e. 2G, 3G and 4G) and the entire territory of Czechia with the exception of Prague and Brno, thus amounting to around 85% of the population.

**Network sharing** is a widespread practice that can facilitate the roll out of electronic communications networks by reducing costs. In most cases, network

sharing is a source of efficiencies. However, in some circumstances it may have a negative impact on competition.

The Commission assessed a number of specific circumstances in the present case, including the fact that:

- the Czech mobile communications market is highly concentrated with only three mobile network operators,
- the sharing parties O2 CZ/CETIN and T-Mobile CZ are the two largest operators, with their networks serving approximately three quarters of subscribers.

The Commission, therefore, has reached the preliminary conclusion that the network sharing agreement between the two main mobile operators in Czechia **restricts competition and thereby harms innovation** in breach of EU antitrust rules.

The Commission holds the view that in this instance, instead of leading to greater efficiencies and higher service quality, the network sharing agreement is likely to remove the incentives for the two mobile operators to improve their networks and services to the benefit of users.

If confirmed, this would infringe [Article 101](#) of the Treaty on the Functioning of the European Union, which prohibits anti-competitive agreements.

The sending of a Statement of Objections does not prejudge the outcome of the investigation.

## **Background**

The Commission opened a [formal investigation](#) in October 2016.

O2 CZ is a mobile communications subsidiary of the PPF Group, with more than six million lines, both fixed and mobile.

T-Mobile CZ is a mobile communications subsidiary of the Deutsche Telekom group, operating in the Czech Republic since 1996.

The Czech mobile communications market is highly concentrated, with three mobile network operators (O2 CZ, T-Mobile CZ and Vodafone) accounting for almost the whole market. Together, O2 CZ/ CETIN and T-Mobile CZ serve approximately three quarters of subscribers. Vodafone is smaller and, unlike the network sharing parties, has no meaningful presence in the fixed telecoms segment.

The Commission's analysis is in line with the principles applied by the Body of European Regulators for Electronic Communications (BEREC) in its [common position](#) on mobile infrastructure sharing of 13 June 2019. The assessment concerns current and legacy technologies (2G/3G/4G) and is without any prejudice to any future assessment of network agreements involving emerging technologies such as 5G, which may have very different characteristics.

Article 101 of the Treaty on the Functioning of the European Union (TFEU) and Article 53 of the EEA Agreement prohibit agreements and concerted practices that may affect trade and prevent or restrict competition. The implementation of this provision is defined in the Antitrust Regulation (Council Regulation No 1/2003), which can also be applied by the national competition authorities.

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

There is no legal deadline for bringing an antitrust investigation to an end. The duration of an antitrust investigation depends on a number of factors, including the complexity of the case, the extent to which the companies concerned cooperate with the Commission and the exercise of the rights of defence.

More information is available on the Commission's competition [website](#), in the public case [register](#) under the case number [40305](#).

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## [ESAs respond to the European Commission on the exclusion of performance scenarios options from PRIIPs consumer testing exercise](#)

The European Supervisory Authorities (ESAs) [have written to the European Commission](#) concerning the exclusion [of a few options proposed by the ESAs on 23 May 2019](#) for presenting information on performance scenarios to be tested during a consumer testing exercise conducted by the European Commission under the Level 2 Review of the PRIIPs KID Regulation.

On 19 July 2019 the [European Commission informed the ESAs](#) that three of the proposed options will be excluded.

The ESAs consider that consumer testing can bring the best insights if a wide range of different approaches and options are first put on the table. First the consumers' views should be obtained, and an exclusion of different options on the basis of their conformity with the existing regulation could excessively limit the value of the feedback from the testing.

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# [ECB publishes Consolidated Banking Data for end-March 2019](#)

Chart 2

Non-performing loans ratio of credit institutions headquartered in the euro area and the EU

(percentage)



**The European Central Bank (ECB) has published the Consolidated Banking Data (CBD) with reference to end-March 2019, a data set of the European Union (EU) banking system compiled on a group consolidated basis.**

**The quarterly CBD cover relevant information required for the analysis of the EU banking sector**, comprising a subset of the information that is available in the end-year dataset. The end-March 2019 data refer to 378 [banking groups](#) and 2,769 [stand-alone credit institutions](#) operating in the EU (including foreign subsidiaries and branches), covering nearly 100% of the EU banking sector balance sheet. This dataset includes an extensive range of indicators on profitability and efficiency, balance sheets, liquidity and funding, asset quality, asset encumbrance, capital adequacy and solvency. Aggregates and indicators are published for the full sample of the banking industry.

**Large reporters apply International Financial Reporting Standards (IFRS) and the Implementing Technical Standards (ITS) on supervisory reporting of the European Banking Authority (EBA), while some smaller reporters may apply national accounting standards.** Accordingly, aggregates and indicators also cover data based on national accounting standards, depending on the availability of the underlying items.

**A few revisions to past data** are disclosed together with end-March 2019 data.

**For media queries, please contact [Stefan Ruhkamp](#), tel.: +49 69 1344 5057.**

**Notes**