ESMA updates Q&A on implementation of CRA Regulation

The Credit Rating Agencies Regulation (CRAR) requires a CRA to immediately notify errors in its rating methodologies or in their application to ESMA and all affected rated entities. This Q&A clarifies ESMA’s view as to what constitutes an error within the meaning of Article 8(7) of CRAR.

The purpose of this Q&A is to provide a high level of transparency to entities directly supervised by ESMA regarding ESMA’s supervisory approach.

ESMA will periodically review these Q&As and update them where required.

Statement by Commissioner Vestager on the approval of plan by France, Germany, Italy and the UK to give €1.75 billion public support to joint research and innovation project in microelectronics

* Check against delivery *

Today, the European Commission has approved under EU State aid rules 1.75 billion euros of public investment for an important project in the microelectronics sector. Four European countries – France, Germany, Italy and the UK – will join forces to support research and innovation in this key technology. The public support will unlock an additional six billion euros of private investment, bringing the total investment in the project to about eight billion euros. This also demonstrates the private sector’s commitment to the project – their investment will be more than triple the size of the public money.

Microelectronics, as the name suggests, are tiny components usually made of silicon. We know them better as chips and sensors. They can be found in almost all electronic devices we use every day – be it your phone, computer, washing machine, or your car. As these products become more automated and connected, they require more energy-efficient, secure and advanced microelectronic components to function smoothly. Therefore, innovation in this key enabling technology won’t just benefit one sector or company. It can help the whole of Europe leap ahead in innovation to the benefit of the European economy and its citizens.

That’s why it makes sense for European governments to come together to support such important projects of common European interest, if the market alone would not take the risk. And it is why we have put special State aid rules in place to smooth the way. They enable risky and groundbreaking research and innovation to see the light of day, whilst ensuring that its benefits are shared widely and do not distort the level playing field in Europe. So that innovation supported by taxpayer money truly serves European citizens.

More detail on the integrated project

First, let me tell you a bit more about this project.

France, Germany, Italy and the UK will grant public support to around 30 direct participants, both companies and research institutions. These participants will then work together in interlinked research and development sub-projects. They will also cooperate with many other partners across Europe, from research organisations and universities to innovative start-ups and small and medium-sized enterprises.

Their work will focus on five areas. Essentially, three parts of the project aim to create more energy-efficient and secure chips and smarter sensors. Another area focuses on developing innovative, novel processes. And the final area aims to develop even more advanced chips made out of compound materials instead of silicon.

These five areas are closely entwined: we expect more than 100 cooperations between the participants and across the different areas. That’s because progress in each area is necessary for microelectronic technology to serve its purpose of enabling a wide range of downstream applications.

Take for example self-driving cars.

In order to be safe, self-driving cars must be able to perfectly sense their environment in all types of driving conditions. In other words, they need novel sensors that can make very accurate measurements. You can think of them as the “eyes and ears” of the car.

We expect this project to bring highly innovative solutions in this field, for example through smarter sensors that react when a car changes its lane, or sensors that can reliably detect and avoid pedestrians and obstacles.

At the same time, for these sensors to work, a lot of data needs to be combined, sorted and translated into something the car’s system can implement. That takes huge computing power, which means huge electricity demands.

Therefore, the development of smarter sensors needs to be combined with another crucial part of this project, namely the development of more energy-efficient sensors.

A second example of a downstream application for microelectronic technology is the Internet of Things. The various new technologies we expect to emerge from this project can make a wide range of consumer devices and appliances smarter and more functional – from thermostats regulating the temperature in our homes, to washing machines that automatically adapt according to their load. Our homes and buildings – and our electricity bills – can benefit from the control functionalities brought about by the novel chips and sensors to be developed.

This matters to all of us – it can help Europe and its citizens contribute to tackling the challenges of climate change and reach our Paris Agreement targets, as confirmed in Katowice over the weekend.

Commission assessment under State aid rules

Now, you may wonder why public money is needed to get this project off the ground. Or, indeed why the Commission needs to assess and give its green light to the support to such projects.

Highly innovative research projects often entail significant risks that private investors are not willing to take on by themselves. That's when public support can help fill the financing gap to overcome market failures and allow such projects to happen.

It is the Commission's job to make sure that's done in a way that doesn't undermine competition. To make sure that taxpayer money is not used to crowd out private investors or make it more difficult for other businesses to compete. Because diversity is the secret to innovation.

When our markets are level and open, with many different businesses contributing innovative ideas, that gives us the best chance to find the breakthroughs we're looking for.

That's why EU State aid rules set criteria that provide flexibility for a Member State to support innovative projects – but without harming effective competition. These rules enabled more than 9 billion euros of public support for research and development in 2016.

And we have gone one step further when it comes to the really big challenges for the European economy, where we have the best chance of success if we work together across European borders.

The State aid framework for important projects of common European interest was set up in 2014 for this purpose: it allows sufficient levels of aid for very risky cross-border research and innovation projects, if that is needed to make them a reality. With this support also comes responsibility: potential competition distortions must be kept at bay and the public has to benefit from its investment. That's why companies, which receive aid, have to share knowledge gained and generate positive spillover effects across the EU.

The microelectronics project meets all these criteria. It will pool the resources and expertise of four European countries and a large number of research institutions and companies. They have demonstrated that the public support is appropriate and necessary to give companies involved an incentive to engage in truly ambitious research and innovation.

Finally, they have committed to share the results of the research supported with public funds throughout the EU, to the benefit of other interested parties. Altogether, they will be taking over a thousand actions to disseminate the knowledge generated in the project. For example, there will be an annual dedicated conference, regular “hackathons” where others can use the new technologies to develop prototypes and try out alternative uses, and start-ups and universities also get to test the innovative technologies onsite.

The Commission, together with the participating countries and businesses, will carefully monitor the implementation of the project.

Conclusion

This is the first project of its kind to receive green light under the special State aid framework. And I hope there are many more to come – there are certainly a number of other areas that could benefit from such European cooperation. But the decision to use this tool lies in the hands of Member States and their companies.

The Commission will of course continue to play a pro-active role to enable such projects. What is clear is that their size and complexity requires all parties – companies, Member States and the Commission – each to pull their weight.

So I hope we can draw on experience from this case to reflect together on how to best make such projects a success. That includes reflecting on our rules and processes. And also on finding ways to speed up gathering the essential information from companies that enables the Commission to ensure State aid serves innovation and European citizens.

Finally, competition policy is of course just one piece of the puzzle. It complements other Commission actions geared towards helping European industries seize their full potential in innovation, digitisation and decarbonisation.

For example, the Investment Plan for Europe is expected to trigger more than 350 billion euros in investments. And the EU Research and Innovation programme Horizon 2020 will make nearly 80 billion euros of funding available. These efforts will be stepped up in the next Multiannual Financial Framework. And we are also working to ensure that EU regulation is innovation-friendly and allows Europe’s many start-ups and innovators to prosper.

The European project for microelectronics we have approved today fits right in with these objectives. I very much welcome this initiative by France, Germany, Italy and the UK to join forces and I look forward to seeing the results that will benefit the economy, and ultimately, consumers across Europe.

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Africa-Europe Alliance: first projects kicked off just three months after launch

At the High-Level Forum Africa-Europetoday in Vienna, hosted jointly by the Austrian Presidency of the EU, notably by Austrian Chancellor Sebastian Kurz, and Paul Kagame, President of Rwanda and the Chairman of the African Union for 2018, President Jean-Claude **Juncker** reiterated Europe's ambition for a true and fair partnership among equals between Africa and Europe. President Juncker presented the first results of the Africa–Europe Alliance for Sustainable Investment and Jobs, just three months after its launch. The Alliance aims to deepen the economic and trade relations between the two continents, in order to create sustainable jobs and growth. European Commission President Jean-Claude **Juncker** said: *"Europe and Africa share a long history and a bright future. This is why I proposed a new Africa-Europe Alliance for Sustainable Investment and Jobs, to help attract both European and African investment and create 10 million jobs in Africa over the next five years. Translating words into action, we have already taken a series of measures to bring our ambitions to life."* The President is accompanied to the High-Level Forum by Vice-President Andrus **Ansip**, Commissioner for European Neighbourhood Policy and Enlargement Negotiations Johannes **Hahn**, Commissioner for International Cooperation and Development Neven **Mimica**, Commissioner for Agriculture and Rural Development Phil **Hogan** and Commissioner for Digital Economy and Society Mariya **Gabriel**. Read the full press release here. The speech by President **Juncker** at the High-Level Forum Africa-Europe is available online. *(For more information: Alexander Winterstein – Tel.: +32 229 93265; Carlos Martin Ruiz De Gordejuela – Tel.: +32 229 65322; Christina Wunder – Tel.: +32 229 92256)*

Réunion du Collège: Visite à la Commission du président de la République hellénique, Prokopis Pavlopoulos, mercredi 19 décembre 2018

Demain, mercredi 19 décembre 2018, le président **Juncker** recevra le président de la République hellénique, M. Prokopis Pavlopoulos, à 12h30 CET. Le Président aura ensuite un déjeuner de travail avec les Membres du Collège. Il s'agit de la première visite d'un chef d'État de la République hellénique à la Commission depuis l'adhésion de la Grèce en 1981. À l'issue de la conclusion fructueuse du programme de soutien à la stabilité, le président **Juncker** avait dit en août 2018: *"Je me suis toujours battu pour que la Grèce reste au cœur de l'Europe. Tandis que le peuple grec entame un nouveau chapitre de sa riche histoire, il trouvera toujours en moi un allié, un partenaire et un ami."* La visite se terminera avec un point presse conjoint par le président **Juncker** et le président Pavlopoulos à 14h30 CET. Suivez le point presse en direct sur EbS, des photos officielles seront également disponibles. *(Pour plus d'informations: Margaritis Schinas – Tél.: +32 229 60524; Mina Andreeva – Tél.: +32 229 91382)*

Le Plan Juncker investit dans une société de cœurs artificiels en France et dans un gazoduc en Roumanie

La Banque européenne d'investissement (BEI) vient de signer deux projets sous le Plan Juncker en France et Roumanie. En France, la BEI fournit un prêt de 30 millions d'euros garanti par le Fonds européen pour les investissements stratégiques (EFSI) – le cœur du Plan Juncker – à la société française Carmat. Ce prêt aidera la société à finaliser les études cliniques et à accélérer la mise sur le marché de ses cœurs artificiels qui, de renommée mondiale, soulèvent un immense espoir pour les patients. En Roumanie, un prêt de 50 millions d'euros soutenu par l'EFSI financera la construction d'un gazoduc qui reliera les sources de gaz de la Mer Noire au réseau de transmission national ainsi qu'au corridor BRUA liant la Bulgarie, la Roumanie, la Hongrie et l'Autriche. Le projet participera ainsi à une meilleure connectivité énergétique en Europe et apportera sa pierre à l'édifice de l'Union de l'Energie. Des communiqués de presse sont disponibles ici. En décembre 2018, le Plan Juncker a mobilisé plus de 371 milliards d'euros supplémentaires en Europe, y compris 60,5 milliards d'euros en France et 2,7 milliards d'euros en Roumanie, avec 856 000 petites et moyennes entreprises bénéficiant d'un meilleur accès au financement. *(Pour plus d'informations: Annika Breidthardt – Tél.: +32 229 56153; Sophie Dupin de Saint-Cyr – Tél.: +32 229 56169)*

EU steps up support for Ethiopia: emergency aid for refugees, internally displaced people and to tackle natural disasters

On an official visit to Ethiopia, Commissioner for Humanitarian Aid and Crisis Management Christos **Stylianides** announced yesterday €89 million in humanitarian support for 2018-2019 whilst visiting EU aid projects in the Somali region in Eastern Ethiopia where many people have fled their homes due to internal conflict. Speaking from the Qologi camp for internally displaced people near Jijiga, capital of the Somali region, Commissioner **Stylianides**said: *"Ethiopia is an important partner for the European Union. As the country undergoes profound positive political change, the EU will step up support for the most vulnerable Ethiopians. I have seen myself how crucial our EU humanitarian support is in the daily lives of displaced people. It helps them feed their children, provide them with medicines and send them to school. This is EU aid that saves lives."* The EU funding will be used to address the needs of people displaced within Ethiopia, refugees from neighbouring countries as well as tackling natural disasters such as drought. Currently there are close to 3 million people displaced within the country and around 1 million refugees from neighbouring countries. During his mission, Commissioner **Stylianides** met with Ethiopian President Ms Sahle-Work Zewde and President of the Somali region, Mr Mustafa Mohammed Omar. He also held various meetings with other Ethiopian authorities, representatives of the African Union, and with partners delivering aid on the ground. The full press release as well as photos and videos of the mission are available online. *(For more information: Carlos Martin Ruiz De Gordejuela – Tel.: +32*

229 65322; Daniel Puglisi – Tel.: +32 229 69140)

Banking Union: Agreement on measures to prevent the accumulation of non-performing loans

The Commission welcomes the political agreement reached by the European Parliament and the Council on prudential measures to further address non-performing loans (NPLs) in Europe. These measures are an important step to further reduce risks in the EU banking sector and strengthen its resilience, as highlighted in last week's Euro Summit conclusions. Together with the latest encouraging data on risk reduction and the recent political agreement on the banking package, this contributes to a swift completion of the Banking Union. Valdis **Dombrovskis**, Vice-President for Financial Stability, Financial Services and Capital Markets Union, said: "*We have been working intensely over the past years to reduce risks and strengthen the resilience of the European banking sector. Today's agreement will ensure that banks will have fewer NPLs on their balance sheets, which should increase their solidity and allow them to finance our businesses. I am counting on the European Parliament and the Council to swiftly agree on the outstanding proposals on the development of secondary markets for NPLs and facilitating debt recovery.*" The agreed measures will ensure that banks set aside funds to cover the risks associated with loans issued in the future that may become non-performing. This will prevent the accumulation of non-performing exposures on banks' balance sheets and will ultimately enable banks to perform their indispensable role in financing the economy and supporting growth. A press release is available online. *(For more information: Johannes Bahrke – Tel.: +32 229 85615; Letizia Lupini – Tel.: +32 229 51958)*

Digital Single Market: new rules on non-personal data enter into force

Today the Regulationon the free flow of non-personal data that was proposed by the European Commission in September 2017enters into force. The Regulation was adopted by the European Parliament in October 2018 and by the Council of the European Union in November 2018. It will allow public and private sector bodies to store and process non-personal data anywhere in the EU in the most efficient and cost-effective way, as well as raise trust in cloud computing and make it easier for customers to switch or end their cloud contracts. Furthermore, from now on, it will no longer be possible for Member States to compel businesses to store data in a particular location. Wherever data is stored in the EU (whether in a cloud or locally), competent authorities in all Member States will retain any right they currently already have to request access for regulatory and supervisory control. Vice-President for the Digital Single Market Andrus **Ansip**and Commissioner for Digital Economy and Society Mariya **Gabriel** said, "*From today, there will be one major barrier less in the Digital Single Market: anynew data localisation restrictions are forbidden. All unjustified existing ones must be phased out within 2 years. The new Regulation on the free flow of non-personal data will help stimulating the European data economy, boosting growth and jobs as well the EU competitiveness in the global market. Better data flowwill open up new possibilities for European startups and SMEs to create new services.*"The new Regulation also creates a self-regulatory process by which cloud stakeholders (service providers and users) develop codes of conduct that will enable users to switch between providers more easily. This new Regulation does not in any way affect the application of the General Data Protection Regulation (GDPR), as it does not cover personal data. The two Regulations will function together to enable the free flow of all data in the EU, creating a single European space for data. More information is available in theseQuestions and Answersand in a factsheet. *(For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Christian Spahr -Tel.: +32 229 50055; Marietta Grammenou- Tel.: +32 229 83583)*

Have your say: European expert group seeks feedback on draft ethics guidelines for trustworthy artificial intelligence

Today, the High-Level Expert Group on Artificial Intelligence, which was appointed by the Commission in June, released the first draft of its ethics guidelines for the development and use of artificial intelligence (AI). In this document, the independent group of 52 experts from academia, business and civil society, sets out how developers and users can make sure AI respects fundamental rights, applicable regulation and core principles and how the technology can be made technically robust and reliable. Vice-President for the Digital Single Market Andrus **Ansip** said: "*AI can bring major benefits to our societies, from helping diagnose and cure cancers to reducing energy consumption. But for people to accept and use AI-based systems, they need to trust them, know that their privacy is respected, that decisions are not biased. The work of the expert group is very important in this regard and I encourage everyone to share their comments to help the group finalise the guidelines*". Commissioner for Digital Economy and Society Mariya **Gabriel** added: "*The use of artificial intelligence, like the use of all technology must always be aligned with our core values and uphold fundamental rights. The purpose of the ethics guidelines is to ensure this in practice. Since this challenge concerns all sectors of our society, it is important that everybody can comment and contribute to the work in progress. Please join the European AI Alliance and let us have your feedback!*" The draft ethics guidelines are now open for comments until 18 January and discussions are taking place through the European AI Alliance. In March 2019, the expert group will present their final guidelines to the Commission which will analyse them and propose how to take this work forward. More information is available online. (*For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Joseph Waldstein – Tel.: +32 229 56184*)

EU and UNESCO team up for a new project on heritage, education and youth

In connection with the 2018 European Year of Cultural Heritage, the European Union and UNESCO have developed a new project to strengthen links between young people, heritage and education. The project, which is expected to start in January 2019, will run for 15 months and has two main components. The first aims to bring intangible cultural heritage into the classroom. For instance, the project partners will develop a set of guidance materials to support teachers in integrating intangible cultural heritage in school curricula and extracurricular activities. UNESCO will also organise training workshops for a group of selected schools to integrate intangible cultural heritage in core subjects of educational curricula. Activities could include, for example, the use of traditional bells to explain the expansion of soundwaves in physics. The second component seeks to empower a new generation of heritage professionals through the Young Heritage Experts' Forum in Zadar, Croatia. The event will feature hands-on activities enabling participants to develop skills related to preserving and promoting heritage, as well as workshops, group discussions and site visits. Commissioner for Education, Culture, Youth and Sport, Tibor **Navracsics**, said: "*I am delighted that we are joining forces with UNESCO for this project. Enabling young people to engage with Europe's rich and diverse cultural heritage is key in building a cohesive, resilient society for the future.*" The joint project contributes to two of the ten European initiatives developed by the European Commission for the European Year that seek to ensure its lasting impact: Heritage at School and Youth for Heritage. More information on the project can be found here. *(For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Joseph Waldstein – Tel.: +32 229 56184)*

State aid: Commission approves plan by France, Germany, Italy and the UK to give €1.75 billion public support to joint research and innovation project in microelectronics

The European Commission has found that an integrated project jointly notified by France, Germany, Italy and the UK for research and innovation in microelectronics, a key enabling technology, is in line with EU State aid rules and contributes to a common European interest. On 30 November, France, Germany, Italy and the UK jointly notified to the Commission an Important Project of Common European Interest ("IPCEI") to support research and innovation in microelectronics. The four Member States will provide in the coming years up to €1.75 billion in funding for this project that aims to unlock an additional €6 billion in private investment. The project should be completed by 2024 (with differing timelines for each sub-project).The integrated research and innovation project will involve 29 direct participants, headquartered both in and outside the EU, mostly industrial actors but also two research organisations, carrying out 40 closely interlinked sub-projects. The participants and their partners (such as research organisations or small and medium-sized enterprises) will focus their work on five different technology areas: (1) Energy efficient chips, (2) Power semiconductors; (3) Smart sensors; (4) Advanced optical equipment; and (5) Compound materials. All five technology fields are complementary and interlinked. The Commission assessed the proposed project under EU State aid rules and, more specifically, under its 2014 Communication on Important Projects of Common European Interest (IPCEI Communication). In order to qualify for support under the IPCEI Communication, a project must: (i) contribute to strategic EU objectives, (ii) involve several Member States, (iii) involve private financing by the beneficiaries, (iv) generate positive spillover effects across the EU that limit potential distortions to competition, and (v) be highly ambitious in terms of research and innovation. The Commission has found that the project fulfils these conditions and is in line with EU State aid rules, since: (i) the investment in research and innovation in microelectronics at this scale carries a considerable element of risk, and therefore public support is appropriate and necessary to incentivise companies to carry it out this research, development and innovation activities; (ii) the results of the research project will be disseminated by participating companies benefiting from the public support; and (iii) a governance structure composed of representatives from the participating Member States, businesses and the Commission will supervise the project and monitor in particular the progress of the individual participants and their partners as well as the sharing of research innovation results beyond the project participants. This is the first integrated IPCEI in the field of research, development and innovation approved by the Commission since the adoption of the Communication in 2014. Commissioner Margrethe **Vestager**, in charge of competition policy, said: *"Microelectronics can be found in almost all electronic devices we use every day – be it your phone, computer, washing machine, or your car. Innovation in microelectronics can help the whole of Europe leap ahead in innovation. That's why it makes sense for European governments to come together to support such important projects of common European interest, if the market alone would not take the risk. And it is why we have put special State aid rules in place to smooth the way. They enable risky and groundbreaking research and innovation to see the light of day, whilst ensuring that its benefits are shared widely and do not distort the level playing field in Europe. So that innovation supported by taxpayer money truly serves European citizens*." Commissioner Mariya **Gabriel**, in charge of Digital Economy and Society said: "*Every connected device, every modern machine, all our digital services depend on microelectronic components that become smaller and faster with time. If we don't want to depend on others for such essential technology, for example for security or performance reasons, we have to be able to design and produce them ourselves. Today's decision is a result of enhanced cooperation and shared European vision*." The full press release is available online in EN, FR, DE, IT. *(For more information: Lucía Caudet – Tel. +32 229 56182; Giulia Astuti – Tel.: +32 229 55344)*

State aid: Commission approves €20 million Italian scheme supporting noise reduction in rail freight transport

The European Commission has approved under EU State aid rules a €20 million aid scheme to support noise reduction of rail freight traffic in Italy. The aid will be granted through a reimbursement of up to 50% of the cost of equipping rail freight wagons operating in Italy, which have been put into circulation before 1 January 2015 with less noisy composite brake blocks. This retrofitting will allow reducing noise emissions of older wagons to more restrictive noise levels which are mandatory for new wagons. The scheme is open to all railway companies and owners of wagons established in the European Economic Area who operate freight transport on the Italian railway network and the aid will be granted on non-discriminatory terms. The Commission found that the measure is necessary as, absent the support, railway companies and owners of existing freight wagons would not have sufficient incentives to carry out the retrofitting. On this basis, the Commission concluded that the measure is compatible with EU State aid rules, in particular Article 93 of the Treaty on the Functioning of the European

Union regarding transport coordination and the Commission Guidelines on State aid for railway companies. More information will be available on the Commission's competition website in the public case register under the case number SA.51229 once any confidentiality issues have been resolved. *(For more information: Lucía Caudet – Tel. +32 229 56182; Giulia Astuti – Tel.: +32 229 55344)*

Mergers: Commission clears the acquisition of Chaucer by China Re

The European Commission has approved, under the EU Merger Regulation, the acquisition of sole control over Chaucer by China Reinsurance Group Corporation ("China Re") of China. Chaucer, which comprises the businesses of The Hanover Insurance International Holdings Limited of the UK, Chaucer Insurance Company Designated Activity Company of Ireland and Hanover Australia Holdco Pty Ltd of Australia, is active globally in the provision of reinsurance, non-life insurance, and specialty insurance. China Re is active globally in property and casualty reinsurance and insurance, life and health reinsurance, and asset management. The proposed transaction gives rise to horizontal overlaps between the companies' activities, but the Commission concluded that it would raise no competition concerns given the companies' limited combined market positions resulting from the proposed acquisition. The transaction was examined under the simplified merger review procedure. More information will be available on the Commission's competition website, in the public case register under the case number M.9150. *(For more information: Lucía Caudet – Tel. +32 229 56182; Maria Tsoni – Tel.: +32 229 90526)*

Mergers: Commission clears acquisition of joint control of Metal One Pipe & Tubular Products by Sumitomo and Metal One

The European Commission has approved, under the EU Merger Regulation, the acquisition of joint control of Metal One Pipe & Tubular Products Inc. by Sumitomo and Metal One, all three based in Japan. Metal One Pipe & Tubular Products is active in the wholesale steel pipe and piping equipment distribution. Sumitomo is an integrated trading and investment company, which is active in various sectors. Metal One is an integrated steel trading company, which supplies various steel products. The Commission concluded that the acquisition would raise no competition concerns because Metal One Pipe & Tubular Products has negligible activities in the European Economic Area. The operation was examined under the simplified merger review procedure. More information will be available on the Commission's competition website, in the public case register under the case number M.9177. *(For more information: Lucía Caudet – Tel. +32 229 56182; Maria Tsoni – Tel.: +32 229 90526)*

Mergers: Commission clears acquisition of United Group by BC Partners

The European Commission has approved, under the EU Merger Regulation, the acquisition of United Group of the Netherlands by BC Partners of the UK. United Group provides telecommunications and media services in South East Europe. BC Partners is a private equity firm, which controls Intelsat, a global provider of satellite communications services. The transaction gives rise to a vertical relationship between the retail satellite pay-TV activities of United Group in South East Europe, and the Europe-wide wholesale satellite activities of Intelsat. The Commission concluded that the proposed acquisition would raise no competition concerns because Intelsat does not have market power in the wholesale of satellite capacity and United Group is only one of the many customers active in the market. The operation was examined under the normal merger review procedure. More information is available on the Commission's competition website, in the public case register under the case number M.9152. *(For more information: Lucía Caudet – Tel. +32 229 56182; Maria Tsoni – Tel.: +32 229 90526)*

ANNOUNCEMENTS

African Swine Fever: ministerial conference on preparedness and long-term management of wild boar

Tomorrow, 19 December, the ministerial conference on the "Eradication of African swine fever in the EU and the long-term management of wild boar populations" organised by the Commission will take place in Brussels. For the first time, at the initiative of Commissioner for Health and Food Safety, Vytenis **Andriukaitis**, Agricultureand Environment Ministers are gathered in a joint event to reflect upon the control and eradication of African Swine Fever.The meeting will focus on the preparedness of Member States to deal with African Swine Fever and with long-term management of the wild boar population: the effects of the different wild board control optionswill be addressed and the latest scientific developments of the disease will be presented by EFSA. The overall objective of the meeting is to enhance better cooperation and coordination among veterinary services, farmers, forestry management bodies, and hunters. Ahead of the event, Commissioner **Andriukaitis** said: *"Prevention, control and eradication of African Swine Fever must remain a high priority for the EU in order to minimise the potential risks for the farming sector, the environment and the European eco-system. The wild boar population plays an important role in the spreading of the disease especially in certain European regions where it has developed substantially. Biosecurity measures should be the core of the EU strategy, and our actions shall be proportionate and cannot lead to the extermination of the wild boar, a native EU species which shall remain an integral component of the ecosystem. This conference aims to stir a common strategic reflection on these issues and I look forward to discussing these issues with actors who are on the front line of the fight against African Swine Fever."*The event to be web-streamed tomorrow, 19 December, as from 9:30 CET here. More information on ASF here. (*For more information: Anca Paduraru – Tel.: +32 229 91269; Aikaterini Apostola – Tel.: +32 229 87624)*

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

Africa-Europe Alliance: first projects kicked off just three months after launch

At the High-Level Forum Africa-Europe today in Vienna, hosted jointly by the Austrian Presidency of the EU, notably by Austrian Chancellor Sebastian Kurz, and Paul Kagame, President of Rwanda and the Chairman of the African Union for 2018, President Jean-Claude **Juncker** reiterated Europe's ambition for a true and fair partnership among equals between Africa and Europe. President Juncker presented the first results of the Africa–Europe Alliance for Sustainable Investment and Jobs, just three months after its launch. The Alliance aims to deepen the economic and trade relations between the two continents, in order to create sustainable jobs and growth.

European Commission President Jean-Claude **Juncker** said: *"Europe and Africa share a long history and a bright future. This is why I proposed a new Africa-Europe Alliance for Sustainable Investment and Jobs, to help attract both European and African investment and create 10 million jobs in Africa over the next five years. Translating words into action, we have already taken a series of measures to bring our ambitions to life."*

The President is accompanied to the High-Level Forum by Vice-President Andrus **Ansip**, Commissioner for European Neighbourhood Policy and Enlargement Negotiations Johannes **Hahn**, Commissioner for International Cooperation and Development Neven **Mimica**, Commissioner for Agriculture and Rural Development Phil **Hogan** and Commissioner for Digital Economy and Society Mariya **Gabriel**.

The Africa-Europe Alliance, announced by President **Juncker** in his 2018 State of the Union Address, focuses on four key areas. Three months on, work is already well underway in each:

1. Strategic Investment and Job Creation

The **EU External Investment Plan** aims to raise significant sustainable investments in Africa and European neighbourhood countries by 2020. From the €44 billion announced, programmes already in the pipeline will mobilise **€37.1 billion of investments**.

New projects were announced today:

- An EU guarantee (NASIRA Risk-Sharing Facility), the first of its kind under the EU External Investment Plan, will use worth **€75 million** of EU funds to leverage up to **€750 million of investments for entrepreneurs in Sub-Saharan Africa and the EU's southern neighbourhood**. Alone this is expected to create 800,000 jobs and benefit those who usually struggle to access affordable loans, such as small and medium sized enterprises, internally displaced people, refugees, returnees, women and young people.

- A new Agri-Business Capital fund worth **€45 million** will support smallholder agriculture by increasing access to finance for individual smallholder farmers. It is expected to attract more than **€200 million in investments** and benefit as many as 700,000 households in rural areas.
- To support the **EU's southern neighbourhood**, a programme worth **€61.1 million** will supportsolar power plants in **Morocco** and **€46.8 million** will be invested in depolluting the Kitchener Drain in the Nile Delta region in **Egypt**.

2. Investment in Education and Matching Skills and Jobs

Since 2015, the Erasmus+ programme supported 16,000 exchanges of African students and staff from African Universities to come to Europe on short-term exchanges. With new Erasmus+ calls ongoing, the EU is well on track to deliver on its announced 2020 target of reaching 35,000 exchanges.

3. Business Environment and Investment Climate

In 2018 alone, the European Union has committed over **€540 million** to support business and investment climate reforms– significantly exceeding the Africa-Europe Alliance's commitment to increase European Union support up to €300-350 million per year for 2018-2020.

Public-private dialogues to promote Sustainable Business for Africa (SB4A) have been established in the following African countries: Cote d'Ivoire, Ethiopia, Morocco, Nigeria, South Africa, Tanzania, Tunisia and Uganda. Similar dialogues in 25 additional African countries are currently being prepared. This will help to boost decent job creation, in particular for young people and women. The dialogues were launched in Abidjan during the EU-Africa business forum in November 2017.

4. Economic Integration and Trade

The European Union is committed to support the creation of a **African Continental Free Trade Area**, and has notably announced **€50 million** of support. A first step was taken today with a **€3 million** programme signed with the United Nations Economic Commission for Africa to develop national implementation strategies for the continental free trade area. The establishment of an African trade observatory is also planned, and will be a key pillar of the African Continental Free Trade Area.

Working Together in Strategic Areas

A key component of the Africa-Europe Alliance is close collaboration between both sides. Four joint task forces have been set up:

- The **rural Africa task force** today presented its recommendations on how best to develop Africa's agriculture, food sector and rural economy.

- The **digital economy task force** met for the first time on 18 December in Vienna, on the occasion of the High-Level Africa-Europe forum. Its aim is to develop by June 2019 proposals for concrete actions and projects that support the integration of digital markets in Africa, boosting public and private investment, improving the business environment and investment climate as well as the development of digital skills.

- The **energy task force** was launched at the Africa Investment Forum in Johannesburg in November 2018. It brings together key players in the sustainable energy sector from the public and private sectors of both Europe and Africa.
- A **task force for transport** is currently being set up.

For more information

Speech by President Juncker at the High-Level Forum Africa-Europe*

Africa-Europe Alliance for Sustainable Investment and Jobs

Factsheet – Africa-Europe Alliance for Sustainable Investment and Jobs

EU External Investment Plan

Webrelease – Africa-Europe Alliance: EU supports the African Continental Free Trade Area with €50 million

Webrelease – Africa-Europe Alliance: EU to contribute €45 million to boost agri-business investments and create jobs in rural areas

Webrelease – EU External Investment Plan: Commission and FMO sign the first guarantee agreement to unlock financing for jobs

* Updated on 18/12/2018 at 15:38

EIOPA updates representative portfolios to calculate volatility adjustments to the Solvency II risk-free interest rate term structures

Today, the European Insurance and Occupational Pensions Authority (EIOPA) published updated representative portfolios that will be used for calculation of the volatility adjustments (VA) to the relevant risk-free interest rate term structures for Solvency II.

EIOPA will start using these updated representative portfolios for the calculation of the VA end of March 2019, which will be published at the beginning of April 2019.

EIOPA publishes the updated representative portfolios now, i.e. three months in advance in order to allow (re)insurers sufficient time to prepare for this change.

The updated portfolios are based on the end-of-2017 annual reporting templates as reported by European (re)insurance companies to their national supervisory authorities. The updated portfolios enable more accurate reflection of the impact of market volatility under the Solvency II framework.

EIOPA is revising the representative portfolios on a yearly basis with the next update being scheduled for the end of 2019 according to art. 193 of the Technical Documentation.

The representative portfolios are available on EIOPA's website under "Background Material / Updated representative portfolios for the calculation of the volatility adjustment (applicable end-of-March 2019)".

Background
The volatility adjustments are derived from spreads of representative portfolios of assets. The representative portfolios are derived in accordance with Article 49 of Commission Delegated Regulation (EU) 2015/35.

The volatility adjustment is a measure to ensure the appropriate treatment of insurance products with long-term guarantees under Solvency II. (Re)insurers are allowed to adjust the RFR to mitigate the effect of short-term volatility of bond spreads on their solvency position. In that way, the volatility adjustment prevents pro-cyclical investment behaviour of (re)insurers.