

Are apprenticeships keeping up with changes in manufacturing?

Apprenticeships are long established in manufacturing and are attractive for both employers and young people because of the balance between theoretical and practical education that they offer. However, in several countries in Europe and beyond, apprenticeships are lagging behind changes in manufacturing, and the potential of quality apprenticeships for both industry and the labour market are not being fully capitalised on.

The new report on **Adaptation of national apprenticeship systems to advanced manufacturing** from the Future of Manufacturing in Europe (FOME) project looks at apprenticeship systems and practices in the manufacturing sector in five EU Member States (Denmark, France, Germany, Ireland and Italy) and two countries outside Europe (Australia and the USA). It shows that all seven countries have public industrial policy initiatives aimed at fostering advanced manufacturing, but the link between these initiatives and initial vocational education and training (IVET) and apprenticeship policies and practices is relatively weak. Only in Germany and Denmark has a comprehensive approach to modernising and adjusting apprenticeship training been developed in response to new skills requirements.

Denmark and Germany are also the only countries where apprenticeship is the only or most widespread form of IVET. The systems there are characterised by a strong involvement of social partners in governance and the modernisation of occupations and training practice. Outside of Europe, in Australia and the USA, only limited numbers of occupational programmes and respective apprenticeship programmes are available, and there has been a weak form of social partner involvement, often centering primarily on input from employers. The report also shows that a lack of formally recognised national apprenticeship qualifications in Italy and the USA limits the possibility to significantly modernise apprenticeships to take account of industry changes.

Apprenticeships remain attractive for employers due to their emphasis on practical training, and is preferred by young people who thrive more in hands-on than academic learning environments. Apprenticeship training should be regarded as an integral part of modern industrial policy, and to be successful industrial policies fostering the transition to advanced manufacturing and implementing Industry 4.0 require a complementary strategy of Apprenticeship 4.0. National governments should seek the active involvement of sectoral social partners and IVET institutions in the design and implementation of industrial policies.

Europe has already played an important role in the development of apprenticeship training and industrial policy, with the adoption of a Council Recommendation establishing a European Framework for Quality and Effective Apprenticeships, as well as broader commitments to training and lifelong learning laid out in the European Pillar of Social Rights. More can still be done however, including further initiatives to more actively involve relevant

social partners and IVET institutions in industrial policy dialogue.

Ensuring that future workers, primarily young people, have the most appropriate and relevant training they need, including via IVET and apprenticeships, is vital in order to fully develop Industry 4.0 for economic, social and employment dividends. Close cooperation between the EU, national governments, social partners, and educational institutions is essential and, given the pace of technological change and its impact on industry, will become even more important in the future.

[MiFID II: ESMA makes new bond liquidity data available](#)

ESMA will start today to make available the third quarterly liquidity assessment for bonds available for trading on EU trading venues at the end of October. For this period, there are currently 470 liquid bonds subject to MiFID II transparency requirements.

ESMA's liquidity assessment for bonds is based on a quarterly assessment of quantitative liquidity criteria, which include the daily average trading activity (trades and notional amount) and percentage of days traded per quarter. ESMA updates the bond market liquidity assessments quarterly. However, additional data and corrections submitted to ESMA may result in further updates within each quarter, published in FITRS (which shall be applicable the day following publication).

The full list of assessed bonds will be available through ESMA's Financial Instruments Transparency System (FITRS) in the XML files with [publication date from 31 October 2018](#) and through the [Register web interface](#).

In addition, as first [communicated on 27 September 2018](#), ESMA is publishing for the first time the [completeness indicators](#) related to bond liquidity data.

Background

MiFID II became applicable on 3 January 2018 introducing, amongst others, pre- and post-trade transparency requirements for equity and non-equity instruments, including for bonds. Post-trade, MiFID II requires real-time publication of the price and quantity of trades in liquid bonds. It is possible to defer the publication of post-trade reports if the instrument does not have a liquid market, or if the transaction size is above large-in-scale thresholds (LIS), or above a size specific to the instrument (SSTI). In order to assist market participants to know whether a bond should be considered as liquid or not, ESMA publishes these quarterly liquidity assessments for bonds.

Next steps

The transparency requirements for bonds deemed liquid today will apply from 16 November 2018 to 15 February 2019. From 16 February, the next quarterly assessment, to be published on 1 February 2019, will become applicable.

[MiFID II: ESMA publishes data for the systematic internaliser calculations for equity, equity-like instruments and bonds](#)

More specifically, ESMA has published the total number of trades and total volume over the period April-September 2018 for the purpose of the systematic internaliser (SI) calculations for 17,999 equity and equity-like instruments and for 387,212 bonds.

The results are published only for instruments for which trading venues submitted data for at least 95% of all trading days over the 6-month observation period. The data publications also incorporate OTC trading to the extent it has been reported to ESMA. The publication includes data for instruments which are no longer available for trading on EU trading venues at the end of October.

The publication of the data for the SI calculations for derivatives and other instruments will start on 1 February 2019 as set out in the [plan announced by ESMA](#) on 12 July 2018.

Background

According to Article 4(1)(20) of Directive 2014/65/EU (MiFID II) investment firms dealing on own account when executing client orders over the counter (OTC) on an organised, frequent systematic and substantial basis are subject to the mandatory SI regime.

Commission Delegated Regulation (EU) No 2017/565 specifies thresholds determining what constitutes frequent, systematic and substantial OTC trading. In particular, investment firms are required to assess whether they are SIs in a specific instrument (for equity and equity-like instruments, bonds, ETCs and ETNs and SFPs) or for a (sub-) class of instruments (for derivatives, securitised derivatives and emission allowances) on a quarterly basis based on data from the previous six months. For each specific instrument/sub-class, an investment firm is required to compare the trading it undertakes on its own account compared to the total volume and number of transactions executed in the European Union (EU). If the investment firm exceeds the relative thresholds it will be deemed an SI and will have to fulfil the SI-specific obligations. ESMA, upon request of market participants

and on a voluntary basis, decided to compute the total volume and number of transactions executed in the EU in order to help market participants in the performance of the test since that data is essential for the operation of the SI regime and is not otherwise easily available.

Myanmar: EU mission assesses human rights and labour rights situation

This follows deeply worrying developments highlighted in various United Nations reports, in particular as regards human rights violations in Rakhine, Kachin and Shan States and concerns around labour rights.

This week's high-level mission was part of the broader engagement that the European Commission has launched to monitor Myanmar's respect of fifteen fundamental UN and International Labour Organisation (ILO) conventions. In order to continue to benefit from duty-free, quota-free access to the EU market through the Everything But Arms (EBA) scheme, Myanmar must uphold and respect the principles enshrined in these conventions.

The findings of this mission will feed into the analysis on whether to remove these trade preferences through a temporary EBA withdrawal procedure. The European Union will now analyse as a matter of priority the information gathered during the mission, as well as further information from the Myanmar government, before considering the next steps. The EU stands ready to provide necessary support to Myanmar to address the concerns of the international community. Nevertheless, withdrawal of trade preferences is a clear possibility if other channels of cooperation have failed to reach results.

Commissioner for Trade Cecilia **Malmström** said: *"Trade, done right, is a powerful force for good. Since several years, we have worked to ensure that trade preferences and access to the EU market are an incentive to promote fundamental human and labour rights. We now expect Myanmar to address the severe shortcomings that have been highlighted during this monitoring mission. If they do not act, Myanmar authorities are putting their country's tariff-free access to the EU market in danger— a scheme which has proved to be vital for the economic and social development of the country, providing thousands of jobs to workers in sectors such as textiles, agriculture and fisheries. We are committed to helping Myanmar improve the situation and ensure that the principles enshrined in the international conventions to which Myanmar has committed are not undermined."*

The EU has reiterated at several occasions its serious concerns about the disproportionate use of force and widespread and systematic grave human rights violations committed by the Myanmar military and security forces, in particular in Rakhine State but also in Kachin and Shan States. These violations were also evidenced most recently in the detailed report of the UN

Independent International Fact-Finding Mission on Myanmar in September of this year.

The EU mission this week met with several ministers, as well as with trade unions, businesses, civil society, and United Nations and International Labour Organisation representatives in the country. It provided the opportunity for an open dialogue with Myanmar on key issues such as: ensuring constructive cooperation with relevant UN bodies; supporting international efforts to investigate and prosecute individuals suspected of having committed crimes against humanity; ensuring full humanitarian access notably in Rakhine, Kachin and Shan States; ensuring implementation of the recommendations of the Advisory Commission on Rakhine State, creating conditions for a voluntary, safe and dignified return of Rohingya refugees in Bangladesh to their places of origin.

The EU mission also discussed its concerns regarding the continued use of forced labour in parts of the country, in particular by Myanmar's armed forces, including child recruitment, as well as the need for further reforms as regards freedom of association and collective bargaining.

Background

Under the EBA arrangement of the Generalised Scheme of Preferences (GSP), the EU unilaterally grants exporters from Least Developed Countries (LDCs) tariff-free and quota-free access to its market for all products (except arms and ammunition) with the aim to contribute to the economic development of these countries and their integration into the global trading system.

A beneficiary country can have its trade preferences withdrawn temporarily if there is evidence of serious and systematic violations of the core principles laid down in the 15 fundamental international human rights and labour rights conventions of the United Nations and the International Labour Organisation.

The EBA arrangement has brought important benefits to the economy of Myanmar. Preferential exports to the EU have risen sharply in recent years from €535 million in 2015 to €1.3 billion in 2017. Out of all of Myanmar's EBA-eligible exports, 95% were made under EBA preferences. In 2017, 72.2% of Myanmar's exports to the EU could be attributed to textiles, leading to particularly strong job creation and growth in this sector. The EU is the 3rd largest export market of Myanmar, absorbing around 8.8% of Myanmar's total exports in 2017.

The EU has stepped up its engagement with Myanmar (see also the EU [GSP report of January 2018](#)) in response to serious concerns about the continuing deterioration of respect for human rights and the rule of law, as flagged further by the European Parliament ([Resolution of 13 September 2018](#)) and the Council (Foreign Affairs Council's [Conclusions of 26 February 2018](#)).

For More Information

[Blog post by Commissioner Malmström, 5 October](#)

[What is Everything But Arms \(EBA\)?](#)

Press release: Simpler, more flexible rules proposed for cohesion funds after 2020, but additional safeguards needed, warn EU Auditors

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