

EU releases €138 million in humanitarian and development funding for Africa's Lake Chad region

The humanitarian crisis in the Africa's Lake Chad basin, affecting parts of Nigeria, Niger, Chad and Cameroon, continues to worsen due to prolonged violence, insecurity and environmental degradation. To help the most vulnerable communities, the Commission has today announced new funding of €138 million combining humanitarian and development assistance. This is part of an overall EU aid package for the region worth €232 million.

Speaking today at the High Level Conference on the Lake Chad Region in Berlin, Commissioner for Humanitarian Aid and Crisis Management Christos **Stylianides** said:

"The disastrous effects of armed conflict and violence in the Lake Chad basin have had a serious impact in an area already plagued by poverty and the extreme effects of climate change. The EU is committed to continue to help the most vulnerable. Today we are stepping up our humanitarian and development assistance. What is crucial is for all parties to the conflict to ensure full access throughout the region so our aid can reach those in need."

"As the humanitarian situation remains pressing, we also need to help prepare the region to move from conflict to peace – and from fragility to resilience. Our new funding will invest in social services and tackle poverty, environmental degradation and the effects of climate change. We will also boost some of our existing programmes in North East Nigeria by strengthening girls' education and reintegration efforts, as well as health and nutrition services," said Commissioner for International Cooperation and Development Neven **Mimica**.

Today's package is part of the EU's strategy to better link its humanitarian and development support, with Nigeria and Chad being both pilot countries in this effort. Between 2014 and 2017, the EU provided close to €700 million in humanitarian aid and development assistance to the region.

Background

Breakdown of new aid package:

The humanitarian assistance announced today will go to four countries in the region: **Nigeria** (€47 million), **Niger** (€15 million), **Chad** (€11.8 million), and **Cameroon** (€15.1 million). Out of this funding, €58.75 million was [announced in July 2018](#) as part of humanitarian assistance provided by the EU to the Sahel countries. Humanitarian assistance will cover the acute food and nutrition needs as well as supporting protection activities, access to basic health care and shelter. The EU will also support livelihoods, helping people rebuild their lives.

The development assistance announced today will also go to the four countries in the region: **Nigeria** (€74.5 million), **Niger** (€32.2 million), **Chad** (€33.2 million), and **Cameroon** (€2.7 million), for a combined amount of €143 million, out of which €34.7 was announced earlier this year. The humanitarian situation in the Lake Chad basin is extremely fragile. Over 2.4 million people have been forcibly displaced (including 1.2 million children), while violence and insecurity have also had a negative impact on the lives and livelihoods of more than 17 million people. Around 3.6 million people are in need of emergency food assistance and 440, 000 severely malnourished children across the region need life-saving assistance. The resulting humanitarian crisis is among the largest in the world.

EU development support in the region includes the creation of appropriate security conditions for the return and sustainable reintegration of internally displaced people and refugees; supporting the redeployment of the state for the provision of basic services (healthcare, food security and education); supporting economic recovery and job creation, notably for the youth.

For More Information

[Nigeria](#)

[Niger](#)

[Chad](#)

[Cameroon](#)

EU-US Trade: European Commission recommends settling longstanding WTO dispute

The Commission decided today to ask the Council for a mandate to discuss with the United States the review of the functioning of an existing quota to import hormone-free beef into the European Union.

The European Commission is committed to deliver on the letter and the spirit of the [Joint Statement agreed on 25 July](#) by Presidents **Juncker** and Trump to launch a new phase in the trade relationship between the European Union and the United States. Besides implementing the specific elements identified in the Joint Statement, the two sides should also endeavour to work on outstanding trade issues.

Commissioner for Agriculture Phil **Hogan** said: “By requesting this mandate to

the Council the Commission is delivering on an engagement taken earlier this year to try to address some concerns raised by the United States on the functioning of the quota in a mutually satisfactory solution that is fully in line with WTO rules. By taking this step, we are also contributing to ease tensions across the Atlantic, in line with the agreement reached by President **Juncker** in July. As we send this proposal to the Council I want to reassure European producers that the already existing beef quota under the Memorandum of Understanding will remain at exactly the same level. And I want also to reassure our consumers that the said quota will continue to cover only products complying with Europe's high food safety and health standards, in this case only non-hormone treated beef."

In its proposal to the Council, the Commission suggests to allocate to the United States a part of the existing quota that is also available to exporters from other countries.

In its proposal to the Council, the Commission suggests to identify a WTO-consistent and mutually agreed possible way forward, based on the country-allocation of the existing quota.

In 2009, the European Union and the United States concluded a Memorandum of Understanding (MoU), revised in 2014, which provided for an interim solution to a longstanding WTO dispute regarding the use of certain growth-promoting hormones in beef production. Under the agreement, a 45,000 tonnes quota of non-hormone produced beef is open by the EU to qualifying suppliers, which include the United States.

The review of the MoU was requested by the previous US Administration in 2016 and the two sides have since then discussed the US concerns on the implementation of the MoU on a regular basis. The negotiation mandate intends to address these concerns and to find a mutually satisfactory solution in line with World Trade Organisation (WTO) rules.

Background

In their [Joint Statement of 25 July](#), President **Juncker** and President Trump agreed to "launch a new phase in the relationship between the United States and the European Union" also through a specific set of measures. The European Commission has been actively following-up and delivering on the different elements of that statement, notably on the [increase of trade in soybeans](#) and [Liquefied Natural Gas \(LNG\)](#).

For More Information

[Recommendation for a Council decision authorising the opening of negotiations on an agreement with the United States regarding the importation of high quality beef from animals not treated with certain growth-promoting hormones](#)

Back to school: Schoolchildren to receive milk, fruits and vegetables at school thanks to EU programme

Aimed at promoting healthy eating habits among children, the EU school scheme includes the distribution of fruit, vegetables and milk products, as well as dedicated educational programmes to teach pupils about the importance of good nutrition and to explain how food is produced.

With the number of participating schools increasing, the healthy eating initiative reached over 30 million children across the European Union in the [2017/2018 school year](#).

European Commissioner for Agriculture and Rural Development, Phil **Hogan**, said: *"It is important to know where our food comes from and the hard work that comes with it. With the EU school schemes, not only do the children learn about farming and food production but they also taste quality produce and benefit from their nutritional values. It is never too early to enjoy good food!"*

Under the scheme, €150 million is set aside each school year for fruit and vegetables and €100 million for milk and other dairy products. Although participation is voluntary, [all EU Member states](#) opted to get involved, either for all or part of the scheme. National allocations for all 28 Member States taking part in the scheme for the 2018-19 school year were approved and adopted by the European Commission in [March 2018](#). Member States also have the option to top up EU aid with national aid to finance the scheme.

The choice of products distributed is based on health and environmental considerations, seasonality, variety and availability. Member States may encourage local or regional purchasing, organic products, short supply chains, environmental benefits, agricultural quality schemes.

The distribution of fruit, vegetables and milk started is accompanied by a variety of educational activities for school children. Almost all countries established committees with the participation of authorities and stakeholders in the agriculture, health and education sector, several of which met in the course of the school year to supervise the activities.

For more information

[The EU school fruits, vegetables and milk scheme](#)

[Educational pack for children on food and farming in Europe](#)

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Juncker Plan: €300 million for Italian SMEs in creative and cultural sectors

The European Investment Fund (EIF) and Italy's national promotional institution Cassa Depositi e Prestiti (CDP) have signed an agreement under the [Cultural and Creative Sectors Guarantee Facility](#) of the EU's [Creative Europe Programme](#) with the aim of generating €300 million in new financing for around 3,500 SMEs in the cultural and creative sectors in Italy. The agreement is supported by the EU budget under the [Juncker Plan's](#) European Fund for Strategic Investments (EFSI). Access to finance in the creative and cultural sectors can be difficult to obtain, primarily due to the intangible nature of their assets and collateral, the limited size of the market, demand uncertainty, and lack of financial intermediary expertise in addressing sector specificities. Mariya **Gabriel**, Commissioner for Digital Economy and Society, and Tibor **Navracsics**, Commissioner for Education, Culture, Youth and Sport, said: *"Culture and the creative sectors build bridges between art, business and technology. They are a catalyst for innovation and foster risk-taking attitudes, which are key in building resilience. Helping these companies scale up and stimulate creativity is high on the European Commission's agenda. This guarantee agreement helps to bridge the financing gap faced by these sectors and will have important economic and social benefits."* A press release can be found [here](#). (For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Inga Höglund – Tel.: +32 229 50698)

C'est la rentrée: les écoliers recevront du lait, des fruits et des légumes à l'école grâce à un programme européen

Le programme européen "[fruits, légumes et lait dans les écoles](#)" recommence en ce début d'année scolaire pour les écoliers européens. Ce programme vise à promouvoir de bonnes habitudes alimentaires chez les enfants qui, en plus de recevoir du lait, des fruits et des légumes, apprennent les bases de la nutrition et l'origine des produits alimentaires. De plus en plus d'écoles prenant part au programme et ce sont plus de 30 millions d'enfants qui en ont bénéficié durant l'année scolaire 2017-2018. Le commissaire européen à l'agriculture, Phil **Hogan**, a déclaré: *"Il est important de savoir d'où vient notre nourriture et de comprendre tous les efforts nécessaires pour produire nos aliments. Avec le programme européen "fruits, légumes et lait dans les écoles", non seulement les enfants se familiarisent avec la production agricole et alimentaire mais ils goûtent également à des produits sains et savoureux. Il n'est jamais trop tôt pour apprendre à bien manger!"* Avec ce programme, 150 millions d'euros sont alloués chaque année pour la distribution de fruits et légumes et, 100 millions d'euros pour le lait et d'autres produits laitiers. Bien que la participation soit volontaire, tous les pays membres de l'UE ont choisi d'y participer. Un communiqué de presse est [en ligne](#) dans toutes les langues de l'UE. (Pour plus d'informations: Daniel Rosario – Tél.: + 32 229 56185; Clémence Robin – Tél.: +32 229 52509)

EU-US Trade: European Commission recommends settling longstanding WTO dispute

The Commission decided today to ask the Council for a mandate to discuss with the United States the review of the functioning of an existing quota to import hormone-free beef into the European Union which should settle a longstanding World Trade Organisation (WTO) dispute on export of US beef. The European Commission remains committed to deliver on the letter and the spirit of the Joint Statement agreed on 25 July by Presidents Juncker and Trump to launch a new phase in the trade relationship between the European Union and the United States. Besides implementing the specific elements identified in the Joint Statement, the two sides should also endeavour to work on outstanding trade issues. Commissioner for Agriculture Phil **Hogan** said: *"By requesting this mandate to the Council the Commission is delivering on an engagement taken earlier this year to try to address some concerns raised by the United States on the functioning of the quota in a mutually satisfactory solution that is fully in line with WTO rules. By taking this step, we are also contributing to ease tensions across the Atlantic, in line with the agreement reached by President Juncker in July. As we send this proposal to the Council I want to reassure European producers that the already existing beef quota under the Memorandum of Understanding will remain at exactly the same level. And I want also to reassure our consumers that the said quota will continue to cover only products complying with Europe's high food safety and health standards, in this case only non-hormone treated beef."* The negotiation mandate intends to address US concerns and to find a mutually satisfactory solution in line with World Trade Organisation (WTO) rules. A press release is [online](#) with more information. (For more information: Daniel Rosario – Tel.: + 32 229 56185; Clémence Robin – Tel.: +32 229 52509)

Trade: Commission decides not to extend trade defence measures on solar panels from China

After having been in place for almost five years, the EU [anti-dumping](#) and [anti-subsidy](#) measures on solar panels from China will expire today at midnight. After considering the needs of both producers and those using or importing solar panels the Commission decided it was in the best interests of the EU as a whole to let the measures lapse. This decision also takes into account the EU's new renewable energy targets. The EU first imposed definitive anti-dumping and anti-subsidy measures in December 2013 for a period of two years. These were then renewed in March 2017 for a period of 18 months only, as opposed to the usual five years. The level of the measures has gradually decreased over time to allow the prices of the imports into the EU to align progressively with world market prices. The Commission observed that the market situation has not changed to the extent that this would justify a further extension of the measures now beyond the scheduled 18 months. It therefore rejected the EU industry's request for an expiry review investigation. More information is available [here](#). (For more information: Daniel Rosario – Tel.: + 32 229 56185; Clémence Robin – Tel.: +32 229 52509)

L'UE débloque 138 millions d'euros d'aides humanitaire et au développement en faveur de la région africaine du lac Tchad

Pour aider les populations les plus vulnérables dans le bassin du lac Tchad, en Afrique, la Commission a annoncé aujourd'hui une enveloppe supplémentaire de 138 millions d'euros combinant aide humanitaire et aide au développement. Cela fait partie d'un programme d'aides global de l'Union européenne pour la région, doté au total de 232 millions d'euros. Le commissaire pour l'aide humanitaire et la gestion des crises, Christos **Stylianides**, s'est exprimé aujourd'hui lors de la conférence de haut niveau sur la région du lac Tchad, qui s'est tenue à Berlin : *"Les effets désastreux des conflits armés et de la violence dans le bassin du lac Tchad ont durement frappé une région déjà touchée par la pauvreté et les conséquences extrêmes du changement climatique. L'UE est résolue à continuer d'aider les plus vulnérables. (...) L'essentiel, c'est que toutes les parties engagées dans le conflit qui affecte cette zone garantissent un accès total à l'ensemble de la région, de sorte que notre aide puisse atteindre ceux qui en ont besoin.»* Neven **Mimica**, commissaire pour la coopération internationale et le développement, a également déclaré : *"La situation humanitaire reste préoccupante et nous devons également préparer la région à la transition du conflit vers la paix et, de la fragilité vers la résilience. Notre nouvelle enveloppe d'aides servira à investir dans les services sociaux, ainsi qu'à lutter contre la pauvreté, la dégradation de l'environnement et les effets du changement climatique. Nous renforcerons également certains de nos programmes existants dans le nord-est du Nigeria (...)"* Le communiqué de presse est disponible [ici](#). (Pour plus d'informations: Carlos Martin Ruiz de Gordejuela – Tél.: +32 229 65322; Daniel Puglisi – Tél.: +32 229 69140)

Mergers: Commission clears acquisition of sole control of Wind Tre by Hutchison, subject to conditions

The European Commission has approved under the EU Merger Regulation Hutchison's acquisition of sole control of Wind Tre, currently controlled by Hutchison and VEON. Wind Tre was created in 2016 from the combination of the activities of VimpelCom's (now VEON) subsidiary WIND with those of Hutchison's subsidiary H3G, respectively the third and fourth largest operators in the Italian retail mobile market. The Commission [cleared](#) the 2016 transaction because its concerns were fully addressed through effective structural remedies offered by Hutchison and VimpelCom. The Commission's review of Hutchison's acquisition of sole control over Wind Tre found that the new transaction does not alter the existing competitive situation resulting from the first transaction and did not identify any further competition concerns. However, the Commission concluded that, should the remedies cease to be implemented, the new transaction would raise the same concerns identified by the Commission in the 2016 clearance decision. To address these concerns, Hutchison has offered to assume full responsibility for complying with the commitments submitted jointly with VimpelCom (now VEON) in 2016. The Commission concluded that the proposed transaction, as modified by the commitments, would no longer raise competition concerns. The decision is conditional upon full compliance with the commitments.

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *"Today's decision confirms that the structural remedies accepted by the Commission in order to clear the creation of Wind Tre in 2016 were effective. They have not only preserved but also incentivised competition in the mobile telecommunications market in Italy. It is important to ensure full implementation of those remedies so that Italian consumers can continue to enjoy high quality mobile services at fair prices."* The full press release is available online in [EN](#), [FR](#), [DE](#) and [IT](#). (For more information: Lucía Caudet – Tel. +32 229 56182; Maria Tsoni – Tel.: +32 229 90526)

Mergers: Commission clears creation of joint venture by ZF Friedrichshafen, Magura, BFO and BMZ

The European Commission has approved, under the EU Merger Regulation, the acquisition of joint control over Sachs Micro Mobility GmbH, a newly established joint venture, by ZF Friedrichshafen GmbH, Gustav Magenwirth GmbH & Co. KG ("Magura"), Brake Force One GmbH ("BFO") and BMZ Batterien-Montage-Zentrum GmbH ("BMZ"), all of Germany. The joint venture will be active in research, development, production and distribution of anti-lock braking systems and drive systems for light electric vehicles, including e-bikes. While all of four of the mother companies are active in the production and sale of various components for bikes and light electric vehicles, there are no significant horizontal or vertical overlaps with regard to the activities of the joint venture. The Commission therefore concluded that the proposed acquisition would raise no competition concerns. 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.9043](#). (For more information: Lucía Caudet – Tel. +32 229 56182; Maria Tsoni – Tel.: +32 229 90526)

Mergers: Commission clears acquisition of joint control of Miogas by Spigas and Canarbino

The European Commission has approved, under the EU Merger Regulation, the acquisition of joint control over Miogas by Spigas and Canarbino, all of Italy. Miogas is a regional supplier of natural gas and electricity for about 35 000 customers in south-west region of Milan, Italy, mainly in the municipalities of Gaggiano, Binasco, Rozzano and Melegnano. Miogas is currently solely controlled by Spigas. Spigas is active on the markets for the wholesale supply of gas, primarily in Italy, but also in other markets in the EU. Canarbino operates a vertically integrated company in the energy supply chain, both in gas and electricity, in Italy. The Commission concluded that the proposed acquisition would raise no competition concerns given Miogas' limited activities within the European Economic Area. 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.8983](#). (For more information: Lucía Caudet – Tel. +32 229 56182; Maria Tsoni – Tel.: +32 229 90526)

ANNOUNCEMENTS

Commissioner Hahn on official visit to Georgia

Johannes **Hahn**, Commissioner for European Neighbourhood Policy and Enlargement Negotiations, is today and tomorrow in Tbilisi, Georgia for an official visit. Today, Commissioner **Hahn** will have a bilateral meeting with Foreign Minister Davit Zalkaniani. Tomorrow, Commissioner will meet President of Georgia Mr Giorgi Margvelashvili. The meetings will provide an opportunity to discuss ongoing implementation of the EU-Georgia Association Agreement, including its Deep and Comprehensive Free Trade Area, and possibilities for enhanced cooperation in the bilateral, regional and multilateral agendas. The visit comes just a few days after a [Memorandum of Understanding was signed](#) between the European Union and Georgia for up to €45 million in Macro-Financial Assistance, to support economic reforms and cover part of the country's financing needs. Commissioner **Hahn** will also meet today with the first student cohort of the new Eastern Partnership European School, which will be officially opened at a ceremony tomorrow. The school constitutes a major deliverable of the Eastern Partnership initiative following the [November 2017 Summit](#). Ahead of the school opening, the Commissioner will also have a meeting with the First Deputy Chairman of the Parliament of Georgia, Ms Tamar Chugoshvili, together with members of the opposition. More information on the Eastern Partnership European School will be available tomorrow in a [press release](#). Coverage of the Commissioner's visit will be available on [EbS](#). (For more information: Maja Kocijancic – Tel.: [+32 229 86570](#); Adam Kaznowski – Tel: [+32 229 89359](#))

Le commissaire Vytenis Andriukaitis en déplacement en France

Lundi 3 et mardi 4 septembre, Vytenis **Andriukaitis**, commissaire à la santé et à la sécurité alimentaire, sera en déplacement dans le sud de la France (Occitanie). Lundi, le Commissaire sera à l'Union Coopérative des Vignobles de Foncalieu où il rencontrera les représentants du Comité des Organisations Professionnelles Agricoles (Copa-Cogeca) et de la Confédération Européenne des Vignobles Indépendants (CEVI). L'objectif de cette première journée de visite est d'échanger sur le sujet de l'étiquetage. Mardi, le commissaire visitera la Coopérative Artisanale des Métiers de la Viande de l'Aude. Ensuite il se rendra à Carcassonne, à la rencontre des citoyens de la région, en compagnie d'André Viola, le président du conseil départemental de l'Aude, pour débattre des questions d'alimentation et de gaspillage alimentaire et sur l'actualité européenne en la matière. *"Notre objectif pour l'avenir et de permettre aux Européens d'avoir accès à des régimes alimentaires sains et durables et pour cela il me semble essentiel de les informer non seulement sur ce qu'ils mangent mais aussi sur ce qu'ils boivent. Je me réjouis de discuter de ces questions et particulièrement dans une région clé pour tous les sujets liés à l'alimentation"*, a déclaré le commissaire **Andriukaitis** avant la visite. (Pour plus d'informations: Anca Paduraru – Tél.: +32 229 91269; Aikaterini Apostola – Tél.: +32 229 87624)

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

Yves Mersch: Strengthening the European financial industry amid disruptive global challenges



EUROPEAN CENTRAL BANK
EUROSYSTEM

Speech by Yves Mersch, Member of the Executive Board of the ECB, at the European Institute of Financial Regulation (EIFR), Paris, 3 September 2018

Europe's financial industry still faces a number of challenges. Its continued weak performance, with low price-to-book ratios and meagre profitability, is ample proof of that.

Some of those challenges – such as high levels of legacy assets, the need for deleveraging and the burden of stricter regulation – are a result of the financial crisis. But even before the financial crisis, the industry was facing pressure on various fronts, and those challenges are still there. In particular, fundamental technological change continues to call established business models into question.

Today, I will focus on disruptive challenges that are arising in a particular area of business: digital technology. Such technology is becoming ever more important in banking and is opening the door to competition from non-banks in core areas such as payments. Cascades of complementary innovations have already fundamentally altered the payment landscape, and European banks need to act now if they want to avoid losing out to bigger international players.

The euro area has been very successful in providing a top-tier foundation for innovative payment services. However, this foundation has not yet been fully utilised by European players to provide true state-of-the-art pan-European services. There is currently a window of opportunity for Europe's financial industry to make use of this top-tier infrastructure and the changing patterns in retail payments. But in order to seize these opportunities, it needs to avoid the mistakes of the past.

Laying the foundations

The euro was introduced in 1999, with physical banknotes and coins following in 2002. However, that success was not matched by integration in the market for electronic retail payments in euro, with national solutions remaining disparate and lacking interoperability. While the establishment of TARGET, the real-time gross settlement system for the euro, resulted in a fully integrated money market and wholesale payment market, cross-border retail payments in euro remained expensive, slow and inefficient, with no standardised way of making electronic payments across the euro area. For far too long, huge economies of scale remained unexploited.

The ECB played a key role in laying the foundations for such standardised cross-border payments through the establishment of the Single Euro Payments Area (SEPA) – an endeavour that required substantial efforts by all stakeholders. That initiative consisted of two key stages.

First of all, a harmonised legal framework was needed for payment services in the EU. Thus, the Payment Services Directive (PSD) was adopted in 2007 and entered into force in 2009.

Second, it was important to ensure that consumers and businesses in the EU could send payments to each other quickly and easily across borders, with no differences between domestic and non-domestic payments. The SEPA credit transfer and SEPA direct debit schemes replaced all domestic payment schemes in the euro area, using fully interoperable global standards.

Catering for innovation

In the current age of rapid technological progress, it is vital to ensure that innovation delivered by banks and non-banks reaches all European citizens. Innovative bespoke national solutions using national – or, more frequently, non-European – technology could threaten the integration achieved by the various SEPA schemes.

Innovation may start at domestic level, but it should not face barriers preventing pan-European expansion. Thus, national solutions should provide for pan-European reach in their initial design. As these solutions tend to be provided by non-banks or disseminated by local banks on behalf of non-European entities, third-party providers need regulated access to payment accounts. The revised Payment Services Directive (PSD2), which is currently in the process of being implemented, will provide secure and interoperable payment account access and will allow innovative new payment services to be

provided in the EU. What we don't need is integration with non-European countries that runs counter to European standards.

While legislation is indispensable for an integrated market and to promote innovation, it is not the only precondition. Cooperation between stakeholders is also essential in order to ensure smooth and harmonised processes throughout the EU.

The ECB has brought the market together, initially via the SEPA Council and then via the Euro Retail Payments Board (ERPB). The ERPB was instrumental in the development of the SEPA instant credit transfer scheme, which is now live, with over 1,000 providers participating. Those instant payments have been achieved without legislation, with the ECB instead facilitating dialogue and consensus between market actors.

Moreover, that scheme will soon be complemented by the ECB's new Target Instant Payment Settlement service, which is set to go live this November, providing a real-time, high-end platform for payment service innovation.

The challenge for Europe

Progress towards an integrated market for payments has not been without its problems. Europe still does not have an integrated, standardised card payment network, with the vision of being able to use any card at any payment terminal in Europe having yet to be realised.

Europe's largest card payment networks are still not interoperable. For example, Germany's Girocard and France's Cartes Bancaires account for a substantial number of card payments in the euro area's two largest economies. However, owing to significant technical differences, a supposed lack of a business case and an absence of political will, these two networks remain separate – as do most other national card schemes. As a consequence, it is more convenient to use non-European cards when travelling across Europe.

Although some standardisation work has been carried out via the European Cards Stakeholders Group, Europe still does not have its own Europe-wide card scheme, so we remain fully reliant on non-European schemes when making cross-border card payments. Although they provide a valued service, those schemes raise certain questions from a governance perspective. European banks have relinquished their influence in this area, possibly because of short-term profit considerations.

Indeed, large non-European companies now play a significant role in the provision of payment services in Europe, while European banks are focused solely on serving their national markets.

Let's face it: the foundations laid by European institutions have not been leveraged by European providers in order to offer pan-European services. Instead, those foundations are often exploited by multinationals from outside Europe offering innovative, consumer-friendly solutions. Indeed, European banks seem to have surrendered much of the pan-European payment business.

PayPal now dominates the market for online payments in Europe, using the pan-European SEPA credit transfer and SEPA direct debit schemes to provide harmonised services. Meanwhile, Google, Apple, Facebook and Amazon – often referred to collectively as “GAFA” – are also offering significant payment services with pan-European reach, some of which involve joint ventures with individual banks at national level. At the same time, Chinese giants like Alibaba and Tencent are advancing. While these companies are to be admired for their ability to expand and provide innovative services that consumers want, I would ask why there are no European companies competing in that arena.

There is a risk that our dependence on foreign providers will increase further as regards the development of innovative payment services, since banks are resisting the objectives of PSD2 on this front. They have been defensive when it comes to granting technical access to new and innovative payment service providers, which will limit European fintech companies’ ability to provide competitive solutions. Indeed, I fear that global giants from outside Europe will use their network power to increase their presence further.

In other sectors, European companies have succeeded in achieving global reach. In the car industry, for example, European vehicles set the standard when it comes to quality and reliability. There is no reason why this success cannot be replicated in the area of payment services – or financial services in general.

The way we pay in Europe is changing. Significant numbers of consumers are moving to online payment channels, with retail payments increasingly being carried out via mobile phones. At the same time, virtual currencies have long been a topic of debate – and not only among experts, either.

European citizens demand pan-European services that are safe and efficient. Consequently, there is a need to look carefully at the governance and regulation of payment solutions. Many payment channels are provided by non-European companies. Although those companies comply with our legislation and use our payment infrastructure, they are, for the most part, not domiciled in Europe. This increases our dependence on third countries. In particular, we have to be mindful of the fact that extraterritorial jurisdiction could, in a worst-case scenario, affect the operation of those companies and disrupt payments between European counterparties. In the current geopolitical environment, such risks are, unfortunately, not as remote as they once were and need to be taken seriously by European policymakers.

Conclusions

We have laid the groundwork by providing safe and efficient market infrastructure, and this should be used as a basis for innovative, user-friendly solutions. The way to protect the integrity of European payment services is not by closing them off to the world, but by making them global players. Building on local or national solutions is anachronistic and will not meet the needs of the market.

If we are to succeed at a global level, the issue of domestic governance needs to be addressed. Our reliance on non-European card schemes for domestic payments in Europe is suboptimal. European card schemes should make interoperability and full pan-European reach their main priorities, enabling any card to be used at any terminal. At the same time, governance arrangements need to cater for European needs, given that cards are the single most important electronic payment instrument in Europe.

However, protectionism should not be used to artificially promote European innovation in payment services. We should remain open to global players, but should focus more on addressing the reasons for the lack of major European providers in the payment market.

It is important that European payment service providers are active at a global level. Rather than establishing national solutions, we should seek to develop global solutions based on European open governance that use European infrastructure.

Europe boasts state-of-the-art payment systems. They should be used by pan-European providers to offer innovative, safe and user-friendly solutions for the benefit of people across Europe and all over the world.