

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

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."*

## **Commission 2016 decision clearing creation of Wind Tre**

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.

In its [in-depth review](#) of the 2016 deal, the Commission assessed concerns that the creation of Wind Tre would have reduced competition in the Italian retail mobile market and hampered the ability to compete of mobile virtual network operators (mobile operators that use other operators' network infrastructure to offer their services).

The Commission [cleared](#) the 2016 transaction because its concerns were fully addressed through effective structural remedies offered by Hutchison and VimpelCom. In particular, these remedies allowed the market entry of the French telecommunications operator Iliad as a new mobile network operator in Italy. The implementation of these remedies is still ongoing.

## **The Commission's competition concerns and the proposed remedies**

In July 2018, Hutchison agreed to acquire sole control over Wind Tre. The Commission has reviewed this new deal. It found that, other than the creation of Wind Tre and the entry of Iliad on the market, no significant change has occurred in the competitive landscape of the Italian mobile markets compared to that assessed in 2016. The Commission concluded that the new transaction does not alter the existing competitive situation resulting from the first transaction, and no additional competition concerns have been identified.

However, the 2016 conditions are still being implemented and the Commission concluded that, should this cease to be the case, **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. This relates in particular to the completion of spectrum transfer and site divestment and to the implementation of the national roaming agreement until Iliad's network is fully rolled out. VEON will be released from any further obligations as it will no longer have control over Wind Tre.

The proposed remedies are consistent with the Commission's practice in previous cases and appear to be the most appropriate solution based on the results of the Commission's investigation. 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.

### **Companies and products**

**Hutchison** is a multi-national conglomerate headquartered in Hong Kong, active in five core businesses: ports and related services, retail, infrastructure, energy and telecommunications. The telecommunications division includes interests in mobile and fixed operations in Austria, Denmark, Ireland, Italy, Sweden and the United Kingdom.

**Wind Tre** is a provider of fixed and mobile telecommunications services in Italy.

### **Merger control rules and procedures**

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the Merger Regulation) and to prevent concentrations that would significantly impede effective competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

More information will be available on the [competition](#) website, in the Commission's [public case register](#) under the case number [M.9041](#).

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## **Main topics and media events 3 – 14 September 2018**

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## **Statement by Michel Barnier following his meeting with Dominic Raab, UK Secretary of State for Exiting the EU**

Good afternoon to each and every one of you,

I am happy to see you after this long working morning with Dominic Raab and his team.

This week we took stock of the discussions that our teams had, as we will do regularly.

What did we do this week?

First, we worked together on the framework of our future relationship, discussing in particular the important subject of the security of our citizens and the stability of our continent.

On internal security, we are ready to build an ambitious partnership with the United Kingdom, which will become a third country, as was its wish, outside of Schengen.

In keeping with the European Council guidelines, this partnership would consist of four pillars:

- the effective exchange of information;
- the support for law enforcement cooperation;
- judicial cooperation in criminal matters; and
- an ambitious partnership to combat money laundering and terrorism financing.

The UK's White Paper contains, I would like to repeat, positive guarantees on the protection of fundamental rights and the recognition of the European Court of Justice as the ultimate arbiter of EU law.

But we need to now discuss how to translate these guarantees concretely.

Subject to full reciprocity and guarantees on procedural rights for suspects, we now have the elements to build a close and effective relationship between the European Union and the United Kingdom on several subjects which are very important for citizens:

- a framework for extradition mechanisms;
- reciprocal cooperation on airplane passenger data to better trace and identify the individuals involved in terrorist acts;
- the exchange of DNA data, fingerprints and vehicle data.

Together with Dominic, we also touched on foreign policy, external security and defence. There is a large convergence of views on the ambition of our future cooperation and on the necessary tools to put in place this cooperation.

Finally, in the security context, we also spoke about Galileo.

I would like to simply repeat that some months ago the European Union has already offered the United Kingdom close cooperation in this area. I recall that Galileo's civil and commercial signal will obviously still be accessible to the United Kingdom and its businesses.

Our offer also includes access to the PRS (Public Regulated Service) signal, on the basis of an agreement negotiated by the United Kingdom, as is the case today with other allies. I think here of the United States or Norway.

It is now for the United Kingdom to decide if it wants this close cooperation, which we hope.

Ladies and gentlemen,

On all of these future cooperation subjects – trade, cooperation in specific areas, internal security, foreign policy, external security and defence – our objective is to build an unprecedented partnership with the United Kingdom, as I have said many times, for a good couple of months now, and as I recalled the day before yesterday in Berlin.

Secondly, we worked this week on certain outstanding issues of the Withdrawal Agreement itself, which is a precondition for any future cooperation.

On geographical indications – 3000 geographical indications in the 28 countries of the Union – I expressed again my worry.

The EU's position is clear: Brexit should not lead to a loss of existing intellectual property rights.

We must protect the entire stock of geographical indications.

This protection is an international obligation, and seeing as it is one of the separation subjects, it must be clarified in the Withdrawal Agreement. We will come back to this subject, whose solution must be in the Withdrawal Agreement.

Another separation subject: the protection of personal data which will have been transmitted to the United Kingdom before the end of the transition, for example by banks, insurance companies, or police forces. We are making real and good progress on this subject – a subject which is also important for citizens and the economy.

All the other separation subjects – Euratom, Union procedures, governance – will be part of new discussions over the coming weeks.

Finally, ladies and gentlemen, a reminder on Ireland and Northern Ireland.

We must have a detailed and legally operational backstop solution in the Withdrawal Agreement.

Prime Minister Theresa May has committed to this, as have all EU Member States and institutions – I think here of the Parliament.

It is urgent to work on the text of an operational backstop. For that, I asked Dominic and his team to provide us with the data necessary for the technical work which we need to do now on the nature, location and modality of the controls that will be necessary.

This backstop is critical to conclude the negotiations, because as I've already said, without a backstop, there is no agreement.

Ladies and gentlemen,

Our work continues and it is going to continue intensively. I will see you next week.

Dominic, the floor is yours.

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## **EESC Civil Society Prize 2018** **applications closing soon**

**Last chance to compete for the EESC Civil Society Prize 2018 on identities, European values and cultural heritage in Europe! Applications closing soon**

The European Economic and Social Committee (EESC) is inviting organisations and individuals who work for a better Europe to put themselves forward for the Civil Society Prize, which this year is promoting initiatives to do with European values, identities and cultural heritage. The deadline is

**7 September 2018.**

The Committee, which represents organised civil society at the EU level, launched the prize totalling EUR 50 000 in June. The prize will be awarded to a maximum of five winners and it will reward innovative initiatives which have made a significant contribution to taking on the challenges of:

- **raising awareness of the multiple layers and richness of European identities;**
- **exploiting the full potential of Europe's cultural wealth;**
- **facilitating access to European cultural heritage; and**
- **promoting European values such as respect for human dignity and human rights, freedom, democracy, equality and the rule of law.**

The full list of requirements and the online application form are available on our webpage – [EESC Civil Society Prize 2018](#).

The EESC Civil Society Prize is open to all civil society organisations officially registered within the European Union and acting at local, national, regional or European level. It is also open to individuals.

The award ceremony will take place on 13 December 2018 in Brussels.

The Civil Society Prize, now in its tenth edition, was launched by the EESC to reward and encourage tangible initiatives and achievements by civil society organisations and/or individuals that have made a significant contribution to promoting the common values that bolster European cohesion and integration.

We kindly invite you to encourage civil society organisations in your country to apply for the EESC Civil Society Prize 2018 and thus help valuable projects win recognition.

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## **Summertime Consultation: 84% want Europe to stop changing the clock**

This online consultation, which ran from 4 July to 16 August 2018, received 4.6 million responses from all 28 Member States, the highest number of responses ever received in any Commission public consultation. According to the preliminary results (see annex), 84% of respondents are in favour of putting an end to the bi-annual clock change.

European Commissioner for Transport Violeta **Bulc** presented these preliminary results to the College of Commissioners that held a first discussion on the possible next steps. Commissioner **Bulc** said: *"Millions of Europeans used our public consultation to make their voices heard. The message is very clear:*

*84% of them do not want the clocks to change anymore. We will now act accordingly and prepare a legislative proposal to the European Parliament and the Council, who will then decide together."*

The preliminary results also indicate that more than three quarters (76%) of the respondents consider that changing the clock twice a year is a 'very negative' or 'negative' experience. Considerations related to the negative health impacts, increase of road accidents or the lack of energy savings, were put forward by respondents as motivations to put an end to the change.

European Commission President **Juncker** put the summertime question on the political agenda as part of his pledge to be big on the big things while leaving it to Member States to take decisions where they are best placed to do so. The public consultation on clock change arrangements was organised by the European Commission as part of its ongoing assessment of the current arrangements on clock change in Europe. It also follows the European Parliament's [resolution in February 2018](#), as well as requests from Member States, stakeholders and citizens.

### **Next steps**

The final results of the public consultation will be published in the coming weeks. The Commission will now make a proposal to the European Parliament and the Council with a view of changing the current clock change arrangements.

### **Background**

Between 4 July and 16 August 2018, the European Commission organised a public consultation as part of its ongoing assessment of the current arrangements on clock change in Europe. It took the form of an online survey seeking the views of Europeans, notably on their overall experience with the change of clock or their preference over the main alternatives (i.e. maintaining the current system unchanged or abolishing it for the whole EU). Public consultations are one of the tools the Commission uses to make its assessment on policy, alongside other elements such as scientific studies. Other past prominent consultations include the Birds and Habitat legislation (more than 550,000 replies) or the modernisation of the Common Agriculture Policy (more than 322,000 replies).

Most Member States have an old tradition of clock change arrangements, many of which date back as far as the First and Second World Wars or to the oil crisis in the 1970s. Since the 1980's, the European Union gradually adopted legislation whereby all Member States would agree to coordinate the clock change and put an end to diverging national schedules. Since 1996, all Europeans have been changing their clock forward by one hour on the last Sunday of March and by one hour backward on the last Sunday of October. The purpose of EU rules was not to harmonise the time regime in the EU but to address the problems, notably for the transport and logistics sectors, which arise from an uncoordinated application of clock-changes in the course of the year.

In parallel to the daylight saving time arrangement in the European Union,

the Member States apply three different time zones or standard times. The decision on the standard time is a national competence.

## **ANNEX**

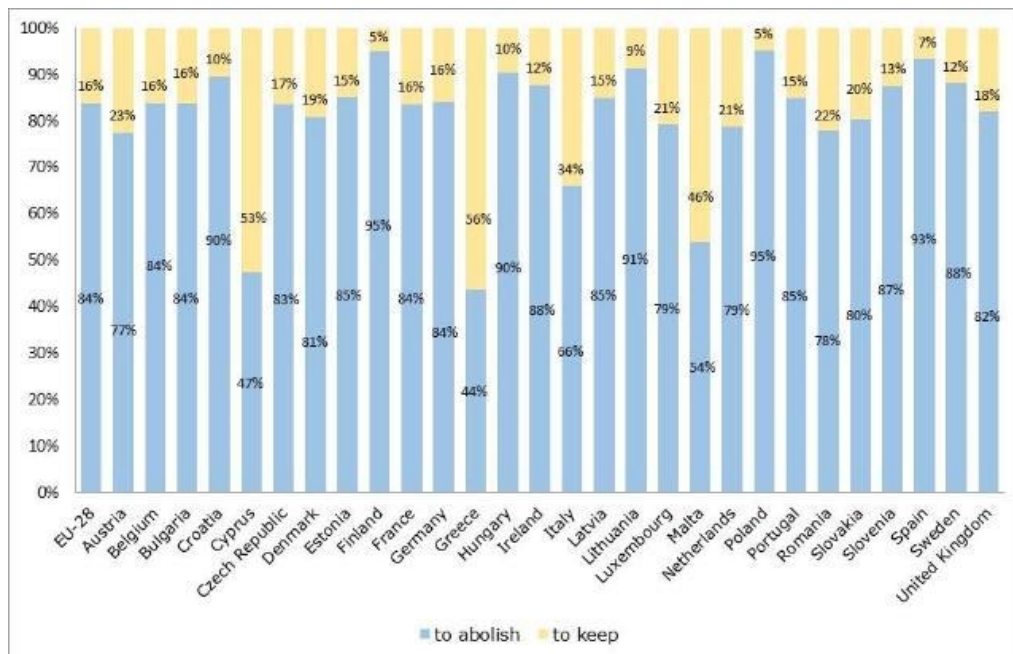
*All results are preliminary and subject to changes*

**Participation rate in each Member State (in percentage of the national population):**

<b>Germany</b>	<b>3,79%</b>
<b>Austria</b>	<b>2,94%</b>
<b>Luxembourg</b>	<b>1,78%</b>
<b>Finland</b>	<b>0,96%</b>
<b>Estonia</b>	<b>0,94%</b>
<b>Cyprus</b>	<b>0,88%</b>
<b>Slovenia</b>	<b>0,73%</b>
<b>Slovakia</b>	<b>0,60%</b>
<b>Czech Republic</b>	<b>0,59%</b>
<b>France</b>	<b>0,59%</b>
<b>Belgium</b>	<b>0,55%</b>
<b>Croatia</b>	<b>0,52%</b>
<b>Sweden</b>	<b>0,48%</b>
<b>Latvia</b>	<b>0,39%</b>
<b>Poland</b>	<b>0,34%</b>
<b>Greece</b>	<b>0,34%</b>
<b>Lithuania</b>	<b>0,34%</b>
<b>Portugal</b>	<b>0,33%</b>
<b>Malta</b>	<b>0,25%</b>
<b>Ireland</b>	<b>0,24%</b>
<b>Hungary</b>	<b>0,21%</b>
<b>Spain</b>	<b>0,19%</b>
<b>Bulgaria</b>	<b>0,18%</b>
<b>Netherlands</b>	<b>0,16%</b>
<b>Denmark</b>	<b>0,11%</b>
<b>Italy</b>	<b>0,04%</b>
<b>Romania</b>	<b>0,04%</b>
<b>United Kingdom</b>	<b>0,02%</b>

**Which of the following alternatives would you favour?**





**What is your overall experience with the clock change?**

