

# Mergers: Commission approves the acquisition of Uniper by Fortum

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *"Ensuring competition in European power markets is essential since electricity is a good that everyone uses. Fortum and Uniper are important players in the generation of electricity in the Nordic countries, in particular in Sweden. We can approve their proposed merger, in particular because of the high level of interconnectivity between different countries in the Nordic area and because there is significant spare generation capacity in Sweden. As a result, we found that competition will remain strong after the merger. "*

Fortum and Uniper are both companies active in the energy sector. The Commission assessed the impact of the transaction on:

- The generation and supply of electricity and ancillary services in Sweden – the only country where both companies have generation assets. This assessment also took into account Fortum's generation activities in Finland;
- The financial trading of electricity in the Nordic countries; and
- Various energy-related activities where one or both companies are active, such as the retail supply of electricity and district heating, as well as energy production-related services.

During its investigation, the Commission received feedback from a large number of competitors and customers of Fortum and Uniper, as well as regulators, grid operators and energy exchanges, in particular Nord Pool, through which electricity is traded in the Nordic countries and the Baltics.

The Commission's investigation found that the transaction:

- Is unlikely to hinder effective competition in the generation and supply of electricity given, in particular, the combined moderate market share of the parties in Sweden (around 30%), the high level of interconnectivity with neighbouring countries, the significant spare capacity available in Sweden and the likely reaction of other producers to any price increases by the merged entity.
- Will not increase the risk of coordination in the generation and wholesale of electricity in Sweden, for example due to the complexity of such a strategy.
- Is unlikely to lead to distortions of competition with regard to ancillary services in Sweden, in particular because of the available spare capacity and/or possible third-party expansion, the possibility of importing electricity and the fact that the grid operator is actively increasing the potential for new suppliers to participate in these markets.
- Will not materially decrease the liquidity of the financial electricity market in the Nordic countries or to raise trading prices.

Therefore, the Commission concluded that the transaction would raise no competition concerns in any of the affected markets.

### **Companies and products**

**Fortum**, based in Finland, is an energy group principally active in power and heat generation in the Nordic countries. It is also active in other European countries, as well as in Russia and India.

**Uniper**, based in Germany, is an energy group active in Europe and Russia, comprising the former conventional power utility and commodities businesses of E.ON.

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

The transaction was notified to the Commission on 7 May 2018.

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 a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

A non-confidential version of today's decision will be available on the Commission's [competition](#) website, in the [public case register](#) under the case number [M.8660](#).

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## **Mergers: Commission clears Comcast's proposed acquisition of Sky under EU merger rules**

The proposed transaction would combine Sky plc (Sky), the leading pay-TV operator in Austria, Germany, Ireland, Italy and the UK and Comcast Corporation (Comcast), owner of Universal Pictures, one of the six major Hollywood film studios, as well as an operator of TV channels such as CNBC, Syfy or E!.

Comcast and Sky are mainly active in different markets in Austria, Germany, Ireland, Italy, the UK and Spain. They compete with each other only to a limited extent, mainly in the acquisition of TV content and in the wholesale supply of basic pay-TV channels.

The Commission found that the proposed transaction would lead to only a limited increase in Sky's existing share of the markets for the acquisition of **TV content**, as well as in the market for the **wholesale supply of TV channels** in the relevant Member States.

Given that the merging companies are mainly active at different levels of the market, the Commission's assessment focused on whether, as a result of the proposed transaction:

- Comcast would be able to prevent or significantly limit access by Sky's competitors to its films and other TV content or to its TV channels. The Commission concluded that these possible concerns were not founded. This is because pay-TV distributors would continue to have access to content from Comcast's competitors and multiple alternative channels with comparable programming and audiences in the relevant Member States.
- Sky would have the incentive to cease purchasing content from Comcast's competitors. The Commission found that this was unlikely as it would reduce the quality of Sky's product offering.
- Sky could prevent competing channels from accessing its platform. The investigation found that the merged companies' ability to shut out Comcast's rivals was significantly mitigated by existing regulations in the UK, Germany and Austria. In addition, competitors that could have been targeted for exclusion are either contractually protected for a sufficient period of time or are not dependent on Sky's retail platform in the relevant Member States.

Based on the results of its market investigation, the Commission concluded that the proposed transaction would raise no competition concerns.

### **Competing bid by Twenty-First Century Fox**

Comcast's offer to acquire Sky comes as a counter-bid to an offer by Twenty-First Century Fox of the US. Twenty-First Century Fox and Comcast are competing against each other to take control over Sky. On [7 April 2017](#) the Commission also cleared unconditionally Twenty-First Century Fox's offer for Sky.

### **Companies and products**

**Sky plc** is the leading pay-TV operator in Austria, Germany, Ireland, Italy and the UK.

**Comcast Corporation** is a US cable operator active in Europe through NBCUniversal, and owner of Universal Pictures, one of the six major Hollywood

film studios, as well as an operator of TV channels (CNBC, Universal Channel, Syfy, E!, 13th Street, Movies24 and Studio Universal), and on-demand services (*hayu*, Studio Universal Classics, Picturebox and Syfy Horror).

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

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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 a total of 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.8861](#).

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## **[Press release: Auditors publish Background Paper on desertification in the EU](#)**

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## **Juncker Plan supports new projects in Poland, Spain and La Réunion (France)**

The European Investment Bank (EIB) Group has signed three new agreements, all of which were made possible by the Juncker Plan's European Fund for Strategic Investments (EFSI). First, the European Investment Fund (EIF) and Polish national promotional bank Bank Gospodarstwa Krajowego (BGK) are doubling their support for loans to a total of PLN 4 billion (c. €950 million) for over 18,000 small businesses and entrepreneurs across Poland. Second, the EIB is providing a €200 million loan to renovate Madrid's metro network, improving accessibility and increasing its capacity. Third, the EIB is supporting the development of the Roland Garros airport on Reunion island, one of the EU's outermost regions, with €100 million in financing. Commenting on the Polish SME financing agreement, Commissioner for Internal Market, Industry, Entrepreneurship and SMEs, Elżbieta **Bieńkowska** said: *"Less than a year ago, BGK signed an agreement with the European Investment Fund to double their support to SMEs in Poland with the backing of the EU's budgetary guarantee, and today this is being doubled once again. Thanks to our joint efforts and enhanced cooperation with BGK we have provided small businesses with access to finance: already 7,000 SMEs have benefitted from this Polish-EU cooperation. Europe's economy depends upon its entrepreneurs. Keep up the good work."* (Full press releases can be found [here](#). For more information: Christian Spahr – Tel.: +32 229 50055; Siobhán Millbright – Tel.: +32 229 57361)

## **Roaming one year later: majority of Europeans see the benefits of end of roaming charges**

According to a new [Eurobarometer survey on roaming](#) 82% of people who have travelled to another EU country in the last year say they have benefitted from the new rules. Moreover, 62% of Europeans are aware that roaming charges have ended and 69% think that they, or someone they know, will benefit. Especially young people recognise a clear benefit of the new rules, with 80% of those aged 15-24 seeing the advantages. Vice-President for the Digital Single Market Andrus **Ansip** and Commissioner for Digital Economy and Society Mariya **Gabriel** said in a joint statement: *"This is an example of an EU that concretely improves the life of European citizens. Roam like at home is working and is becoming a habit: customers are appreciating it, consumption is up and the demand for mobile services while travelling in the EU is very high. It benefits consumers and operators alike."* The full statement is available [here](#). Further findings of the survey show that many travellers have started changing their mobile phone use. Respondents are less likely to restrict their mobile use while travelling (e.g. by switching off the phone or data roaming). The share of travellers who used their mobile data while roaming as often as at home has increased to 34% from 26% in 2017. The first year without roaming charges shows that in general mobile operators comply with the new rules well. National regulators are ensuring their implementation in Member States. The Commission continues its cooperation with national regulators to monitor the developments on mobile markets all

over Europe and to guarantee the compliance. The Eurobarometer report on roaming is available [here](#). More details on roaming are available [here](#). (For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Inga Höglund – Tel.: +32 229 50698)

#### **Mergers: Commission clears acquisition of joint control over SMB Construction International by Strabag and Max Bögl International**

The European Commission has approved, under the EU Merger Regulation, the acquisition of joint control over SMB Construction International by Max Bögl International, both of Germany and Strabag of Austria. SMB Construction International is specialized in the construction of inclining curves for proving grounds for automobiles. Max Bögl International and Strabag are active in various segments of the building and construction industry. The Commission concluded that the acquisition would raise no competition concerns because SMB Construction International 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.8496](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

#### **Mergers: Commission clears the acquisition of the Cirsa Gaming Corporation by Blackstone**

The European Commission has approved, under the EU Merger Regulation, the acquisition of sole control over the Cirsa Gaming Corporation, S.A. of Spain by The Blackstone Group L.P. of the USA. Blackstone is a global alternative asset manager. Cirsa is a global gaming company whose activities include the operation of casinos, bingo, slot machines, and sports betting services, as well as the design, manufacture, and distribution of slot machines in Europe, Morocco, and Latin America. The Commission concluded that the proposed acquisition would raise no competition concerns, because of the limited impact on the market structure. 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.8940](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

#### **Eurostat: Mai 2018 – Le taux d'inflation annuel en hausse à 1,9% dans la zone euro – En hausse à 2,0% dans l'UE**

Le taux d'inflation annuel de la zone euro s'est établi à 1,9% en mai 2018, contre 1,3% en avril. Un an auparavant, il était de 1,4%. Le taux d'inflation annuel de l'Union européenne s'est établi à 2,0% en mai 2018, contre 1,5% en avril. Un an auparavant, il était de 1,6%. Ces chiffres sont publiés par Eurostat, l'office statistique de l'Union européenne. Un communiqué de presse est disponible [ici](#). (Pour plus d'informations: Christian Spahr – Tel.: +32 229 50055; Annikky Lamp – Tel.: +32 229 56151)

#### **Eurostat: Avril 2018 – Excédent de 16,7 milliards d'euros du commerce international de biens de la zone euro – Déficit de 1,0 mrd d'euros pour**

## **L'UE28**

D'après les premières estimations pour le mois d'avril 2018, les exportations de biens de la zone euro (ZE19) vers le reste du monde se sont établies à 182,9 milliards d'euros, en hausse de 8,0% par rapport à avril 2017 (169,3 mrd). Les importations depuis le reste du monde ont quant à elles été de 166,2 mrd d'euros, en hausse de 8,1% par rapport à avril 2017 (153,7 mrd). En conséquence, la zone euro a enregistré en avril 2018 un excédent de 16,7 mrd d'euros de son commerce international de biens avec le reste du monde, contre +15,7 mrd en avril 2017. Le commerce intra-zone euro s'est établi à 157,4 mrd d'euros en avril 2018, soit +9,8% par rapport à avril 2017. Un communiqué de presse est disponible [ici](#). (Pour plus d'informations: Daniel Rosario – Tel.: +32 229 56185, Kinga Malinowska – Tel.: +32 229 51383)

### **Eurostat: Premier trimestre 2018 – La croissance annuelle des coûts de la main-d'œuvre à 2,0% dans la zone euro – À 2,7% dans l'UE28**

Les coûts horaires de la main-d'œuvre ont augmenté de 2,0% dans la zone euro (ZE19) et de 2,7% dans l'UE28 au premier trimestre 2018, par rapport au même trimestre de l'année précédente. Au quatrième trimestre 2017, les coûts horaires de la main-d'œuvre avaient progressé de 1,4% et 2,3% respectivement. Ces données sont publiées par Eurostat, l'office statistique de l'Union européenne. Un communiqué de presse est disponible [ici](#). (Pour plus d'informations: Christian Wigand– Tel.: +32 229 62253; Sara Soumillion – Tel.: + 32 229 67094)

## **ANNOUNCEMENTS**

### **Commissioner Miguel Arias Cañete in Berlin for international climate talks**

On 17-19 June, Climate Action and Energy Commissioner Miguel **Arias Cañete** will be in Berlin to participate in the 9th Petersberg Climate Dialogue, an annual gathering of over 30 ministers from around the world for informal discussions in support of the UN climate change negotiating process. The meeting will be co-hosted by the German and Polish governments, with Poland to hold the Presidency of the UN Climate Conference COP24 in Katowice later this year. The theme of this year's Petersberg Dialogue will be "Changing together for a just transition", to stimulate discussions on the real-world opportunities and challenges for achieving the long-term temperature goals of the Paris Agreement in a just and inclusive manner. Participants will also be able to exchange views on the completion of the Paris work programme, overarching issues on climate finance and this year's Talanoa process on global climate ambition. In the margins, Commissioner **Arias Cañete** will meet with China's Special Representative for Climate Change Xie Zhenhua and Switzerland's Minister of Environment, Transport, Energy and Communications Doris Leuthard. The Petersberg Dialogue precedes the second Ministerial on Climate Action (MoCA), to be co-hosted by the Commission, China and Canada in Brussels on 20-21 June, which will focus on obtaining ministers' input and guidance on the processes and expected outcomes of COP24. At the UN climate summit in Katowice, parties are set to finalise the Paris work programme,



i.e. the detailed rules and guidelines for global implementation of the landmark agreement. The German host will offer a live stream, more information [here](#). (For more information: Anna-Kaisa Itkonen – Tel.: +32 229 56186; Nicole Bockstaller – Tel.: +32 229 52589)

### **Commissioner Bulc in Montreal to attend international negotiations to tackle CO<sub>2</sub> emissions from aviation**

Commissioner for Transport Violeta **Bulc** will travel to Montreal this coming Monday and Tuesday to attend an important meeting of the [International Civil Aviation Organization](#), the UN-agency overseeing international aviation. Its 214<sup>th</sup> Council session (11-29 June) will discuss some of the key parameters of the global market-based measure (known as 'CORSIA') that [was approved in October 2016](#) with a view to **stabilise international aviation emissions at 2020 levels**. Like in 2016, the European Union and its Member States will be advocating for the most ambitious outcome and the most robust global scheme. This is in line with the **EU's commitments under the Paris Agreement** and with the ambition of this Commission to consolidate Europe's **global leadership** in the fight against climate change. During her stay, Commissioner Bulc will convey this message to key international partners, including the US, India, Russia and China. She will also meet with EU representatives, with Ms Fang Liu, the Secretary General of ICAO, and with the airline industry. More information on the EU's commitments to an effective international mechanism to offset aviation emissions is available in [a letter sent to EU transport ministers earlier this week](#). (For more information: Enrico Brivio – Tel.: +32 229 56172; Alexis Perier – Tel.: +32 229 6 91 43)

### **Commissioner Malmström visits Australia and New Zealand to launch trade talks**

Next week, Commissioner for Trade Cecilia **Malmström** will be in Australia and New Zealand to launch negotiations for trade agreements between the EU and the two countries. On Monday 18 June, Commissioner **Malmström** will meet with Australian Trade Minister Steven Ciobo and participate in a press conference in Canberra at 11:45 local time ([EbS material](#) will be available). While in Canberra, she will meet with several other Ministers and hold a [speech at Australian National University](#). The following day, the Commissioner will visit a hi-tech start-up incubator in Sydney. On Thursday 21 June, Commissioner **Malmström** will be in Wellington to launch trade negotiations between the EU and New Zealand, together with New Zealand's Minister for Trade David Parker. She will also meet a number of Ministers as well as representatives of civil society and companies with trade links to Europe. Last month, the Council adopted the [decision authorising the opening of negotiations](#) for trade agreements between the EU and Australia and New Zealand. Trade between the EU and these two countries is already roughly the same as with Mexico or Canada. The video and photo material from the trip will be available online ([Australia](#), [New Zealand](#)). For more information about EU trade relations with [Australia](#) and [New Zealand](#). (For more information: Daniel Rosario – Tel.: +32 229 56185; Kinga Malinowska – Tel.: +32 229 51383)

### **Commissioner Bieńkowska participates in a Citizens' Dialogue in Poland on the future of Europe**



On Monday 18 June, Elżbieta **Bieńkowska**, Commissioner for Internal Market, Industry, Entrepreneurship and SMEs, will participate in a [Citizens' Dialogue](#) in Gdansk, Poland. She will share the stage with Mieczysław Struk, Marshall of the Pomorskie province, to discuss the future of Europe. The dialogue takes place in the context of the [White paper on the future of Europe](#) that the Commission presented on 1 March 2017 offering **five scenarios** for how the Union could evolve, depending on which decisions are taken. The debate on the future of Europe has been actively pursued ever since, including through Citizens' Dialogues to have a plan, vision and way forward to present to people by the time of the European Parliament elections in June 2019. The Citizens' Dialogue in Gdansk will therefore evolve around key questions such as: What factors affect the shape of Europe? What are the potential scenarios? How can Europe meet the challenges of our time? The event will take place at the faculty of philology at the University of Gdansk and starts at 10am. The event can be followed in a live stream [online](#). *(For more information: Lucía Caudet – Tel.: +32 229 56182; Victoria von Hammerstein – Tel.: +32 229 55040)*

### **Future of EU finances – Commissioner Oettinger visits Slovakia**

Commissioner Günther H. **Oettinger**, in charge of Budget and Human Resources, is visiting Slovakia on 18 June – the final leg of his tour across EU Member States (#MFFtour27) aimed at gathering views on the future of EU finances and the EU's multiannual budget post-2020 (#EUBudget). In Slovakia, the Commissioner will meet with Mr Richard Raši, Deputy Prime Minister for Investments and Informatization. He is participating in a joint bilateral meeting with Mr Peter Pellegrini, Prime Minister of the Slovak Republic, and Mr. Peter Kažimír, Minister of Finance of the Slovak Republic. Moreover, the Commissioner is taking part in the joint meeting with Parliamentary Committees of National Council (EU Affairs Committee, Financial Committee and Economic Committee). Last but not least, he is visiting the premises of the news website [aktuality.sk](#) to pay his respects, following the murder of journalist Ján Kuciak in February this year. On 2 May, the Commission presented its proposal for a modern budget for a Union that protects, empowers and defends. Between 29 May and 14 June it presented the detailed legislative proposals for the 37 policy programmes for the next multiannual budget. Please consult the [webpage](#) for all relevant press material, including [the legal texts and factsheets](#) on the EU budget for the future of 2 May. The Commission kicked off this debate on 28 June 2017 with the publication of its [Reflection paper on the future of EU finances](#), available in all EU languages (also in [Slovak](#)). *(For more information: Alexander Winterstein – Tel.: +32 229 93265; Maria Tsoni – Tel.: +32 229 90526)*

### **Vice-President Katainen in Finland to attend Kultaranta Talks**

Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness, will be in Naantali, Finland, on Monday 18 June to attend "[Kultaranta Talks](#)", a foreign and security policy debate hosted by President of the Republic Sauli Niinistö. The Kultaranta Talks will focus on the future of the international system, international organizations and sustainable development. Vice-President **Katainen** will contribute to the debate on the Future of Europe, alongside Prime Minister of Finland Juha Sipilä, London

Correspondent of Helsingin Sanomat newspaper Annamari Sipilä, and Director of the Finnish Institute of International Affairs Teija Tiilikainen. The debate will take place from 08.30 – 10.00 CEST and can be followed live on the Finnish Broadcasting Company YLE 1 TV channel and [online](#) at Yle Areena. The Vice-President will also attend at Kultaranta Talks Working Group discussion on Climate Change. (*For more information: Christian Spahr – Tel.: +32 229 50055; Siobhán Millbright – Tel.: +32 229 57361*)

## [Calendar](#)

The Commissioners' weekly activities

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