

State aid: Commission endorses new €101 million Croatian national broadband scheme for 2017-2023

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *“Croatia’s broadband scheme will bring faster internet to consumers and businesses that currently do not have it. It will help Croatia to put in place the necessary infrastructure for an information society and contribute to creating a Digital Single Market within the EU.”*

Croatia’s current broadband market is characterised by high prices and low take-up rates compared to the EU average. This scheme aims to significantly improve the situation and help Croatia increase its connectivity and meet the targets set out by the Commission in the context of the Digital Single Market.

Backhaul networks, such as the Next Generation Network (NGN) in Croatia, provide the backbone of internet networks and can be thought of as information highways. Next Generation Access (NGA) networks, which can be thought of as more local roads, connect into the NGN.

The previous Croatian broadband scheme, the National Broadband Plan, was approved by the Commission in January 2016 and supported the roll-out of NGA networks in unserved or underserved areas. The purpose of the new measure is to provide sufficient upstream capacity to sustain the previously approved scheme in rural areas.

Croatia’s NGN will be rolled out partly in areas where either no NGN backhaul network exists, or areas where the backhaul infrastructure is insufficient to meet projected needs. No operator has shown any interest to invest commercially in the scheme’s target areas, which were identified by Croatia through a detailed mapping exercise and two public consultations.

The scheme aims to increase the coverage of high speed broadband and provide speeds of 100 Mbit/s symmetrical (i.e. upload and download). It will run until 31 December 2023. The new infrastructure will be financed mainly through the European Regional Development Fund and partly by national funds, and the network will remain in public ownership.

The management of the scheme is attributed to a public undertaking, OiV, which will offer long term leasing agreements on the infrastructure to all interested operators. These operators will subsequently be able to offer connection services to local access providers, which in turn serve end consumers. In this way, the new NGN backhaul network will support the NGA networks previously approved under EU state aid rules.

The Commission assessed the measure under EU state aid rules, in particular its 2013 Broadband Guidelines. These guidelines aim to ensure, amongst other

things, that public funding does not take the place of private investment. They also ensure that other service providers can use the publicly funded infrastructure on a non-discriminatory basis. This protects effective competition, which is a key driver for investment and better prices and quality for consumers and businesses.

The Commission concluded that the positive effects on competition in the Croatian broadband market outweigh possible distortive effects on already established operators. It therefore found the Croatian NGN scheme to be in line with EU state aid rules.

Background

In its Communication on [Connectivity for a Competitive Digital Single Market – Towards a Gigabit Society 2025](#), the Commission set a target of internet connections with download/upload speeds of 1 Gigabit of data per second by 2025 for all schools, transport hubs and main providers of public services, as well as digitally intensive enterprises. In addition, all European households should have access to networks offering a download speed of at least 100 Mbps, which can be upgraded to 1 Gigabit already by 2020.

As part of its [Digital Single Market strategy](#), the Commission aims to encourage broadband roll-out, especially in underserved areas, and to ensure a high level of connectivity in the EU. As regards connectivity, Croatia ranks last of the 28 EU Member States. NGA networks are available to 60% of the Croatian households, compared to an average of 76% in the EU, according to the Commission's [Digital Economy and Society Index](#). On average, only 10% of Croatian households subscribe to it, compared to an EU average of 37%.

The [2013 Broadband Guidelines](#), which entered into force on 26 January 2013, offer stability and legal certainty for broadband investment. In particular, they reconcile the aims of, on the one hand, encouraging the rapid roll-out of broadband infrastructure with public funds and, on the other hand, minimising the risk of crowding out private investment and creating monopolies. They therefore complement other existing EU and Member States policies in this regard.

The non-confidential version of the current decision will be published under the case number [SA.41065](#) in the [State Aid Register](#) on the Commission's [competition website](#) once any confidentiality issues have been resolved. The [State Aid Weekly e-News](#) lists new publications of state aid decisions on the internet and in the EU Official Journal.

[Antitrust: Commission opens formal](#)

investigation into distribution practices of clothing company Guess

Commissioner Margrethe **Vestager**, in charge of competition policy said: "The Commission has information indicating that Guess, in its distribution agreements, may ban cross-border sales to consumers. One of the key benefits of the EU's Single Market is that consumers can shop around for a better deal. We are going to investigate Guess' practices further to ensure that it's playing by the rules and not preventing consumers from buying products across borders."

Guess designs, distributes and licenses clothing and accessories. Guess' apparel is marketed under numerous trademarks, including "GUESS?" and "MARCIANO".

The Commission will investigate information indicating that Guess' distribution agreements may restrict authorised retailers from selling online to consumers or to retailers in other Member States. They may also restrict wholesalers from selling to retailers in other Member States.

Companies are generally free to set up the distribution system that best serves them. However these systems must comply with EU competition rules. In particular, consumers must be free to purchase from any retailer authorised by a manufacturer, including across national borders.

Guess's agreements under investigation may be in breach of EU competition rules (Article 101 of the Treaty on the Functioning of the European Union), which prohibit agreements between companies that prevent, restrict or distort competition within the EU's Single Market.

In its recent [final report on the e-commerce sector inquiry](#) the Commission found that more than one in ten surveyed retailers experienced cross-border sales restrictions in their distribution agreements. Such restrictions limit their ability to sell online to consumers in other Member States.

The formal investigation launched today concerning Guess is a stand-alone procedure that is separate from the e-commerce sector inquiry but follows up on one of the issues identified in the inquiry's final report.

Background

The e-commerce sector inquiry and other investigations

The Commission adopted the final report on the e-commerce sector inquiry on 10 May 2017 in the context of its [Digital Single Market strategy mid-term review](#). During the inquiry, the Commission gathered evidence from nearly 1 900 companies operating in e-commerce of consumer goods and digital content and analysed around 8 000 distribution and license contracts.

The insight gained from the [sector inquiry](#) will allow the Commission to

target EU antitrust enforcement in European e-commerce markets on the most widespread, problematic business practices that have emerged or evolved as a result of the growth of e-commerce and that may negatively impact competition and cross-border trade and hence the functioning of the EU's Digital Single Market.

The full text of the final report can be found [here](#).

In February 2017, the Commission launched [three separate investigations](#) to assess if certain online sales practices prevent, in breach of EU antitrust rules, consumers from enjoying cross-border choice and being able to buy consumer electronics, video games and hotel accommodation at competitive prices. These investigations are ongoing.

Procedural background

Article 101 TFEU prohibits agreements between undertakings and decisions of associations of undertakings that prevent, restrict or distort competition within the EU's Single Market.

There is no legal deadline for bringing an antitrust investigation to an end. The duration of an investigation depends on a number of factors, including the complexity of the case, the cooperation of the companies with the Commission and the exercise of the rights of defence.

The opening of formal proceedings does not prejudge the outcome of the investigation. It relieves the competition authorities of EU Member States of their competence to apply EU competition rules to the practices concerned.

More information on the investigation will be available on the Commission's [competition](#) website, in the public [case register](#) under the case number [40428](#).

Daily News 06/06/2017

Launch of the European Drug Report 2017

Today, Commissioner for Migration, Home Affairs and Citizenship Dimitris **Avramopoulos**, together with Laura d'Arrigo, Chair of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) Management Board, and EMCDDA Director Alexis Goosdeel, will launch the European Drug Report 2017. Commissioner Avramopoulos said: "*The impact of the drugs problem continues to be a significant challenge for European societies. The annual European Drug Report gives us the necessary analysis, guidance and tools to tackle this threat together across Europe, not just to protect the health of our citizens, but also to stop huge profits from drugs ending up in the pockets of organised crime groups in Europe and beyond.*" The European Drug Report provides a comprehensive analysis of recent trends in the drug situation in

Europe, including developments in the European drug market, drug use among young Europeans and the threats posed by new substances. The report will be accompanied by 30 Country Drug Reports presenting summaries of national drug phenomena in the EU28, Turkey and Norway. The European Drug Report 2017 and the full press release is available online in 24 languages on the EMCDDA [website](#). A press point will take place in the VIP corner at 13:00 CET and will be streamed live on [EbS](#). (For more information: Natasha Bertaud – Tel.: +32 229 67456; Tove Ernst – Tel.: +32 2 298 67 64; Katarzyna Kolanko: +32 2 296 34 44)

Capital Markets Union: Banks to provide feedback to SMEs on access to funding

As the Commission gears up to publish the Mid-Term Review of the Capital Markets Union (CMU) Action Plan on 8 June, it is intensifying its efforts to improve the funding environment for small businesses. Currently, small and medium-sized businesses (SMEs) often fail to get funding from banks yet they do not receive proper feedback as to the reason why, which hampers future attempts. The Commission has been working to address this problem by getting the financial industry to do more to help small businesses navigate the complex financial landscape. Five major EU banking federations have now agreed to providing SMEs with the feedback they need so that they can ultimately increase their chances of getting loans. Vice-President Valdis **Dombrovskis**, responsible for Financial Stability, Financial Services and the Capital Markets Union, said: *“Small businesses are the lifeblood of the EU economy. That's why the financial system must better respond to their varied needs: from start-ups looking for better access to capital to ambitious scale-ups in need of risk finance. Thanks to today's agreement, SMEs will receive clear feedback on the reasons why their request for financing has been rejected, which will help them to better understand how to actually access the financing they need.”* The Commission today is also publishing a report that maps national and regional initiatives to help small businesses identify a wider range of sources of finance, as well as providing investors and lenders with reliable information about companies. In a bid to help tackle information barriers in the SME funding market and improve access by innovative SMEs to alternative forms of finance, the Commission has also launched [a call for proposals](#) for a maximum amount of € 2.5 million under the Horizon 2020 programme. This Call for Proposals will allow to support capacity-building projects to address information barriers in the SME funding market and increase the range of financing opportunities by drawing on these successful national initiatives. Further information on the feedback to SMEs initiative is available [here](#). (For more information: Vanessa Mock – Tel.: +32 229 64976; Letizia Lupini- Tel.: +32 229 51958)

State aid: Commission and China start dialogue on state aid control

European Commissioner Margrethe **Vestager**, in charge of competition policy, and He Lifeng, Chairman of China's National Development and Reform Commission, have signed on Friday, 2 June in Brussels a Memorandum of Understanding to start a dialogue on state aid control. The State aid dialogue creates a mechanism of consultation, cooperation and transparency between China and the EU in the field of state aid control. The dialogue will

be used to share with China the European experience in enforcing state aid control. It will also be used to learn more about the implementation of the newly adopted Fair Competition Review in China. This new State aid cooperation dialogue will further the EU's and China's mutual interest and joint work to promote fair global competition. It is part of the Commission's broader strategy to address the distortion that national subsidies policies put on the promotion of a global level playing field where companies can compete on their merits. Commissioner **Vestager** commented: *"Decisions by one country to grant a subsidy to a company that operates globally may affect competition elsewhere. The European Commission is pleased to start a discussion with China on how to best handle state intervention in the economy."* More information on the Commission's [website](#). A full press release is available online in [EN](#), [DE](#) and [FR](#) (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni – Tel.: +32 229 90526)

State aid: Commission endorses new €101 million Croatian national broadband scheme for 2017-2023

The European Commission has found that Croatia's €101.4 million Next Generation Network (NGN) Broadband plan is in line with EU state aid rules. This scheme aims to provide fast internet access where it is currently not available, in particular in rural areas. Commissioner Margrethe **Vestager**, in charge of competition policy, said: *"Croatia's broadband scheme will bring faster internet to consumers and businesses that currently do not have it. It will help Croatia to put in place the necessary infrastructure for an information society and contribute to creating a Digital Single Market within the EU."* The scheme aims to increase the coverage of high speed broadband and provide speeds of 100 Mbit/s symmetrical (i.e. upload and download). It will run until 31 December 2023. The new infrastructure will be financed mainly through the [European Regional Development Fund](#) and partly by national funds, and the network will remain in public ownership. The full press release is available online in [EN](#), [FR](#), [DE](#) and [HR](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Yizhou Ren – Tel.: +32 229 94889)

Antitrust: Commission opens formal investigation into distribution practices of clothing company Guess

The European Commission has opened a formal antitrust investigation into the distribution agreements and practices of clothing manufacturer and retailer Guess. The Commission will investigate information indicating that Guess' distribution agreements may restrict authorised retailers from selling online to consumers or to retailers in other Member States. They may also restrict wholesalers from selling to retailers in other Member States. Companies are generally free to set up the distribution system that best serves them. However these systems must comply with EU competition rules. In particular, consumers must be free to purchase from any retailer authorised by a manufacturer, including across national borders. The Commission will examine whether Guess illegally restricts retailers from selling cross-border to consumers within the EU Single Market. Commissioner Margrethe **Vestager**, in charge of competition policy said: *"The Commission has information indicating*

that Guess, in its distribution agreements, may ban cross-border sales to consumers. One of the key benefits of the EU's Single Market is that consumers can shop around for a better deal. We are going to investigate Guess' practices further to ensure that it's playing by the rules and not preventing consumers from buying products across borders." A full press release is available online in [EN](#), [DE](#) and [FR](#) (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni – Tel.: +32 229 90526)

Mergers: Commission clears joint venture between General Electric and ATI

The European Commission has approved under the EU Merger Regulation the acquisition of joint control over a newly created joint venture by General Electric and ATI, both of the US. The joint venture will develop novel titanium alloy production processes. General Electric is a global, diversified manufacturing, technology and services company. ATI is a worldwide producer of specialty materials and components, including titanium and titanium alloys, nickel-based alloys and other specialty steels and alloys. The Commission concluded that the proposed transaction would not raise competition concerns as the joint venture does not have 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.8301](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni – Tel.: +32 229 90526)

Le volume des ventes du commerce de détail en hausse de 0,1% dans la zone euro

En avril 2017 par rapport à mars 2017, le volume des ventes du commerce de détail corrigé des variations saisonnières a augmenté de 0,1% dans la zone euro (ZE19) et de 0,5% dans l'UE28, selon les estimations d'Eurostat, l'office statistique de l'Union européenne. En mars, le commerce de détail avait progressé de 0,2% dans la zone euro, tandis qu'il avait reculé de 0,1% dans l'UE28. Un communiqué de presse est disponible [ici](#). (Pour plus d'informations: Lucia Caudet – Tel.: +32 229 56182; Mirna Talko – Tel.: +32 229 87278; Maud Noyon – Tel.: +32 229 80379)

ANNOUNCEMENTS

European Development Days focus on "Investing in Development" – #EDD17

The [11th edition of European Development Days](#) opens tomorrow, 7 June, with a specific focus on investing in development. Europe's leading forum on international cooperation and development promises to be the biggest ever with some 7,000 participants expected. The event's debates, panels, and special events will provide insights into the most pressing development challenges facing the world, and various approaches to dealing with these challenges. A key moment of the European Development Days will be the signature of the European Consensus on Development, a strategic document, outlining the future of European development policy. For the first time, the

Consensus will apply in its entirety to all EU Institutions and all Member States, who are committed to work more closely together. During the European Development Days, discussions will bring together Heads of State or Government, business leaders and stakeholders to debate and share new insights into sustainability, inclusivity, peace and prosperity, focusing on the roles of youth, women and the private sector in development cooperation. (For more information: Carlos Martin Ruiz de Gordejuela – Tel.: +32 229 65322; Christina Wunder – Tel.: +32 229 92256)

Commissioner Oettinger participates in Citizens' Dialogue in Germany

Following the debates and dialogues taking place across the Union on the future of Europe and the presentation of the Commission's [White Paper on the Future of Europe](#), Commissioner Günther H. **Oettinger**, in charge of budget and human resources will participate in a [Citizens' Dialogue](#) on 6 June April in Mainz, Germany. Commissioner **Oettinger** will discuss the future of Europe. The dialogue will start at 19:00 CET and can be followed live on [Facebook](#). (For more information: Alexander Winterstein – Tel.: +32 229 93265; Maria Sarantopoulou – Tel.: +32 229 13740)

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

50 millions d'euros pour la nouvelle Force conjointe des pays du Sahel: l'Union européenne renforce son soutien en faveur de la sécurité dans la région

On 23 June 2016 citizens of the United Kingdom (UK) voted to leave the European Union (EU). On 29 March 2017 the UK formally notified the European Council of its intention to leave the EU by...

Over the past 20 years, the European Union has put in place some of the highest common asylum standards in the world. And in the past two years, European migration policy has advanced in leaps and...

'Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity.' Robert Schuman 9 May 1950 on 25 March 2017,...

In response to the illegal annexation of Crimea and deliberate destabilisation of a neighbouring sovereign country, the EU has imposed restrictive measures against the Russian Federation.Overview...

European Commission President Jean-Claude Juncker delivered his annual State of the Union speech at the European Parliament on 14 September 2016, just two days ahead of the informal meeting of 27...

Enlargement is the process whereby countries join the EU. Since it was founded in 1957, the EU has grown from 6 member countries to 28. Any European country that respects the principles of liberty,...

50 millions d'euros pour la nouvelle Force conjointe des pays du

Ce soutien contribuera à la mise en place effective de la Force conjointe du G5 Sahel qui incluera des forces du Mali, de la Mauritanie, du Niger, du Burkina Faso et du Tchad et sera opérationnelle dans les cinq pays. Cette initiative vise à renforcer les actions en matière de sécurité, notamment des zones frontalières.

Cette annonce a été faite par la Haute Représentante / Vice-Présidente Federica **Mogherini** qui participe à la troisième rencontre ministérielle **UE-G5 Sahel** dans le cadre de sa première visite officielle au Mali.

“La stabilité et le développement de la région du Sahel sont cruciaux non seulement pour l’Afrique mais aussi pour l’Europe. Nous sommes voisins et tout ce qui se passe sur l’un de nos continents a un impact sur l’autre. Nous devons unir nos forces pour lutter contre le terrorisme, les trafics de toutes sortes, y compris d’êtres humains, et une meilleure gestion des frontières. La coopération entre les pays du G5 Sahel est la clé du succès pour sécuriser le territoire du Sahel. Notre soutien à la force conjointe annoncé aujourd’hui montre qu’ils peuvent compter sur nous” à déclaré la HR/VP **Mogherini**. “Garantir la sécurité de la région est aussi une condition indispensable pour le développement de la région. Nous menons en parallèle des actions complémentaires d’aide à la création d’emplois, à la formation ou la santé des populations. Nous allons continuer d’investir dans le développement de l’Afrique, car c’est un investissement sur notre avenir commun.”

La HR/VP **Mogherini** a ensuite participé à une rencontre avec environ 100 jeunes issus de la région du Sahel, du Maghreb, des groupes de la diaspora en Europe et de jeunes Européens. La discussion a porté sur les opportunités que l’UE et l’Afrique peuvent apporter à la jeunesse et sur la façon de faire de

la jeunesse la force motrice du développement du continent.

Cette rencontre s'inscrit également dans le cadre du prochain Sommet Afrique-UE qui se tiendra en Côte d'Ivoire les 29 et 30 novembre prochains, et dont le thème principal sera la jeunesse.

Contexte

L'UE a renforcé ces dernières années son partenariat avec les pays du Sahel G5 que sont le Mali, la Mauritanie, le Niger, le Burkina Faso et le Tchad. Les deux dernières rencontres ministérielles ont eu lieu en juin 2015 et 2016 à Bruxelles, et la HR/VP a également participé au Sommet des Chefs d'Etat et de Gouvernement du G5 Sahel au Tchad en novembre 2015.

L'UE est un acteur clé dans le secteur de la sécurité au Mali et la région du Sahel à travers la présence de trois missions de la politique de sécurité et de défense commune (PSDC): EUCAP Sahel Niger (formation et conseil aux forces de sécurité du Niger pour lutter contre le terrorisme et crime organisé), EUCAP Sahel Mali (formation et conseil aux forces de sécurité malienne pour garantir l'ordre démocratique) et la mission de formation de l'UE au Mali (EUTM) (appui à la formation et entraînement du personnel de commandement de l'armée malienne). Un processus de régionalisation de l'action des ces trois missions est en cours.

L'aide européenne au développement pour les 5 pays s'élève à 2 milliards d'euros sur la période 2014-2020.

Le fonds fiduciaire d'urgence pour l'Afrique a également été mobilisé à hauteur de 450 millions d'euros pour soutenir des projets complémentaires de renforcement de la sécurité, de la gouvernance, de création d'emplois et de résilience des populations affectées dans des zones clés au Mali et dans la région.

Fiche technique: [L'Union européenne et le Sahel.](#)

Photos disponibles [ici](#).