

Competition policy 2005

2007/2078(INI) - 19/06/2007 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the own-initiative report drafted by Elisa **FERREIRA** (PT, PES) in response to the Commission Report on Competition Policy 2005. Parliament welcomed the Commission's action to modernise competition policy with particular reference to the Commission's stance on combating cartels, its renewed targeting of unauthorised State aid and its sector inquiries. It approved the Commission's efforts to improve the quality of enforcement of decisions through increased cooperation with and among national competition authorities (NCAs), and asked for consideration to be given to the creation of a network of judicial authorities, comparable to the ECN. In relation to services of general economic interest (SGEIs), Parliament renewed its call for further progress in relation to both the clarification of the existing competition rules and their practical application.

It moved to expressed concern about the excessive delay in the processes of recovery of unauthorised State aid granted by several Member States, stressing that the inadequate enforcement of rules in this area may seriously harm fair competition. Parliament took the view that certain taxation practices applied by some of the Swiss cantons could have the effect of distorting competition. It called for continued dialogue with the Swiss Confederation on these issues with a view to Swiss participation in the Code of Conduct for Business Taxation annexed to the Council conclusions of the ECOFIN Council Meeting on 1 December 1997 concerning the taxation policy. Parliament supported the Commission's efforts to introduce a Community-wide common consolidated corporate tax base (CCCTB).

It went on to express concern at the relative failure to date to achieve genuine competition in the energy markets. In many Member States, ownership unbundling had proven insufficient to ensure adequate competition, as very high market shares of incumbent operators were associated with insufficient market access and market foreclosure. Parliament strongly believed that the introduction of a level playing field enabling new market entry and facilitating the introduction of new environmentally friendly technologies must be a priority.

Members stressed that competition law must be applied to all players on the European market, whether or not they have their headquarters in the European Union. It suggested that progress would be welcome in reviewing the "two-thirds rule" which governs whether national or European competition authorities deal with a particular case.

Parliament welcomed the Commission's efforts to increase the transparency and public accountability of the existing mechanisms of State aid. Recalling the need to avoid competition and duplication among Member States' State aid schemes, Parliament suggested that further efforts by the Commission to harmonise national practices and promote the exchange of information and best practices were of the utmost relevance. It also recalled the principle of compatibility between State aid and Community cohesion policy, and asked the Commission to ensure that State aid did not result in distorted competition by provoking the relocation of companies from one Member State to another. This might lead to subsidy-shopping by businesses without any added value for the common goals of the Community and, in particular, to the loss of jobs in one region for the benefit of another.

MEPs welcomed the progress made in the context of bilateral cooperation with the EU's main partners, namely, the United States, Canada, Japan and Korea, including dialogue on issues of common concern such as merger remedies and cartel investigations.

Lastly, Parliament considered that Community State aid policy, particularly regarding sectors that operate in the globalised market, must focus on aid practices by third-country governments in relation to

competitors. However, a balance should be achieved by giving preference to efforts regarding cooperation and mutual recognition, rather than through subsidy competition.