Report on Competition Policy 2006 and 2007

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The Committee on Economic and Monetary Affairs adopted the own-initiative report by Jonathan **EVANS** (EPP-ED, UK), welcoming the publication of the Commission's Competition Policy Reports for 2006 and 2007.

Antitrust: MEPs congratulate the Commission on its effective challenging of the operation of unlawful hardcore cartels and the record fines imposed on offenders. They support the use of the revised leniency notice and procedure to encourage the provision of information about the operation of unlawful hardcore cartels.

The report also welcomes the publication of the White Paper on damages actions for breach of EC anti-trust rules but urges that reform be pursued in such a way as to ensure that the negative effects of the US system are not repeated in the European Union. MEPs also call on the Commission to clarify the role and involvement in competition cases of the Commission Consumer Liaison Officer.

Reiterating their concern to avoid the abuse of market power by major corporations, MEPs call on the Commission to: (i) undertake an analysis of the effects on competition of unequal relationships between suppliers, namely food producers, and retailers; (ii) consider reviewing the operation of abusive practices in the services sector, which may prevent small businesses from being able to tender for work; (iii) consider conducting a sector inquiry into on-line advertising; (iv) undertake an analysis of possible national differences in the application of public procurement rules.

Mergers: MEPs welcome the announcement of the launch of a review of the Merger Regulation. They consider that the current provisions are insufficient in view of increasingly integrated and complex European markets and that a review should be undertaken with a view to seeking a consistent approach in the evaluation of comparable merger operations.

State aid: the report welcomes the publication of the General Block Exemption Regulation to cover SMEs, research and development aid in favour of SMEs, aid for employment, training aid, and regional aid. It also welcomes the publication of the revised Community guidelines on State aid for environmental protection and calls call for clarification of the existing competition rules and their practical application in relation to services of general economic interest.

MEPs call on the Commission to undertake analyses of the effectiveness of State aid and urge that a revision of the scoreboard identify those Member States that have failed to pursue the recovery of illegal State aid adequately.

Sectoral dimension: the report supports the Commission in its endeavours to further develop the European gas and electricity markets. However, it expresses concern at the lack of transparency in the formation of fuel prices in European markets and asks the Commission to ensure proper vigilance over competitive behaviour in those markets. The Commission is also called upon to enforce behavioural constraints on financial institutions in receipt of State aid in order to ensure that such institutions do not engage in aggressive expansion against the background of the guarantee to the detriment of competitors.

Effective implementation: the Commission is called upon to to ensure that its Directorate General for Competition has appropriate staff numbers to deal with its rising workload. The Commission should also

review the structure of its participation in the International Competition Network and at the European Competition Day in order to ensure that the public is more widely and better informed about the key importance of competition policy.

Lastly, MEPs continue to support a more proactive role for Parliament in the development of competition policy through the introduction of the co-decision procedure.