Report on Competition Policy 2006 and 2007

2008/2243(INI) - 10/03/2009 - Text adopted by Parliament, single reading

The European Parliament adopted by 570 votes to 84, with 9 abstentions, a resolution the Competition Policy Reports for 2006 and 2007.

MEPs welcome the publication of these two reports and continue to support a more proactive role for Parliament in the development of competition policy through the introduction of the co-decision procedure.

Antitrust: Parliament congratulates the Commission on its effective challenging of the operation of unlawful hardcore cartels and the record fines imposed on offenders. It supports the use of the revised leniency notice and procedure to encourage the provision of information about the operation of unlawful hardcore cartels.

The resolution 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. It also calls on the Commission to clarify the role and involvement in competition cases of the Commission Consumer Liaison Officer.

Abuse of market power: reiterating its concern to avoid the abuse of market power by major corporations, Parliament calls on the Commission to:

- undertake an analysis of the effects on competition of unequal relationships between suppliers, namely **food producers, and retailers**;
- consider reviewing the operation of **abusive practices in the services sector**, which may prevent small businesses from being able to tender for work;
- examine how **self-employed people** and free-lancers may organise negotiate and conclude collective agreements consistent with competition law principles;
- consider conducting a sector inquiry into **on-line advertising**;
- undertake an analysis of possible national differences in the application of **public procurement** rules.

Mergers: Parliament welcomes the announcement of the launch of a review of the Merger Regulation and reiterates that it considers the current provisions to be insufficient in view of increasingly integrated and complex EU markets and that a review should be undertaken with a view to seeking a consistent approach in the evaluation of comparable merger operations. Parliament is worried about the increase in market concentration and conflicts of interest within the banking sector and warns against possible global systemic risks that arise from conflicts of interest and concentration.

State aid: Parliament notes the increasing amount of State aid and welcomes the further detailed guidelines aiming for better-targeted State aid. It 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.

Parliament calls 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. The Commission is also urged 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.

Economic crisis: Parliament expresses concern at the ongoing contraction in economic activity in the European Union and considers it appropriate that, in the framework of the competition rules, adequate response mechanisms, such as restructuring aid or the globalisation adjustment fund, are deployed to combat the growth and employment impact from the credit crisis.

Energy: Parliament regrets that energy consumers in the European Union continue to suffer from disproportionate price increases and a distorted energy market, which was recognised as a result of the Commission's sector inquiry as not functioning properly. It stresses again the importance of a fully completed and well-functioning internal market for energy. It supports the Commission in its endeavours to further develop the European gas and electricity markets.

Effective implementation: the Commission is called upon 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.