Annual report on competition policy

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The Committee on Economic and Monetary Affairs adopted the own-initiative report by Antolín SÁNCHEZ PRESEDO (S&D, ES) on the Annual Report on EU Competition Policy.

The report stresses that competition policy is a **cornerstone of the European social market economy.** It underlines the importance of strengthening antitrust, state aid and merger control measures.

Competition policy should not aim at strengthening established companies or providers of goods and services, but should, rather, have as its **overarching objective the facilitation of the entry of new actors** and the emergence of new ideas and techniques.

Members are concerned at the fact that, while the state aid crisis regime was intended to be temporary in nature, it seems to have become not that temporary. They recall that Parliament has emphasised the need to discontinue these temporary measures as soon as possible. They regret the fact that in some cases the approach has been failing, and insists that the lessons from previous interventions must be learned and practices adopted accordingly.

The Commission is asked **strictly to enforce antitrust and merger control rules** in order to achieve better-regulated, transparent, open and fair financial markets.

Supporting sustainable growth, jobs and competitiveness: Members feel that strong competition and a proactive industrial policy are needed in order to deepen the single market, return to economic growth, strengthen the attractiveness of the European market at a global level, achieve the Digital Agenda and encourage research and innovation. The Commission is asked to enforce competition policy effectively and to promote **environment-friendly** technologies and resources.

Services of General Economic Interest (SGEIs): European citizens want a high-quality, area-wide and affordable supply of necessary and important public services, while increasing competition and promoting a more level playing-field between providers of those services, whether the latter are public or private. Members highlight that, to that end, **safeguarding competition between different providers** is crucial. The report stresses that the recent SGEI package could lead to a simpler, clearer and more flexible framework in this regard.

It calls on the EU competition authorities to **monitor the pharmaceutical, health and insurance services markets** (in particular the markets in generics and innovative medicines), identifying potential misuse of patent rights and discriminatory behaviour.

Improving consumer welfare: the report invites the Commission to:

- scrutinise competition in the **agro-industrial sector** in terms of support, transparency and consumer price evolution at all levels of the value chain. Members want the Commission to take initiatives to tackle speculation on food markets;

- pursue the **full implementation of the internal energy market package and monitor competition in energy markets**, specifically wherever privatisation of public utilities starts out from a system of monopolistic or oligopolistic markets;

- examine developments on the EU **air cargo and express services market**. Members stress that since European cargo airlines are denied access to the US domestic market, this unequal market access distorts competition and finally hurts the European logistics industry and its customers.

Promoting legitimacy and effectiveness for competition policy: Members support an **active role for Parliament** in shaping competition policy, including co-legislative powers. The Commission must be fully accountable and must follow up Parliament's resolutions; the structured dialogue should be strengthened. The Commission should also ensure **better structuring of its cooperation with consumer organisations.**

The Commission is asked to:

- continue acting impartially and objectively and to be open to **improvements in competition procedures,** noting the right of undertakings to have access to the Commission's file prior to being heard;

- promote a **fair competition culture** by identifying general principles and supporting companies' actions in this area;

- take into consideration the use of **Alternative Dispute Resolution** and to present the long overdue proposal under the ordinary legislative procedure to facilitate individual and collective private actions for damage suffered by companies and consumers as a result of breaches of EU antitrust law.

Fining policy: Members recommend that the **settlement procedure** and, where appropriate, **dissuasive and proportionate fines** should be used, while avoiding the adverse economic and social consequences of driving stressed undertakings out of the market. Concerned that the use of fines as the sole instrument may be too limited, the report calls for the development of a **wider range of more sophisticated instruments**. It favours a '**carrot-and-stick'** approach with penalties that serve as an effective deterrent while encouraging compliance. Members also call for the Commission' to incorporate a **detailed basis for calculating fines**, based on the principle of legality, into Regulation (EC) No 1/2003, along with new fining principles.

Sector-specific considerations: the report calls on the Commission and the Member States to **make progress towards completing the single market in transport**, while ensuring open and fair competition and while respecting other Union policy objectives such as properly functioning transport and mobility services, policy objectives in the areas of public services, social standards, safety and environmental protection, and the EU targets for reducing CO2 emissions and oil dependency.

The report draws attention to the following points:

- the need to speed up the implementation of the **Single European Sky** legislation, with a view to making the pricing of services more transparent, thereby facilitating the monitoring of compliance with competition rules;
- the need to open up the **railway sector** to fair competition as well as to ensure a better quality of services, without compromising public service provisions;
- the need to avoid unfair competition within the liberalised **road transport sector** by guaranteeing the proper application of social, safety and environmental rules, with special attention to the opening of this market for cabotage and to dumping practices;

- the implementation of the **third Postal Directive** by Member States. The Commission is asked to examine closely the social consequences of the liberalisation of the postal market and the universal service obligation in this field, including the financing of the universal service;
- the necessary measures and enforcement in the **European market in electronic payments** to ensure a more open, transparent, innovative and competitive single market in payments, in such a way that it brings advantages and choice to all consumers with regard to card, internet and mobile payment options and mobile wallets, interoperability, costs and portability;
- the application of competition rules and intervention where there is excessive **media concentration** and where media pluralism is in danger;
- better integration of competition policy with respect to the employment **targets of the EU 2020 Strategy,** allowing better support for SMEs, which are the main job creators.

The Commission is asked to make a specific reference to the impact of competition policy on employment and social affairs in future Annual Reports.