Annual report on EU competition policy

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PURPOSE: presentation of the Commission Report on Competition Policy 2013.

CONTENT: in its 2013, the Commission stressed that there have been encouraging signs that an economic recovery is underway in Europe. Moreover, the **European Parliament's 2013 study on competition policy** concluded: "Competition plays a crucial role in promoting productivity and innovation as drivers of economic growth. This means that competition policy, which intensifies competition, will stimulate growth."

In 2013, all competition-enforcement instruments have contributed to promote growth and competitiveness across the European economy.

Promoting competitiveness by fighting against cartels: antitrust enforcement has deterred and punished the artificial fragmentation of the internal market.

Cartels often concern input and intermediate goods and the Commission has focused its enforcement efforts on this area.

The Commission is currently dealing with a number of cases in the area of **financial services**. On 4 December, the Commission fined 8 banks a total of EUR 1 712 468 000 for participating in cartels in markets for financial derivatives covering the EEA.

The Commission also has several ongoing cases in the **food sector**, an area of direct concern to consumers.

In addition to those decisions, in April the Commission sent a Statement of Objections to a number of suppliers of **smart-card chips** for their alleged participation in a cartel.

The Commission adopted an additional key initiative for the antitrust regulatory environment: the proposal for a Directive on how citizens and companies can claim damages when they are victims of infringements of the EU antitrust rules, such as cartels and abuses of a dominant market position.

Furthermore, the Commission adopted a series of measures aiming to **simplify mergers**.

State Aid Modernisation: State aid Modernisation has been developed to encourage the design of growth-enhancing public spending. In 2013, the main elements on which the Commission focused its work on were as follows:

- adoption of new **Regional Aid guidelines** for 2014-2020;
- revised guidelines for the application of EU State aid rules to the **broadband** sector;
- revised State Aid guidelines devoted to the **promotion of risk-capital investments in SMEs**;
- new State Aid guidelines on **rescue and restructuring** to support firms in temporary difficulties;
- revised State aid guidelines for **research**, development and innovation (R&D&I), with a view to adopting new rules in 2014;
- revised future State aid guidelines for **energy and environment** which should lead to the adoption of new rules in 2014.

Strategic sectors: important decisions have been taken in sectors of strategic importance such as financial services, telecoms, the digital economy, and energy.

- ***In the financial sector***: most of the efforts focused on: (i) focus on derivatives and benchmark rates, with a proposed draft Regulation to restore confidence in those benchmarks to ensure the integrity of benchmarks by guaranteeing that they are not subject to conflicts of interest; (ii) state aid in the banking sector, revamped based on the Banking Communication; (iii) the enforcement and regulatory efforts in the payments area, with the revised Payment Services Directive and the Proposal for a Regulation on interchange fees for card-based payments.
- ***In the energy sector***: the measures to be taken aim to provide the EU with a common framework for energy, investing in infrastructure, increasing energy efficiency, and encouraging more efficient and better market-integrated aid to renewables. Competition is part of the policy mix that can address those challenges. In 2013, antitrust enforcement actions have contributed or will contribute in the future to curbing energy prices by combatting abusive or collusive behaviour leading to segmentation of markets and inefficient allocation of energy.
- ***In the digital sector***: effective scrutiny of the behaviour of dominant firms, as well as quick reaction in case of abuses, is particularly important, since illegal practices may cause the early exit from the market of small and innovative competitors. The Commission sought to: (i) facilitate the dissemination of intellectual property and knowledge is also important in the digital industries; (ii) combine competition-policy instruments to address the challenges of fast-moving market; (iii) promote connectivity and tackling Single Market fragmentation in the telecoms sector; (iv) remove obstacles to innovation in the knowledge economy.

International cooperation: international co-operation in competition policy-making and enforcement helped to tackle the challenges posed by the growing internationalisation of business. As encouraged by the European Parliament, the Commission continued to engage in multilateral and bilateral policy dialogues with the authorities in a number of other jurisdictions so as to promote convergence on both substantive and procedural competition rules.