Annual report on EU competition policy

2016/2100(INI) - 14/02/2017 - Text adopted by Parliament, single reading

The European Parliament adopted by 467 votes to 156 with 68 abstentions, a resolution on the annual report on EU competition policy.

Members welcomed the annual report by the Commission on competition policy, which demonstrates that proper EU competition policy can help to restore a sufficient level of investment and innovation by creating a fair competition environment.

Single market integration: stressing that without an effective EU competition policy the internal market cannot attain its full potential, Parliament welcomed the Commission's use of the various instruments at its disposal, including control of mergers, combating abuse of a dominant position and anti-competitive practices, combating cartels, control of State aid, coordination with national and, where applicable, regional competition authorities, and sectoral inquiries.

Members stressed that an effective competition policy has to allow for the specific market conditions applying to SMEs, micro-enterprises and start-ups, and must protect workers' rights and make for fair taxation.

The resolution insisted, *inter alia*, on the need to:

- prioritise the **strengthening of the post-Brexit Single Market** by ensuring full compliance with EU competition laws and by further increasing cooperation between Member States on tax issues;
- put an end to unfair tax competition (including illegal tax benefits granted) by Member States, and to investigate thoroughly all the cases where it is suspected that the aim is illegal tax optimisation by multinationals;
- establish a **common consolidated corporate tax base** (full CCCTB), which will help to eliminate distortions of competition and provide a guarantee that no profit leaves the EU untaxed;
- prevent the misuse of EU funds and stimulate accountability in public procurement; Members urged the establishment of the European Public Prosecutor's Office;
- **enforce single market rules** also at Member State level and for infringements to be dealt with in order to tackle fragmentation of the single market;
- further reinforce the single market by removing the remaining barriers and obstacles;
- **fight against fiscal and social dumping**, abusive tax planning and tax evasion;
- complete the implementation of the **Single European Railway Area**.

Single market: given that the digital single market could create hundreds of thousands of new jobs and contribute EUR 415 billion per year to the EU economy, Parliament called for **greater attention** to be focused on the new business models used by digital companies.

Members recommended:

- speeding up investigations on areas of search bias (hotels, local searches, flights), and conduct investigations on the dominant hotel booking platforms;
- taking ambitious steps to **eliminate illegitimate obstacles to online competition**, in particular by ending unjustified geo-blocking practices and unfair price discrimination based on geographical location or nationality, which often have the effect of building monopolies and of some consumers resorting to illegal content;

- assessing the potential impact of every initiative on the **ability of SMEs** to benefit from the digital single market;
- granting the utmost importance to net neutrality 'to ensure that there is no discrimination between internet services and competition is fully guaranteed;
- creating a toolkit, which is indispensable in order for the numerous forms and variants of the **sharing economy** to receive support at EU level;
- speeding up all procedures against anti-competitive behaviour which infringes EU antitrust rules by a number of companies, in particular by **internet and telecom giants** and other media companies, film studios and TV distributors;
- bringing forward a regulatory strategy taking into account technology convergence and, in particular, the multiplication of platforms;
- safeguarding competition in the **internet search and telecommunications sectors**, including with regard to internet services and spectrum allocation;
- bringing down charges for intra-EU calls to the level of local calls in the most efficient way.

State aid: Parliament welcomed the overhaul of the State aid rules and suggested that a specific annual report be sent to Parliament. It reminded the Member States that the aim was to **better target aid measures** towards long-term, sustainable economic growth, quality job creation and social cohesion, while ensuring an equal level playing field and the free functioning of the social market economy.

The Commission is called upon to launch a **road map** for less but better-targeted State aid, aiming to open up the possibility of reducing State aid by lowering taxes, therefore stimulating new businesses and fair competition. It should closely monitor the **renationalisation of public utilities** in EU Member States and prevent illegal State aid granted in the form of public service compensation.

Furthermore, all State aid cases and public procurement irregularities connected to energy and environmental investments must be **strictly monitored and investigated in depth**.

Parliament called on the Commission to keep its **cartel enforcement record strong and effective** in all cases where it has sufficient evidence of infringement. The existing rules relating to fines for infringements could be supplemented by ongoing penalties against those responsible.

Lastly, Members wanted to see **more effective national competition authorities** in the EU: it was essential that the national competition authorities have the means and instruments they need to be effective enforcers of EU competition rules, including the tools to detect, tackle and sanction infringements.