Annual report on competition policy

2017/2191(INI) - 01/03/2018 - Committee report tabled for plenary, single reading

The Committee on Economic and Monetary Affairs adopted the own-initiative report by Ramon TREMOSA i BALCELLS (ADLE, ES) on the annual report on competition policy. Members welcomed the report on competition policy 2016 of 31 May 2017, which shows that, in a fair competitive environment, investment and innovation are key for the future of Europe.

They strongly supported the **independence** of the Commission and national competition authorities in their mission to shape and enforce effectively EU competition rules and asked the Commission to ensure regular information and exchanges with Parliament on competition policy, as provided for by the Interinstitutional Agreement (IIA) between the Commission and Parliament.

Improving the application of competition rules: the report called on the Commission to monitor the implementation of legislation linked to the completion of the single market, such as in the energy (including self-consumption) and transport sectors, the digital market, and retail financial services, in order to improve the enforcement of EU competition rules and achieve a consistent application in Member States.

Members noted, however, that state aid can be an indispensable tool to secure the necessary infrastructure and supply for both the energy and transport sectors, and can be necessary to ensure the delivery of services of general economic interest (SGEI). They stressed that accessing cash from ATMs is an essential public service that must be provided without any discriminatory, anti-competitive or unfair practices.

The Commission was asked to:

- reallocate adequate financial and human resources to DG Competition;
- continue its efforts to prevent the misuse of EU funds and stimulate accountability in public procurement;
- adopt indicative guidelines to shorten the duration of antitrust investigations and proceedings for abuse of a dominant market position;
- examine carefully, in connection with a possible reform of the Merger Regulation, whether current assessment procedures take sufficient account of circumstances on digital markets.

Tax competition: Members reiterated that fair tax competition is important for the integrity of the internal market and that all market players, **including digital companies**, should pay their fair share of taxes where their profit is generated and compete on equal terms. Distortive anti-competitive practices, such as **selective tax advantages**, should be eliminated. Furthermore, the Commission should have access to all the relevant information exchanged between the national tax authorities, in order to assess the compatibility of their tax rulings and arrangements with EU competition rules.

Digital market: Members strongly welcomed the Commission's decision against the illegal tax benefits granted to Amazon and stressed that the timely recovery of illegal aid is essential. They took note of the Commission's statement of objections and its preliminary conclusion that **Google** has abused its market dominance as a search engine by giving an illegal advantage to another of its products, this being its comparison shopping service. The Commission was called upon to: (i) ensure that the company implements the remedy effectively and promptly; (ii) diligently conduct all other pending antitrust investigations, such as Android, AdSense, and investigations in the travel and local search sectors, where Google is allegedly abusing its dominance; (iii) develop policy and enforcement instruments dealing with the emergence of digital economies.

Transport sector: the Commission was asked to ensure fair competition in the transport sector in order to complete the single market, taking account of the public interest and environmental considerations and safeguarding the connectivity of insular and peripheral regions.

Members called on the Commission to clarify state aid rules for **European and non-European airlines**, with a view to establishing a level playing field between their operations targeting European and non-European markets. The report stated that the same competition rules should be applied to all air carriers when flying to or from the EU and to both national and low-cost carriers.

The Commission was invited to carefully assess all airline merger deals in accordance with the EU's merger control procedure, including their impact on market competition. Members also asked the Commission to complete the implementation of the Single European Railway Area.

Trade defence instruments: Members called for trade defence instruments to be updated to make them stronger, faster and more effective. They welcomed the new method of calculating anti-dumping duties by assessing market distortions in third countries. They emphasised, furthermore, the particular importance of the anti-subsidy instrument in tackling unfair global competition, and establishing a level playing field with EU state aid rules.

The report emphasised that **reciprocity** must be one of the key principles underpinning Union commercial policy, with a view to ensuring a level playing field for EU firms, in particular in the area of public procurement. It called on the Commission to take account of the needs of **SMEs** when conducting negotiations and trade with a view to ensuring better access to markets and making the firms in question more competitive.

Lastly, Members stressed that the Commission must put increased effort into ensuring the consistent application of the EU competition rules in all Member States with regard to **e-commerce-related business practices.**