Annual report on competition policy

2017/2191(INI) - 19/04/2018 - Text adopted by Parliament, single reading

The European Parliament adopted by 445 votes to 104, with 38 abstentions, a resolution 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.

While strongly supporting the **independence** of the Commission and national competition authorities in their mission to shape and enforce effectively EU competition rules, Members called on 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: Parliament 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 (including insurances), 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 in public procurement which is one of the government activities most vulnerable to corruption; 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: Parliament 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. It stressed the need to tax companies on the basis of their genuine activity in Member States.

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 welcomed the Commission's decision against illegal tax benefits granted to Amazon and stressed that timely recovery of illegal aid is essential. They noted the Commission's statement of objections and its preliminary findings that Google has abused its dominant market position as a search engine by giving illegal advantages to another of its products, this being its price comparison shopping service. The Commission is called on to ensure that this company effectively implements corrective measures as soon as possible.

In general, Parliament stressed the **specific challenge** that digital businesses represented for competition and tax authorities, in particular as regards algorithms, artificial intelligence or the value of data. They encouraged the Commission to develop policy and enforcement instruments dealing with the emergence of digital economies.

Financial services: Parliament has asked the Commission to closely monitor activities in the retail banking and financial services sectors. It invited the Commission to explain under what conditions it was possible to use public funds to bail out major banks. It considered it a priority to **ensure that State aid rules will be strictly respected** when dealing with future banking crises, so that the burden of rescuing banks does not fall on taxpayers.

Members also stressed that access to cash via ATMs is an essential public service that must be provided without any anti-competitive practices being applied.

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 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;
- carefully assess all airline merger deals in accordance with the EU's merger control procedure, including their impact on market competition;
- complete the implementation of the Single European Railway Area and to verify that every Member State has a strong and independent national antitrust regulator.

International cooperation: Parliament stressed the importance of international cooperation for the effective application of competition law principles in an era of globalisation. It asked the Commission to include a chapter on competition in international trade and investment agreements.

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 resolution 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.