Annual report on competition policy

2018/2102(INI) - 18/12/2018 - Committee report tabled for plenary, single reading

The Committee on Economic and Monetary Affairs adopted the own-initiative report by Michel REIMON (Greens/EFA, AT) on the annual report on competition policy.

General aspects

Members welcomed the Commission report on Competition Policy 2017 as well as its efforts and activities to ensure the effective application of competition rules in the Union for the benefit of all EU citizens, especially those in weak consumer positions.

The report encouraged the structured dialogue with the Commissioner for Competition and the efforts of the Commission to maintain close co-operation with the members of Parliament's competent committee and its Working Group on Competition Policy. It noted that Parliament should be given co-decision powers to shape the framework for competition rules.

Members regretted that the democratic dimension of this area of Union policy has not been strengthened in recent treaty amendments. They called for the treaties to be amended accordingly.

Unfair practices

According to Members, competition rules should be seen in the light of the wider European values underpinning Union legislation regarding social affairs, the social market economy, environmental standards, climate policy and consumer protection.

Combating unfair trading practices, through competition policy, is necessary to ensure a global level playing field which benefits workers, consumers and businesses, and is one of the priorities of the EU's commercial strategy.

The Commission is called on to:

- increase its support for small and medium-sized enterprises (SMEs) in the EU to enable them both to protect and enforce their rights in the event of unfair commercial practices, i.e. dumping and subsidisation by non-EU countries;

- step up its efforts to promote fair competition, including by combating the unjustified use of tariff barriers and subsidies, in the global market.

Members considered it important to ensure the proper functioning of Union collective redress mechanisms designed to secure adequate compensation for consumers affected by anticompetitive practices.

Digital market

Members pointed out that even when products or services are supplied for free, most notably in the digital economy, consumers may still have to endure unjust behaviour, such as a degradation in quality, choice and innovation or extortive practices. EU competition rules and enforcement should also cover a range of aspects beyond price-centric approaches and should account for broader considerations such as the quality of products or services, also in view of citizens' privacy.

There is an urgent need for a common EU-wide approach on the future challenges of digitalisation for competition policy.

The Commission is called upon to:

- take more ambitious steps to eliminate illegitimate obstacles to online competition in order to ensure barrier-free intra EU online shopping, monitor price caps in sectors such as online platforms for accommodation and tourism and ensure that consumers have cross-border access to a broad range of online goods and services at competitive prices;

- carry out a sectoral inquiry into the advertising market in order to better understand the dynamics of online advertising and identify anti-competitive practices that need to be addressed under competition law enforcement;

- continue its efforts to find an agreement on taxation in the digital economy.

Members underlined the importance of and the need for adequate financial and human resources in the Commission Directorate-General for Competition and in the national competent authorities as well as of the IT and digital expertise necessary to address the challenges posed by a data-driven and algorithm-based economy. They expressed support, in this connection, for the **proposed competition strand** of the single market programme under the 2021-2027 multiannual financial framework (MFF).

State aid

Members took note of the decision of the Commissioner for Competition, Margrethe Vestager, on the investigation concerning State aid to McDonald’s, which stated that the non-taxation of certain profits of McDonald's in Luxembourg does not constitute an illegal State aid. They took the view that **current EU regulation is unfit** to effectively combat double non-taxation and to stop the race to the bottom on corporate tax levels.

The report noted that temporary State aid to the financial sector for the stabilisation of the global financial system might have been necessary in the absence of resolution tools but that it must be now scrutinised and removed.

The Commission is called on to examine whether banking institutions have, since the onset of the financial crisis, benefited from implicit subsidies and State aid through the provision of liquidity support from central banks. It is considered a priority to ensure that State aid rules are strictly and impartially adhered to when dealing with future banking crises, so that taxpayers are protected against the burden of bank rescues.

Members welcomed the introduction by the Commission of an anonymous whistle-blower tool enabling the reporting of cartels or other types of illegal anti-competitive practices.

Any future trade agreements should provide a level playing field, particularly as regards competition and State aid.