Annual report on competition policy

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The European Parliament adopted by 468 votes to 66, with 66 abstentions, a resolution on the annual report on competition policy.

The need for a strong and effective European competition policy

Stressing that competition policy is one of the cornerstones of Europe's social market economy, Members welcomed the Commission's report on competition policy 2017 as well as its efforts to ensure the effective application of competition rules in the Union for the benefit of all EU citizens, in particular consumers in vulnerable situations.

Members encouraged the structured dialogue with the Commissioner responsible for competition and the efforts of the Commission to maintain close cooperation with members of Parliament's competent committee and its Working Group on Competition Policy. They called for Parliament to be given co-decision powers to define the framework for competition rules.

Unfair practices

According to Members, competition rules must be seen in the light of the broader European values that underpin EU legislation on social affairs, the social market economy, environmental standards, climate policy and consumer protection.

The fight against unfair commercial practices, through competition policy, is necessary to ensure a level playing field in global terms, benefiting workers, consumers and businesses, and is one of the priorities of the EU's trade strategy.

The Commission is invited to:

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

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

Members considered it important to ensure the proper functioning of EU collective redress mechanisms designed to ensure adequate compensation for consumers affected by anti-competitive practices.

Digital market

Parliament has stressed that even when products or services are provided free of charge, particularly in the digital economy, consumers may still have to endure unfair behaviour, such as degradation of quality, choice and innovation or abusive practices. EU competition rules and their enforcement should also cover a range of aspects other than price-oriented approaches and take into account broader considerations such as the quality of products or services, in particular with regard to citizens' privacy.

The urgency of adopting a common EU-wide approach to meet the future challenges of the digitisation of competition policy was underlined.

The Commission is called upon to:

- take more ambitious measures to remove illegitimate barriers to online competition in order to ensure unimpeded intra-Community online shopping, to monitor price caps in sectors such as online platforms for accommodation and tourism, and to ensure that consumers have access to a wide range of online goods and services at competitive prices;

- conduct an 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 in the application of competition law;

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

Parliament welcomed the Commission's decision in the antitrust field to impose a fine of EUR 4.34 billion on Google for illegal practices on Android mobile devices aimed at strengthening the dominant position of Google's search engine. It reaffirmed the need for the Commission to also examine the possibility of completely dissolving the structure of monopolies in the field of digital technologies in order to restore a level playing field in the European digital market.

Tax evasion

Money laundering, tax evasion and tax fraud undermine the fair distribution of tax revenues in the Member States and thus distort competition in the internal market.

Members welcomed the Commission's in-depth investigations into anti-competitive practices such as selective tax benefits and the system of advance tax rulings on surplus profits. They called on Member States to abandon unfair competitive practices between States based on unjustified tax advantages and to adopt the proposal on the common consolidated corporate tax base.

State aid

Parliament stressed that temporary state aid to the financial sector - which may have been necessary to stabilise the global financial system in the absence of resolution mechanisms - should now be closely examined and dismantled. It therefore invited the Commission to assess whether the banking sector has benefited, since the beginning of the crisis, from State aid and implicit subsidies through liquidity support from central banks.

The Commission is called upon to launch a roadmap to better target State aid by paying particular attention to the provision of services of general economic interest (SGEIs), including in the fields of energy, transport and telecommunications, when applying the Union's State aid rules.

Any future trade agreements should ensure a level playing field, in particular with regard to competition and State aid.