Competition policy – annual report 2020

2020/2223(INI) - 08/06/2021 - Text adopted by Parliament, single reading

The European Parliament adopted by 208 votes to 115, with 68 abstentions, a resolution on competition policy - annual report 2020.

Effective enforcement of competition policy

Expressing its concern about the increasing concentration of industry in Europe, Parliament recalled that strict and impartial enforcement of EU competition rules by independent competition authorities is essential for European companies operating in the internal market and internationally, in particular for SMEs.

To combat social, environmental and fiscal dumping more effectively, Members called for a legal framework for a mandatory human rights and environmental due diligence instrument. They also stressed that aggressive tax practices by multinationals, harmful tax practices and tax advantages for large companies could undermine the competitiveness of markets.

The resolution insists on Parliament’s co-decision powers to shape the framework for competition rules.

Policy responses to COVID-19

Parliament welcomed the adoption of a **Temporary Framework for State aid measures**, and amendments to prolong and expand it, established in response to the COVID-19 crisis to enable Member States to support companies during the pandemic. It support the maintenance of exceptional measures for as long as the recovery is ongoing but underlined that the Framework is a temporary tool.

Members stressed that restoring effective competition in the medium to long term is key to ensuring that the recovery is rapid and consistent and that support measures should be more targeted as the recovery progresses.

Parliament supports effective measures to address the **shortage of COVID-19 vaccine**, particularly in low- and middle-income countries. It called on the Commission and Member States to: (i) convince third countries to lift existing export bans and speed up the donations of vaccines; (ii) step up their efforts to support technology transfer and voluntary licensing of intellectual property rights to address pandemic infectious diseases affecting the world's population.

The Commission and Member States were asked to launch a **post-COVID 19 roadmap** for better targeted state aid to promote competitiveness and safeguard jobs.

According to Members, aid should only be granted to companies suffering the direct financial consequences of the pandemic. State aid should not be granted to companies that were inefficient and structurally loss-making before the COVID-19 crisis, nor should it be used to fuel monopolistic structures.

Global dimension

Parliament stressed the importance of **structured global dialogue and cooperation** in order to achieve a common approach to fair competition. In this context, the Commission is invited to:

- strengthen the state aid provisions in future trade and investment agreements;

- pay attention to the role of foreign state-owned companies that are supported and subsidised by their governments in ways that EU single market rules prohibit for EU entities;

- identify strategic dependencies, especially in sensitive industrial ecosystems, and propose measures to reduce them, including diversifying production and supply chains, encouraging production and investment in Europe and ensuring the build-up of strategic stocks.

Members support the inclusion in EU competition rules of a thorough state aid control on undertakings from non-EU countries, while stressing that the EU should remain open to foreign direct investment that complies with its legal framework, respects European social and environmental standards and does not distort competition.

Competition policy in the digital age

Parliament welcomed the Commission’s determination to address unfair terms and practices of platforms acting as gatekeepers, act decisively, and eliminate illegitimate obstacles to online competition in the European digital single market. However, it regretted the slowness of antitrust investigations compared to fast-moving digital markets. It stressed that 10 years after the opening of an investigation into Google search bias practices, the Commission has still not completed its investigation.

The Commission’s appeal of the Apple ruling was welcomed by Members stressing that the Apple case shows once again the need for sound State aid rules, taking into account beneficial tax regimes.

Parliament urged the Commission to speed up procedures, in particular with regard to antitrust and in rapidly growing digital markets.

Members considered that Parliament should play an active role in the political debate on competition policy, including through organising a public hearing with the CEOs of GAFA (Google, Amazon, Facebook, Apple) on their corporate strategies in the field of competition and taxation practices.

Parliament called for an enhanced EU transparency register with information related to funding of companies or associations in order to prevent stakeholders from acting on behalf of other companies without specifying that they are doing so

State aid control

Members welcomed the recently adopted new Guidelines on regional State aid and recalled the need for a road map for better targeted State aid, especially for the delivery of Services of General Economic Interest (SGEI). They called for particular attention to be paid to analysing the impacts on enterprises based in the EU's islands and outermost regions.

Lastly, Parliament considered that the EU's competition and state aid rules should be in line with the European Green Deal, the Union's Digital Agenda, the European Social Charter and the UN's Sustainable Development Goals.