Competition policy - annual report 2022

2022/2060(INI) - 13/06/2023 - Text adopted by Parliament, single reading

The European Parliament adopted by 428 votes to 147, with 57 abstentions, a resolution on Competition Policy - Annual Report 2022.

General considerations

Members believe that EU competition policy protects market structures against anti-competitive behaviour, cartels and the accumulation of market power. Treaty-based competition rules must be interpreted in the broader light of the European values that underpin the Union's highly competitive social market economy. The Commission is invited to ensure that the regulatory framework is adapted in response to technological developments and the Union's digital connectivity objectives, ensuring that the financing of critical infrastructure is appropriate and effective and respects competition rules.

The resolution stressed that the aim of competition policy should be to contribute to the objectives of the **Green Deal** for Europe and the **Digital Compass** and to strengthen the resilience of the EU internal market. Competition policy should provide legal certainty and regimes allowing greater flexibility should be temporary and targeted and should not undermine the integrity of the internal market.

Members welcomed the revised guidelines on state aid to encourage investment in risk financing, which clarify and simplify the rules under which Member States can **facilitate SMEs' access to finance**. They also believe that rather than adopting protectionist measures, obtaining reciprocal market access for EU exports would promote recovery and sustainable growth within the single market.

Policy response to the war in Ukraine and the Inflation Reduction Act

Parliament welcomed the rapid adoption of the Temporary Crisis Framework for State Aid measures to support the economy following Russia’s aggression against Ukraine, and the subsequent prolongations thereof. It noted the Commission’s proposal to transform this into a Temporary Crisis and Transition Framework (TCTF), by enlarging its scope to support all possible renewable sources of energy. It stressed that any flexibility should be targeted, temporary, proportionate and consistent with EU policy objectives and should refrain from creating permanent distortions in the internal market.

Members are deeply concerned about the **risk of further fragmentation of the internal market** as a result of excessive relaxation of state aid rules and the use of subsidies in response to the US Inflation Reduction Act. They warned the Commission against **international competition in subsidies** and urged it to use the tools at its disposal to prevent and sanction unfair competition in this area. They asked the Commission to pay particular attention to the differing levels of fiscal space available to Member States to provide support and monitor potential distortionary effects.

Parliament reiterated that the EU's response to the US Inflation Reduction Act should **not be built solely on State aid** but should also include other areas of competition policy such as scrutiny over mergers.

The resolution supported the modernisation of **public procurement** rules to help foster greener industry and promote European standards to facilitate the fast roll-out of key technologies.

Members stressed the importance of a coordinated response to **avoid distorting the EU's internal energy market**. They called on the Commission to take account of sustainability and European sovereignty criteria in its public procurement rules.

Parliament believes that **rising energy and food prices**, leading to excessive corporate profits, are the main drivers of the current rise in inflation. It stressed that rising energy costs are one of the main factors adversely affecting the ability of EU industry to compete on the global market.

Members reiterated that the Commission must use all the tools at its disposal under competition law to impartially combat market distortions and unfair pricing practices in the energy and food markets.

Merger control

Members considered that turnover-based merger thresholds are not fit for the digital economy, in which value is often represented by other factors, and also considered that the Commission **should not focus solely on prices** in its merger assessments, stressing that a product's 'fair price' is not the lowest price possible for the consumer.

The resolution supports the introduction of a rebuttable presumption that effective competition is significantly impeded by any merger leading to a dominant position of a company in a relevant market or any merger involving a dominant market player or gatekeeper, as defined in the Digital Markets Regulation.

Members urged the Commission to take decisive action, in accordance with Article 22 of the EC Merger Regulation, against '**killer acquisitions**' notifiable to the Commission under the Digital Market Regulation, as well as in relation to mergers in other strategic sectors.

Competition policy in the digital age

Members welcomed the creation of new Commission Directorates responsible for the application of the Digital Markets Regulation and called on the Commission to allocate a **larger budget** to properly apply and enforce the Digital Markets Regulation.

The Commission is invited to:

- ensure swift and effective enforcement against anti-competitive practices by application shops acting as gatekeepers in ongoing cartel cases and in the application of the Digital Market Regulation;

- build on existing initiatives to build on existing initiatives to increase collaboration between antitrust and data privacy regulators to both control corporate data misuse and prevent companies from using consumer data to gain an unfair competitive advantage.

Regarding state aid, Members are also calling for companies that engage in tax evasion using third country tax havens to be excluded from public procurement procedures and to be barred from receiving state aid.

Parliamentary involvement

The resolution stressed that Parliament should be properly involved in shaping competition policy. It called on the Commission to start negotiations on an interinstitutional agreement on competition policy. It asked the European Council to adopt a decision under the second subparagraph of Article 48(7) of the EU Treaty allowing for the adoption of legislative acts in the field of competition policy in accordance with the ordinary legislative procedure.