

# Competition policy – annual report 2024

2024/2079(INI) - 08/05/2025 - Text adopted by Parliament, single reading

The European Parliament adopted by 358 votes to 124, with 79 abstentions, a resolution on competition policy - annual report 2024.

Parliament affirmed that competition policy should **contribute to all EU policies**, including in the areas of sustainability, energy, defence and digitalisation. It welcomed the Commission's commitment to introduce a **new State aid framework** to accompany the Clean Industrial Deal, while ensuring that this does not hamper innovation, increase prices or reduce competition in the internal market.

The resolution underlined that the global strength and importance of the EU's single market stem not only from its internal and external competitiveness, but also from its ability to set common standards and ensure territorial cohesion. It also highlighted the importance of taking into account international regulatory and market developments and of enhanced international cooperation between competition authorities, including through the European Competition Network (ECN).

## *A competitive Union*

Parliament supports the Commission's commitment to investing in sustainable competitiveness, welcoming the priorities of the **Draghi report**, which states that EUR 800 billion per year is needed to maintain European competitiveness, through public and private investment. It recognises the urgent need for reforms alongside the effective implementation of the three policy areas outlined in the Draghi report: (i) closing the innovation gap with the US and China; (ii) a joint plan for decarbonisation and competitiveness to accelerate the energy transition and reduce energy costs; and (iii) strengthening security and reducing dependencies.

The resolution underlined the need for a coordinated, targeted, and truly European industrial policy to boost competitiveness. This must not result in dominant market positions or abuses, nor in price distortion. Effective merger control procedures must be put in place.

Members also considered that **any state aid granted must be compatible with the Union's strategic objectives**. They noted the Commission's intention to provide guidance on the compatibility of state aid with innovation, climate, and economic security issues, as well as its actions to reduce and phase out fossil fuel subsidies.

**State aid used to meet industrial policy objectives** must not adversely affect trading conditions or the common interest. Members pointed out in this regard that the fragmentation of state aid creates an unequal playing field and called on the Commission to monitor these impacts and ensure the integrity of the single market, which can be achieved through a common financing instrument for European industrial policy, such as a European Competitiveness Fund. The Commission and the Member States are urged not to engage in a subsidy competition, which would only exacerbate market distortions.

The resolution highlighted the importance of **Important Projects of Common European Interest** (IPCEI) for financing projects within the Union with a cross-border dimension. IPCEIs should have genuine European added value.

## *Concentrations*

Parliament noted that the turnover thresholds under the EU Merger Regulation may not be sufficient on their own to detect all cases that should be reviewed by competition authorities. It supported the Draghi report's proposal for an '**innovation defence**' in cases where a merger increases the capacity and incentive to innovate. The Commission is called upon to submit a legislative proposal to remove national barriers that may prevent it from considering the EU market as the relevant market in merger analysis.

Members also called for an update of merger assessment frameworks to reflect the realities of the digital economy.

### *Sectoral policies*

Parliament welcomed the decisions of the Court of Justice of the EU confirming the illegality of the tax agreement between Apple and Ireland and condemning Google for abusing its dominant position. It encouraged the Commission to continue combating abuses of state aid involving the selective granting of tax breaks to companies.

Members deplored international tax competition, support the implementation of OECD Pillar 2, and criticise the United States' decision not to implement the Global Tax Agreement, stressing **the importance of multilateralism** to ensure that multinationals pay their fair share of taxation where value is created.

In light of the worrying concentrations in various **digital markets** (social media, search engines, AI, cloud services, e-commerce, microchips, and online advertising), Parliament called on the Commission to address technology market-specific issues and called for further investigations into the cloud services sector. The rapid development of **AI services** risks leading to market concentration. The Commission is invited to adopt an ecosystem approach to this sector and to explore the possibility of adding generative AI as a new core platform service under the Digital Markets Regulation.

Parliament expressed concerns about:

- increased use of dynamic pricing mechanisms across the Union;
- the fragmentation of many consumer markets, including financial services, telecommunications and household energy;
- the high concentration of the distribution, agriculture and automotive sectors in the overseas territories;
- the high degree of market concentration in the European financial sector, as well as its excessive dependence on a limited number of third-country service providers;
- high levels of market concentrations in food supply chains;
- the dominant position of two international card schemes in the Union payments market and their involvement in practices which reinforce and extend their dominance in that market.

Lastly, Parliament called for **sufficient involvement** in shaping competition policy. It called on the Commission to initiate negotiations for an interinstitutional agreement on competition policy and on the European Council to adopt a decision providing for the adoption of legislative acts in the field of competition policy in accordance with the ordinary legislative procedure.