Competition policy: vertical restraints. Green Paper

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Given their considerable positive or negative effects on market integration, vertical restraints are of major importance to Community competition policy. While this policy has proved successful for over 30 years, a review is now necessary for several reasons: - the single market legislation is now largely in place; - the Commission’s category exemption regulations governing vertical restraints will expire at the end of 1999; - there have been major changes in distribution methods which may have implications for Community policy on vertical restraints; - current economic thinking emphasises the importance of market structure in determining the effects of vertical restraints. As competition between brands increases, it will become increasingly likely that the favourable effects on competition and efficiency will prevail over the anti-competitive effects of these restraints. (Source: RAPID)