Competition Policy. 24th report 1994

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In its 24th report on competition policy (1994), the Commission examines the importance of competition policy to the completion of a true internal market, to economic recovery in the Union and finally, in more general terms, as an instrument within the context of the globalization of world trade. Competition policy also needs to adapt to the new environment in which it is to be applied. From this point of view, the Commission needs to meet the twin challenges of improved efficiency and transparency. - Completion of the internal market: the Commission stresses that completing the legislative programme for the internal market does not mean that there is now no point in making any effort to complete a real internal market without borders. What now need to be addressed are all the obstacles in the public or private sectors which, in practice, prevent the market from operating smoothly. In this respect, identifying, prosecuting and dismantling cartels is still one of the Commission's priorities and it has therefore decided to set up a specialized unit within DG IV. This approach applies equally to the abuse of dominant positions. The Commission also wishes to adopt a more flexible attitude to vertical agreements which present competitive advantages and has therefore published a draft regulation on the exemption of certain categories of exclusive know-how and patent licensing agreements containing a shorter list of clauses which prevent exemption. Finally, the Commission is still convinced that controlling aid is the sine qua non to the completion of the single market and has therefore started by adopting guidelines on aid to save or restructure enterprises in difficulty, endeavouring to ensure that regional aid concentrates on the least favoured regions. Finally, it has maintained its approach to aid for privatization; - Economic recovery: in applying competition rules to public- and private-sector action, the Commission has taken account of the need to support the restructuring of Community industry in order to increase its competitiveness and it intends to pursue this approach in the future. The Commission intends to maintain a favourable attitude to forms of cooperation which strengthen efficiency and hence the competitive position of the parties. However, it will run careful checks to ensure that a cartel is not dressed up as cooperation and that the operation does not exclude or reduce competition. As far as state aid is concerned, the Commission will take account of the situation of the enterprise in question and of its workers and the region affected. Finally, having taken action in the telecommunications sector, the Commission will now turn its attention to the liberalization of sectors such as post and energy, bearing in mind the specific requirements of each sector; - Globalization of trade: the success of the GATT negotiations will result in substantial new reductions in the number of obstacles to trade in the public sector and hence an increase in the volume of international trade. This could have three consequences for competition policy: greater account will have to be taken of trade with third countries when defining the markets concerned and real or potential competitors, an increasing number of cases dealt with by the Commission will also be examined by the competition authorities in third countries and a real body of competition rules will need to be established at international level.