Competition policy. 25th report 1995

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OBJECTIVE: the aim is to take stock of European competition policy in 1995. SUBSTANCE: in its XXVth annual report, the Commission notes that European competition policy in 1995 was marked by a sharp increase in the number of cases referred to it and the number of decisions taken. The number of new cases referred to the Commission in all areas taken together (anti-trust, mergers, state aids) increased by more than one third. A significant part of this increase is due to the accession of three new Member States to the European Union, but also to the increased pressure of competition forcing European companies to cooperate in order to remain competitive. The Commission stresses that competition policy plays a vital role in creating a favourable climate for business, which is needed to ensure lasting economic growth and job creation. In particular, it is important for achieving and maintaining an internal market, in particular through the enforcement of rules ensuring that the regulatory barriers to trade are not replaced by private or other public restrictions having the same effect. Another fundamental objective of competition policy is consumer protection. With this in view, the Commission has penalized activities by companies seeking to block parallel imports and prevent consumers benefitting from price differences between Member States. For the same reason, the new regulation on car distribution ensures individual consumers the freedom to use parallel imports, while allowing the existence of structured networks to provide after-sales service. The Commission is displaying the same determination vis-à-vis companies which seek to curb access to the market for new competitors. The Commission has also continued its efforts to introduction competition to markets traditionally in the grip of monopolies (energy, public transport, telecommunications), while ensuring that the measures proposed are consistent with the fulfilment by public services of tasks of general economic interest such as providing universal service to all citizens at an affordable price. In this connection, application of the rules of competition to the information society has continued to be a priority. Significant progress has been made in introducing legislation to liberalize telecommunications services (mobile telephones from 1995, alternative networks from 1 July 1996, voice telephony on 1 January 1998). In several Member States, new entrants to the mobile telephone market are treated on an equal footing with the initial operator. However, the Commission is attempting to go further by preventing operators from concluding agreements or using practices which have the same effect as the former legal protection. That is why strategic alliances, which are increasingly frequent, can be authorized only if they do not close off national markets. The Commission has also prohibited two operations in order to protect the scope for competition by third parties in the sensitive audiovisual sector. With regard to state aid, the Commission has sought to continue its rigorous policy, allowing aid to be granted only under specific common rules to achieve priority objectives (e.g. research and development). In the air transport sector in particular state aids are seen as counter-productive and serving only to delay the necessary restructuring. In order to continue adapting European competition policy to the needs of the European economy, the Commission intends to open discussions with all parties concerned in the following sectors: cooperation with national competition authorities, a system of fines in the event of cartels, a green paper on mergers and vertical restraints on distribution, and an amendment of the rules on de minimis agreements to lighten the burden of constraints on undertakings as far as possible.