

# Competition policy. 31st report 2001

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**PURPOSE :** to present the 31st Commission report on competition policy. **CONTENT :** the year 2001 saw intense activity in all three areas of competition policy: antitrust, merger control and State aid. In 2001, the total number of new cases was 1 036, comprising 284 antitrust cases (under Articles 81, 82 and 86), 335 merger cases, and 417 State aid cases (excluding complaints). Comparable figures for 2000 were a total of 1 211 new cases, comprising 297 antitrust cases, 345 merger cases, and 569 State aid cases. The decrease in the overall number of new cases therefore represents an overall trend due to a slight decrease in the field of antitrust, the first decrease in merger cases in several years and a significant drop in the number of State aid cases. The total number of cases closed was 1 204, comprising 378 antitrust cases, 346 merger cases, and 480 State aid cases. It should be noted that the number of cases closed (378) largely exceeds the number of new cases (284). The slight slowdown in mergers and alliances coming under Commission scrutiny in 2001 appears to reflect the general worsening of economic conditions in the industrialised world and the business community's changed perception of the success of recent M&A activity. For the first time since 1993, the number of mergers notified to the Commission fell, from 345 in 2000 to 335 in 2001, but the level is still much higher than in 1999. Whilst there was a pause in 2001 in the upward trend in the overall number of merger notifications, merger cases are becoming increasingly complex and markets more concentrated. In particular, the number of opened cases requiring in -depth investigation has increased more rapidly than the overall number of cases. In the field of State aid, the number of notifications was down by approximately 30 % and new cases of non-notified aid decreased by about 45 % compared with 2000, while requests for the review of aid schemes increased nearly fivefold. The number of proceedings initiated, however, remained stable (66 in 2001 against 67 in 2000). Negative final decisions increased slightly (31 in 2001 against 26 in 2000). Overall, the number of cases pending has also increased (from 584 in 2000 to 621 in 2001) due to the number of complaints. The report underlines that with the final phase of the introduction of the euro starting on 1 January 2002 and enlargement of the European Union on an unprecedented scale, the prospect of a modernisation of the rules on antitrust, mergers and State aid is essential if the Commission is to be able to respond to the fast-changing economic environment. In 2001, a series of cartel decisions highlighted the sustained effort by the Commission to tackle flagrantly anticompetitive behaviour by undertakings in a wide range of sectors. The Commission's action in the merger field is being carried on against a background of globalisation and an increasing complexity of cases. Multi-jurisdictional aspects raised by global mergers increasingly require intensive international cooperation in different forums, such as the International Competition Network (ICN), and under bilateral agreements. In order to ensure that the European merger control system is properly equipped to deal with the challenges raised by these global mergers, as well as the challenges that the enlargement of the European Union will bring, the Commission is undertaking a thorough review of the EC merger regulation. A consultation document (Green Paper) covering jurisdictional, procedural and substantive issues was published in December 2001. In the State aid field, major improvements in transparency were brought about in 2001, with the adoption of the State aid scoreboard and the opening to the public of an online State aid register. The Commission's policy of updating and modernising its State aid rules continued with the adoption of new rules on State aid for risk capital and the start of three major new policy reviews concerning aid for employment, for research and development and for large regional investment projects. As concerns monitoring and enforcement, particular attention was given to the definitive entry into force of the two block exemption regulations governing aid for SMEs and training aid, and the regulation on de minimis aid. The Commission has to pay close attention to the competition aspects of the forthcoming enlargement and work with the applicant countries in order to make sure that the same rules will apply with equal effectiveness throughout an enlarged Union.