Competition policy. 33rd report 2003

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PURPOSE : to present the 33rd Report from the European Commission on Competition Policy for 2003.

CONTENT : this year's report not only reflects significant changes to the internal organisation and working methods of the Commission in the field of EU competition policy, but also provides evidence of the way the Commission ensures coherence in the European economic governance fabric by balancing continuity and the need for new approaches. EU competition policy plays an important role in achieving the competitiveness goals of the Lisbon agenda. It encompasses not only antitrust and merger rules which are fundamental to any well-functioning market economy, but also the application of an efficient and firm state-aid discipline.

On the one hand, the current Commission is approaching the end of its term and 10 new Member States will soon be welcomed in the enlarged Union. Emphasis on continued and extended application of a common set of competition rules is essential for allowing them a soft landing. Preparations for the practical implementation of the modernised procedural framework for antitrust enforcement are therefore fully on course. In the same way, the review of the current Merger Regulation is scheduled to be finalised by the time the new Member States join. While the need to step up reforms in the field of state aid control has been known for some time, the time is now ripe for putting the vision into practice. This year's decisive intervention of the Commission in favour of equal application of state aid rules to all Member states, small and large, highlights the importance of tackling state intervention which distorts competition.

On the other hand, sectoral developments require a great deal of attention and work, both on the part of industry and by the Commission. Making a reality of the liberalisation of electronic communications, energy or transport in Europe without compromising on the effective provision of services to all consumers is difficult but attainable. For example balancing the sound economic development of the media sector with other public interest objectives, such as ensuring diversity of reliable information sources requires the careful application of the appropriate instruments.

From a statistical point of view, the report notes states that in 2003 the total number of new cases was 815, comprising 262 antitrust cases (under Articles 81, 82 and 86 of the EC Treaty), 212 merger cases and 377 state aid cases (excluding complaints). New cases decreased significantly in all fields, in the antitrust and in the merger fields by about one fifth, in the state aid field by approximately one seventh.

The total number of cases closed in 2003 was 831, comprising 319 antitrust cases, 230 merger cases, and 282 state aid cases (excluding complaints). In antitrust, 24 cases were closed by formal decision and the backlog of pending cases was further reduced. In the field of merger control, 231 formal decisions were taken during the year, the number of cases requiring in-depth investigation (9) remaining stable. As for state aid, the number of final negative decisions (20) was nearly halved and positive decisions (18) were down by more than a third compared to 2002. The number of formal proceedings initiated (55) was also lower than in the year before.

During 2003 there were significant developments towards the better integration of the Commission's competition and consumer protection policies. These are a good foundation for further progress in 2004.

On the occasion of the year's second Competition Day on 9 December in Rome, Commissioner Monti announced the appointment of Mr Juan Rivière y Martí to the newly created function of Consumer Liaison Officer within the Commission's Competition Directorate-General. This post was created in order to ensure a permanent dialogue with European consumers, whose welfare is the primary concern of

competition policy, but whose voice is not sufficiently heard when individual cases are handled or policy issues are discussed. It is also designed to intensify contacts between DG Competition and other Directorates-General (DGs) within the Commission, most notably with DG Health and Consumer Protection. More specifically, the tasks of the Consumer Liaison Officer include:

acting as primary contact point for consumer organisations, and for individual consumers;

establishing more regular and comprehensive contacts with consumer organisations and in particular the European Consumer Consultative Group "ECCG". Consumer organisations, as well as individual consumers, will be able to contact the Consumer Liaison Officer directly on competition-related issues by e-mail.

Lastly, apart from these important developments for consumers, the Commission has been involved in a number of cases which affect consumers or are of particular interest to them. Many of the decisions described in this Report - be they individual decisions (for example, in the mobile phone, broadcasting or airline sectors) or sector-based initiatives (for example, in the transport, liberal professions, motor vehicle and media sectors) - affect the day to day welfare of consumers directly.