Basic information

2018/2102(INI) INI - Own-initiative procedure	Procedure completed
Annual report on competition policy **Subject** 2.60 Competition	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	REIMON Michel (Verts/ALE)	31/05/2018
	Shadow rapporteur HÖKMARK Gunnar (PPE) SZANYI Tibor (S&D) ZĪLE Roberts (ECR) TORVALDS Nils (ALDE) LÓPEZ BERMEJO Paloma (GUE/NGL) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
INTA International Trade	SZEJNFELD Adam (PPE)	16/05/2018
AGRI Agriculture and Rural Development	DELAHAYE Angélique (PPE)	04/07/2018

European Commission

Commission DG	Commissioner
Competition	VESTAGER Margrethe

Key events

Date	Event	Reference	Summary
14/06/2018	Committee referral announced in Parliament		
03/12/2018	Vote in committee		

18/12/2018	Committee report tabled for plenary	A8-0474/2018	Summary
30/01/2019	Debate in Parliament		
31/01/2019	Decision by Parliament	T8-0062/2019	Summary
31/01/2019	Results of vote in Parliament		
31/01/2019	End of procedure in Parliament		

Technical information	
Procedure reference	2018/2102(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Annual report
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	ECON/8/13364

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE628.570	04/10/2018	
Committee opinion	INTA	PE625.442	12/10/2018	
Amendments tabled in committee		PE629.656	05/11/2018	
Committee opinion	AGRI	PE626.781	23/11/2018	
Committee report tabled for plenary, single reading		A8-0474/2018	18/12/2018	Summary
Text adopted by Parliament, single reading		T8-0062/2019	31/01/2019	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2019)392	03/07/2019	

Annual report on competition policy

2018/2102(INI) - 18/12/2018 - Committee report tabled for plenary, single reading

The Committee on Economic and Monetary Affairs adopted the own-initiative report by Michel REIMON (Greens/EFA, AT) on the annual report on competition policy.

General aspects

Members welcomed the Commission report on Competition Policy 2017 as well as its efforts and activities to ensure the effective application of competition rules in the Union for the benefit of all EU citizens, especially those in weak consumer positions.

The report encouraged the structured dialogue with the Commissioner for Competition and the efforts of the Commission to maintain close co-operation with the members of Parliament's competent committee and its Working Group on Competition Policy. It noted that Parliament should be given co-decision powers to shape the framework for competition rules.

Members regretted that the democratic dimension of this area of Union policy has not been strengthened in recent treaty amendments. They called for the treaties to be amended accordingly.

Unfair practices

According to Members, competition rules should be seen in the light of the wider European values underpinning Union legislation regarding social affairs, the social market economy, environmental standards, climate policy and consumer protection.

Combating unfair trading practices, through competition policy, is necessary to ensure a global level playing field which benefits workers, consumers and businesses, and is one of the priorities of the EU's commercial strategy.

The Commission is called on to:

- increase its support for small and medium-sized enterprises (SMEs) in the EU to enable them both to protect and enforce their rights in the event of unfair commercial practices, i.e. dumping and subsidisation by non-EU countries;

- step up its efforts to promote fair competition, including by combating the unjustified use of tariff barriers and subsidies, in the global market.

Members considered it important to ensure the proper functioning of Union collective redress mechanisms designed to secure adequate compensation for consumers affected by anticompetitive practices.

Digital market

Members pointed out that even when products or services are supplied for free, most notably in the digital economy, consumers may still have to endure unjust behaviour, such as a degradation in quality, choice and innovation or extortive practices. EU competition rules and enforcement should also cover a range of aspects beyond price-centric approaches and should account for broader considerations such as the quality of products or services, also in view of citizens' privacy.

There is an urgent need for a common EU-wide approach on the future challenges of digitalisation for competition policy.

The Commission is called upon to:

- take more ambitious steps to eliminate illegitimate obstacles to online competition in order to ensure barrier-free intra EU online shopping, monitor price caps in sectors such as online platforms for accommodation and tourism and ensure that consumers have cross-border access to a broad range of online goods and services at competitive prices;

- carry out a sectoral inquiry into the advertising market in order to better understand the dynamics of online advertising and identify anti-competitive practices that need to be addressed under competition law enforcement;

- continue its efforts to find an agreement on taxation in the digital economy.

Members underlined the importance of and the need for adequate financial and human resources in the Commission Directorate-General for Competition and in the national competent authorities as well as of the IT and digital expertise necessary to address the challenges posed by a data-driven and algorithm-based economy. They expressed support, in this connection, for the **proposed competition strand** of the single market programme under the 2021-2027 multiannual financial framework (MFF).

State aid

Members took note of the decision of the Commissioner for Competition, Margrethe Vestager, on the investigation concerning State aid to McDonald's, which stated that the non-taxation of certain profits of McDonald's in Luxembourg does not constitute an illegal State aid. They took the view that **current EU regulation is unfit** to effectively combat double non-taxation and to stop the race to the bottom on corporate tax levels.

The report noted that temporary State aid to the financial sector for the stabilisation of the global financial system might have been necessary in the absence of resolution tools but that it must be now scrutinised and removed.

The Commission is called on to examine whether banking institutions have, since the onset of the financial crisis, benefited from implicit subsidies and State aid through the provision of liquidity support from central banks. It is considered a priority to ensure that State aid rules are strictly and impartially adhered to when dealing with future banking crises, so that taxpayers are protected against the burden of bank rescues.

Members welcomed the introduction by the Commission of an anonymous whistle-blower tool enabling the reporting of cartels or other types of illegal anti-competitive practices.

Any future trade agreements should provide a level playing field, particularly as regards competition and State aid.

Annual report on competition policy

2018/2102(INI) - 31/01/2019 - Text adopted by Parliament, single reading

The European Parliament adopted by 468 votes to 66, with 66 abstentions, a resolution on the annual report on competition policy.

The need for a strong and effective European competition policy

Stressing that competition policy is one of the cornerstones of Europe's social market economy, Members welcomed the Commission's report on competition policy 2017 as well as its efforts to ensure the effective application of competition rules in the Union for the benefit of all EU citizens, in particular consumers in vulnerable situations.

Members encouraged the structured dialogue with the Commissioner responsible for competition and the efforts of the Commission to maintain close cooperation with members of Parliament's competent committee and its Working Group on Competition Policy. They called for Parliament to be given co-decision powers to define the framework for competition rules.

Unfair practices

According to Members, competition rules must be seen in the light of the broader European values that underpin EU legislation on social affairs, the social market economy, environmental standards, climate policy and consumer protection.

The fight against unfair commercial practices, through competition policy, is necessary to ensure a level playing field in global terms, benefiting workers, consumers and businesses, and is one of the priorities of the EU's trade strategy.

The Commission is invited to:

- increase its support to EU small and medium-sized enterprises (SMEs) to enable them both to protect and enforce their rights in the event of unfair trade practices, i.e. dumping and subsidisation by third countries;

- intensify its efforts to promote fair competition, in particular by combating the unjustified use of tariff barriers and subsidies in the global market.

Members considered it important to ensure the proper functioning of EU collective redress mechanisms designed to ensure adequate compensation for consumers affected by anti-competitive practices.

Digital market

Parliament has stressed that even when products or services are provided free of charge, particularly in the digital economy, consumers may still have to endure unfair behaviour, such as degradation of quality, choice and innovation or abusive practices. EU competition rules and their enforcement should also cover a range of aspects other than price-oriented approaches and take into account broader considerations such as the quality of products or services, in particular with regard to citizens' privacy.

The urgency of adopting a common EU-wide approach to meet the future challenges of the digitisation of competition policy was underlined.

The Commission is called upon to:

- take more ambitious measures to remove illegitimate barriers to online competition in order to ensure unimpeded intra-Community online shopping, to monitor price caps in sectors such as online platforms for accommodation and tourism, and to ensure that consumers have access to a wide range of online goods and services at competitive prices;

- conduct an inquiry into the advertising market in order to better understand the dynamics of online advertising and identify anti-competitive practices that need to be addressed in the application of competition law;

- continue its efforts to reach an agreement on taxation in the digital economy.

Parliament welcomed the Commission's decision in the antitrust field to impose a fine of EUR 4.34 billion on Google for illegal practices on Android mobile devices aimed at strengthening the dominant position of Google's search engine. It reaffirmed the need for the Commission to also examine the possibility of completely dissolving the structure of monopolies in the field of digital technologies in order to restore a level playing field in the European digital market.

Tax evasion

Money laundering, tax evasion and tax fraud undermine the fair distribution of tax revenues in the Member States and thus distort competition in the internal market.

Members welcomed the Commission's in-depth investigations into anti-competitive practices such as selective tax benefits and the system of advance tax rulings on surplus profits. They called on Member States to abandon unfair competitive practices between States based on unjustified tax advantages and to adopt the proposal on the common consolidated corporate tax base.

State aid

Parliament stressed that temporary state aid to the financial sector - which may have been necessary to stabilise the global financial system in the absence of resolution mechanisms - should now be closely examined and dismantled. It therefore invited the Commission to assess whether the banking sector has benefited, since the beginning of the crisis, from State aid and implicit subsidies through liquidity support from central banks.

The Commission is called upon to launch a roadmap to better target State aid by paying particular attention to the provision of services of general economic interest (SGEIs), including in the fields of energy, transport and telecommunications, when applying the Union's State aid rules.

Any future trade agreements should ensure a level playing field, in particular with regard to competition and State aid.