Basic information

2019/2131(INI) INI - Own-initiative procedure	Procedure completed
Competition policy - annual report 2019 **Subject** 2.60 Competition	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	YON-COURTIN Stéphanie (Renew)	18/07/2019
	Shadow rapporteur BERGER Stefan (EPP) AVRAM Carmen (S&D) GIEGOLD Sven (Greens/EFA) FITTO Raffaele (ECR) DONATO Francesca (ID) AUBRY Manon (GUE/NGL)	

Committee for opinion	Rapporteur for opinion	Appointed
INTA International Trade	GYŐRI Enikő (EPP)	23/09/2019
IMCO Internal Market and Consumer Protection	Chair on behalf of committee DE SUTTER Petra (Greens/EFA)	04/12/2019
AGRI Agriculture and Rural Development	CARVALHAIS Isabel (S&D)	22/10/2019

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary
24/10/2019	Committee referral announced in Parliament		
18/02/2020	Vote in committee		
26/02/2020	Committee report tabled for plenary	A9-0022/2020	Summary
17/06/2020	Decision by Parliament	T9-0158/2020	Summary
18/06/2020	Results of vote in Parliament		
19/06/2020	Results of vote in Parliament		
19/06/2020	End of procedure in Parliament		

Technical information	
Procedure reference	2019/2131(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/9/01153

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Amendments tabled in committee		PE645.100	10/01/2020	
Committee opinion	INTA	PE643.140	22/01/2020	
Committee opinion	AGRI	PE643.188	28/01/2020	
Specific opinion	IMCO	PE645.059	04/02/2020	
Committee draft report		PE641.227	06/02/2020	
Committee report tabled for plenary, single reading		A9-0022/2020	26/02/2020	Summary
Text adopted by Parliament, single reading		T9-0158/2020	17/06/2020	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2020)427	14/12/2020	

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2019/2131(INI) - 17/06/2020 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution on competition policy - annual report 2019.

Members argued that competition policy must benefit all EU citizens, especially those in a weak consumer position, while promoting innovation and fair competition between businesses operating in the single market, in particular by ensuring that SMEs benefit from a level playing field.

Role of competition policy in globalised markets

Parliament called on the Commission to develop the influence of competition policy worldwide by pursuing an appropriate dialogue and strengthening cooperation with the United States, China, Japan and other third countries through second-generation cooperation agreements that allow for a more effective exchange of information between competition authorities.

The Commission was invited, inter alia, to :

- develop tools to facilitate better monitoring of foreign direct investment (FDI) in all Member States and to ensure a rapid implementation of the FDI screening mechanism;

- ensure reciprocity with third countries in public procurement, state aid and investment policy, also taking into account social and environmental dumping, and to work towards the accession of key third countries, such as China, to the WTO Government Procurement Agreement;

- ensure fair competition between the EU and the UK after its departure from the Union;

- apply state aid control equally to EU and third country operators by paying greater attention to foreign state-owned companies that are subsidised by their governments in ways that EU single market rules prohibit EU entities from doing;

- take a more favourable approach towards a strong EU industrial policy while supporting projects of strategic interest to the Union;

- reconcile the Union's competition rules, industrial policy and international trade, which must go hand in hand with sustainability and respect for the environment;

- ensure that the Union's trade and competition policy does not undermine respect for the Union's social and environmental standards or hinder the development of more ambitious standards.

Adapting competition to the digital age

Parliament called on the Commission to review merger and acquisitions rules, to strengthen anti-trust action and to take account of the market and network power associated with both personal and financial data. The Commission is also invited to consider the monitoring of such data as an indicator of the existence of market power under its guidelines on the application of Article 102 TFEU.

The Commission should also review the concept of 'abuse of a dominant position' to ensure that it is appropriate in the digital age and consider a revision of the thresholds used for merger control purposes, so as to include factors such as the number of consumers involved and the value of related transactions.

Members welcomed the Commission's EU data strategy, presented on 19 February 2020, as well as the Commission's plans to legislate on data use and access. They alerted the Commission to the acquisitions by foreign monopolies of digital data operators, particularly in the fields of health, finance and education, and the privacy risks they pose.

The Commission is invited to identify the key digital players and establish a set of indicators to define their systemic nature, such as abuse of practices of certain extensive networks, control of a significant volume of non-reproducible data, an unavoidable situation in a multifaceted market or the player’s ability to define market rules themselves.

Effectiveness of competition policy instruments

Although fines may have an impact on the reputation of the companies penalised, Parliament called on the Commission to use alternative behavioural and, if necessary, structural remedies nature, in order to fully ensure the effectiveness of the Union's competition policy. While welcoming the Commission's efforts to combat abusive behaviour by major platforms, Members highlighted the slow pace of antitrust investigations, as in the Google Shopping case, and stressed the need to review cases where the proposed remedies have been clearly ineffective in restoring competition in the market.

Deploring the fact that a single search engine with a market share of over 92% in the online search market in most Member States has become a ‘gatekeeper of the Internet’, Members called on the Commission to consider a proposal aimed at unbundling search engines from their commercial services in order to achieve fair competition in the European digital market.

Competition rules supporting the Green Deal for Europe

Parliament expressed its support for the Commission's review of the guidelines on state aid in all relevant sectors, particularly in transport, including air and maritime transport, in line with the objectives of the Green Deal for Europe by applying the just transition principle.

In the context of the forthcoming revision of the guidelines on state aid for environmental protection and energy, the Commission was called on to: (i) introduce more flexibility for aid granted to citizen-generated renewable energy, (ii) create a framework for new investments in energy efficiency and building renovation, as well as in the renewal of energy production systems, hybrid projects and electricity storage.

Competition policy responses to COVID-19

Parliament welcomed the Commission's rapid reaction in adopting a temporary framework for state aid and expressed its support for the Commission and the Member States in making full use of the flexibility allowed by the temporary state aid framework during the COVID-19 crisis.

Members supported the application of the temporary state aid framework for as long as necessary during the recovery period and asked the Commission to evaluate in due time whether the temporary framework should be extended beyond 2020. They also welcomed the extraordinary financial means and state aid provided to support businesses and workers to counter the pandemic's economic fallout. However, the Commission is called on to define common minimum standards in order to clarify the obligation for companies receiving financial support to comply with ESG criteria and taxation transparency.

Parliament also noted that the COVID-19 crisis has highlighted shortcomings in EU supply chains, a lack of strategic EU sovereignty in areas such as medical products or food and the need to protect strategic European companies and assets from hostile takeovers by large dominant players.

Better focus on citizens through Parliament

Parliament confirmed its wish to play a greater role in defining and developing the general framework for competition policy. It has called for the regular use of the ordinary legislative procedure in competition policy, as a matter of course.

Members called on the Commission to: (i) report regularly to Parliament on the implementation and monitoring of competition cooperation agreements, as regards the screening of foreign direct investment, (ii) involve Parliament in the definition of instruments such as notices and guidelines, and (iii) organise multi-sectoral fora involving businesses, national regulators, including data protection authorities, consumer groups and other relevant stakeholders.

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2019/2131(INI) - 26/02/2020 - Committee report tabled for plenary, single reading

The Committee on Economic and Monetary Affairs adopted an own-initiative report by Stéphanie YON-COURTIN (Renew Europe, FR) on competition policy – annual report 2019.

General aspects

According to the 2019 report, competition policy must be adapted to tackle digital, ecological, geopolitical, industrial and social challenges, and must be in line with the priorities outlined in the European Green Deal and the objectives of the Paris Agreement.

Globalised markets

In a globalised world, international cooperation is crucial to ensure effective competition enforcement. In this regard, Members called on the Commission to:

- further develop the influence of EU competition policy in the world, in particular by continuing pertinent dialogue and stepping up cooperation with the USA, China, Japan and other third countries, where possible, via second-generation cooperation agreements that allow for a more effective exchange of information between competition authorities;

- develop tools to facilitate better monitoring of foreign direct investment (FDI) in all Member States;

- guarantee fair competition between the European Union and the United Kingdom following its departure from the EU in order to ensure a level playing field and avoid dumping;

- examine the recent proposal to add a pillar to EU competition law that gives the Commission appropriate investigative tools in cases where a company is deemed to have engaged in distortionary behaviour;

- reconcile the EU competition rules, industrial policy and international trade, which must go hand in hand with sustainability and respect for the environment;

- pay attention to the role of international standard setting for fair competition whilst warning against the nationalisation of standard-setting approaches particularly in the context of China's Belt and Road Initiative and other connectivity enhancing strategies.

Support for SMEs

Underlining that SMEs play a vital role in international trade, accounting for an estimated 30 % of the EU's goods exports to the rest of the world, Members considered that the internal market continues to be, by far, the most important market for SMEs. In order to help SMEs cope with the greater challenges of entering new markets and enable them to compete on their own merits, EU trade and competition policy should contribute to economic diversity and an SME-friendly trade environment, and that this should include considering modernising the EU's definition of SMEs, in particular by adding qualitative criteria.

Digital age and merger reviews

The report highlighted that recent data scandals, investigations and evidence have shown how personal data is being collected, used and sold to third parties by platforms and how dominant technology players and platforms have been tracking consumers online systematically.

The Commission is called on to review merger and acquisition rules and strengthen antitrust action and to take into account the effects of market and network power associated with both personal and financial data. Members proposed that every merger in the market for such data should be subject to prior informal declaration.

According to Members, resolute action against such abuses of dominant positions, which are harmful to the fluidity of financial markets and run counter to the interests of sustainable development should be taken. EU best practice guidelines should be created on data ethics that companies and businesses can apply to their business models. Such data ethics would complement data protection rules and would increase consumer safety and trust. These guidelines on data ethics should include key principles such as transparency and data safety.

State aid

The report stated that that taxation is sometimes used to grant indirect State aid, creating an uneven playing field in the internal market. Members called on the Commission to update its existing guidelines on the notion of State aid to ensure that the Member States do not grant State aid in the form of a tax advantage. The Commission should look into the possibility to fine countries found in breach of State aid rules.

European Green Deal

The committee called on the Commission to examine, in the context of the review of the Energy Taxation Directive, whether the current tax exemptions provide for unfair cross-sector competition conditions. Members stressed the need for the Commission to prevent any potential negative side-effects where larger companies use public aid granted in view of ‘greening’ their business models for other objectives such as reinforcing its dominant position in a given sector. An enabling framework is needed for further investments in energy efficiency and building renovation, as well as on repowering, hybrid projects and electricity storage.

A better focus on citizens through Parliament

Members called, without Treaty change, for regular use of the ordinary legislative procedure in competition policy. The Commission is urged to report regularly to Parliament on the implementation and monitoring of cooperation agreements with reference to competition, on the screening of foreign direct investments.

High transparency standards should be maintained and Parliament should be more involved in the activity of working parties and expert groups. The Commission should particularly involve Parliament when devising soft-law instruments such as notices and guidelines. The complaint form in order to give ordinary citizens the possibility to send in complaints should be simplified and the complainant should be given a confirmation of receipt and a notification upon the launch of the investigation, including an expectation of the length of the investigation.