


Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	1999/2124(COS)	Procedure completed
Competition policy. 28th report 1998		
Subject 2.60 Competition		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs		27/07/1999
		PSE RAPKAY Bernhard	
	Committee for opinion	Rapporteur for opinion	Appointed
	JURI Legal Affairs and Internal Market		23/09/1999
		PPE-DE CEDERSCHIÖLD Charlotte	
Council of the European Union			

Key events			
28/05/1999	Non-legislative basic document published	SEC(1999)0743	Summary
13/09/1999	Committee referral announced in Parliament		
24/11/1999	Vote in committee		Summary
24/11/1999	Committee report tabled for plenary	A5-0078/1999	
18/01/2000	Debate in Parliament		
18/01/2000	Decision by Parliament	T5-0010/2000	Summary
18/01/2000	End of procedure in Parliament		
24/10/2000	Final act published in Official Journal		

Technical information	
Procedure reference	1999/2124(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142

Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/11034

Documentation gateway					
Non-legislative basic document		SEC(1999)0743	28/05/1999	EC	Summary
Committee report tabled for plenary, single reading		A5-0078/1999 OJ C 296 18.10.2000, p. 0007	24/11/1999	EP	
Economic and Social Committee: opinion, report		CES1116/1999 OJ C 051 23.02.2000, p. 0001	08/12/1999	ESC	
Text adopted by Parliament, single reading		T5-0010/2000 OJ C 304 24.10.2000, p. 0022-0069	18/01/2000	EP	Summary

Competition policy. 28th report 1998

PURPOSE : to present the XXVIIIth Report on Competition Policy. **CONTENT :** 1998 was the last year before the Union changed over to the single currency, and the Commission naturally had to make every effort to ensure that the economic environment into which it was born was a healthy and vigorous one. In fact, in a general sense, the Economic and Monetary Union (EMU) should intensify competition for three reasons : firstly, it will reinforce the positive effects of the single market programme and will result in the increase in mergers and acquisitions; secondly, it will increase price transparency which will strongly affect sectors producing certain consumer durables, such as motor vehicles; thirdly, the impact of the Euro on the market for corporate equity will have repercussions on competition in the sector of goods and services. Economic and monetary union will reduce the cost of capital, which could lead to an increase in the number of mergers. In this context, competition policy has an important role to play in safeguarding and enhancing the flexibility of markets for goods and services. During 1998, the Commission favoured actions along several main lines. It sought to consolidate the single market and to fend off attempts by firms to set artificial bounds to its development. It exercised particular vigilance with regard to practices that tend to partition markets. It fined the motor manufacturer Volkswagen ECU 102 million for obstructing trade within the Community by preventing its Italian dealers from selling Volkswagen and Audi cars to foreign customers. It also penalised the abuse of a dominant position by the Italian Amministrazione Autonoma dei Monopoli dello Stato, which had been favouring the cigarettes it manufactured itself over cigarettes manufactured abroad. On the other hand, it implemented the first measures of refocusing the Commission's supervisory work of the services towards only those cases where the Community interest is manifest. Furthermore, the Commission took a step in its policy of modernisation when it published its communication on vertical restraints. This year saw the adoption of the regulation empowering the Commission to declare block exemptions for certain types of state aid, and securing of agreement in principle to the procedural regulation, which came at the Council meeting on industrial affairs on 16 November. The Commission has also contributed to the following of the liberalisation process in the network industries which were formerly public monopolies. It believes that the opening-up of sectors associated with the information society or the production and distribution of energy is vital to the competitiveness of the European industry and the dynamism of the single market. Lastly, the Commission lost no opportunities to tighten the links with the competition authorities of third countries because the international environment will from now on be our everyday environment. ?

Competition policy. 28th report 1998

The committee adopted the report by Bernhard RAPKAY (PES, D) on the Commission's 28th annual report on competition policy. The report called on the Commission to publish a league table of state aids showing the size of subsidy paid by each Member State. Although the total amount of state aid paid out by EU national governments declined from 40 bn euros in 1995 to 36 bn euros in 1997, this was mainly due to reduced assistance to the German Länder. The report took the view that strict monitoring of state aid was vital if the EU was to improve its competitiveness in world markets. However, it did approve the use of state aids for the purpose of helping SMEs, energy saving, environmental protection research and education. The report also called on the Commission to monitor the situation in applicant member states closely and called for competition policy issues to be taken up at the WTO. ?

Competition policy. 28th report 1998

The European Parliament approves its resolution drafted by Mr. RAPKAY (PES, D) on the Commission's XXVIIIth Report on Competition Policy. The Parliament welcomes the Commission's report and the innovations in its layout, and expresses its appreciation of the excellent quality of the dialogue with the Commission. It calls on the new Commissioner for competition policy to attend regular information meetings with the Parliament. It calls on the Commission and the Member States to ensure the uniform application of the law in the Member States and on the Commission to involve the Parliament in the further development and implementation of competition policy. Parliament considers that the further development of competition policy must be accompanied simultaneously by a comprehensive consumer protection policy and better involvement of consumer organisations. It is, furthermore, of the opinion that competition rules must not unduly hinder Member States wishing to adopt pioneering environmental legislation in pursuit of the aims set out in Article 6 of the Treaty. The EP calls on the Commission: - to take care to ensure that no agreements detrimental to competition are drawn up between banks as regards the various methods of payment, especially in the euro area; - to implement as soon as possible the regulation authorising block exemptions, which will introduce positive and dynamic developments in particular SMEs and in the field of training; - to take effective action with a view to harmonising the rules governing

the repayment of illegal state aid; - to put forward proposals for a public and regularly updated register of state aids taking into account the qualitative differences in the aids granted and to include aids in respect of which procedures have been initiated; - to publish a league table showing Member States with the highest and lowest levels of state aid; - to publish an annual document analysing the impact of State aid on competitiveness, price levels and the mobility of the factors of production; - to report to Parliament regularly on the progress made in introducing competition policy in the countries which have applied for accession to the EU; - to place greater emphasis than in the past on examining fiscal measures, as well as state aid for their effect in distorting competition; - offer the applicant countries adequate assistance in adapting their rules on competition; - submit to Parliament a report outlining its ideas on the future shape of the international dimension of competition policy. Parliament calls on the Member States to grant more aid in the fields of energy saving and environmental protection in order to achieve the objectives of the Kyoto Protocol, since these areas account for only 3% of all aid granted. Lastly, in the context of a larger role for the WTO in competition policy, the Parliament calls on the Council to instruct the Commission to conduct negotiations aimed at concluding multilateral agreements on international competition law; at the same time, it urges the Commission to incorporate uniform minimum competition standards and the establishment of independent competition authorities in all WTO member countries in the guidelines for combating practices detrimental to competition which interfere with trade and investment.?