

Procedure file

Basic information		
INI - Own-initiative procedure	2004/2139(INI)	Procedure completed
Competition policy. 33rd report 2003		
Subject 2.60 Competition		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs	PPE-DE EVANS Jonathan	21/09/2004

Key events			
04/06/2004	Non-legislative basic document published	SEC(2004)0658	Summary
28/10/2004	Committee referral announced in Parliament		
02/02/2005	Vote in committee		Summary
07/02/2005	Committee report tabled for plenary	A6-0024/2005	
21/02/2005	Debate in Parliament		
22/02/2005	Decision by Parliament	T6-0032/2005	Summary
22/02/2005	End of procedure in Parliament		

Technical information	
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Documentation gateway					
Non-legislative basic document		SEC(2004)0658	04/06/2004	EC	Summary

Economic and Social Committee: opinion, report	CES0118/2005 OJ C 221 08.09.2005, p. 0001-0007	11/01/2005	ESC	
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Competition policy. 33rd report 2003

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 Rivièrè 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.

Competition policy. 33rd report 2003

The committee adopted the own-initiative report drawn up by Jonathan EVANS(EPP-ED, UK) in response to the Commission's 33rd annual report on competition policy (2003). The committee congratulated former Commissioner Mario MONTI for the progress made during his time in office and welcomed many of the steps aimed at modernising EU competition policy.

MEPs urged that the limited number of cases in which the Commission's decisions have been set aside by the Court of Justice should not be seen as undermining confidence in the overall system of analysis and enforcement. They were concerned, however, at the continuing failure to achieve full liberalisation of the EU gas and electricity markets, and called for further progress in relation to the motor vehicle repair market.

The committee set out its belief that the effective application of competition policy is an essential tool to achieve an efficient market structure which operates in the interests of consumers and has a positive and significant impact upon their daily lives. It also suggested that the Commission should produce clearer guidelines on when to consider the state of competition in a particular sector across the internal market as a whole rather than particular parts of it.

MEPs added that the European Parliament should have a more proactive role in the development of competition policy through codecision, and regretted that this had not been included in the draft Constitution.

Competition policy. 33rd report 2003

The European Parliament adopted, by 540 votes in favour, 70 against, with 30 abstentions, an own-initiative report on the Commission's 33rd Report on Competition Policy - 2003.

The Parliament welcomes the adoption of a series of acts included in the modernisation package, namely the initiatives in the field of cooperation between the various enforcers of EU competition rules - the Commission, national competition authorities and national courts. In this connection, Parliament considers that it is also worth mentioning the appointment of a Chief Competition Economist, the strengthening of the role of the Hearing Officer and the reinforcement of the cartel unit, which will reduce the time required to conclude cartel cases.

On the other hand, it regrets the need for renewal of the "temporary defensive mechanism" by the Council justifying the granting of aid of up to EUR 100 million to shipyards in Germany, the Netherlands, Finland and Denmark as a response to unfair competition from shipyards in South Korea, and looks to an early resolution of the dispute in the World Trade Organisation, before the date of expiry of the current mechanism in March 2005.

It insists that the limited number of cases in which the Commission's decisions have been reviewed by the Court of Justice and set aside should not be seen as undermining confidence in the overall system of analysis and enforcement.

The Commission is urged to continue to review the operation of the judicial system in relation to competition cases, in order to consider improvements to the speed of access to justice, and in order to maximise the experience and skills of the judiciary dealing with competition cases.

Parliament continues to support a more proactive role for the European Parliament in the development of competition policy through promoting co-decision powers for the Parliament, and regrets that the Commission and Council were not able to support this in the Treaty establishing a Constitution for Europe. Parliament equally welcomes the revision of state aid rules reorientating the Commission's interest towards cases and issues of significance for the further development of the internal market, which has streamlined and simplified notification and the filing of complaints, and clarified further the 'de minimis' and R&D principles.

On the other hand, the Parliament expresses its concern at the continued failure to achieve full liberalisation in the EU gas and electricity markets.

Lastly, as regards the Commission's new rules on motor vehicle distribution, Parliament looks for greater progress in reducing the major variations between Member States in prices of new motor vehicles, and regrets the current evidence that these disparities remain significant.