

Procedure file

Basic information		
INI - Own-initiative procedure	2016/2100(INI)	Procedure completed
Annual report on EU competition policy		
Subject 2.60 Competition		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 ECON Economic and Monetary Affairs	 SZANYI Tibor	04/02/2016
		Shadow rapporteur	
		 MARTUSCIELLO Fulvio	
		 LOONES Sander	
		 TREMOSA I BALCELLS Ramon	
		 REIMON Michel	
		 VON STORCH Beatrix	
		 KAPPEL Barbara	
		Committee for opinion	Rapporteur for opinion
 INTA International Trade	 SZEJNFELD Adam	15/06/2016	
 IMCO Internal Market and Consumer Protection	 SCHWAB Andreas	13/07/2016	
 TRAN Transport and Tourism	 FOSTER Jacqueline	17/06/2016	
 AGRI Agriculture and Rural Development	 DANTIN Michel	14/07/2016	

Key events

09/06/2016	Committee referral announced in Parliament		
08/12/2016	Vote in committee		
12/01/2017	Committee report tabled for plenary	A8-0001/2017	Summary
13/02/2017	Debate in Parliament		
14/02/2017	Results of vote in Parliament		
14/02/2017	Decision by Parliament	T8-0027/2017	Summary
14/02/2017	End of procedure in Parliament		

Technical information

Procedure reference	2016/2100(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Annual report
Legal basis	Rules of Procedure EP 54
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	ECON/8/06421

Documentation gateway

Committee draft report		PE589.234	15/09/2016	EP	
Amendments tabled in committee		PE592.327	24/10/2016	EP	
Amendments tabled in committee		PE592.329	24/10/2016	EP	
Committee opinion	INTA	PE589.318	11/11/2016	EP	
Committee opinion	TRAN	PE585.808	14/11/2016	EP	
Committee opinion	IMCO	PE589.273	29/11/2016	EP	
Committee opinion	AGRI	PE589.301	29/11/2016	EP	
Committee report tabled for plenary, single reading		A8-0001/2017	12/01/2017	EP	Summary
Text adopted by Parliament, single reading		T8-0027/2017	14/02/2017	EP	Summary
Commission response to text adopted in plenary		SP(2017)358	31/08/2017	EC	

The Committee on Economic and Monetary Affairs adopted an own-initiative report by Tibor SZANYI (S&D, HU) on the annual report on EU competition policy.

Members welcomed the annual report by the Commission on competition policy, which demonstrates that proper EU competition policy can help to restore a sufficient level of investment and innovation by creating a fair competition environment.

Single market integration: stressing that without an effective EU competition policy the internal market cannot attain its full potential, Members stressed that an effective competition policy has to allow for the specific market conditions applying to SMEs, micro-enterprises and start-ups, and must protect workers rights and make for fair taxation.

The report insisted, inter alia, on the need to:

- prioritise the strengthening of the post-Brexit Single Market by ensuring full compliance with EU competition laws and by further increasing cooperation between Member States on tax issues;
- investigate thoroughly all the cases where it is suspected that the aim is illegal tax optimisation by multinationals in order to put an end to unfair tax competition (including illegal tax benefits granted) by Member State;
- establish a common consolidated corporate tax base (full CCCTB), which will help to eliminate distortions of competition and provide a guarantee that no profit leaves the EU untaxed;
- prevent the misuse of EU funds and stimulate accountability in public procurement; Members urged the establishment of the European Public Prosecutors Office;
- enforce single market rules also at Member State level and for infringements to be dealt with in order to tackle fragmentation of the single market;
- further reinforce the single market by removing the remaining barriers and obstacles: a robust framework for budgetary and fiscal convergence would reinforce the EU's economic cohesion and competitiveness and improve its capacity to face global competition,
- fight against fiscal and social dumping, abusive tax planning and tax evasion to ensure fair competition across the single market;
- complete the implementation of the Single European Railway Area.

Single market: given that the digital single market could create hundreds of thousands of new jobs and contribute EUR 415 billion per year to the EU economy, Members called for greater attention to be focused on the new business models used by digital companies.

Members recommended:

- taking ambitious steps to eliminate illegitimate obstacles to online competition, in order to ensure barrier-free online shopping for EU consumers purchasing from sellers who are based in another Member State;
- assessing the potential impact of every initiative, notably those aiming to promote e-commerce and clarify the permanent establishment status for the digital sector, on the ability of SMEs to benefit from the digital single market;
- creating a toolkit, which is indispensable in order for the numerous forms and variants of the sharing economy to receive support at EU level;
- speeding up all procedures against anti-competitive behaviour which infringes EU antitrust rules by a number of companies, in particular by internet and telecom giants and other media companies, film studios and TV distributors;
- bringing forward a regulatory strategy taking into account technology convergence and, in particular, the multiplication of platforms;
- safeguarding competition in the internet search and telecommunications sectors, including with regard to internet services and spectrum allocation;
- conducting in-depth consultations with network operators and relevant stakeholders on how to bring down charges for intra-EU calls to the level of local calls in the most efficient way.

State aid: Members welcomed the overhaul of the State aid rules and suggests that a specific annual report be sent to Parliament. They reminded the Member States that the aim was to better target aid measures towards long-term, sustainable economic growth, quality job creation and social cohesion, while ensuring an equal level playing field and the free functioning of the social market economy.

The Commission is called upon to launch a road map for less but better-targeted State aid, aiming to open up the possibility of reducing State aid by lowering taxes, therefore stimulating new businesses and fair competition.

The report noted that in order to achieve a properly functioning Energy Union and to avoid non-compliance with State aid rules and also misuse of EU funds, all State aid cases and public procurement irregularities connected to energy and environmental investments must be strictly monitored and investigated in depth, such as the controversial project to enlarge Hungary's Paks nuclear power plant.

The Commission is called upon to consider the introduction of sanctions in cases where illegal State aid has been granted, in addition to repayment of the original State aid.

Annual report on EU competition policy

The European Parliament adopted by 467 votes to 156 with 68 abstentions, a resolution on the annual report on EU competition policy.

Members welcomed the annual report by the Commission on competition policy, which demonstrates that proper EU competition policy can help to restore a sufficient level of investment and innovation by creating a fair competition environment.

Single market integration: stressing that without an effective EU competition policy the internal market cannot attain its full potential, Parliament welcomed the Commission's use of the various instruments at its disposal, including control of mergers, combating abuse of a dominant position and anti-competitive practices, combating cartels, control of State aid, coordination with national and, where applicable, regional competition authorities, and sectoral inquiries.

Members stressed that an effective competition policy has to allow for the specific market conditions applying to SMEs, micro-enterprises and start-ups, and must protect workers rights and make for fair taxation.

The resolution insisted, inter alia, on the need to:

- prioritise the strengthening of the post-Brexit Single Market by ensuring full compliance with EU competition laws and by further

- increasing cooperation between Member States on tax issues;
- put an end to unfair tax competition (including illegal tax benefits granted) by Member States, and to investigate thoroughly all the cases where it is suspected that the aim is illegal tax optimisation by multinationals;
- establish a common consolidated corporate tax base (full CCCTB), which will help to eliminate distortions of competition and provide a guarantee that no profit leaves the EU untaxed;
- prevent the misuse of EU funds and stimulate accountability in public procurement; Members urged the establishment of the European Public Prosecutors Office;
- enforce single market rules also at Member State level and for infringements to be dealt with in order to tackle fragmentation of the single market;
- further reinforce the single market by removing the remaining barriers and obstacles;
- fight against fiscal and social dumping, abusive tax planning and tax evasion;
- complete the implementation of the Single European Railway Area.

Single market: given that the digital single market could create hundreds of thousands of new jobs and contribute EUR 415 billion per year to the EU economy, Parliament called for greater attention to be focused on the new business models used by digital companies.

Members recommended:

- speeding up investigations on areas of search bias (hotels, local searches, flights), and conduct investigations on the dominant hotel booking platforms;
- taking ambitious steps to eliminate illegitimate obstacles to online competition, in particular by ending unjustified geo-blocking practices and unfair price discrimination based on geographical location or nationality, which often have the effect of building monopolies and of some consumers resorting to illegal content;
- assessing the potential impact of every initiative on the ability of SMEs to benefit from the digital single market;
- granting the utmost importance to net neutrality to ensure that there is no discrimination between internet services and competition is fully guaranteed;
- creating a toolkit, which is indispensable in order for the numerous forms and variants of the sharing economy to receive support at EU level;
- speeding up all procedures against anti-competitive behaviour which infringes EU antitrust rules by a number of companies, in particular by internet and telecom giants and other media companies, film studios and TV distributors;
- bringing forward a regulatory strategy taking into account technology convergence and, in particular, the multiplication of platforms;
- safeguarding competition in the internet search and telecommunications sectors, including with regard to internet services and spectrum allocation;
- bringing down charges for intra-EU calls to the level of local calls in the most efficient way.

State aid: Parliament welcomed the overhaul of the State aid rules and suggested that a specific annual report be sent to Parliament. It reminded the Member States that the aim was to better target aid measures towards long-term, sustainable economic growth, quality job creation and social cohesion, while ensuring an equal level playing field and the free functioning of the social market economy.

The Commission is called upon to launch a road map for less but better-targeted State aid, aiming to open up the possibility of reducing State aid by lowering taxes, therefore stimulating new businesses and fair competition. It should closely monitor the renationalisation of public utilities in EU Member States and prevent illegal State aid granted in the form of public service compensation.

Furthermore, all State aid cases and public procurement irregularities connected to energy and environmental investments must be strictly monitored and investigated in depth.

Parliament called on the Commission to keep its cartel enforcement record strong and effective in all cases where it has sufficient evidence of infringement. The existing rules relating to fines for infringements could be supplemented by ongoing penalties against those responsible.

Lastly, Members wanted to see more effective national competition authorities in the EU: it was essential that the national competition authorities have the means and instruments they need to be effective enforcers of EU competition rules, including the tools to detect, tackle and sanction infringements.