

Procedure file

Basic information		
INI - Own-initiative procedure	2017/2191(INI)	Procedure completed
Annual report on competition policy		
Subject 2.60 Competition		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 ECON Economic and Monetary Affairs	 TREMOSA I BALCELLS Ramon	21/03/2017
		Shadow rapporteur	
		 STOLOJAN Theodor Dumitru	
		 SANT Alfred	
		 LOONES Sander	
		 REIMON Michel	
		 KAPPEL Barbara	
	Committee for opinion	Rapporteur for opinion	Appointed
	 INTA International Trade	 SAIFI Tokia	30/08/2017
	 IMCO Internal Market and Consumer Protection	 SCHALDEMOSE Christel	21/06/2017
	 AGRI Agriculture and Rural Development	 SZANYI Tibor	07/09/2017
European Commission	Commission DG Economic and Financial Affairs	Commissioner VESTAGER Margrethe	

Key events			
14/09/2017	Committee referral announced in Parliament		
21/02/2018	Vote in committee		
01/03/2018	Committee report tabled for plenary	A8-0049/2018	Summary
18/04/2018	Debate in Parliament		
19/04/2018	Results of vote in Parliament		
19/04/2018	Decision by Parliament	T8-0187/2018	Summary
19/04/2018	End of procedure in Parliament		

Technical information	
Procedure reference	2017/2191(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/8/09763

Documentation gateway					
Committee draft report		PE612.214	23/10/2017	EP	
Committee opinion	IMCO	PE609.616	21/11/2017	EP	
Committee opinion	INTA	PE610.689	27/11/2017	EP	
Amendments tabled in committee		PE615.197	28/11/2017	EP	
Committee opinion	AGRI	PE610.575	06/12/2017	EP	
Committee report tabled for plenary, single reading		A8-0049/2018	01/03/2018	EP	Summary
Text adopted by Parliament, single reading		T8-0187/2018	19/04/2018	EP	Summary
Commission response to text adopted in plenary		SP(2018)474	10/09/2018	EC	

Annual report on competition policy

The Committee on Economic and Monetary Affairs adopted the own-initiative report by Ramon TREMOSA i BALCELLS (ADLE, ES) on the annual report on competition policy. Members welcomed [the report](#) on competition policy 2016 of 31 May 2017, which shows that, in a fair competitive environment, investment and innovation are key for the future of Europe.

They strongly supported the independence of the Commission and national competition authorities in their mission to shape and enforce effectively EU competition rules and asked the Commission to ensure regular information and exchanges with Parliament on competition policy, as provided for by the Interinstitutional Agreement (IIA) between the Commission and Parliament.

Improving the application of competition rules: the report called on the Commission to monitor the implementation of legislation linked to the completion of the single market, such as in the energy (including self-consumption) and transport sectors, the digital market, and retail financial services, in order to improve the enforcement of EU competition rules and achieve a consistent application in Member States.

Members noted, however, that state aid can be an indispensable tool to secure the necessary infrastructure and supply for both the energy

and transport sectors, and can be necessary to ensure the delivery of services of general economic interest (SGEI). They stressed that accessing cash from ATMs is an essential public service that must be provided without any discriminatory, anti-competitive or unfair practices.

The Commission was asked to:

- reallocate adequate financial and human resources to DG Competition;
- continue its efforts to prevent the misuse of EU funds and stimulate accountability in public procurement;
- adopt indicative guidelines to shorten the duration of antitrust investigations and proceedings for abuse of a dominant market position;
- examine carefully, in connection with a possible reform of the Merger Regulation, whether current assessment procedures take sufficient account of circumstances on digital markets.

Tax competition: Members reiterated that fair tax competition is important for the integrity of the internal market and that all market players, including digital companies, should pay their fair share of taxes where their profit is generated and compete on equal terms. Distortive anti-competitive practices, such as selective tax advantages, should be eliminated. Furthermore, the Commission should have access to all the relevant information exchanged between the national tax authorities, in order to assess the compatibility of their tax rulings and arrangements with EU competition rules.

Digital market: Members strongly welcomed the Commission's decision against the illegal tax benefits granted to Amazon and stressed that the timely recovery of illegal aid is essential. They took note of the Commission's statement of objections and its preliminary conclusion that Google has abused its market dominance as a search engine by giving an illegal advantage to another of its products, this being its comparison shopping service. The Commission was called upon to: (i) ensure that the company implements the remedy effectively and promptly; (ii) diligently conduct all other pending antitrust investigations, such as Android, AdSense, and investigations in the travel and local search sectors, where Google is allegedly abusing its dominance; (iii) develop policy and enforcement instruments dealing with the emergence of digital economies.

Transport sector: the Commission was asked to ensure fair competition in the transport sector in order to complete the single market, taking account of the public interest and environmental considerations and safeguarding the connectivity of insular and peripheral regions.

Members called on the Commission to clarify state aid rules for European and non-European airlines, with a view to establishing a level playing field between their operations targeting European and non-European markets. The report stated that the same competition rules should be applied to all air carriers when flying to or from the EU and to both national and low-cost carriers.

The Commission was invited to carefully assess all airline merger deals in accordance with the EU's merger control procedure, including their impact on market competition. Members also asked the Commission to complete the implementation of the Single European Railway Area.

Trade defence instruments: Members called for trade defence instruments to be updated to make them stronger, faster and more effective. They welcomed the new method of calculating anti-dumping duties by assessing market distortions in third countries. They emphasised, furthermore, the particular importance of the anti-subsidy instrument in tackling unfair global competition, and establishing a level playing field with EU state aid rules.

The report emphasised that reciprocity must be one of the key principles underpinning Union commercial policy, with a view to ensuring a level playing field for EU firms, in particular in the area of public procurement. It called on the Commission to take account of the needs of SMEs when conducting negotiations and trade with a view to ensuring better access to markets and making the firms in question more competitive.

Lastly, Members stressed that the Commission must put increased effort into ensuring the consistent application of the EU competition rules in all Member States with regard to e-commerce-related business practices.

Annual report on competition policy

The European Parliament adopted by 445 votes to 104, with 38 abstentions, a resolution on the annual report on competition policy.

Members welcomed [the report](#) on competition policy 2016 of 31 May 2017, which shows that, in a fair competitive environment, investment and innovation are key for the future of Europe.

While strongly supporting the independence of the Commission and national competition authorities in their mission to shape and enforce effectively EU competition rules, Members called on the Commission to ensure regular information and exchanges with Parliament on competition policy, as provided for by the Interinstitutional Agreement (IIA) between the Commission and Parliament.

Improving the application of competition rules: Parliament called on the Commission to monitor the implementation of legislation linked to the completion of the single market, such as in the energy (including self-consumption) and transport sectors, the digital market, and retail financial services (including insurances), in order to improve the enforcement of EU competition rules and achieve a consistent application in Member States.

Members noted, however, that state aid can be an indispensable tool to secure the necessary infrastructure and supply for both the energy and transport sectors, and can be necessary to ensure the delivery of services of general economic interest (SGEI). They stressed that accessing cash from ATMs is an essential public service that must be provided without any discriminatory, anti-competitive or unfair practices.

The Commission was asked to:

- reallocate adequate financial and human resources to DG Competition;
- continue its efforts to prevent the misuse of EU funds and in public procurement which is one of the government activities most vulnerable to corruption; adopt indicative guidelines to shorten the duration of antitrust investigations and proceedings for abuse of a dominant market position;
- examine carefully, in connection with a possible reform of the Merger Regulation, whether current assessment procedures take sufficient account of circumstances on digital markets.

Tax competition: Parliament reiterated that fair tax competition is important for the integrity of the internal market and that all market players, including digital companies, should pay their fair share of taxes where their profit is generated and compete on equal terms. It stressed the need to tax companies on the basis of their genuine activity in Member States.

Distortive anti-competitive practices, such as selective tax advantages, should be eliminated. Furthermore, the Commission should have access to all the relevant information exchanged between the national tax authorities, in order to assess the compatibility of their tax rulings and arrangements with EU competition rules.

Digital market: Members welcomed the Commission's decision against illegal tax benefits granted to Amazon and stressed that timely recovery of illegal aid is essential. They noted the Commission's statement of objections and its preliminary findings that Google has abused its dominant market position as a search engine by giving illegal advantages to another of its products, this being its price comparison shopping service. The Commission is called on to ensure that this company effectively implements corrective measures as soon as possible.

In general, Parliament stressed the specific challenge that digital businesses represented for competition and tax authorities, in particular as regards algorithms, artificial intelligence or the value of data. They encouraged the Commission to develop policy and enforcement instruments dealing with the emergence of digital economies.

Financial services: Parliament has asked the Commission to closely monitor activities in the retail banking and financial services sectors. It invited the Commission to explain under what conditions it was possible to use public funds to bail out major banks. It considered it a priority to ensure that State aid rules will be strictly respected when dealing with future banking crises, so that the burden of rescuing banks does not fall on taxpayers.

Members also stressed that access to cash via ATMs is an essential public service that must be provided without any anti-competitive practices being applied.

Transport sector: the Commission was asked to ensure fair competition in the transport sector in order to complete the single market, taking account of the public interest and environmental considerations and safeguarding the connectivity of insular and peripheral regions.

Members called on the Commission to:

- clarify state aid rules for European and non-European airlines, with a view to establishing a level playing field between their operations targeting European and non-European markets. The same competition rules should be applied to all air carriers when flying to or from the EU and to both national and low-cost carriers;
- carefully assess all airline merger deals in accordance with the EU's merger control procedure, including their impact on market competition;
- complete the implementation of the Single European Railway Area and to verify that every Member State has a strong and independent national antitrust regulator.

International cooperation: Parliament stressed the importance of international cooperation for the effective application of competition law principles in an era of globalisation. It asked the Commission to include a chapter on competition in international trade and investment agreements.

Members called for trade defence instruments to be updated to make them stronger, faster and more effective. They welcomed the new method of calculating anti-dumping duties by assessing market distortions in third countries. They emphasised, furthermore, the particular importance of the anti-subsidy instrument in tackling unfair global competition, and establishing a level playing field with EU state aid rules.

The resolution emphasised that reciprocity must be one of the key principles underpinning Union commercial policy, with a view to ensuring a level playing field for EU firms, in particular in the area of public procurement.