

Procedure file

Basic information		
INI - Own-initiative procedure	2020/2223(INI)	Procedure completed
Competition policy ? annual report 2020		
Subject 2.60 Competition		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Economic and Monetary Affairs	 VAN OVERTVELDT Johan	22/03/2021
		Shadow rapporteur	
		 MARTUSCIELLO Fulvio	
		 ANGEL Marc	
		 YON-COURTIN Stéphanie	
		 GRUFFAT Claude	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Internal Market and Consumer Protection	 ANSIP Andrus	02/09/2020
European Commission	Commission DG Economic and Financial Affairs	Commissioner GENTILONI Paolo	

Key events			
26/11/2020	Committee referral announced in Parliament		
10/05/2021	Vote in committee		
18/05/2021	Committee report tabled for plenary	A9-0168/2021	Summary
07/06/2021	Debate in Parliament		
08/06/2021	Results of vote in Parliament		



08/06/2021	Decision by Parliament	T9-0275/2021	Summary
08/06/2021	End of procedure in Parliament		

Technical information

Procedure reference	2020/2223(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Annual report
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	ECON/9/04479

Documentation gateway

Committee draft report		PE661.935	17/12/2020	EP	
Amendments tabled in committee		PE680.910	03/02/2021	EP	
Committee opinion	IMCO	PE660.385	24/02/2021	EP	
Committee report tabled for plenary, single reading		A9-0168/2021	18/05/2021	EP	Summary
Text adopted by Parliament, single reading		T9-0275/2021	08/06/2021	EP	Summary
Commission response to text adopted in plenary		SP(2021)570	03/11/2021	EC	

Competition policy ? annual report 2020

The Committee on Economic and Monetary Affairs adopted the own-initiative report by Johan VAN OVERTVELDT (ECR, BE) on competition policy - annual report 2020.

General considerations

Members consider the Commissions annual report on competition policy to be an indispensable exercise in terms of democratic scrutiny. They recalled that in recent years, Parliament has been involved through the ordinary legislative procedure in shaping the framework for competition

Rules. They insisted on Parliaments co-decision powers to shape the framework for competition rules.

Policy responses to COVID-19

Members welcomed the adoption of a Temporary Framework for State aid measures, and amendments to prolong and expand it, established in response to the COVID-19 crisis to enable Member States to support companies during the pandemic. They support the maintenance of exceptional measures for as long as the recovery is ongoing but underlined that the Framework is a temporary tool. They stressed that restoring effective competition in the medium to long term is key to ensuring that the recovery is rapid and consistent. The report noted substantial differences between Member States regarding their available fiscal space for the provision of State aid.

The Commission is called on to:

- adopt a legislative proposal in relation to the ban on protecting intellectual property rights for inventions or discoveries concerning vaccines designed to treat endemic or pandemic infectious diseases in the world population;
- ensure and monitor the proper use and distribution of the different EU funding measures in response to the COVID-19 crisis, including through Member States National Recovery and Resilience Plans (NRRPs) of the Recovery and Resilience Facility.

Both the Commission and the Member States are called on to launch a post COVID-19 roadmap for better targeted State aid to promote competitiveness and safeguard jobs.

Competition policy in the digital age

Members welcomed the Commissions determination to address unfair terms and practices of platforms acting as gatekeepers, act decisively, and eliminate illegitimate obstacles to online competition in the European digital single market. However, they regretted the slowness of antitrust investigations compared to fast-moving digital markets. They stressed that 10 years after the opening of an investigation into Google

search bias practices, the Commission has still not completed its investigation.

The Commission's appeal of the Apple ruling was welcomed by Members stressing that the Apple case shows once again the need for sound State aid rules, taking into account beneficial tax regimes.

Members considered that Parliament should play an active role in the political debate on competition policy, including through organising a public hearing with the CEOs of GAFA (Google, Amazon, Facebook, Apple) on their corporate strategies in the field of competition and taxation practices.

While underlining the importance of the transparency register to ensure public scrutiny of lobbying efforts with the aim of preventing distortion of competition, the report called for an enhanced EU transparency register with information related to funding of companies or associations in order to prevent stakeholders from acting on behalf of other companies without specifying that they are doing so.

State aid control

Members welcomed the recently adopted new Guidelines on regional State aid and recalled the need for a road map for better targeted State aid, especially for the delivery of Services of General Economic Interest (SGEI). They called on the Commission and the Member States to launch a territorial assessment of the socioeconomic impact of the COVID-19 crisis in the context of the application of State aid rules and the relevant ongoing revision process. In this regard, special attention should be paid to analysing impacts on enterprises based in EU islands and outermost regions.

Lastly, the report called for the alignment of all EU competition and State aid rules with long-term societal objectives, in particular the European Green Deal, taking into account the EU's climate commitments.

Competition policy ? annual report 2020

The European Parliament adopted by 208 votes to 115, with 68 abstentions, a resolution on competition policy - annual report 2020.

Effective enforcement of competition policy

Expressing its concern about the increasing concentration of industry in Europe, Parliament recalled that strict and impartial enforcement of EU competition rules by independent competition authorities is essential for European companies operating in the internal market and internationally, in particular for SMEs.

To combat social, environmental and fiscal dumping more effectively, Members called for a legal framework for a mandatory human rights and environmental due diligence instrument. They also stressed that aggressive tax practices by multinationals, harmful tax practices and tax advantages for large companies could undermine the competitiveness of markets.

The resolution insists on Parliament's co-decision powers to shape the framework for competition rules.

Policy responses to COVID-19

Parliament welcomed the adoption of a Temporary Framework for State aid measures, and amendments to prolong and expand it, established in response to the COVID-19 crisis to enable Member States to support companies during the pandemic. It supports the maintenance of exceptional measures for as long as the recovery is ongoing but underlined that the Framework is a temporary tool.

Members stressed that restoring effective competition in the medium to long term is key to ensuring that the recovery is rapid and consistent and that support measures should be more targeted as the recovery progresses.

Parliament supports effective measures to address the shortage of COVID-19 vaccine, particularly in low- and middle-income countries. It called on the Commission and Member States to: (i) convince third countries to lift existing export bans and speed up the donations of vaccines; (ii) step up their efforts to support technology transfer and voluntary licensing of intellectual property rights to address pandemic infectious diseases affecting the world's population.

The Commission and Member States were asked to launch a post-COVID 19 roadmap for better targeted state aid to promote competitiveness and safeguard jobs.

According to Members, aid should only be granted to companies suffering the direct financial consequences of the pandemic. State aid should not be granted to companies that were inefficient and structurally loss-making before the COVID-19 crisis, nor should it be used to fuel monopolistic structures.

Global dimension

Parliament stressed the importance of structured global dialogue and cooperation in order to achieve a common approach to fair competition. In this context, the Commission is invited to:

- strengthen the state aid provisions in future trade and investment agreements;
- pay attention to the role of foreign state-owned companies that are supported and subsidised by their governments in ways that EU single market rules prohibit for EU entities;
- identify strategic dependencies, especially in sensitive industrial ecosystems, and propose measures to reduce them, including diversifying production and supply chains, encouraging production and investment in Europe and ensuring the build-up of strategic stocks.

Members support the inclusion in EU competition rules of a thorough state aid control on undertakings from non-EU countries, while stressing that the EU should remain open to foreign direct investment that complies with its legal framework, respects European social and environmental standards and does not distort competition.

Competition policy in the digital age

Parliament welcomed the Commission's determination to address unfair terms and practices of platforms acting as gatekeepers, act decisively, and eliminate illegitimate obstacles to online competition in the European digital single market. However, it regretted the slowness of antitrust

investigations compared to fast-moving digital markets. It stressed that 10 years after the opening of an investigation into Google search bias practices, the Commission has still not completed its investigation.

The Commission's appeal of the Apple ruling was welcomed by Members stressing that the Apple case shows once again the need for sound State aid rules, taking into account beneficial tax regimes.

Parliament urged the Commission to speed up procedures, in particular with regard to antitrust and in rapidly growing digital markets.

Members considered that Parliament should play an active role in the political debate on competition policy, including through organising a public hearing with the CEOs of GAFAM (Google, Amazon, Facebook, Apple) on their corporate strategies in the field of competition and taxation practices.

Parliament called for an enhanced EU transparency register with information related to funding of companies or associations in order to prevent stakeholders from acting on behalf of other companies without specifying that they are doing so

State aid control

Members welcomed the recently adopted new Guidelines on regional State aid and recalled the need for a road map for better targeted State aid, especially for the delivery of Services of General Economic Interest (SGEI). They called for particular attention to be paid to analysing the impacts on enterprises based in the EU's islands and outermost regions.

Lastly, Parliament considered that the EU's competition and state aid rules should be in line with the European Green Deal, the Union's Digital Agenda, the European Social Charter and the UN's Sustainable Development Goals.