













Procedure file

Basic information		
INI - Own-initiative procedure	2022/2060(INI)	Procedure completed
Competition policy - annual report 2022		
Subject 2.60 Competition		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Economic and Monetary Affairs		17/05/2022
		 REPASI René	
		Shadow rapporteur	
		 ASIMAKOPOULOU Anna-Michelle	
		 YON-COURTIN Stéphanie	
		 GRUFFAT Claude	
		 BECK Gunnar	
		 JURZYCA Eugen	
		 SCHIRDEWAN Martin	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Internal Market and Consumer Protection		19/07/2022
		 CHARANZOVÁ Dita	
European Commission	Commission DG Economic and Financial Affairs	Commissioner GENTILONI Paolo	

Key events			
07/07/2022	Committee referral announced in Parliament		
25/04/2023	Vote in committee		

08/05/2023	Committee report tabled for plenary	A9-0183/2023	Summary
12/06/2023	Debate in Parliament		
13/06/2023	Results of vote in Parliament		
13/06/2023	Decision by Parliament	T9-0227/2023	Summary

Technical information

Procedure reference	2022/2060(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/9/09121

Documentation gateway

Committee draft report		PE740.653	31/01/2023	EP	
Committee opinion	IMCO	PE737.532	06/03/2023	EP	
Amendments tabled in committee		PE745.179	07/03/2023	EP	
Committee report tabled for plenary, single reading		A9-0183/2023	08/05/2023	EP	Summary
Text adopted by Parliament, single reading		T9-0227/2023	13/06/2023	EP	Summary
Commission response to text adopted in plenary		SP(2023)436	15/11/2023	EC	

Competition policy - annual report 2022

The Committee on Economic and Monetary Affairs adopted the own-initiative report by René REPASI (S&D, DE) on Competition policy - Annual report 2022.

General considerations

The report stressed that the aim of competition policy should be to contribute to the objectives of the European Green Deal and the Digital Compass goals and to strengthen the resilience of the EU internal market. Competition policy should provide legal certainty and regimes allowing greater flexibility should be temporary and targeted and should not undermine the integrity of the internal market.

Members welcomed the Commission's clarification in a draft communication that the definition of the relevant market should not be based solely on the price of the product, but also on its level of innovation. They believe that competition in innovation is a key factor in determining the relevant market and called on the Commission to take a longer-term view encompassing the global dimension and potential future competition in its competition assessments.

The report welcomed the revision of the General Block Exemption Regulation to allow Member States to invest more in areas important for the transition to a net-zero economy, such as low-carbon hydrogen and research and development, as well as in accompanying measures to facilitate the digital transition of all sectors. It noted that a strong competition policy will strengthen the resilience of the EU's single market, particularly for small and medium-sized enterprises (SMEs).

Political reaction to the war in Ukraine and the law on reducing inflation

Members welcomed the swift adoption of the temporary crisis framework for state aid measures to support the economy following Russia's aggression against Ukraine, and its subsequent prolongations. They considered that the purpose of the temporary crisis and transitional framework is to create the conditions for companies to compete in the public interest.

The report pointed out that rulings in various cases have made it clear that State aid cannot be granted if the recipient infringes environmental rules. It insists that the Commission should only authorise State aid granted by Member States if it pursues an objective of common interest and encouraged Member States to put in place other binding conditions for the receipt of State aid.

Members are deeply concerned about the risk of further fragmentation of the internal market as a result of excessive relaxation of state aid rules and the use of subsidies in response to the US Inflation Reduction Act. They warned the Commission against international competition in

subsidies and urged it to use the tools at its disposal to prevent and sanction unfair competition in this area. They asked the Commission to pay particular attention to the differing levels of fiscal space available to Member States to provide support and monitor potential distortionary effects.

Members reiterates that the EU's response to the US Inflation Reduction Act should not be based solely on state aid, but should also include other areas of competition policy, such as merger control.

The report called for the modernisation of public procurement rules to foster a greener industry and promote European standards to facilitate the rapid deployment of key technologies. It stressed that a renewed competition framework should establish a predictable and simplified regulatory framework, increasing confidence, speed and flexibility and reducing the administrative burden for companies investing and competing fairly in Europe. It called on the Commission to improve the transparency of the State aid assessment process and to take account of sustainability and European sovereignty criteria in public procurement rules.

The report stressed that a new European Sovereignty Fund could support the EU's industrial strategy. The use of European investment funds and changes to state aid rules offer the opportunity to avoid fragmentation of the internal market.

Members reiterated that the Commission must use all the tools available under competition law to impartially combat market distortions and unfair pricing practices in the energy and food markets. They called on the Commission to offer a set of effective instruments, including the establishment of a permanent market investigation mechanism, which should be triggered automatically when certain conditions, such as a specific rise in prices, are met.

Merger control

Members considered that turnover-based merger thresholds are not fit for the digital economy, in which value is often represented by other factors, and also considered that the Commission should not focus solely on prices in its merger assessments. The report supports the introduction of a rebuttable presumption that effective competition is significantly impeded by any merger leading to a dominant position of a company in a relevant market or any merger involving a dominant market player or gatekeeper, as defined in the Digital Markets Regulation.

Members urged the Commission to take decisive action, in accordance with Article 22 of the EC Merger Regulation, against "killer acquisitions" notifiable to the Commission under the Digital Market Regulation, as well as in relation to mergers in other strategic sectors.

Competition policy in the digital age

Members welcomed the creation of new Commission Directorates responsible for the application of the Digital Markets Regulation and called on the Commission to allocate a larger budget to properly apply and enforce the Digital Markets Regulation.

The Commission is invited to:

- ensure swift and effective enforcement against anti-competitive practices by application shops acting as gatekeepers in ongoing cartel cases and in the application of the Digital Market Regulation;
- build on existing initiatives to build on existing initiatives to increase collaboration between antitrust and data privacy regulators to both control corporate data misuse and prevent companies from using consumer data to gain an unfair competitive advantage.

Regarding state aid, Members are also calling for companies that engage in tax evasion using third country tax havens to be excluded from public procurement procedures and to be barred from receiving state aid.

Parliamentary important

The report stressed that Parliament should be properly involved in shaping competition policy. It called on the Commission to start negotiations on an interinstitutional agreement on competition policy. It asked the European Council to adopt a decision under the second subparagraph of Article 48(7) of the EU Treaty allowing for the adoption of legislative acts in the field of competition policy in accordance with the ordinary legislative procedure.

Competition policy - annual report 2022

The European Parliament adopted by 428 votes to 147, with 57 abstentions, a resolution on Competition Policy - Annual Report 2022.

General considerations

Members believe that EU competition policy protects market structures against anti-competitive behaviour, cartels and the accumulation of market power. Treaty-based competition rules must be interpreted in the broader light of the European values that underpin the Union's highly competitive social market economy. The Commission is invited to ensure that the regulatory framework is adapted in response to technological developments and the Union's digital connectivity objectives, ensuring that the financing of critical infrastructure is appropriate and effective and respects competition rules.

The resolution stressed that the aim of competition policy should be to contribute to the objectives of the Green Deal for Europe and the Digital Compass and to strengthen the resilience of the EU internal market. Competition policy should provide legal certainty and regimes allowing greater flexibility should be temporary and targeted and should not undermine the integrity of the internal market.

Members welcomed the revised guidelines on state aid to encourage investment in risk financing, which clarify and simplify the rules under which Member States can facilitate SMEs' access to finance. They also believe that rather than adopting protectionist measures, obtaining reciprocal market access for EU exports would promote recovery and sustainable growth within the single market.

Policy response to the war in Ukraine and the Inflation Reduction Act

Parliament welcomed the rapid adoption of the Temporary Crisis Framework for State Aid measures to support the economy following Russia's aggression against Ukraine, and the subsequent prolongations thereof. It noted the Commission's proposal to transform this into a Temporary Crisis and Transition Framework (TCTF), by enlarging its scope to support all possible renewable sources of energy. It stressed that any flexibility should be targeted, temporary, proportionate and consistent with EU policy objectives and should refrain from creating permanent distortions in the internal market.

Members are deeply concerned about the risk of further fragmentation of the internal market as a result of excessive relaxation of state aid rules and the use of subsidies in response to the US Inflation Reduction Act. They warned the Commission against international competition in subsidies and urged it to use the tools at its disposal to prevent and sanction unfair competition in this area. They asked the Commission to pay particular attention to the differing levels of fiscal space available to Member States to provide support and monitor potential distortionary effects.

Parliament reiterated that the EU's response to the US Inflation Reduction Act should not be built solely on State aid but should also include other areas of competition policy such as scrutiny over mergers.

The resolution supported the modernisation of public procurement rules to help foster greener industry and promote European standards to facilitate the fast roll-out of key technologies.

Members stressed the importance of a coordinated response to avoid distorting the EU's internal energy market. They called on the Commission to take account of sustainability and European sovereignty criteria in its public procurement rules.

Parliament believes that rising energy and food prices, leading to excessive corporate profits, are the main drivers of the current rise in inflation. It stressed that rising energy costs are one of the main factors adversely affecting the ability of EU industry to compete on the global market.

Members reiterated that the Commission must use all the tools at its disposal under competition law to impartially combat market distortions and unfair pricing practices in the energy and food markets.

Merger control

Members considered that turnover-based merger thresholds are not fit for the digital economy, in which value is often represented by other factors, and also considered that the Commission should not focus solely on prices in its merger assessments, stressing that a products fair price is not the lowest price possible for the consumer.

The resolution supports the introduction of a rebuttable presumption that effective competition is significantly impeded by any merger leading to a dominant position of a company in a relevant market or any merger involving a dominant market player or gatekeeper, as defined in the Digital Markets Regulation.

Members urged the Commission to take decisive action, in accordance with Article 22 of the EC Merger Regulation, against killer acquisitions notifiable to the Commission under the Digital Market Regulation, as well as in relation to mergers in other strategic sectors.

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Transparency				
REPASI René	Rapporteur	ECON	05/07/2023	European Committee of the Regions
REPASI René	Rapporteur	ECON	07/06/2023	Open Markets Institute
REPASI René	Rapporteur	ECON	14/02/2023	EVP Margrethe Vestager - Commissioner for Competition
AGUILERA Clara	Shadow rapporteur for opinion	IMCO	14/02/2023	Telefonica, S.A.
GRUFFAT Claude	Shadow rapporteur	ECON	08/02/2023	ClientEarth AISBL
REPASI René	Rapporteur	ECON	11/01/2023	Telefonica, S.A.
REPASI	Rapporteur	ECON	13/09/2022	Margrethe Vestager

René				
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