


Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	1994/2074(COS)	Procedure completed
Competition policy. 23rd report 1993		
Subject 2.60 Competition		

Key players				
European Parliament	Committee responsible	Rapporteur	Appointed	
	ECON Economic and Monetary Affairs, Industrial Policy		07/09/1994	
		PPE KONRAD Christoph		
	Committee for opinion	Rapporteur for opinion	Appointed	
	AGRI Agriculture and Rural Development			
	JURI Legal Affairs, Citizens' Rights		16/09/1994	
		PSE ODDY Christine Margaret		
Council of the European Union				

Key events			
05/05/1994	Non-legislative basic document published	COM(1994)0161	Summary
21/07/1994	Committee referral announced in Parliament		
13/02/1995	Vote in committee		Summary
13/02/1995	Committee report tabled for plenary	A4-0022/1995	
15/03/1995	Debate in Parliament		
16/03/1995	Decision by Parliament	T4-0102/1995	Summary
16/03/1995	End of procedure in Parliament		
10/04/1995	Final act published in Official Journal		

Technical information	
Procedure reference	1994/2074(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142

Stage reached in procedure	Procedure completed
Committee dossier	ECON/3/05604

Documentation gateway					
Non-legislative basic document		COM(1994)0161	05/05/1994	EC	Summary
Economic and Social Committee: opinion, report		CES1404/1994 OJ C 397 31.12.1994, p. 0059	21/12/1994	ESC	
Committee report tabled for plenary, single reading		A4-0022/1995 OJ C 068 20.03.1995, p. 0012	13/02/1995	EP	
Text adopted by Parliament, single reading		T4-0102/1995 OJ C 089 10.04.1995, p. 0115-0146	16/03/1995	EP	Summary

Competition policy. 23rd report 1993

As with previous annual reports, the 23rd annual report on competition gives the Commission the opportunity to explain the main developments in competition policy and the main cases dealt with. 1993 was a year of major events in the history of the Community: the Treaty on European Union entered into force, the agreement on the European Economic Area was ratified and the White Paper on growth, competitiveness and employment was published. The Commission has therefore tried to predict what impact these three major events will have on competition policy and, conversely, why competition policy is needed in order to achieve the objectives which the Community has set itself. The 1993 report endeavours to be more ambitious than previous reports by proposing certain measures to allow competition policy to be adapted to the new Community priorities. Even if the fundamental principles enshrined in the Treaty are the same, they cannot be applied mechanically, without taking account of the context in which they impact and the basic objectives of the Community. In the light of these considerations, the Commission highlights matters which, in its view, are increasingly important: - the first point concerns the introduction of competition into monopoly sectors, where considerable progress has been made with telecommunications and steady progress has been made in liberalizing other monopoly sectors. These results deserve a mention due to the advantages gained from the initial liberalization of these sectors and from the beneficial impact of the trans-European networks on competition and employment; - the second point concerns the liberalization of sectors, especially the service sector, which have been highly protected in the past. The rate of progress in this area has been maintained; - finally, the third point highlighted is the growing international dimension of Community competition policy. The conclusion of the Uruguay Round on 15 December 1993, the ratification of the agreement on the European Economic Area, which entered into force on 1 January 1994, and the negotiations under way with the Central and Eastern European Countries are huge steps towards the liberalization of international trade and change the competitive environment in which Community competition policy is applied. In addition, the Commission points out that considerable progress has been made in eliminating government barriers to trade, such as tariffs and non-tariff barriers, and that the same pace need no longer be maintained here, and that the liberalization of regional or international trade will now mainly take the form of eliminating private-sector obstacles to trade and other distortions of competition.?

Competition policy. 23rd report 1993

The committee adopted the KONRAD report on the 23rd report on competition policy, which gave rise to a great deal of controversy. Although the changes presented by the rapporteur by way of a compromise eased the tension, the vote on a number of additional amendments was still very close. For example, the amendment making provision for the need to harmonise environmental standards upwards (e.g. eco-tax on energy) was adopted by a very small majority. Mr KONRAD, who opposed any such measure, felt that it might cause tremendous problems for countries such as Portugal, given the very high standards in force in the new Member States such as Finland or Sweden. Similarly, the vote on the air transport sector was very close, but the Commission was urged not to cave in to national pressure for companies to be subsidised more than once. In total, some forty amendments were adopted.?

Competition policy. 23rd report 1993

The European Parliament adopted a resolution on the 23rd Commission report on competition policy. In its resolution, the European Parliament: - highlighted the interaction between competition policy and industrial policy; - felt that a series of amendments was needed to competition rules in order to improve transparency, procedural deadlines, legal security and control; - felt that the 1996 IGC should protect the Commission's political role in defining competition policy; Competition Policy in 1993: - welcomed the European competition policy implemented by the Commission in 1993 (liberalisation of the telecommunications sector, interventions on the international scene), but felt that, in future, obstacles to international trade should not be eliminated just by suppressing barriers of state origin and should also be based on the competitive behaviour of companies; - called on the Commission to consider how the application of competition rules could be decentralised; New requirements of competition policy: - called on the Commission to use every means at its disposal to prevent distortions of competition in sectors such as the media and new communications technologies; - called on the Commission to encourage bilateral and multilateral agreements on the application of competition rules, for example with the NAFTA, and called on the Commission to lobby the WTO to introduce international competition rules; - called on the Commission to eliminate the final obstacles to the internal market as quickly as possible; Extending the scope of competition policy: - stressed the need for the environmental standards applicable in the Member States to be harmonised upwards (e.g. eco-tax on energy); - stressed the need to harmonise social standards: the social opt out clause was an

unacceptable distortion of competition rules; - proposed that the Commission insist on the need for restructuring and capacity-reduction programmes in industrial sectors with excess capacity and for a gradual reduction in state aid in the eastern European countries which have concluded association agreements with the Community; Sectoral problems: - called on the Commission to acknowledge the increasingly global nature of maritime transport and not to jeopardise European shipping operators; - called for the internal energy market to be created on the basis of a common energy policy which did not jeopardise security of supply or public service missions exercised by the companies in the sector; - called on the Commission to stipulate how it intended to interpret competition rules with reference to the problem of commission on interbank transfers; Competition policy and European citizens: - called on the Commission and the Member States to increase transparency and reconcile the liberalisation of sectors which have always provided public services with the need to offer such services in accordance with principles of equality, universality, continuity and transparency; State aid: - called on the Commission to submit a complete annual report on state aid granted for each Member State; - called on the Commission to apply the new principles governing state aid to air transport to the letter; - called on the Commission, in its next report, to give an account of and propose solutions to the obstacles to competition policy, aid controls and antidumping procedures.?