



EUROPEAN COMMISSION

# DG Competition Management Plan 2010

12 May 2010

## **PART 1. Mission Statement**

The mission of the Directorate General for Competition is to enable the Commission to make markets deliver more benefits to consumers, businesses and the society as a whole, by protecting competition on the market and fostering a competition culture. We do this through the enforcement of competition rules and through actions aimed at ensuring that regulation takes competition duly into account among other public policy interests.

Competition is not an end in itself. It is an indispensable element of a functioning Single Market guaranteeing a level playing field. It contributes to an efficient use of society's scarce resources, technological development and innovation, a better choice of products and services, lower prices, higher quality and greater productivity in the economy as a whole. Therefore, competition contributes to the wider objectives of boosting strong and sustainable growth, competitiveness, employment creation and tackling climate change. Competition policy therefore contributes directly to the Europe2020 strategy for smart, sustainable and inclusive growth. Historical evidence suggests that the causal link between effective competition and economic growth is particularly important in times of economic crisis.

DG COMP carries out its mission mainly by taking direct enforcement action against companies or governments when it finds evidence of unlawful behaviour – be it collusion between competitors, abusive behaviour by dominant companies or attempts by government to distort competition by providing disproportionate support for particular companies. It prevents mergers when they would significantly reduce competition. At the same time it helps direct state support more closely to improving competitiveness and/or reducing regional and social disparities and away from aid which distorts competition on the market without any compensating benefit. Typically this positive kind of state support addresses market failures by public aid to R&D, innovation and risk capital, SME's, environmental protection and training.

DG COMP works in partnerships with other policies to support the delivery of other policy objectives in a pro-competitive way at EU and national level. It works in partnership with national competition authorities and national courts to ensure an effective and coherent application of EU competition law, thereby contributing to a level playing field in the Single Market. It promotes the private enforcement of EU competition law. To this end, it also provides guidance and transparency about the competition rules and their enforcement to improve legal certainty for stakeholders.

In the international context, it strives to shape global economic governance by strengthening international cooperation in enforcement activities and making steps towards increased convergence of competition policy instruments across different jurisdictions.

The enforcement and development of EU competition policy is based on sound law and economics, drawing on in-depth knowledge of how markets and companies operate. DG COMP channels its limited resources on the most harmful practices in key sectors. It strives to take decisions in a time-frame relevant to the problem and the market concerned and to ensure transparency, due process and predictability for its stakeholders.

## DG COMP 2010 MANAGEMENT PLAN

The more than 900 staff of DG COMP is committed to adhere to the highest standards of professionalism, intellectual rigour and integrity.

## **PART 2. This year's challenges (Personal message by the Director General)**

The past year – 2009 – has been a challenging one for the economy and for business, but also for policy makers, including the European Commission.

DG Competition has had a significant role to play in the crisis as a result of its powers, under the State aid rules, to scrutinise government aid to the financial sector and to the real economy. In doing so, our objectives initially were to assist Member States preserve financial stability and restore lending to the real economy, while maintaining a level playing field between banks in the EU and minimising distortions of competition resulting from government aid. We dealt with a large number of notifications of Member State emergency aid measures and responded within very tight time frames, which required rapid reallocation of staff, some new recruitment, and a very significant personal commitment by staff.

After the critical phase, and largely due to public intervention, the financial sector has stabilised by the end of 2009. In 2010 DG Competition will be focussing more and more on how to achieve the long-term viability of financial institutions and companies in the real economy without continued state support, notably through the implementation of restructuring measures, and how to prepare the phasing out of state support.

Going forward, it is important that banks operate on the basis of sound business models in a regulatory framework in which they can compete on the merits with balanced incentives and without State aid. EU State aid policy can help achieve this goal, but we will of course need to continue to work extremely closely with colleagues in other parts of the Commission, with the European Central Bank, national central banks, national ministries and financial sector regulators, as well as the banks themselves, in order to find constructive solutions.

In merger control, 2010 is likely to involve corporate restructuring in the financial sector and other sectors, as a result of the crisis. In reviewing these mergers, and others, we will need to ensure that consumer welfare is preserved, which is usually achieved through maintaining competitive market structures.

I believe that the way out of this crisis – for the financial sector and the wider economy – lies with competitive markets. This is why it has been and will continue to be important in 2010 to maintain vigorous enforcement of the competition rules, whether the State aid rules, the merger control rules, or the cartels, antitrust and liberalisation rules. The crisis has also highlighted the importance of our competition advocacy work, which aims to achieve competition-friendly regulation.

One consequence of the crisis for DG Competition is certainly increased pressure from Member States and businesses to deliver timely decisions, within meaningful time frames, but without increasing our resources. This emphasizes the importance of efficient procedures, which make it possible to take cases forward without compromising on the rights of the parties under investigation and without compromising on the effectiveness of our competition review and analysis.

Looking beyond the crisis, the Europe 2020 Strategy includes an important role for competition policy. It reiterates the Commission's commitment to open and sound markets, based on the Internal Market and the competition and State aid rules. In particular, it emphasizes the role of competition policy in ensuring that markets provide the right environment for innovation, for example through ensuring that patents and property rights are not abused. It also recognizes the role of State aid policy in prompting and supporting initiatives for more innovative, efficient and greener technologies and in facilitating access to public support for investment, risk capital and funding for research and development.

To this end, in 2010 DG Competition should maintain its focus on targeting its enforcement action to those infringements that cause the most harm to businesses and consumers. This objective underlies our prioritisation of cartel enforcement work and our implementation of an economics-focussed and effects-based approach in antitrust, merger control and State aid control.

In antitrust, it also results in a focus for 2010 on certain priority sectors, such as information and communications technology, energy, transport and financial services, which are of great importance for both businesses and consumers. Improving competition in these sectors will also help promote competitiveness and sustainable growth in Europe, for instance through promoting a digital economy agenda and through pushing through innovation and modernisation in network industries such as energy and transport.

One investigative tool we have used to good effect in recent years has been the antitrust sector inquiry – sector inquiries have enabled us to take an in-depth look at certain markets (for instance gas and electricity markets) where we believed that competition was not working as well as it should. This has helped us target our enforcement action so as to help remove obstacles to competition along the supply chain, and to identify regulatory barriers or loopholes that hinder effective competition and can be addressed with regulatory reform (eg, the Third Energy Package). For example, as a result of the Energy Sector Inquiry, a number of decisions in the energy sector have been adopted and more are expected in 2010. Achieving competitive energy markets will help Europe move towards a common objective of sustainable and secure energy priced at a competitive level. In 2009 we completed our sector inquiry into pharmaceuticals – and I expect that this will also be followed up with enforcement action and possibly regulatory measures (eg work on the Community patent) during 2010 and beyond.

Enforcement action will of course also be complemented by policy developments in 2010. In particular, we will finalise the revision of several antitrust block exemption regulations, notably reflecting changes to economic thinking and to the business environment. We will also continue to consider further steps to follow up on the White Paper on actions for damages for breaches of the competition rules. In the area of State aid policy, we will continue the move towards a more refined economic approach, as foreseen in the State Aid Action Plan, launched in 2005.

But it is important not to forget that the European Commission is only part of a network of competition authorities in the EU that apply the EU competition rules, alongside national courts and the European courts. In 2010 we look forward to pursuing our fruitful cooperation with National Competition Authorities through the ECN – and possibly to exploring ways of deepening that cooperation.

Finally, markets are increasingly global in scope, and more and more jurisdictions worldwide now have competition regimes in place, so that cooperation and even convergence in competition policy is increasingly important. In 2010 DG Competition should continue to pursue bilateral cooperation with competition agencies from the EU's main trading partners, as well as multilateral cooperation in fora such as the OECD or the International Competition Network, in the interests of promoting open and competitive markets worldwide.

## **PART 3. General objectives**

The general objectives of DG COMP are i) to protect competition on the market as means to enhance consumer welfare ii) to support growth, jobs and competitiveness of the EU economy and iii) to foster competition culture.

These general objectives are in line with the Europe 2020 Strategy, and in particular with its three mutually reinforcing priorities: smart growth, sustainable growth and inclusive growth. Through pursuing these general objectives, competition policy will help the EU deliver on the flagship initiatives set out in the Europe 2020 Strategy, in particular the ones on "Innovation Union", "Digital agenda", "Resource efficient Europe", "Industrial policy" and "Agenda for new skills and jobs". Importantly, these general objectives remain valid in particular in the financial and economic crisis.

Competition policy should prioritize its actions where it is likely to have the biggest impact on the functioning of markets. Therefore, making markets work better requires, in the first place, a careful selection of sectors which are the most important for the competitiveness of the EU economy and the functioning of which has the greatest - direct or indirect – effect on consumers. An increased focus on key sectors maximises the contribution of competition policy to achieving the EU's overall objectives.

For example, in line with the priorities set out in the Annual Policy Strategy for 2010, competition policy will contribute to ensuring competitive markets in network industries, such as energy, ICT, transport, post and financial services, which are all vital for the competitiveness of the EU economy and important parts of citizen's household expenditure.

### **3.1. To protect competition on the market as a means to enhance consumer welfare in the EU**

A key objective of EU competition policy is to ensure that competition on the market is protected against distortive State aid, mergers that significantly impede effective competition, anti-competitive agreements or exclusionary and exploitative conduct by one or more dominant undertakings.

Undistorted competition on the market is a means which enhances consumer welfare by driving both static efficiency, including productive and allocative efficiency, and dynamic efficiency, in particular in the form of innovation.

By distorting the incentives at the very basis of a functioning market mechanism, State aid is in general harmful to both total and consumer welfare in the long run. Even State aid granted to remedy a serious disturbance in the economy of a Member State resulting from the global financial crisis may cause avoidable harm through long term negative effects on competition resulting from, for example, discriminatory or disproportionate State aid that could delay the necessary restructuring of certain operations or give undue advantages to firms over others. Such State aid would not only harm consumers' but also the overall public interest in a properly functioning Single Market.

The more harmful anti-competitive practices are, the greater the need there is for competition policy to intervene. For example, cartels are clearly very harmful restrictions of competition and therefore high priority continues to be given to the effective detection and deterrence of cartels. Similarly, abuses of a dominant position and anti-competitive mergers with the greatest harm to consumers must also continue to be targeted by enforcement action.

Furthermore, by keeping markets open, EU competition policy ensures that the benefits of globalisation are passed through to European consumers. At the same time, by targeting international cartels, mergers and abusive practices of firms of any nationality which harm European consumers, EU competition policy helps to protect European consumers against the potentially harmful aspects of globalization.

The progress made in protecting and increasing competition can be indicated through the estimated value of the future customer savings resulting from the application of competition policy tools. Based on the impact indicators set out for the individual activities below, a rough estimate of the customer savings resulting from cartel, antitrust and merger cases in 2009 would amount to around 9 billion Euros<sup>1</sup>. However, this estimate – which itself is based on a number of assumptions and is limited to the presumed impact of a selected group of competition policy actions - does not take into account the indirect effects of the deterrent effect of cartel and antitrust cases, of the effects of State aid control and of the effects of the policy, coordination, European Competition Network and international cooperation activities<sup>2</sup>.

### **3.2. To support growth, jobs and competitiveness**

Competition enforcement and advocacy initiatives ensure that private and public restrictions do not hold back competition to the detriment of the achievement of the internal market and of the competitiveness of the EU economy, especially in key sectors for the internal market and the EU 2020 strategy. For example, competition in financial services, the IT sector and in network industries in general, influences the input costs and hence the competitiveness of various sets of services. Better functioning financial markets are necessary to reach the goals of offering a more efficient and safer access to finance and insurance for businesses. Similarly, a fully competitive single European energy market is vital for the EU to increase productivity in the future world of relatively high energy prices and significantly greater resource competition.

Protecting the competitive process enables an efficient allocation of resources and stimulates technological development and innovation, which in turn bring about higher productivity and faster growth in the economy.

By promoting a pro-competitive regulatory framework at EU and national level, competition policy contributes to the better regulation agenda of the Commission and makes Europe a more attractive place to invest. By breaking up cartels and prohibiting abuses of a dominant position in markets for intermediary products or services,

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<sup>1</sup> Rough estimate of the customer savings resulting from cartel, antitrust and merger cases in 2009, as aggregated on the basis of calculations set out in footnotes 20, 21, 23, 24, 25 and 26.

<sup>2</sup> It is important to note that DG Competition is currently revising the methodology with a view to making it more robust"

competition policy lowers the input costs of businesses, thereby making them more competitive.

At the same time, the State aid framework helps Member States spend better targeted aid by allowing “good aid”, i.e. sustainable aid addressing market failures and equity objectives in the interest of growth and jobs, such as regional investment aid, aid for research and development and innovation, training, environmental protection, risk capital or aid to small and medium-sized enterprises (SMEs) and prohibiting “bad aid”, i.e. unnecessary and/or disproportionate aid.

In the context of the financial and economic crisis, State aid control policy contributes to a coordinated reaction to threats that have emerged because of the crisis and prevents subsidy races between Member States. It also contributes to the necessary restructuring in the financial sector and the real economy and to the phasing out of dependence on State support in the context of an overall coordinated exit strategy.

In the context of the EU 2020 Strategy, competition policy can contribute to achieving several EU headline targets, such as the ones according to which “3% of the EU's GDP should be invested in R&D” or that “The 20/20/20 climate/energy targets should be met”.

Through opening markets and keeping them open competition policy continues to contribute to improved economic efficiency, increased productivity and thereby faster economic growth.<sup>3</sup> It is estimated that if trade between Member States in the EU were to be eliminated – for example, as a result of companies agreeing to share markets or Member States erecting barriers – average productivity would fall by 13%.

Between 2005 and 2008, the gap between the US and EU in terms of GDP per capita (at purchasing power parity) narrowed by nearly 5%, but EU GDP per capita is still lower than in the US by roughly a third.<sup>4</sup> In 2008, labour productivity per person employed was to grow faster in the US than in the EU for the first time in three years and GDP per hour worked is still substantially higher in the US. There is clearly scope for improvement and competition policy has much to contribute. For example, potential gains from improving competition in network industries are estimated to be 1.5 to 2% of GDP at least.

According to the Commission's Interim Economic Forecast of February 2010<sup>5</sup>, after 2009 when GDP contracted by 4.1%, a gradual recovery of the EU economy is expected with GDP forecast to grow by 0.7% in 2010. However, the road ahead is a challenging one. Keeping markets open through competition advocacy and enforcement is of the utmost importance in times of economic downturn. Indeed, vigorous enforcement of the competition rules stimulates demand and innovation by forcing markets to deliver the highest possible value for customers. Historical experience suggests that a weakening of the competition framework may prolong a severe economic downturn by several years. Therefore, competition instruments

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<sup>3</sup> Competition policy, through driving efficiency and improving productivity, directly contributes to real GDP growth. However, the growth rate of real GDP per capita is dependent on a number of factors outside the control of competition policy. Therefore, the causal link between competition policy and the growth rate of real GDP per capita is direct but non-exclusive.

<sup>4</sup> Eurostat

(<http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsieb020> )

<sup>5</sup> See IP/10/188 at <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/188>

should continue to be fully used to ensure well functioning markets and competition policy should underpin the emerging new European industrial policy.

### 3.3. To foster competition culture

Knowledge of the benefits of competition is essential for citizens to exploit their opportunities as consumers, for businesses to compete on the merits and for policy makers to bring initiatives that do not disproportionately restrict the competitive process.

Fostering a competition culture in which consumers make informed choices between products and services offered, businesses refrain from anti-competitive agreements or behaviour and public administrations realize how competition can contribute to addressing wider economic problems, directly contributes to making markets work better for the benefit of consumers and business. In times of economic slowdown, it is particularly important that policy makers understand the beneficial effects of competition on growth and the harm that could result from a relaxation of the competition rules.

According to a 2006 Eurobarometer survey, 67% of EU citizens consider that increased competition in markets, such as transportation and telecommunications, is a good thing. According to another 2006 Eurobarometer survey, more than 82% of business leaders in the EU consider it important that fair competition is ensured in the single market, while more than 68% of business leaders in the EU consider it important that sectors, such as energy, transport, telecommunications and postal services are further opened up to competition.

This shows a high awareness and support for competition policy but more needs to be done.

POLICY AREA: <u>COMPETITION POLICY</u>					
GENERAL OBJECTIVES		Impact indicators			
		Indicator	Target (long-term)	Milestones (if any)	Current situation
1.	To protect competition on the market as a means to enhance consumer welfare in the EU	Customer savings resulting from the application of competition policy tools	Stable level of the indicator adjusted for growth and inflation <sup>6</sup>		9 billion euros <sup>7</sup>

<sup>6</sup> An increase in the level of the indicator could, on the one hand, mean that competition policy is more successful in achieving this objective through a larger number of and/or more substantial cartel, antitrust, liberalisation and merger cases or, on the other hand, that its deterrence function is not effective. In other words, a change in the level of the indicator does not necessarily inform about the success in achieving this objective.

<sup>7</sup> Rough estimate of the customer savings resulting from cartel, antitrust and merger cases in 2009, as aggregated on the basis of calculations set out in footnotes 20, 21, 23, 24, 25 and 26.

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2.	To support growth, jobs and competitiveness	<p>Changes in long-term real output and real prices rooted in the competitive market environment</p> <p>Proxy 1: growth rate of real GDP per capita</p> <p>Proxy 2: growth rate of labour productivity (growth per person employed)</p> <p>% of the EU's GDP invested in R&amp;D</p>	<p>Optimal long-term outcome of the competitive markets in terms of real output expansion and real price stability</p> <p>Benchmark: 1% above US growth rates</p> <p>3%</p>		<p>Proxy 1: 2.4% (2007, EU-27), 0.3% (2008, -EU-27) vs 1,2% (2007, US), -0,5% (2008, US)</p> <p>Proxy 2: 1.3% (2007, EU-27) vs 1% (2007, US) (European Competitiveness Report 2008)</p> <p>% of the EU's GDP invested in R&amp;D: 1.9% (2008, Lisbon Strategy Evaluation document)</p>
3.	To foster competition culture	Ratio of positive replies in surveys conducted among citizens, businesses and policy makers on their knowledge of and attitude towards competition	Positive attitude towards competition by at least 75% of those questioned.		67% of EU citizens consider that increased competition in markets, such as transportation and telecommunications, is a good thing. More than 82% of business leaders in the EU consider it important that fair competition is ensured in the single market (Eurobarometer 2006)

## **PART 4. Specific objectives for operational activities**

DG COMP's work is divided into the following activities:

- Control of State aid,
- Merger control,
- Cartels, anti-trust and liberalization,
- Policy, coordination, European Competition Network and international cooperation,
- Administrative support.

These activities are carried out by nine directorates. Seven of the nine Directorates are dedicated to enforcement. In line with the need to define sectoral priorities, the core operational activities are grouped into five sectoral departments. These are directorates B to F and each of them deals with antitrust, State aid and merger cases. Directorate G is focused on one priority task, which is cartel-fighting. Directorate H is dedicated to non-sector specific State aid enforcement. Directorate A is the horizontal directorate dealing with competition policy and strategy. Directorate R is in charge of human and financial resources, document management and IT.

This sector-focused organisation helps spread best practices and establishes closer links between competition policy and other EU sectoral policies. It also allows DG COMP to apply a flexible project-based management of resources, which is of particular importance where resources have to be swiftly re-deployed when staff needs to be pooled to work on a high priority project, such as the Pharmaceuticals Sector Inquiry or as a result of unforeseen changes in the environment, such as the global financial crisis. By way of example, its internal organisation allowed DG COMP to rapidly create some 30 project teams, pooling staff with sectoral and/or instrumental expertise, dealing with the surge of rescue and restructuring State aid cases in the financial sector in the Autumn of 2008.

### **4.1. Activity “Control of State aid”**

Article 107 of the Treaty on the Functioning of the European Union (ex-Article 87 of the EC Treaty) prohibits any aid granted by a Member State and through state resources in any form whatsoever which distorts or threatens to distort competition by favouring certain firms or the production of certain goods in so far as it affects trade between Member States. The Commission has the exclusive power to declare State aid compatible with the Treaty on the Functioning of the European Union, provided the State aid fulfils clearly defined objectives of common interest and does not distort intra-community competition and trade to an extent contrary to the common interest.

In line with the State Aid Action Plan launched by the Commission in 2005, DG COMP seeks to ensure that where aid is granted it targets market failures or equity objectives, addressing horizontal objectives of Community interest, such as cohesion,

employment, environmental protection, promotion of research and development and innovation, risk capital and development of SMEs.

State aid control may be used to encourage the granting of better targeted aids that address market failure or equity objectives that have a beneficial impact on competitiveness, employment and growth, and thus on the welfare of society as a whole. For example, in 2009<sup>8</sup>, the Commission took more than 30 positive decisions relating to research and development aid and more than 40 positive decisions relating to environmental aid. As outlined in the Europe 2020 Strategy, "State aid policy can ... actively contribute to the Europe 2020 objectives by prompting and supporting initiatives for more innovative, efficient and greener technologies, while facilitating access to public support for investment, risk capital and funding for research and development." At the same time, the Commission has simplified and streamlined the state aid rules in the General Block Exemption Regulation, adopted in 2008, which helped Member States to grant aid with minimal administrative burden in almost 1000 cases in 2009.

State aid control aims at guaranteeing that firms can compete fairly, without public funds being used to give a firm an undue advantage over another. In the context of the financial and economic crisis, this objective was complemented by the aim to help maintain the stability of the financial system as a whole while at the same time guaranteeing a level playing field between financial institutions and between banking communities in different Member States and securing the return to viability of banks that have been rescued and to facilitate adequate financing for the real economy. Specifically, the Commission i) set out a coherent framework for the provision of public guarantees, recapitalisation measures and impaired asset relief by Member States, ii) issued a Communication on the return to viability and the assessment of restructuring measures in the financial sector in the current crisis and iii) adopted a Temporary Framework for State aid measures to support access to finance in the financial and economic crisis. Between October 2008 and end March 2010, the Commission has approved in 161 decisions (covering almost 40 bank support schemes and some 40 individual banks) a total of € 4.1 trillion (equivalent to about one-third of the EU GDP) of State aid measures to financial institutions. In 2009 it had approved more than 70 measures in 25 Member States aimed at stabilising companies and jobs.

On the other hand, aids that disproportionately distort competition in the internal market will be prohibited, the objective of State aid control being to avoid re-creating artificial barriers to intra-community trade. In the absence of State aid rules, governments would be tempted to get into a subsidy race and efficient companies could be put out of business just because their competitors received unfair state subsidies. Several important decisions were taken by the Commission in 2009 to prevent this risk, such as prohibiting unjustified preferential electricity tariffs, recovering excessive aid in the aeronautical sector and obliging a telecommunications company to contribute in the same way as its competitors toward its pension contributions. In the context of the financial crisis the Commission agreed with Member States to redesign distortive schemes and to apply consistent parameters for the form and pricing of state intervention in order to limit distortions of competition and to ensure a coordinated approach across the EU.

According to the Europe 2020 Strategy, "the pursuit of the Europe 2020 objectives must be based on a credible exit strategy as regards budgetary and monetary policy on the one hand, and the direct support given by governments to economic sectors, in particular the financial sector, on the other." Therefore, in 2010, State aid control activity will, in particular, focus on facilitating a successful exit from the crisis, in line with the pace of recovery in financial markets and the broader economy. It will contribute to the necessary restructuring in the financial sector and the real economy, including the transport sector, and monitor the implementation and the gradual phasing out of support schemes for banks and companies in the real economy. Indeed, while below-market pricing and relaxed terms of government facilities may be necessary to improve market functioning under current conditions, they will eventually need to be reassessed to ensure there is an incentive to return to private markets. At the same time, State aid control will help Member States to grant aid addressing market failures and issues of equity in the interest of long term sustainable growth and jobs, notably as regards research, innovation and climate change.

<b>ACTIVITY: CONTROL OF STATE AID</b>
<b>SPECIFIC OBJECTIVE 1: Less aid granted by Member States</b>

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Overall level of State aid granted by Member States expressed as a percentage of GDP (less agriculture, fisheries and transport; aid related to the financial and economic crisis excluded)	0.42% of GDP ( 2008), compared to 0.40% of GDP (2007) and 0.59% of GDP (average 1996-2000)	Decrease in the indicator's level <sup>9</sup>
Overall level of State aid granted by Member States in the context of the financial and economic crisis, expressed as percentage of GDP <sup>10</sup>	1.7% of GDP in 2008	Phasing out as soon as economic recovery allows

<i>Main policy outputs</i>
Decisions relating to notified and non-notified State aid measures

<sup>9</sup> This indicator attributes a positive value to the overall decrease of State aid. Such a general aim has however to be understood as a long term objective, which may allow for deviations to cater for Member States different needs and preferences as to the use of state aid to promote growth and jobs, provided the aid fulfils the compatibility conditions set by the Commission. The need to sustain structural reform or specific action for cohesion and competitiveness may push Member State to allow for more aid in a given moment, as long as it is in the Community interest.

<sup>10</sup> State aid in the context of the economic crisis is defined as aid on which the Commission took a decision based on Article 107 (3) b TFEU and, in 2008, a limited number of crisis related cases assessed on the basis of Article 87 (3) c EC (now Article 107 (3) c TFEU) and the rescue and restructuring guidelines.

**SPECIFIC OBJECTIVE 2: Better aid granted by Member States**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Percentage of State aid granted by Member States for horizontal objectives	88% of the overall amount of aid (financial crisis aid not taken into account; 2008) <sup>11</sup> , compared to 55% (average 1996-2000) and 80% (2007)	Increase in the indicator's level

<i>Main policy outputs</i>
Decisions relating to notified and non-notified State aid measures

<sup>11</sup> This "good" aid (aid pursuing horizontal objectives or pursuing regional development) can be also set forth as separate result indicators (breakdown of the overall percentage of State aid granted for horizontal objectives and with the exclusion of State aid to agriculture, fisheries and transport):

State aid granted for	% of the overall amount of aid
R&D	16% (compared to 14% in 2007)
Innovation	0.1% (same in 2007)
Employment	6% (compared to 7% in 2007)
Regional aid (equity & social cohesion)	26% (compared to 19% in 2007)
Training	2% (compared to 1% in 2007)
SMEs	9% (compared to 11% in 2007)
Environmental purposes / energy saving	24% (compared to 29% in 2007)
Other horizontal objectives	4.9% (compared to 4% in 2007)

**SPECIFIC OBJECTIVE 3: Effective prevention and recovery of incompatible State aid**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Percentage of "bad" State aid <sup>12</sup>	0.05% of GDP (financial crisis aid not taken into account; 2008) compared to 0.27% of GDP (average 1996-2000) and 0.08% of GDP (2007)	Decrease in the indicator's level <sup>13</sup>
Percentage of incompatible aid recovered	88%, <sup>14</sup> compared to 90.7% as of December 2008	Increase in the indicator's level <sup>15</sup>
Percentage of cases closed or brought to Court within two years <sup>16</sup>	50.8% <sup>17</sup> compared to 36.4% as of December 2008	Increase in the indicator's level

*Main policy outputs*

Final decisions and appropriate measures for incompatible State aid cases

<sup>12</sup> The effectiveness of prevention activities is hard to measure. Member States may already have adjusted their behaviour in line with the State aid rules established by the Commission – it is not easy to find an indicator measuring behaviour which did not take place. Furthermore, certain behaviour (or inaction) can also be attributed to internal considerations (e.g. budgetary constraints). Also, even during the investigation by the Commission of notified aid, certain adjustments may occur in the light of pre-notification meetings or questions asked by the Commission services. Again, no precise indicator exists to measure such corrective actions occurring during the life of the procedure. Finally, it would give a wrong picture if one only looks at the total amount of incompatible aid which is being recovered as indicator, since far from being "prevented", this aid has been granted and is still with the beneficiaries concerned, distorting competition and trade, until full recovery has taken place.

Hence, it seems methodologically sounder to set an objective benchmark against which to track the performance of the Commission, which in particular if tracked over time (to correct for possible temporary fluctuations to take account of the different needs of Member States at some point in time) should give an idea of the impact that the Commission has had in preventing "bad" aid. To that effect the average figure of aid as % of GDP in the 5 year period before the Lisbon agenda is used as absolute benchmark for measuring the impact that State aid control has had in preventing "bad" aid.

<sup>13</sup> Planning assumption. As State aid activity is driven partially by notifications, it is not possible to provide a clear target for this indicator.

<sup>14</sup> Based on data from December 2009.

<sup>15</sup> This indicator is very much a "moving target", because it can be influenced by several factors such as recent decisions not yet implemented, annulment of a decision by the court, and in particular, by the fact that often the aid amount is quantified during the recovery procedure. That is why also the average age needs to be added as indicator.

<sup>16</sup> Member States are responsible for the immediate and effective implementation of the Commission's recovery decisions. In practice however, this procedure may take some time beyond the four months deadline now laid down in standard recovery decisions, either because the case is complex, or because of a failure by the Member State to implement the decision. In the latter case, the Commission can launch proceedings under Article 108(2) TFEU (ex-Article 88(2) TEC) before the European Court of Justice against the Member State concerned for failure to implement the recovery decision. This indicator therefore reflects that, within two years, either relevant action has been taken by the Member State to implement the recovery decision (i.e. the case is closed) or the Commission is pursuing actively the effective implementation of its decision (i.e. by bringing a case to Court).

<sup>17</sup> The observation period is between December 2004 and December 2009, taking into account recovery decisions adopted between December 2002- December 2007 (see footnote above). The observation period will be shifted by one year at each revision of the MP.

## **4.2. Activity "Merger control"**

Companies may merge their activities to develop new products or to lower costs. However, some mergers may reduce competition in the market, in particular by impeding effective competition, including the creation or strengthening of dominant positions in the market. Merger control ensures that competition in the internal market is not distorted through mergers of undertakings. It is primarily aimed at preventing the emergence of market structures which are not conducive to effective competition, or the deterioration of market structures which are already less than effectively competitive.

Merger control by the Commission applies to significant structural changes, the impact of which on the market goes beyond the national borders of any one Member State. Such concentrations are, as a general rule, reviewed exclusively at Community level, in application of a 'one-stop shop' system and in compliance with the principle of subsidiarity. Concentrations not covered by the Merger Regulation come, in principle, within the jurisdiction of the Member States. However, the Merger Regulation leaves scope for re-allocating cases from the national competition authorities (NCA) to the Commission and vice versa.

Merger control by the Commission guarantees efficient control involving a rapid assessment and clearance of non-problematic mergers. The Commission approves the vast majority of cases examined, most of them without the need to open a 2<sup>nd</sup> phase investigation.<sup>18</sup> Most concerns about the possible effects of a merger are resolved through remedies.<sup>19</sup> A prohibition decision is the last resort. But when it is essential to ensure that consolidation does not undermine the benefits of competition and liberalization for consumers, and when no suitable remedies are on offer, the Commission has no choice but to prohibit a merger. That is the reason why the Commission prohibited, in 2007, the merger between the airlines Ryanair and Aer Lingus, which would have otherwise reduced choice and, most likely, led to higher prices for more than 14 million EU passengers using 35 routes to and from Ireland each year.

The EU merger control system guarantees that companies can develop in a dynamic way to become competitors on global markets. Whether to meet the challenges resulting from the financial and economic crisis or to enter new markets, European companies are free to search for the most productive and competitive organizational structures reflecting their current and strategic business needs. At the same time, DG COMP's interventions allow to protect the consumers' interests.

In 2010, it is expected that merger control activity will continue to focus, in particular, on corporate restructuring in the financial services and other sectors, as a result of the direct and indirect effects of the financial and economic crisis. Merger control will also continue to ensure that cross-border mergers are not blocked by Member States for unjustified reasons.

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<sup>18</sup> For example, in 2009, concentrations were approved within approximately one month in 238 out of 243 cases, and a second phase investigation was opened in 5 cases out of 243.

<sup>19</sup> For example, in 2009, concentrations were approved subject to remedies in 16 cases.

<b>ACTIVITY: MERGER CONTROL</b>
<b>SPECIFIC OBJECTIVE: Effective prevention of the anticompetitive effects of mergers</b>

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Estimated customer savings resulting from corrective merger decisions <sup>20</sup>	≈ € 5 600 million (2009) <sup>21</sup>	Stable level of the indicator adjusted for growth and inflation <sup>22</sup>

<i>Main policy outputs</i>
Decisions applying the rules of the Merger Regulation

<sup>20</sup> For the purposes of this document, corrective merger decisions are prohibition decisions and clearance decisions with remedies. The estimation assumes that the future customer savings resulting from corrective merger decisions corresponds to 10% of the size of the relevant market(s) on which the concentration would have significantly impeded effective competition. The 10% value is based on an analogy to the SSNIP (Small but Significant and Non-transitory Increase in Price) test.

<sup>21</sup> Indicated value is based on the corrective merger decisions adopted by the Commission in 2009.

<sup>22</sup> Planning assumption. As the merger control activity is driven by notifications, it is not possible to provide a clear target for this indicator.

### **4.3. Activity "Cartels, anti-trust and liberalization"**

This activity involves the application of Articles 101, 102 and 106 of the Treaty on the Functioning of the European Union (ex-Articles 81, 82 and 86 of the EC Treaty) and derived legislation. The aim of competition law enforcement under Articles 101 and 102 is to ensure that companies compete on their merits rather than engaging in anti-competitive conduct.

Article 101 prohibits anti-competitive agreements in the common market. One of the gravest examples of an Article 101 violation having a direct negative effect on customers is a cartel – an illegal arrangement, generally between competing firms, designed to limit or eliminate competition between them with a view to raising prices and profits, without producing any objective countervailing benefits. Cartels typically involve agreements to fix prices, limit output, share markets, allocate customers and/or territories among firms, rig bids and/or a combination of any of these. Cartels are a top priority for DG COMP, as evidenced by fines of over 10 billion Euros imposed in 40 decisions between 2004 and 2009. By offering partial or full immunity from fines to participants reporting cartels, the Commission's leniency policy is an effective means to detect cartels, with around 3 out of 4 decisions having leniency applications at their origin. In 2010, we will further invest in our cartel enforcement activity in order to allow more ex officio detection of cartels, to reduce the average duration of cartel investigations and to ensure efficiency and uniformity when settling cases. In particular, the settlements procedure introduced in 2008, should help close investigations faster while keeping the same level of due process guarantees.

In addition to cartels and other anti-competitive agreements, competition law sanctions abuses of dominant position, in particular situations where a company uses its power in a market to hinder potential competitors from offering new products or services to consumers under more attractive conditions. Such conduct is forbidden by Article 102 of the Treaty on the Functioning of the European Union (ex-Article 82 of the EC Treaty). By abusively preventing new entry or squeezing competitors out of the market, dominant companies can hamper competition on the market and negatively affect incentives to innovation and growth, as well as consumer welfare. The application of Article 102 allows the Commission to put an end to abuses of dominance, while respecting dominant companies' right to compete aggressively on the merits of their products or services. Decisions against Intel, Telefónica and Microsoft are examples of such action focussing on priority sectors, such as information technology and telecommunications. Decisions making commitments offered by E.On, RWE, GDF Suez, Rambus and Microsoft legally binding are additional examples of addressing competition concerns relating to the energy and the IT sector.

In 2010, competition policy will contribute to ensuring competitive markets in industries, such as energy, ICT, transport, electronic communications, media and financial services. In particular, we will continue our efforts on competition enforcement in network industries and innovative sectors, including by bringing a number of follow-on priority enforcement cases resulting from the energy and financial services sector inquiries to an end.

Both the Commission and the competition authorities of the Member States have the power to apply Articles 101 and 102. The Commission is usually well placed to apply Articles 101 and 102 if the agreement(s) or practice(s) have effects on competition in more than three Member States.

The Commission also has the power to intervene against Member States' legislative actions which have the effect of removing the effectiveness of the competition rules of the Treaty (see Article 106 of the Treaty on the Functioning of the European Union, ex-Article 86 of the EC Treaty). This Article also establishes the applicability of competition rules to public undertakings and those to which Member States grant special or exclusive rights, including undertakings entrusted with the operation of services of general public interest. For example, in 2008, the Commission found that a Member State has infringed this provision in combination with Article 82 by maintaining rights giving the state-owned electricity incumbent quasi-exclusive access to lignite. In 2010, we will be particularly vigilant that similar infringements are remedied in sectors that have been recently liberalised or are in the process of liberalisation, such as energy or postal services, as well as in the media sector.

The application of the competition rules plays an important role in sectors which have recently been liberalized by complementing the regulatory reforms, for example in the electronic communications sector. In particular competition policy prevents incumbents from raising new barriers or protecting themselves against emerging competition after State barriers have been removed. The application of competition rules will also be of significant importance in sectors where block exemption regulations have recently been removed, such as maritime transport for example. In each of these areas, DG COMP will aim at the effective detection, sanctioning, deterrence and remedying of the most harmful anti-competitive practices. In 2010, DG COMP's intervention will be required to protect or, as often is the case, re-establish competition on key markets, such as IT, energy, financial services, in particular payment services, telecommunications, transport and post, and thus is crucial for increasing consumer welfare as well as for incentivising innovation and improving the competitiveness of the EU economy. In addition, in 2010 DG COMP will continue to pursue cases resulting from the sector inquiry into pharmaceuticals. This is in line with the Europe 2020 Strategy, according to which "[t]hrough the implementation of competition policy the Commission will ensure that the single market remains an open market, preserving equal opportunities for firms and combating national protectionism" and "ensure that markets provide the right environment for innovation, for example through ensuring that patents and property rights are not abused."

Furthermore, competition policy will continue to focus on standard-setting arrangements. This is because standards are becoming increasingly important in facilitating innovation (in particular in the IT sector) and efficient standard-setting plays a key role in the desired shift towards a knowledge-based economy. This is also in line with the flagship initiative of the Europe 2020 Strategy on "An industrial policy for the globalisation era", according to which "... the Commission will work ... [to] develop a horizontal approach to industrial policy combining different policy instruments (e.g. "smart" regulation, modernised public procurement, competition rules and standard-setting")."

**ACTIVITY: CARTELS, ANTITRUST AND LIBERLIZATION**

**SPECIFIC OBJECTIVE 1: Effective detection, sanctioning, deterrence and remedying of the most harmful cartels between undertakings**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Estimated customer savings resulting from Commission decisions prohibiting cartels <sup>23</sup>	≈ € 1700 million (2009) <sup>24</sup>	Stable level of the indicator adjusted for growth and inflation

*Main policy outputs*

Decisions applying the prohibition rules of Article 101 TFEU (cartel decisions)

**SPECIFIC OBJECTIVE 2: Effective detection, sanctioning, deterrence and remedying of the most harmful anti-competitive practices by undertakings other than cartels**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Estimated customer savings resulting from Commission decisions prohibiting anti-competitive practices other than cartels and from Commission decisions making binding the commitments put forward by undertakings <sup>25</sup>	≈ € 2 000 million (2009) <sup>26</sup>	Stable level of the indicator adjusted for growth and inflation

*Main policy outputs*

Decisions applying the prohibition rules of Articles 101 and 102 TFEU (restrictive agreements other than cartels and abuses of dominant position)

<sup>23</sup> The estimation assumes that: (a) the average expected life span of a cartel at the time of its discovery is 5 years, (b) the average cartel gain from setting a cartel price equals to 10% of the estimated size of the market concerned and (c) the annual discount rate of 3.5% for year n+1 to n+4 is applicable.

<sup>24</sup> Indicated value is based on the decisions adopted by the Commission in 2009.

<sup>25</sup> The estimation assumes that the customer saving corresponds to 10% of the size of the relevant market(s) to which the commitments made binding relate. The 10% value is based on an analogy to the SSNIP (Small but Significant and Non-transitory Increase in Price) test.

<sup>26</sup> Indicated value is based on decisions adopted by the Commission in 2009.

**SPECIFIC OBJECTIVE 3: Effective detection, sanctioning, deterrence and remedying of the most harmful anti-competitive practices by Member States**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Estimated customer savings resulting from Commission decisions prohibiting anti-competitive practices under Article 106 TFEU or from Commission challenges of anti-competitive practices under Article 258 TFEU. <sup>27</sup>	≈ € 500 million (2008) <sup>28</sup>	Stable level of the indicator adjusted for growth and inflation

<i>Main policy outputs</i>
Decisions under Article 106 TFEU and referrals to the Court of Justice under Article 258 TFEU dealing with illegal State measures, in particular in the liberalised network industries and financial services. Assessment of notifications from national regulatory authorities under Article 7 of Directive 2002/21/EC on a common regulatory framework for electronic communications networks and services.

<sup>27</sup> The estimation assumes that the customer saving corresponds to 10% of the size of the relevant market(s) to which the anti-competitive practice relates. The 10% value is based on an analogy to the SSNIP (Small but Significant and Non-transitory Increase in Price) test.

<sup>28</sup> Indicated value is based on decisions adopted by the Commission in 2008. Figure does not include the size of electronic communications markets analysed by national regulatory authorities under Article 7 of Directive 2002/21/EC on a common regulatory framework for electronic communications networks and services.

#### **4.4. Activity "Policy, coordination, European Competition Network (ECN) and international cooperation"**

It is important to keep the competition rules on substance and procedures in all areas under constant review to adapt the rules to new market developments and improved knowledge on industrial economics.

Sound competition policy is built of a number of components. It must reflect state of the art economic thinking; legal precedent; evolutions in the business environment; aim to catch restrictions which have substantial negative effects on consumer welfare; reduction of regulatory burden, especially for companies lacking market power like SMEs; and simplification. In 2010, we will finalise the revision of block exemption regulations on vertical agreements, specialisation agreements, research and development agreements, motor vehicle distribution and insurance.

The main political priority for 2010 is the successful exit from the crisis and the return to normal market functioning. In this context the gradual phasing out of exceptional support measures for banks, starting with state guarantees, represents the first step towards this goal. The Commission will also review the functioning of the measures allowed under the temporary framework which expires at the end of 2010 to ease access to finance during the acute credit crunch crisis.

In parallel, DG COMP will review the main legal instruments of state aid control with a view to ensuring that they best support the Europe 2020 strategy for growth and jobs, and in particular are conducive to well functioning competitive markets, promote innovation and restructuring, accompany change and remedy to market failures, strengthen the single market.

In 2010, we plan to carry out a mid-term review of the framework for State aid for research and development and innovation, and of the guidelines on State aid to promote risk capital investments in SMEs. We intend to amend the guidelines on State aid for environmental protection to take into account the effects of the Emissions Trading Directive, to review the framework on State aid to shipbuilding and to review the Communication on Short Term Export Credit Insurance. We will also start undertaking an assessment of the application of the guidelines on financing airports and start-up aid to airlines departing from regional airports. Finally, we also intend to propose a regulation on State aid to the coal industry.

Furthermore, in 2010, we plan to publish an evaluation report on the framework for services of general economic interest. These rules are key to the proper functioning of services of general economic interest and therefore also to the objective of inclusive growth set out in the Europe 2020 Strategy.

Facilitating damages claims for breaches of the antitrust rules will not only strengthen the enforcement of competition law, but will also make it easier for consumers and firms who have suffered damage from an infringement of competition law rules to recover their losses from the infringer. In 2010, we will continue to reflect on possible further steps as a follow-up to the publication, in 2008, of the White Paper on compensating consumer and business victims of breaches of the competition rules. In particular, in line with the Commission's 2010 Work Programme, DG COMP will

contribute to the in depth analysis of the issue of policy coherence in the field of collective redress. It will help the Commission carry out a public consultation on the common legal principles and concrete issues which should guide any future proposals for collective redress in EU legislation.

This activity also comprises the Commission's contribution to the effective and coherent application of European competition law in the EU, via the ECN and through cooperation with national courts. Effective and coherent enforcement action by the Member States' competition authorities and courts has an important role to play in achieving the general objectives of increased consumer welfare and improved competitiveness. In 2010, we will continue to cooperate in the ECN inter alia with a view to ensure an appropriate level of competition policy response to concerns relating to national markets, such as food distribution or professional services. The Commission will also use its experiences gained in the antitrust field to contribute to more coherence and coordination among itself and NCAs and in between NCAs with regard to merger control.

It is equally important to ensure that regulation at national level does not contain unnecessary competition restrictions. In 2010, DG COMP will contribute to an in-depth monitoring of competition reforms in Member States under the Lisbon strategy and its successor.

Furthermore, competition policy activity aims at contributing to and promoting international convergence of competition policy, in particular by creating effective tools for bilateral and multilateral co-operation with the Community's main trading partners and with third-country competition agencies, for example, in international venues such as the International Competition Network or the OECD. Another aim of competition policy is to include competition and State aid clauses in Free Trade Agreements ensuring a level playing field for European and foreign companies. DG COMP will continue to participate actively in ongoing debates in international fora (e.g. OECD, ICN) on issues such as buying power, unilateral conduct, competition policy and IP rights, standard setting, the effectiveness of competition authorities etc., as well as in the discussions on the reform of the global financial system. In the specific context of enlargement, the main policy objective, in addition to fostering a competition culture, is to assist the candidate countries and potential candidate countries to build up a proper legislative framework, well-functioning competition authorities and an efficient enforcement practice in order for them to meet the conditions for EU accession in the competition policy field.

DG COMP will continue to work together with other services of the Commission and with other institutions, in particular the European Parliament, the Council and the ECB. In particular, in 2010, DG Competition will continue to provide input to future legislation concerning the financial services sector and to contribute to on-going and new in-depth market monitoring exercises in the framework of the Single Market Review and the re-launch of the Single Market.

Effectively communicating the benefits of competition and the impact of our activities to citizens, businesses and policy makers is also indispensable to foster a competition culture, to facilitate compliance and to legitimize public resources spent. In 2010, we will enhance the impact assessment and the ex post evaluation of competition enforcement activities. We will also conduct a stakeholder survey on the perception of competition policy and the work of DG COMP.

Finally, DG COMP will continue to improve its strategic planning culture within the DG in accordance with the Commission Strategic Planning and Programming cycle so that horizontal proposals and enforcement acts pass smoothly and efficiently through the decision making system.

**ACTIVITY: POLICY, COORDINATION, ECN AND INTERNATIONAL COOPERATION**

**SPECIFIC OBJECTIVE 1: The development and/or revision of EU competition law and policy to reflect market realities and contemporary economic and legal thinking and to give clear guidance to courts, national authorities, and economic operators**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
EU competition law and policy which reflects market realities and contemporary economic and legal thinking	More than 20 key legislative and non-legislative policy documents delivered in recent years <sup>29</sup>	Delivery of key legislative and non-legislative policy documents until 2010

<i>Main policy outputs</i>
<p>Legislative and non-legislative policy documents developing EU competition law and policy such as reviews of the existing secondary legislation, policy guidance documents and guidelines. For example:</p> <ul style="list-style-type: none"> <li>- Amendment to the guidelines on environmental protection in order to take account of the adoption of the ETS directive</li> <li>- Commission notice on the criteria for economic analysis of State aid</li> <li>- Commission report on the SIEG texts</li> <li>- Commission regulation on the application of Article 81(3) of the EC Treaty to categories of vertical agreements and concerted practices and the Guidelines for the assessment of vertical restraints</li> <li>- Commission Regulation on the application of Article 81(3) of the EC Treaty to categories of vertical agreements and concerted practices in the motor vehicle sector</li> <li>- Commission Regulation on the application of Article 81(3) of the EC Treaty to certain categories of agreements, decisions and concerted practices in the insurance sector</li> <li>- Commission Regulation on the application of Article 81(3) of the EC Treaty to categories of specialisation agreements</li> <li>- Commission Regulation on the application of Article 81(3) of the EC Treaty to categories of research and development agreements</li> <li>- Guidelines on the applicability of Article 81 of the EC Treaty to horizontal co-operation agreements</li> </ul>

**SPECIFIC OBJECTIVE 2: Effective and coherent application of EU competition law in the EU**

<sup>29</sup> Including, but not limited to Regulation 1/2003 on the implementation of the rules on competition laid down in Articles 81 and 82 of the EC Treaty, Notice on cooperation within the Network of Competition Authorities, Notice on the co-operation between the Commission and the courts of the EU Member States in the application of Articles 81 and 82 EC, Guidelines on the effect on trade concept contained in Articles 81 and 82 of the EC Treaty, Guidelines on the application of Article 81(3) of the EC Treaty, Notice on agreements of minor importance which do not appreciably restrict competition under Article 81(1) of the EC Treaty, Regulation on the application of Article 81(3) of the EC Treaty to categories of vertical agreements and concerted practices, Guidelines on Vertical Restraints, Regulation on the application of Article 81(3) of the EC Treaty to categories of specialisation agreements, Regulation on the application of Article 81(3) of the EC Treaty to categories of research and development agreements, Guidelines on the applicability of Article 81 of the EC Treaty to horizontal co-operation agreements, Regulation on the application of Article 81(3) of the EC Treaty to categories of technology transfer agreements, Guidelines on the application of Article 81 of the EC Treaty to technology transfer agreements, Regulation on the application of Article 81(3) of the EC Treaty to certain categories of agreements, decisions and concerted practices between liner shipping companies (consortia), the revised Merger Regulation, Guidelines on the assessment of horizontal mergers, Guidelines on the assessment of non-horizontal mergers, Regulation on the application of Articles 87 and 88 of the EC Treaty to State aid to small and medium-sized enterprises, Community Framework for State aid for Research and Development and Innovation, Guidelines on state aid to promote risk capital investments in small and medium-sized enterprises, Guidelines on State aid for rescuing and restructuring firms in difficulty, Regulation on the application of Articles 87 and 88 of the EC Treaty to training aid, Regulation on the application of Articles 87 and 88 of the EC Treaty to State aid to small and medium-sized enterprises, Regulation on the application of Articles 87 and 88 of the EC Treaty to State aid for employment, Block Exemption Regulation for regional aid and the Community framework for State aid in the form of public service compensation.

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<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Number of cases signalled to the ECN	160 <sup>30</sup>	Stable indicator
Number of envisaged enforcement decisions and similar case consultations in the ECN	≈ 80 <sup>31</sup>	Stable indicator
Number of proceedings initiated under Article 11(6) of Regulation 1/2003 with a view to ensuring consistent application of competition rules	0 <sup>32</sup>	Level of the indicator to remain zero <sup>33</sup>

### *Main policy outputs*

Advise to national competition authorities concerning the application of the EU competition rules. Opinions, written observations and oral observations to national courts on questions concerning the application of the EU competition rules.

### *Main expenditure-related outputs*

Contribute to effective and coherent enforcement of EU competition rules by national courts through funding training of judges.

## **SPECIFIC OBJECTIVE 3: Effective and coherent private enforcement of EU competition law**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Number of successful cases of compensation of harm suffered as a result of breaches of EU competition rules <sup>34</sup>	N/A	Increase in the indicator's level
<i>Main policy outputs</i>		
Legislative and non-legislative policy documents ensuring a more effective and coherent private enforcement of EU competition law. Opinions and observations to national courts on questions concerning the application of EU competition law		
<i>Main expenditure-related outputs</i>		
Contribute to effective and coherent private enforcement of EU competition rules by national courts through funding training of judges.		

## **SPECIFIC OBJECTIVE 4: Pro-competitive regulatory framework at national level**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Country specific recommendations in the context of the EU2020 strategy	23 <sup>35</sup>	Stable indicator
<i>Main policy outputs</i>		
Proposals for country specific recommendations in the context of the EU2020 strategy		

<sup>30</sup> Based on data from 2009.

<sup>31</sup> Based on data from 2009.

<sup>32</sup> Based on data from 2009.

<sup>33</sup> Zero level of this indicator implies that the coherent application of EU competition law through the ECN network will allow the Commission to abstain from taking over cases on which a competition authority of a Member State is already acting.

<sup>34</sup> The success of a particular case of compensation – whether in front of courts or through non-judicial means - depends on a number of factors outside the control of competition policy. Therefore, the causal link between competition policy actions and the result indicator is non-exclusive.

<sup>35</sup> Based on the Guideline 13 in the Annual Progress Report of December 2008 under the Lisbon strategy.

**SPECIFIC OBJECTIVE 5: Pro-competitive regulatory framework at EU level**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
The ratio of pro-competitive modifications to initiatives at EU level taken into account	N.A.	100%
<i>Main policy outputs</i>		
Pro-competitive modification proposals to legislative and policy initiatives at EU level		

**SPECIFIC OBJECTIVE 6: Strengthened international cooperation in enforcement activities and increased convergence of competition policy instruments across different jurisdictions; establishment of well-functioning competition regimes in candidate countries and potential candidate countries**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Number of third countries with whom the EU has 1 <sup>st</sup> generation competition agreements	4	3 <sup>36</sup>
Number of third countries with whom the EU has 2 <sup>nd</sup> generation competition agreements	0	2
Number of Memorandums of Understanding with competition authorities in third countries	1	3
Number of third countries with whom the EU has free trade agreements containing competition/State aid clauses	31	≈ 50
Number of contributions to OECD and ICN	13 submission for OECD in 2009 2 reports for ICN and several contributions	≈ 15
Number of candidate countries with whom accession negotiations on the competition chapter have been opened	0	2

*Main policy outputs*

Inclusion of effective competition and State aid provisions in international agreements.  
Concluding of competition specific agreements and Memoranda of Understanding.

**SPECIFIC OBJECTIVE 7: Implementing the Commission planning and programming process so that DG COMP delivers its policy objectives contributing to the overall Commission strategy in an effective, timely, efficient and accountable manner**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Timely preparation and delivery of the various elements of the Strategic Planning and Programming cycle (CWP, MP and AAR)	All documents delivered within the deadline in 2009	All documents within the deadline
Delivery rate (adoption by the College) of initiatives included in the Commission Work Programme and in the Catalogue	83% <sup>37</sup>	100% for the Commission Work Programme
Delivery rate of DG COMP commitments under the simplification rolling programme	100%	100%

*Main policy outputs*

Preparation and delivery of the various elements of the Strategic Planning and Programming cycle ( CWP, MP and AAR)

<sup>36</sup> One of the 1<sup>st</sup> generation competition agreements is expected to be replaced by a 2<sup>nd</sup> generation competition agreement.

<sup>37</sup> 40 of 48 initiatives planned have been adopted in 2009. 6 initiatives are planned for adoption in 2010 and 2 initiatives have been cancelled.

## **4.5. Specific objectives for horizontal activities**

Horizontal activities comprise a number of activities in DG COMP. These include the following:

- **E-document management:** this activity consists of putting in place and maintaining an effective document management system so that any document connected with the DG's official functions can be electronically filed, stored and retrieved in any moment irrespective of its original form and document management system in place
- **IT:** this activity consists of defining, planning, setting up, maintaining and developing high quality Information and Communication Technology (ICT) infrastructures, tools and services that staff is adequately supported in their operation.
- **Human resources management:** this activity consists of recruiting, training, assessing, motivating and retaining highly qualified staff so that effective and efficient operation of the DG, as well as promotion of equal opportunities within the DG are ensured.
- **Financial resources management:** this activity consists of planning, performing, monitoring and reporting on the spending of financial resources so that sound financial management is ensured throughout the DG's activities.
- **Internal control and audit:** this activity consists of assessing the compliance, efficiency and effectiveness of the control system in place by assisting the Director General and management in controlling risks and monitoring compliance, providing an independent and objective opinion on the quality of management and internal control system and making recommendations in order to improve the efficiency and effectiveness of operations and to ensure economy in the use of resources.
- **Ethics, security and business continuity:** this activity consists of ensuring that staff meets the highest possible ethical and security standards, and that business continuity is effectively managed within the DG.

**ACTIVITY: E-DOCUMENT MANAGEMENT**

**SPECIFIC OBJECTIVE 1: An effective and comprehensive document management tool integrated with DG COMP case-management applications and offering the specific functionalities required by competition case-handling.**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Integration of Edma with our main case management applications by end 2010	Successful integration with the Horizontal tasks CMA	Successful integration with CMS (mergers) by end of March 2010. Integration with Natacha (Antitrust) by end of May 2010.
Migration of DG COMP to ARES	Technical and business analysis currently handled	Completion of the technical and business analysis by March 2010

*Main outputs*

Successful implementation of the second phase of the Electronic Document Management Agent (EDMA) project-integration in case management applications. Steps include E-Domec certification of Edma and agreement of the Data protection officer on our notification of Edma.  
Successful integration of ARES in the specific DG COMP IT and document management environment

**SPECIFIC OBJECTIVE 2: Successful operation of a paperless communication system in the framework of the European Competition Network**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Putting in place the conclusions of the feasibility study	Test version in place	First release by April 2010

*Main outputs*

Improve communication with ECN (e-Commission)

**SPECIFIC OBJECTIVE 3: Well functioning case management applications that correspond to the needs expressed by the users (Natacha, ISIS, CMS, CHOPIN)**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Number of training/coaching sessions/year	46 (2009)	50
Number of information and feedback gathering sessions in units	12 (2009)	15
Regular implementation of new versions of each of these applications including the priority change requests	Not relevant	At least 2 versions per application in 2010

*Main outputs*

Continuation of the improvement of our case management applications (Natacha, ISIS, CMS, CHOPIN) and effective maintenance

**SPECIFIC OBJECTIVE 4: Effective provision of access to file support services**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
User satisfaction	Good satisfaction level in the 2009 satisfaction survey on the services of directorate R.	Maintain good satisfaction level in the 2010 survey.

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### Main outputs

Efficient production of access to file versions in full cooperation with case-teams in Mergers, Antitrust and cartels.

### SPECIFIC OBJECTIVE 5: Full compliance of DG COMP's archiving system with E-Domec rules

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Implementation status of E-Domec archiving rules	Partially implemented	Full implementation by 2010.

### Main outputs

Transfer to the historical archives (HA) of the files which were blocked following the OIB policy to refuse *not paper only* files. Timely transmissions to the HA of all files at the end of their DUA.  
Cleaning up of storage spaces by Easter 2010 (elimination of unfiled documents or documents which do not have to be kept).  
Establishment of DG COMP archives schedule table by Easter 2010

## ACTIVITY: IT

### SPECIFIC OBJECTIVE 1: Effective handling of questionnaires for companies and COMP services

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Number of relevant DG COMP questionnaires that are managed using the application	3 questionnaires	Increase in the level of the indicator

### Main outputs

Web-based e-questionnaire / response system for requests for information (Article 11 ECMR 139/2004, Article 18 Regulation 1/2003 or State Aid)

### SPECIFIC OBJECTIVE 2: Efficient collection of data for the purposes of producing the State aid Scoreboard and other reports.

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Percentage of submissions by Member States using web based form as a part of all submissions by Member States	Not available	Increase in the level of the indicator

### Main outputs

State Aid Reporting Information (SARI)  
Development of an internet web based form allowing Member States to send SA expenditure data to the Commission (In the Phase II of State Aids Electronic Notifications). Full implementation in 2010 for a number of Member States.

**SPECIFIC OBJECTIVE 3: A well functioning DG COMP website on "Europa " with up to date information and easy-to-use search facility**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Transfer time of relevant information between DG COMP's database and the DG COMP website.	Not available	Reasonable transfer time
User satisfaction with search criteria	Not available	High level of user satisfaction

*Main outputs*

Replacing existing technically obsolete applications for publishing by a new application  
Integration of the e-Document management in the Europa site publication process

**ACTIVITY: HUMAN RESOURCES MANAGEMENT**

**SPECIFIC OBJECTIVE 1: Recruit, train, asses, motivate and retain highly qualified staff so that effective and efficient operation of the DG, as well as promotion of equal opportunities within the DG are ensured**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Compliance with EUR-10 and EUR-2 recruitment quota set by DG ADMIN	< 100% target set by DG ADMIN for EU-2 AD and EU-10 AST (6 EU-2 ADs and 4 EU-10 ASTs below the target)	100% targets set by DG ADMIN
Representation of women among Administrators and at management positions	40% (Administrators) 36.4% (senior management) 25.6% (middle management)	Increase for Administrators Maintain or increase for senior management; increase for middle management
% of permanent staff leaving the DG before two years of employment in the DG	7.5%	Target: < 7 %
Average duration of vacancy	3.5 months (DG COMP HR monthly report – result for October and November 2009)	3 months
Average number of training days per staff member	8.2 (excluding 2.5 days of on-the-job training)	> 10 days/year, including 2,5 days of on-the-job training
Staff satisfaction in general with HR internal services	70% (average level of satisfaction with HR internal services based on internal staff opinion survey of 2008)	Satisfaction above 70%

*Main outputs*

Adoption, implementation and monitoring of the HR strategy and Action Plan  
Adoption of an Action Plan for Equal opportunities in DG COMP for 2011 and beyond  
Further work on the development of standard job profiles followed by proposal for training and career paths for all DG COMP staff  
Clarification of the role of support staff and an analysis of quantitative and qualitative needs of AST staff allocation

**ACTIVITY: ETHICS, SECURITY AND BUSINESS CONTINUITY**

**SPECIFIC OBJECTIVE 1: Knowledge and respect by staff of rules on ethics based on DG COMP's up-to-date Code of Ethics**

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<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
% of attendance at trainings and participation in awareness raising events on ethics	80% for newcomers' training, N/A for awareness raising events	95% for newcomers' training, 80% for awareness raising events
Number of ethical incidents	1 ethical incident	No ethical incidents
% of compliance with the obligation to fill-in conflict of interest declaration forms	95% (annual forms, N/A for cases forms)	100% (annual forms & cases forms)
Staff satisfaction with the handling of ethical issues within DG COMP	N/A	80% satisfaction in annual staff survey

### *Main outputs*

Updated version of DG COMP's Code on Ethics  
Trainings and awareness raising events on ethics

## **SPECIFIC OBJECTIVE 2: Knowledge and respect by staff of DG COMP's up-to-date security rules**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
% of attendance at trainings and participation in awareness raising events on security	80% for newcomers' training, N/A for awareness raising events	95% for newcomers' training, 80% for awareness raising events
Number of inadvertent disclosures of confidential information by staff	N/A	No inadvertent disclosure of confidential information
Staff satisfaction with the handling of security issues within DG COMP	N/A	80% satisfaction in annual staff survey

### *Main outputs*

Updated version of DG COMP's Security Rules  
Trainings and participation in awareness raising events on security

## **SPECIFIC OBJECTIVE 3: Effective management of business continuity based on a fully implemented and tested Business Continuity Plan**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
% of critical functions for which a Maximum Tolerable Period of Disruption, a Recovery Time Objective and Minimum Dependency Requirements have been defined.	0%	100%

### *Main outputs*

Updated version of DG COMP's Business Continuity Plan  
Installation of an IT mirror server  
New version of DG COMP's Business Impact Analysis

## **ACTIVITY: FINANCIAL RESOURCES MANAGEMENT**

### **SPECIFIC OBJECTIVE 1: Ensure sound financial management and efficient use of the financial resources**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target</i>
Budget execution (commitments)	98,64% (2008)	>95%
Payments executed within contractual limits	92% (2009)	>90%
Payments executed in accordance with SEC(2009)477	98% (Oct-Dec 2009)	>90%
Error rate on financial transaction	0,01% (2008)	<2%

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<i>Main outputs</i>
Monthly or bi-monthly reporting Reinforcing and further enhancing the financial manual Strengthening the role of the financial correspondents and increasing their involvement in the financial management

<b>ACTIVITY: INTERNAL CONTROL AND AUDIT</b>
<b>SPECIFIC OBJECTIVE 1: Effective assessment of the compliance, efficiency and effectiveness of the control system in place</b>

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target</i>
Time to address pending critical recommendations after acceptance	Updated status of outstanding recommendations in issue-track	No critical recommendations left pending for more than 3 months after acceptance, all recommendations from reports before 2008 fully implemented

<i>Main outputs</i>
Adequate follow-up of all pending audit reports Annual review on the implementation of the effectiveness of the internal control standards

## ANNEX 3: Evaluation plan

N°	Subject/Title	Reason, objective(s) and intended use of the evaluation	ABB Heading(s) concerned	Timing		Type of evaluation		Resources involved/ estimated	
				Start	End	prospective ("P"); retrospective ("R"); prospective and retrospective ("P&R")	external ("E"); internal ("I"); internal with external support ("I&E")	Human (Man/days)	Financial (in €)

### I. Evaluations carried over from 2009

1	Evaluation Altmark package	Review effectiveness of Commission rules	Policy coordination, European Competition Network and international cooperation 03 AWBL 02	1/07/2008	31/12/2010	P&R	I		
2	Evaluation of the Block Exemption Regulation N° 2790/1999 on vertical agreements and concerted practices	Regulation N° 2790/1999 shall expire on 31 May 2010. DG COMP will assess the functioning of this regulation with a view to prepare a new regulation	Policy coordination, European Competition Network and international cooperation 03 AWBL 02	1/01/2007	31/05/2010	P&R	I&E		
3	Evaluation of the Block Exemption Regulation N° 1400/1202 on the application of Article 81(3) of the Treaty to categories of vertical agreements and concerted practices in the motor vehicle sector.	Regulation N° 1400/2002 shall expire on 31 May 2010. DG COMP will assess the functioning of this regulation with a view to prepare a new regulation	Policy coordination, European Competition Network and international cooperation 03 AWBL 02	1/01/2007	31/03/2010	P&R	I&E		
4	Evaluation of the Insurance Block Exemption Regulation n° 358/2003	Regulation n° 358/2003 shall expire on 31 March 2010. DG COMP will assess the functioning of this regulation and will propose any amendments in a Report to the European Parliament and Council, by March 2009, in accordance with Art. 8 of Council Regulation (EC)	Policy coordination, European Competition Network and international cooperation 03 AWBL 02	1/01/2007	31/03/2010	P&R	I&E		

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		No 1534/91 (the Implementing Regulation).							
5	Evaluation of Block Exemption Regulation on specialisation agreements	Regulation N° 2658/2000 shall expire on 31 December 2010. DG COMP will assess the functioning of this regulation with a view to prepare a new regulation	Policy coordination, European Competition Network and international cooperation 03 AWBL 02	1/01/2009	31/12/2010	P&R	I&E		
6	Evaluation of Block Exemption Regulation on research and development agreements	Regulation N° 2659/2000 shall expire on 31 December 2010. DG COMP will assess the functioning of this regulation with a view to prepare a new regulation	Policy coordination, European Competition Network and international cooperation 03 AWBL 02	1/01/2009	31/12/2010	P&R	I&E		
7	Evaluation of consumer benefits from merger control	To estimate the impact of merger control policy on consumers. Results allow for more effective competition advocacy.	Policy coordination, European Competition Network and international cooperation 03 AWBL 02	1/01/2009	30/06/2010	R	I		

## II. Evaluation plan for 2010 (Annual Management Plan)

1	Evaluation of consumer benefits from antitrust actions	To estimate the impact of antitrust action on consumers. Results allow for more effective competition advocacy.	Policy coordination, European Competition Network and international cooperation 03 AWBL 02	1/07/2010	1/07/2011	R	I		
2	Community framework for State aid for research and development and innovation	Review effectiveness of Commission rules with a view to possibly revise rules	Policy coordination, European Competition Network and international cooperation 03 AWBL 02	1/01/2010		P&R	I		
3	Community guidelines on State aid to promote risk capital investments in small and medium-sized enterprises	Review effectiveness of Commission rules with a view to possibly revise rules	Policy coordination, European Competition Network and international cooperation 03 AWBL 02	1/01/2010		P&R	I		
4	Commission Communication pursuant to Article 93(1)	Review effectiveness of Commission rules with a view to possibly revise rules	Policy coordination, European Competition Network and international	1/01/2010		P&R	I		

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	of the EC Treaty applying Articles 92 and 93 of the Treaty to short-term export-credit insurance		cooperation 03 AWBL 02						
5	Follow up to the Report on the Functioning of Regulation 1/2003 (COM(2009)206 of 29 April 2009)	Examination of the areas identified in the Report, notably procedural and substantive convergence of competitions laws in the EU		1/1/2010	30/09/2010		I&E		

**III. Evaluations intended to be launched in 2011, 2012 etc.**

N/A
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**IV. Other activities related to evaluation**

Evaluation projects of other DGs/services at which the reporting DG/service is associated
N/A
Other activities
N/A

## ANNEX 6: Communication strategy

In accordance with Internal Control Standard n°12, DG COMP has adopted, after discussion with the responsible Cabinet and after coordination with DG COMM, the following

### EXTERNAL COMMUNICATION STRATEGY

#### I. Policy context

**2009** was not a typical year. As we reached the peak of the financial and economic crisis, the year was characterized by a flood of state aid cases in the banking sector, competition for jobs between Member States (e.g. Opel), pressure on fining policy, policy questions in mergers (nationalisations, lifting of standstill obligation...) and public-interest considerations like financial stability or "too big to fail" arguments.

Our policy messages have been grouped into three categories:

**Way out of the crisis and financial stability:** messages included "Competition policy is part of the solution, not part of the problem", "Firm on principle, flexible on procedures", "Rescue first, restructure later in state aid banking case", "Protectionism is not the right answer" and "The Single Market is our crown jewel; we need to safeguard it.)

**Effective deterrence:** messages included "Maintain fining policy to achieve effective deterrence" and "Integrated approach for state aid and merger control".

**Competition: delivering for consumers:** messages included "Competition policy brings about tangible benefits for the consumers" and "Consumer interests are at the heart of competition policy"

**2010** will be characterized by the entry into office of the new Commission and continued steps to recovery. Communications messages will be centered around "Smart competition policy to strengthen the Single Market and level the playing field (a better networked and integrated competition policy) ", "Responding to climate change and contributing to energy security", "Exiting from crisis and managing industrial and financial restructuring", "Maintaining or improving transparency and citizen's agenda; protecting consumers", "Maintaining or improving partnerships with all stakeholders", "Shaping globalization", "Boosting new sources of growth through stepping up support to horizontal objectives (innovation, R&D, SMEs, etc...)", "Contributing to the implementation of the EU 2020 strategy with better targeted aid and more investment on R&D" and "Locking in new state aid efficiencies and continuing reform (less red tape)".

#### II. External Communication objectives

Our external communication activities pursue two main objectives:

**Maintain support from regular and effective case-communication for business stakeholders:** this objective consists of 1) maintaining regular case-communication (transparency), 2) providing policy and legal certainty for stakeholders, 3) maintaining effective communications at the technical, policy and legal level with competition professionals and 4) continuing "listening" our main stakeholders, reporting on national and European concerns and sensitivities

**Build awareness and understanding of the importance of competitive markets to day-to-day lives and European prosperity (vis-à-vis general public):** this implies 1) reaching a wider audience through explaining our decisions with simple language and messages in as many languages as possible within available resources, 2) explaining how competition policy contributes to the EU's economic recovery, 3) prioritising active communications on cases that have a direct impact on consumers and 4) developing special communication tools for non-specialized audiences.

### III. Overall resources

#### 1. Budget

Currently, DG COMP finances its communication activities via other budget lines than communication or via the support of other DGs.

#### 2. Human resources

8 staff members work currently on communications issues within the **Communication Policy and Inter-Institutional Relations** Unit (CPI)<sup>38</sup>. The CPI unit is responsible for many different tasks, apart from communication only. However, resources outside communication and management allocate part of their time to communication activities.

CPI staff	AD	AST	END	Contract	Total
Management	2				2
Secretariat		1		1	2
<b>Communication</b>	<b>2</b>	<b>5</b>	<b>1</b>		<b>8</b>
Inter-Institutional relations	2	1			3
Research and Information Service		5			5

<sup>38</sup> The CPI unit counts 2 managers, 2 assistants, **8 staff members on communications issues**, 3 staff members on Inter-Institutional relations and 5 staff members on Research and Information Services.

**In the rest of the DG, staff participates actively in communication activities** by drafting press releases, briefings used in speeches, articles for the Competition Policy Newsletter and other publications, participating in conferences and giving lectures and presentations on competition policy to the general public and specialized audiences.

#### IV. DG COMP Communication activities in the Commission's context

Commission's communication priority	DG COMP's communication priority	Target audiences
<i>Driving economic recovery and mobilising new sources of growth</i>	<ul style="list-style-type: none"> <li>• Provide legal certainty for all stakeholders</li> <li>• Explain ground for restructuring companies (R&amp;R guidelines, shaping industrial restructuring in pro-competitive terms)</li> <li>• Explain how competition policy contributes to the achievement of the Single Market and how citizens can directly benefit from that</li> <li>• Explain the role of enforcement in cartels and antitrust;</li> <li>• Explain the role of merger and state aid control;</li> <li>• Explain competition policy's contribution to the EU 2020 objectives (less and better targeted aid towards horizontal objectives, such as R&amp;D&amp;I, training, etc...)</li> </ul>	<ul style="list-style-type: none"> <li>• Public and media in the Member States concerned by a particular state aid case.</li> <li>• Business community (Rescue and restructuring, Cartel and Antitrust policy enforcement)</li> <li>• Consumers</li> <li>• Company staff</li> </ul>
<i>Climate change and biodiversity</i>	<ul style="list-style-type: none"> <li>• Explain the framework for environmental aid</li> <li>• Explain the state aid policy contribution to more environmental-friendly activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Member States (state aid)</li> <li>• International partners (Emissions Trading Scheme)</li> <li>• Business community (especially in energy-intensive industries)</li> <li>• Consumers</li> </ul>
<i>Making the Lisbon Treaty work for Citizens</i>	<ul style="list-style-type: none"> <li>• Communicating and promoting our consumer policy via all our available tools.</li> <li>• Explain how competition policy brings about benefits to consumers</li> </ul>	<ul style="list-style-type: none"> <li>• Consumers (via consumer associations)</li> <li>• Business community (with special emphasis on SMEs)</li> <li>• MEPs</li> </ul>

#### V. DG COMP communication channels and tools

##### General objectives in our use of communication channels and tools

- Targeting consumer audiences, mostly through web content and broadcasting media (EbS services), in as many languages as possible.
- Exploring partnerships for external communication actions within the Commission (COMM, SANCO, economic portfolios, Representations and delegations) and other institutions within Members states, with the objective of reaching out to local audiences
- Planning and organising external communications actions, including integration into the EU calendar.
- Increased use of existing tools (including COMM resources and contracts) and promotion of existing media (including the consumer website)

##### Available tools and channels

- Press and media : Brussels-based (press releases, Memo (Q&A), press conferences, press briefings) and in the MS (targeting regional journalists through Representations, and DG COMM seminars)
- Speeches, presentations, lectures
- Websites (Competition website, Commissioner website, consumers website)
- E-Newsletters
- Citizen summaries (address impact of competition actions on SMEs and other businesses)
- Publications
- Events (conferences and seminars)
- Information services for the public (information mailboxes such as InfoCOMP, use of the Europe Direct contact centre)
- Europe by satellite (video and audio broadcasting): 3 to 5 video clips needed in 2010 on competition policy issues and special cases. Coverage of press conferences and of large announcements.

## VI. Evaluation

So far there has not been any consistent evaluation of the communication activities run by DG COMP. It is proposed to consider which monitoring tools and feedback systems could be put in place within existing resources, in order to evaluate whether our objectives are being met.

The following is an indicative and non-exhaustive list of the possible indicators that could be used in an evaluation exercise.

Objective	Output indicator	Impact indicator	Current situation	Target
Awareness of media	Number of press releases, press conferences, and other PR activities	Partly available (number of competition references in national press cuttings, tools like Factiva and Lexis Nexis) – Full report expected from DG COMM's monitoring media tool by 2011	<p>Around 15 % of all Commission's press releases and memos (about 500 IPs and MEMO in 2009) are issued by DG Comp - mostly for transparency reason and the need to explain our decisions.</p> <p>Coverage : - Around 75 000 articles and wires on competition issues in Europe in 2009 (source: Factiva)</p> <p>- Around 6000 articles and wires (excluding FT) in English, quoting Neelie Kroes in 2009 (source : Factiva)</p>	Qualitative coverage, reaching out media targets outside traditional scope

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<b>Awareness of business community</b> and specialised public (incl. academia)	Number of speeches, conferences by Commissioner and senior management to technical audiences, number of publication by COMP staff	Partly available (number of competition references in national press cuttings, tools like Factiva and Lexis Nexis) – Full report expected from DG COMM's monitoring media tool by 2011; number of references to commission decisions in academic journals	In 2008, CPI prepared 43 speeches for the Director-General and 52 speeches for the Commissioner. CPI also coordinated and revised 44 briefings (16 steering briefs) for the Commissioner in that period.	Qualitative coverage, reaching out media targets outside traditional scope, improve geographic spread of conferences attended by COMP senior staff or Commissioner
<b>Support of business community</b> and specialized public (incl. academia)	Result analysis of stakeholder survey (professional audience)	Result analysis of stakeholder survey (professional audience)	More than 82% of business leaders in the EU consider it important that fair competition is ensured in the single market (Eurobarometer 2006)	At least 80% of business community in the EU consider it important that fair competition is ensured in the single market
<b>Awareness of large public</b>	Number of speeches, conferences	NA (forecasted use of DG COMM's monitoring media tool by 2011)	2008 speeches: approx. 71 % towards technical audiences and 29 % towards non-technical audiences	Increase the number of speeches to non-technical audiences, increase media take-up and impact of messages.
<b>Interest/understanding of large public</b>	Number of InfoCOMP request	Number of InfoCOMP requests that have been answered in set deadline	100% of COMP requests answered in set deadline	100% of COMP requests answered in set deadline
Interest/understanding of large public	Numbers of Europe Direct requests	Number of COMP requests that have been answered in set deadline	100% of COMP requests answered in set deadline	100% of COMP requests answered in set deadline
Interest/understanding of large public	Number of websites improvement projects (DG COMP, consumer website, commissioner's)	Number of visits, visitors and navigation follow-up on DG COMP's website	NA	Create a user-friendly statistics report for websites, analysis
<b>Support from the general public</b>	Stakeholder survey result analysis (citizen part)	Stakeholder survey result analysis (citizen part)	67% of EU citizens consider that increased competition in markets, such as transportation and telecommunications, is a good thing. (Eurobarometer 2006)	At least 60% of EU citizens consider that increased competition in markets such as transportation and telecommunications is a good thing