Foreword to the Annual Competition Report 2014  
by Margrethe Vestager, Commissioner for Competition

It is a pleasure for me to address you for the first time as Competition Commissioner.

Efficient competition is vital to support the Commission's efforts to achieve a strong and prosperous European Union. Competition policy empowers businesses and consumers, and so helps to reach the goals of our agenda for jobs, growth and investment. As Competition Commissioner, I am committed to doing my utmost to safeguard European citizens' right to enjoy a choice of innovative goods and services, and to enable all players in the EU Single Market to compete on their merits.

By ensuring that companies compete rather than collude, that market power is not abused and that efficiencies are passed on to final consumers, competition policy broadens consumer choice, stimulates technological innovation and fosters price competition. And when looking at specific sectors, competition policy is essential to create a connected Digital Single Market as well as an integrated Energy Union, two of the most ambitious priorities on the Commission's agenda.

Our recent actions provide concrete examples of our commitment to deliver on our common goals.

Turning the Digital Single Market into a reality will significantly boost Europe’s growth potential. Competition policy has a crucially important role to help EU consumers and innovative companies benefit from a competitive digital environment, without artificial barriers erected by private companies. In 2014, around half of all EU consumers shopped online but only around 15% of them bought online from another EU Member State. Understanding and tackling barriers to cross-border online commerce stands to benefit European citizens and businesses. Sound competition enforcement in fast-moving markets requires thorough market knowledge. This is why I launched an e-commerce sector inquiry in May to examine concerns that some companies may be taking measures to deliberately restrict cross-border e-commerce. The sector inquiry will focus on identifying and addressing any such measures, and so help the Commission to create a true Digital Single Market.

Another example of how we are working to guarantee European online consumers as wide a choice as possible is the pursuit of an antitrust case against Google. In April, the Commission sent a Statement of Objections to Google. The Commission is concerned that the company may have abused its dominant position in the markets for general internet search services, by systematically favouring its own comparison shopping product in its general search results pages. The Commission’s preliminary view is that such conduct could infringe EU antitrust rules because it stifles competition, harms innovation and artificially restricts consumers' ability to choose among the highest variety of products. Dominance on a market, as such, is not a problem under EU competition law. However, dominant companies operating in Europe, wherever they may originate, have a duty not to abuse their powerful market position by restricting competition, either in the market where they are dominant or in neighbouring markets.

We know that many EU citizens and businesses suffer the consequences of a lack of competition in the energy sector in terms of choice and prices. The key Commission initiative to create an Energy Union can help to address these issues. Competition policy can make a significant contribution by tackling uncoordinated national policies and unfair business practices that can constitute serious obstacles to an integrated EU energy market.
In April, we took two concrete steps. The Commission launched a State aid sector inquiry into national measures to ensure sufficient electricity supply (so-called "capacity mechanisms"). Through the sector inquiry the Commission will assess if certain design features of capacity mechanisms are distorting competition between electricity suppliers or hindering trade across national borders. The Commission also sent a Statement of Objections to Gazprom for an alleged abuse of dominance on Central and Eastern European gas supply markets. According to the preliminary views of the Commission, Gazprom may have built artificial barriers in such markets, hampering cross-border competition and charging unfair prices in certain Member States.

Our goal is to achieve an integrated, interconnected and resilient energy market where energy flows freely across borders, based on competition and the best possible use of resources. The Energy Union we have in mind will benefit the environment while allowing EU consumers - households and businesses – to access secure, sustainable, competitive and affordable energy.

Tackling potential distortions of competition through selective tax advantages is another area where I will maintain our efforts. Unlawful reductions of the tax burden for selected companies harm not only competitors in the market, but also every taxpayer. I will be seeking to conclude shortly the investigations we have already launched concerning specific tax rulings in Ireland (Apple), Luxembourg (Amazon and FIAT) and The Netherlands (Starbucks), Belgium's excess profit ruling system and tax rulings practices in Gibraltar. I have also asked all EU Member States to give us information on how they use tax rulings. On this basis, the Commission will assess the situation in every one of them to ensure that no individual companies get a selective advantage from paying unfair levels of tax.

All our efforts converge on meeting the ultimate objective of competition policy: making markets function better for the benefit of the European consumers – both households and businesses.

**Antitrust and cartel output**

* Rejection of complaint  ** Rejection of complaint, procedural infringement, penalty payment  
Source: Directorate-General for Competition
**Merger output**

*Includes prohibitions: one in 2007, 2011 and 2012 and two in 2013
Source: Directorate-General for Competition

**State aid output**

* Decided/closed Monitoring of approved cases
* Decided/closed Complaints
* Non-aid decisions
* Final decisions
* Decision not to raise objections