

Foreword to the Annual Competition Report 2016
by Margrethe Vestager, Commissioner for Competition

This year marks the 60th anniversary since the Treaty of Rome was signed, laying the foundation of what it is now the European Union. What we have built together in the last sixty years is an incredible achievement: a community of freedom and prosperity, steered by the respect of human rights and the rule of law, uniting 500 million people across our continent.

The Treaty of Rome started us down the road to a Single Market for goods, labour and services. My role as Commissioner for Competition is to help enable that this Single Market is working fairly and efficiently so that it creates the conditions for keeping prices competitive, for offering customers a wider choice of quality goods and services, and for maintaining good incentives for businesses to innovate.

Our Single Market could not untap its full potential without Europe's system of competition policy and enforcement: every decision we take – on mergers, antitrust or State aid – proves that everyone is welcome to do business in Europe's competitive markets, as long as they play by the rules. On the core level, our action aims to restore equal competitive conditions in the Single Market.

In times of globalisation, we also need to ensure that a world of global trade, and global businesses, gives small business and individuals a fair chance. This means that, as competition enforcers, we have a responsibility to make a difference. EU businesses and citizens need to know how open markets and vibrant competition benefit everyone, and not just the powerful few. That is exactly what competition enforcement is about.

I believe our actions in 2016 showed how competition policy contributes to shaping a fairer society, where all economic players – large and small – abide by the same rules. We took action to protect and restore fair competition in a number of key sectors, such as the digital economy, the energy market, the transport sector and the financial market. We made sure that Member States do not grant undue benefits to selected companies, including through taxation tools. We engaged on the global stage to promote a genuine competition culture, in the EU and worldwide.

This is not something we accomplished by playing alone: sixty years of a united Europe show that the best results are achieved by cooperating and working together. Such approach also applies to competition enforcement.

The Commission and Member States' national competition authorities work hand in hand on enforcing the EU antitrust rules in the framework of the European Competition Network (ECN). But not all national competition authorities have the tools they need. Because of their crucial role in protecting European consumers, we want all of them to be able to take decisions fully independently and have effective tools at their disposal to stop and punish infringements.

This is why last 22 March we have presented a new legislative proposal, to enable Member States' competition authorities to realise their full potential and be more effective enforcers of EU antitrust rules. The proposal seeks to make sure they have all the tools they require to achieve this. The objective is a genuine common competition enforcement area in the Single Market, promoting the overall goals of competitive markets that deliver jobs and growth.

Since every national authority is different, the proposal for new rules takes the form of a Directive that will allow national specificities to be respected. The Directive has been transmitted to the European Parliament and Council for adoption, in line with the normal legislative process. This proposal is not about creating new competition laws – it is about improving the enforcement of the existing rules by Member States in partnership with the Commission.

The proposed rules, once adopted, will provide the national competition authorities with a minimum common toolkit and effective enforcement powers, making sure that they will: a) act independently when enforcing EU antitrust rules and work in a fully impartial manner, without taking instructions from public or private entities; b) have the necessary financial and human resources to do their work; c) have all the powers needed to gather all relevant evidence, such as the right to search mobile phones, laptops and tablets; d) have adequate tools to impose proportionate and deterrent sanctions for breaches of EU antitrust rules; e) have coordinated leniency programmes which encourage companies to come forward with evidence of illegal cartels.

Of course, fairness is a two-way street. For economic players it means that they must respect the rules. For competition authorities, it means that they must use their authority appropriately, fully respecting companies' rights of defence. Companies have the right to know the case against them, and to have a chance to respond. The Commission's proposal therefore emphasises the fact that competition authorities must respect these rights, in line with the EU Charter of Fundamental Rights.

Effective competition enforcement helps Europeans get all the benefits of competition. As competition enforcers, we are well aware that competition policy decisions and initiatives matter in the real world. They affect the daily lives of businesses and consumers. They address key obstacles to growth and innovation. They allow all companies, including small and medium-sized enterprises, to compete on their merits. Ultimately, they maintain a level playing field within an open Single Market that creates the jobs we need.