Foreword to the Annual Competition Report 2017
by Margrethe Vestager, Commissioner for Competition

This year is special for European competition enforcement, as it marks the 60th anniversary of the Commission enforcing EU competition rules. Our celebration of the competition rules takes place only one year after the European Union itself celebrated sixty years of the signing of the Treaty of Rome. And we can see why competition policy was an integral part of the EU from its very beginnings: because it enables the markets to work better and brings tangible benefits to European citizens and businesses alike. Competition means that businesses have to take their customers’ needs seriously. They have to keep offering competitive prices and more choice. They have to keep coming up with innovative products that meet people’s needs. Otherwise, customers can simply go elsewhere.

Enforcement of the competition rules enshrined in the Treaty offers European citizens and companies the promise of an economy and society that can work better for them. What really matters is people’s experiences in their daily lives: when they buy a ticket, pay their bills, or search for products online. National competition authorities in the EU take some 85% of all the decisions that apply EU competition rules – without them, people’s experiences could be very different. Europeans depend on national competition authorities to turn our promises into reality, because coherent application of the EU antitrust rules by all enforcers is crucial in establishing a level playing field. This is why we want to make sure that national competition authorities have all the powers, resources and independence they need to enforce EU antitrust rules effectively.

The Commission’s proposal for the so-called ‘ECN+’ Directive does not change the basic rules of competition law but it can significantly improve the effect the application of our rules can have on people’s daily lives. A political agreement was reached on 30 May 2018 by the European Parliament, the Council and the Commission. By ensuring that national competition authorities can act effectively, the Commission is contributing, with the support of the Parliament and Council, to the objective of a genuine Single Market, promoting the overall goal of competitive markets, jobs and growth. And ultimately, a well-functioning Single Market is to the benefit of European consumers and businesses alike.

Enforcing and safeguarding effective competition within the Single Market gives companies the incentives to be efficient and innovative. It gives companies that know best how to serve consumers the chance to rise to the top. And it helps them stay competitive, partly by keeping down the prices they pay for their inputs when markets for inputs are competitive as well. Competitive companies are also better equipped to compete in global markets.

2017 was the second-busiest year in the history of EU merger control: mergers are getting bigger and more numerous, reshaping entire global industries. The Commission recently approved the merger between Bayer and Monsanto, after the companies agreed to sell off businesses and assets worth more than six billion euros. That means the companies are still driven to grow, innovate, and produce pesticides that are less toxic and less damaging to the environment. It equally means that farmers continue to have as wide a choice as before when it comes to suppliers of seeds and pesticides.

Looking into the future, the Commission has recently adopted proposals for 37 spending programmes for the next Multiannual Financial Framework (2021-2027), including for the first time a
Single Market Programme. Another novelty is that the proposal would allow the Commission to
directly support competition policy with an indicative budget of EUR 140 million over the next seven-
years. This budget can be used for sector inquiries which give us horizontal knowledge of a market,
like for e-commerce and capacity mechanisms. Money can also be used to support cooperation with
the Member States, in antitrust and in State aid. One core priority of the competition part of the
Single Market Programme is to help the Commission enhance its IT tools and expertise to continue to
effectively enforce our rules in an increasingly data-driven economy and environment. Companies
and their legal and economic advisers are tooling up and so must we. More specific, this means that
we need to be able to detect infringements in a virtual paperless world powered by algorithms, as
well as being able to manage casefiles and data amounts of ever growing proportions and
complexity. Speed, relevance and quality in our competition-related actions remain essential.
Investigations must be quick but also thorough and accurate, and companies have the right to be
heard. The Commission increasingly needs sharp and adequate IT tools to target its investigations
and bring them to an end speedily.

All in all, I believe our actions in 2017 continued to show how competition policy contributes to
shaping a society in which all economic players – large and small – abide by the same rules. We
continued taking action towards protecting and restoring fair competition in a number of key sectors,
such as the digital economy, the energy market, the transport sector and financial markets. We
continued our efforts to make sure that Member States do not grant undue tax benefits to selected
companies that enable those companies to avoid paying their fair share of tax. And we continued to
engage on the global stage to promote a genuine competition culture, in the EU and worldwide.

And that’s because competition rules and their effective enforcement make us all better off, by
helping both business and consumers, and by supporting innovation and investment.