

Competition and Consumer Policy – Horizontal Interest Groups Workshop 21 January 2014

Introduction

The BIS team explained how Competition and State Aid rules were enshrined in the Treaty of Rome. Little has changed to the substantive provisions since then, although various court rulings have meant some of the rules and guidance has evolved, including the decentralisation of enforcement. Competition policy is an exclusive EU competence, although national authorities can apply EU or national laws. State Aid is an exclusive EU competence. There are a wide range of rules and guidance to assess whether State Aid is compatible. Consumer protection was not provided for in the Treaty of Rome, although subsequent treaties have ensured it is now an integrated part of the single market.

The team had so far collected 24 pieces of evidence. There was a strong consensus in the evidence that effective competition policy at EU level was essential to the functioning of the single market. It was a relatively well-functioning area of EU policy and the rules were being enforced effectively. There was however concerns about how the EU Merger Regulation would develop.

Discussion

Participants noted **EU competition policy was quite inward looking** – the DG were so concerned with creating a level playing field within the EU that they weren't spending enough time looking at external trade implications, which could be putting European companies at a distinct disadvantage in markets where global brands were dominant (eg Amazon, Microsoft). It was noted that the US didn't have as strict regulations and subsidised quite heavily loss making businesses (eg ethanol?).

A concern was raised about **the Commission's capacity to effectively regulate policy**. DG understaffing and a focus on 'bad aid' (?) and cartels meant there was a category of cases/policy that weren't getting looked at – eg virtual agreements. The Commission relied on issuing guidance which was often ambiguous and difficult to interpret. They had a low level of legal resource. Another participant noted a concern that EU rules were not being effectively enforced by member states – the Commission needed to better focus on enforcement. The CCP team noted there was a certain amount of flexibility in interpreting Competition rules and some Member States used this to their advantage.

EU Consumer Policy was generally seen in a positive light by the public, due to the impact of cheaper products/services. Consumers however saw very little of the process and were less confident when less aware of their rights. One participant noted that the voice of consumer groups in Brussels was weak – they were far less represented than other organisations.

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One participant noted the amount of evidence the team had received, and asked whether the low number of submissions reflected the broad contentment with EU Competition policy.

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