



Annual report on competition policy

The European Commission (EC) publishes annual reports on EU competition policy, covering the main developments and enforcement actions. The 2011 edition focused on the role of State aid policy in the resolution of financial crisis.

Context

The Commission is responsible for the enforcement of EU competition law, subject to [the control](#) of the Court of Justice of the EU. The EC has been publishing [annual reports on competition policy](#) since 1971, giving an overview of the main developments in EU competition policy and the major enforcement actions each year. The European Parliament (EP) has analysed these in a series of [own-initiative reports](#). The current procedure concerns the 2011 report, which was published on 30 May 2012 and [presented](#) orally to the Economic and Monetary Affairs Committee (ECON) on 19 June 2012.

Report on competition policy 2011

In the 2011 [report](#), the Commission noted that the early signs of economic recovery in 2010 and early 2011 did not continue during the rest of the year, mainly due to financial instability and public deficits leading to the sovereign debt crisis.

The Commission [prolonged](#) the crisis [measures](#) for state aid to the financial sector, and applied them in an attempt to push banks to move away from unsustainable business models and refocus on their "core business". The report outlines details of bank restructuring in the "programme countries" (Greece, Ireland and Portugal, which have received aid from Member States and the IMF), and state aid given in the form of bank guarantees and recapitalisation schemes. In return, banks are to repay the aid and share the burden of restructuring.

In the field of antitrust and abuse of dominant position, the Commission launched investigations directed at the credit default swaps [market](#) and the payment services [sector](#). The

EC adopted four cartel decisions. One merger in the derivatives market was [blocked](#).

The report also referred to the EC's relations with the European Parliament. It detailed the Competition Commissioner's structured dialogue with the ECON Committee, and the follow-up to the [resolution](#) on the 2009 Report (including [evaluation](#) of state-aid measures during the crisis, updates on [collective redress](#) and [antitrust damage actions](#)). It also commented on the EC's engagement with the Committee regarding public consultations, impact assessment, fining policy and ongoing investigations and sector enquiries.

A special section was dedicated to the contribution of competition policy to the Europe 2020 strategy, mainly in regard to consumer welfare (by detailed examination of the food sector), research, development and innovation (investigations on [e-books](#), [Google](#) and [pharmaceuticals](#)), green growth and network industries ([telecommunication](#) and [energy](#) sector enquiries).

European Parliament

On 11 April 2013, ECON adopted its [report](#) on the 2011 competition policy report. It points out that extending the extraordinary state aid crisis rules has contributed to preserving financial stability through the provision of mechanisms for bank restructuring and crisis resolution. It maintains that banks receiving state aid must reduce their size and focus on viable parts of their activities.

The rapporteur (Antolin Sánchez Presedo, S&D, Spain) calls on EU competition authorities to monitor the behaviour and market impact of large financial players, credit rating agencies and companies on pharmaceutical, health and insurance services markets. The report emphasises that the deepening of the single market and the achievement of the Digital Agenda require strong competition. The Committee supports an active role for the EP in shaping competition policy and considers that the EC must follow up EP resolutions.