THURSDAY, 2 OCTOBER 2014
BRUSSELS

THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

HEARING OF MARGRETHE VESTAGER
COMMISSIONER-DESIGNATE
(Competition)
IN THE CHAIR: ROBERTO GUALTIERI
Chair of the Committee on Economic and Monetary Affairs

(The hearing opened at 18.00)

Chair. – Good afternoon. I welcome Commissioner-designate Margrethe Vestager to this hearing before the Committee on Economic and Monetary Affairs (ECON). This is the third Economic and Monetary Affairs Committee hearing. We are becoming a hearing machine; but it is a very important hearing for our evaluation of the College and evaluation of the individual candidates on the basis of their general competence, European commitment, personal independence, knowledge of the portfolio concerned, communication skills and, of course, political priorities and contribution to the general strategic agenda of the new Commission.

The Commissioner-designate will be invited to make an introductory statement of 15 minutes, maximum, and then we will have our slots of 45 questions and answers, with one minute for the question and two minutes for the answer. The first round of questions will be asked by representatives of the political groups and non-attached Members. As usual I will ask all speakers to stick to the time slot: one minute for the question and two minutes for the answer. Interpretation will be provided in 23 languages. I would ask the speaker not to speak too quickly, so that there is good-quality interpretation, and also inform you that this debate will be streamed live on Parliament’s Internet site.

Before giving the floor to the Commissioner-designate, let me remind her and our committee that promoting a competition culture in the EU and worldwide is an historical aim for the European Union and the Commission and that in spite of the Commission's executive powers in this field we look forward to enhanced deeper cooperation with the European Commission, with the aim of ensuring proper scrutiny of competition policy by Parliament in line with other areas of market integration and economic regulation and, where appropriate, to develop other codecision areas based on the good cooperation we had in the damage action field.

Well-functioning competition in important fields such as financial service for new technologies can substantially contribute to growth and employment in Europe, also paying attention to the US as competitor in the world. The new Commission will also have to deal with the interaction between the state aid regimes for the banking sector and the new legislation introduced in the last few months, in particular the Single Resolution Mechanism. I now give the floor to Commissioner-designate Margrethe Vestager for her presentation.

Margrethe Vestager, udpeget medlem af Kommissionen. – Kære medlemmer! Det er på sin plads at sige bare lidt om de politiske drivkræfter.


Addressing this committee has a special meaning to me. I first walked into the European Parliament some 25 years ago, as a trainee (comme stagiaire). I never imagined that I would be standing here before you today, and of course I am honoured and humble to do so. I was 21 when I joined the European Affairs Committee in my political party in Denmark, and we had been campaigning under the slogan ‘We believe in Europe’. And I do. Fast forward to three years ago – almost to the day, in fact. I had just become Minister for Economic Affairs and the Interior, and I attended my first Ecofin Council meeting. It was a time of great uncertainty, and in the Council I saw and experienced how that trust in Europe was transformed into concrete solutions for the European Union. And we could only weather the storm by standing together, by keeping the promises that we made to each other, and by working for the common interest. That was the spirit around that table and, thanks to the wise decisions taken by the Commission, the Council and Parliament, the crisis was contained.

I started with these memories because I intend to bring the same spirit to the position for which I am standing before you today. I believe that the defence of the common interest is a hallmark for competition policy. I am not used to grandiose words, but I think they are in place when you look at the very significant executive powers exercised by the Commission in the competition field. Neutrality, impartiality, rigour: to ensure the rule of law. Neutrality, impartiality and rigour: on the facts, on the economics, on the law – that will be the basis for my actions.

I will listen to everyone, from the largest multinationals to the representatives of small firms; from states to citizens. But the analysis of my staff and my own judgement will not be swayed by anyone. The authoritativeness of EU competition enforcement rests in large measure on our independence, impartiality and respect also of the confidentiality in the handling of individual cases. If confirmed as Commissioner, I will defend this tirelessly. Investigations will be conducted and decisions proposed to the College regardless of a company’s nationality, prominence or size. And, in case of state aids, regardless of the countries involved.

To me these are the values of competition law, and among the many things that I admire in the European Parliament is your commitment to these very values. If confirmed, I look forward to working together with you in ensuring that impartiality, neutrality and rigour are always the values in enforcing competition law.

The crisis was contained, yes. But in the past few years, Europe has experienced recession, growing poverty and very uncertain prospects for the future. Now, the challenge is obvious: to get Europe back on her feet – to spur growth, create jobs, to innovate, to bring back dynamics and social cohesion. And competition plays a key role in support of the President-elect’s call for a boost to jobs, growth and investment to address the global challenges for businesses, big and small alike. My overarching goal will be to tackle key obstacles to growth and innovation that create jobs.

Companies succeed when they compete on merit, but in important markets like energy and the digital sector, particular alertness is needed to ensure that dominant players will respect the rules. It is all the more important to allow innovation from small and medium-sized companies to flourish.

In the field of state aid, I will build on the state aid modernisation agenda. This is the modernisation which will enable Member States to take more and more responsibility for state aid. And even more important: it will increase transparency and thereby allow the public to see how we use very scarce public resources. Citizens will have a much clearer picture of how scarce public resources are being used, so it can be a bigger part of our democratic debate.

Sometimes, enforcement of state aid, merger and anti-trust rules comes with a price in the short run. Fair competition and change in our markets pay a growth dividend – for real. But they can also have a
short-run social cost, and I will work with Member States and regions to ensure that their interventions do not hold back structural reform. At the same time I will work with Member States and regions to ensure that measures accompanying the transition take full account of the social dimension.

Our European competition policy rests on well-established and healthy principles. They are laid down in the Treaty; they have stood the test of time. Keeping the Single Market open and ensuring a level playing field are competition policy’s immediate goals. But what we can achieve in doing so is not just competition in itself. It is the really important goals: that jobs are being created, that Europe will flourish.

Much has happened since competition rules were first formulated in the Treaty – and that is an understatement. For one thing, our economy is now digital. This and numerous other developments have challenged us – and will continue to challenge us – to constantly monitor the evolution in markets, to keep our tools sharp, and also to anticipate change in our economies. Against this background, competition policy plays a crucial role to help us start growing again. To me this is not only about firms and customers; it is about citizens. It is a people thing. It is about us.

European firms – small and medium-sized enterprises as well as large multinationals – compete in a globalised world. The discipline imposed by EU competition rules can help our businesses innovate and grow stronger. Some seem to suggest that there is a contradiction between competition policy and industrial policy. I humbly disagree. We need competition policy, just as well as we need research, development, innovation, investment and capital, and a very well-educated work force.

It is not sound industrial policy to protect companies from competition at the cost of consumers. This is why I do not see the competition portfolio as a lonely portfolio; on the contrary. Better regulation creates and supports the single market and fosters competitive companies. Regulation shapes market reality. We see that in the telecoms sector, where markets remain firmly national so many years after liberalisation.

Some seem to suggest that we cannot afford effective competition enforcement at home when markets abroad are not policed as effectively. Again, I humbly disagree. The best way to prepare for competition abroad is to be competitive at home. This means, of course, that I will work in close cooperation with fellow Commissioners. But that is just one reason why competition is not a lonely portfolio. There is another one: I hope to work with you, honourable Members – formally in the Committee on Economic and Monetary Affairs and in other committees, but also informally, because you know your constituencies better than anyone; you hear the worries and the hopes of citizens.

We need to show that we can deliver solutions where solutions at European level are called for. In doing so, to quote the President-elect, we must be bigger and more ambitious on big things and smaller and more modest on small things. The recent state aid modernisation has put us on the right track, and it will help us focus where our interventions are mostly needed, while relying on Member States to do what they do best.

In anti-trust, we need to focus on businesses in key sectors. I am in favour of strong competition, and I will not constrain large companies from competing on merit. But I will not hesitate to challenge the behaviour of major players unduly squeezing out smaller competitors.

I hope that I will find in you the same values, because competition policy is neither bureaucracy nor technicalities. It is values, and these I have found in the European Parliament. I hope, if confirmed, that I will continue to find it in the ways that we will work together, and I will, of course, commit myself to a frequent, respectful dialogue with the European Parliament and this committee: not only
when formally required but whenever possible. This is a true and central interest of the European Parliament. You respect and you represent European voters, and I do hope that this hearing will mark the beginning of an open, intense and fruitful partnership.

(Applause)


Eine weitere Frage: Ein wichtiges Anliegen des Parlaments in der europäischen Handels- und Wettbewerbspolitik ist es, dass sich die europäischen Unternehmen auch gegen die wachsende internationale Konkurrenz behaupten. Ich spiele hier natürlich auf strategische Industriezweige an, in denen Zusammenschlüsse von Unternehmen nicht darauf abzielen, die eigene Position zu stärken, sondern darauf, auf den globalen Märkten erfolgreich zu bleiben. Wie sehen Sie die Problematik der Verteidigung europäischer Interessen?

Margrethe Vestager, Commissioner designate. – Well I think exactly this consideration is at the heart of many people who experience that their businesses where they work, no matter that it may be a small business, have to compete globally.

What is important is, of course, that, whenever a business operates in Europe, it is the same rules. No matter who is the owner, who is the shareholder, who is in charge; when you operate in Europe, it is European rules.

Second, I think it is very important to take some of the considerations by the front door: to say when we negotiate trade, when we work in the WTO, that we put this on the table. As we would say in Danish: svesken på disken – stop beating around the bush. Because we have to put this out in the open, because then we can act on it. And I think it is very important to keep also the international competition work at speed. I have found out that what we do here in the European Union is a five-star operation. That should not only be kept; it should, of course, be enhanced, and we should work with others to enhance their operation and to make competition rules also the rule globally.

But I think that we should continue this debate, because I think there are a number of nuances in this; also because some of the sectors are crucial; also when it comes to the handling of patents, intellectual property rights, and how things are managed with fellow Commissioners and fellow committees in these questions.

Elisa Ferreira (S&D). – Commissioner-designate, I would like to put to you a question on banks and the financial sector. According to the BRRD, the directive on banking recovery and resolution, special extraordinary support of a public nature may be given to a bank without triggering resolution if this capital injection is required after stress tests, asset quality reviews or equivalent exercises. At this present moment the ECB is doing its comprehensive assessment that precedes the exercise of the new supervisory functions and, according to this exercise, such capital involvement may be required.
How will you guarantee that this capital engagement will not compromise competition, will be compatible with state aid rules and will not be used to keep unviable banks alive?

**Margarthe Vestager, Commissioner-designate.** – One of the things which I think is occupying most people is how to handle the financial sector, after all the pain that it has caused over the last couple of years and the crisis that it triggered and how to move on. We have had precisely these special rules due to the very difficult economic situation. The challenge is that the BRRD does not take effect yet, because the very sound value put in there is that taxpayers are not supposed to pay, that we are going from bailout to bail-in.

That should also be the rule in the handling of state aid, before we get to the BRRD, so that the revised handling of state aid rules when it comes to banks will be the bridge between them, bailout and the coming bail-in, if a bank is in a distressed situation. There will be a lot of work for me with the Commissioner for Financial Services, as there was in the more difficult years that we have just passed. But I think it is important to get out of this very special situation where taxpayers were asked to pay, again and again and again, to banks which had taken enormous risks in a very critical period of time. So I hope that the way state aid issues will be handled will be in the spirit of the BRRD, making sure that they are bailed-in first before state aid will be required.

**Kay Swinburne (ECR).** – Welcome, Commissioner-designate. Earlier this week my Prime Minister from the UK and his Chancellor announced measures to deal with the tax avoidance strategy known to us in the UK as the double Irish. However, the EU has also made a specific accusation of the Irish Government of avoiding international tax rules by letting Apple, in particular, make profits worth billions of euros from revenues collected in return for maintaining their jobs. In a letter published earlier this week, on 30 September, Commissioner Almunia informed the Irish Government that tax deals agreed in 1991 and 2007 amounted to state aid and may be breaking EU rules.

The first question is: is it right that I can purchase a computer at a physical shop in one Member State and, somehow, the sale is recorded as occurring in another?

The second question following up from that is: what can the European Commission do to prevent such inventive manoeuvres by multinationals to limit their taxes, which is ultimately distorting competition within our Union?

**Margarthe Vestager, Commissioner designate.** – One of the many things that I have learned in this intense week is that a double Irish is not a very – well – Irish coffee. It is a very unfortunate arrangement. There is a lot of slang, and I have been trying to avoid learning the abbreviations, because then it gets a completely closed kind of piece we are going to have here.

I think this is a very serious issue, because the majority of companies in Europe pay their corporate tax, and they have to look at large companies who have the ability to arrange for themselves special arrangements which allow them (at least that is, by now, a substantiated suspicion) a much lower amount of tax. I am going to continue the work that Almunia started in order to throw light on some of these arrangements if possible.

I fully respect that tax issues require unanimity. This is not a way of putting tax policies through the back door, but if it amounts to state aid, directly or indirectly, it is an issue also for the competition portfolio, and therefore I think it is very important to keep investigating what actually goes on, what are the revenues, and how it can be stopped.
Sylvie Goulard (ALDE). – Monsieur le Président, Madame la Commissaire désignée, je voudrais tout d'abord juste faire une remarque. Je trouve triste qu'il y ait aussi peu de monde pour votre audition. Je ne le dis pas parce que vous êtes de la famille libérale, je le dis parce que c'est probablement la politique la plus importante de la Commission européenne et que, quand je vois le nombre de députés – français notamment – qui passent leur temps à accabler la politique de concurrence, je trouve que leur absence, aujourd'hui, est un scandale.

Passons maintenant à ma question. Vous avez souligné à juste titre, dans votre introduction, que la concurrence a un élément de justice. C'est ce qui permet de protéger les plus faibles, les nouveaux entrants, contre les groupes installés et contre ceux qui ont plus de moyens. Je suis ravie que vous vous placiez dans cette optique. Il faut simplement qu'on ait conscience d'une chose – et cela rejoint la question de Burkhard Balz. La dimension internationale, le fait que les entreprises européennes jouent dans un ensemble plus vaste, fait que la perception de certains citoyens est que nous nous mettons des plombs aux pieds et que nous empêchons nos entreprises d'opérer dans des conditions égales, par rapport aux autres.

Qu'entendez-vous faire, sur le plan international, pour avoir les effets positifs de la politique de concurrence, mais sûrement pas les inconvénients?

Margrethe Vestager, Commissioner-designate. – I completely understand that this can be the impression, because you gain your impression from what you see, from what you hear in the media, how businesses are challenged in their behaviour, and in the global market. So I fully understand that this can be a preoccupation by citizens. This is one of the reasons why I find it so important to say that in the medium term and in the long run, for sure competition will promote innovation and growth and thereby create jobs.

But there may be a short-term social cost, and it should be handled directly. For instance, in setting up training schemes in order to allow people to change from one sector to another and to make sure that the way things are handled are in accordance, or at least in the open, and that everybody is listened to. I think there are a lot of people who worked in their unions in different ways who find that things are happening over their head. I think that we can do much more in order to listen to people. I do not think that it is a healthy principle to protect ourselves from competition here, thereby enabling it. That was not the underlining of our question; on the contrary. As I heard you and as I understand it, I think what is most important is to be able to get a balanced approach and to make sure that we talk about the whole picture and not just about one part of it.

Sylvie Goulard (ALDE). – Commissioner-designate, what do you answer when a foreign company is buying a European company with state aid coming from another country, which would not be possible for a European company?

Margrethe Vestager, Commissioner-designate. – Well first of all that unfortunately a lot of European banks have gotten a huge amount of state aid as well. But that being said, I think what is important is to take it by the front door: to discuss it when we have trade arrangements, in the WTO when we discuss how things are handled, that we discuss with competition authorities in other jurisdictions: how do you see this? Because otherwise we get into a situation where we have a sort of downward spiral of different kinds of state support, mostly indirect, mostly hidden and it would be at the cost of consumers.

Jeg vil gerne bringe en lidt anderledes vinkel på spørgsmålet om fri konkurrence ind i debatten her i aften. Når en kommune f.eks. laver en større investering eller har en opgave, som den skal have løst – det kan være at bygge en metro, eller det kan være at få omdelt post – er der mange, der indskriver en klausul om, at der også skal være lærlinge eller ordentlige overenskomster. Problemet er nu, at EU-Domstolen allerede har begrænset den ret, og at EU-Domstolen sandsynligvis til efteråret kunne finde på at gøre mere i den stil. Grunden til, at det er relevant at bringe op her, er, at det bliver begrundet i, at det er konkurrenceforvridende.

Så mit principielle spørgsmål til Dem er i virkeligheden: Er De enig i, at det giver mening, at vi f.eks. sikrer lærlingepladser i offentlige konkurrencer, og vil De være med til at sikre kommunerne retten til at kræve lærlingeoverenskomster, også selv om det af nogen bliver betragtet som konkurrenceforvridning, og hvis De er enig, hvordan?

Margrethe Vestager, udpeget medlem af Kommissionen. – Det vanskelige er, hvis den omtalte "nogen" er EU-Domstolen om tre eller seks eller otte måneder, fordi det er meget vanskeligt at forudse, og EU-Domstolen jo et langt stykke hen ad vejen skaber den retspraksis, som vi følger, fordi det er den, der kommer ud af vores traktat.


Michel Reimon (Verts/ALE). – Sehr geehrte Frau Vestager! Sie haben in Ihrer Einleitungsrede mehrfach gesagt, dass Sie sich für kleine Unternehmen einsetzen wollen, damit diese eine Chance gegen die großen haben, und ich möchte Sie zu einem wichtigen, konkreten Fall befragen.

Am Montag der Vorwoche wurde der Noch-Wettbewerbskommissar Almunia hier in diesem Ausschuss gefragt, wie er zum Fall des Atomkraftwerks Hinkley Point in Großbritannien steht. Er sagte, dass er das noch nicht wisse, weil die Entscheidung noch nicht feststehe. Es geht dabei um eine Förderung für 30 Jahre mit der der doppelte Marktpreis für Atomkraft gezahlt werden soll. Das würde den Markt verzerren und erneuerbare Energien und kleine Betreiber massiv benachteiligen. Nachdem Almunia den Ausschuss verlassen hatte, wurde wenige Stunden später die Entscheidung verkündet. Soviel um zu sagen, was er von diesem Parlament hält.

Ich möchte Sie jetzt fragen: Nächste Woche soll die jetzige Kommission über diesen Fall abstimmen. Wie stehen Sie eigentlich dazu, dass das zwei Wochen vor Ihrem Amtsantritt passieren soll? Sind Sie dafür, dass das abgestimmt wird? Sind Sie dafür, dass die Abstimmung verschoben wird? Und wenn sie verschoben wird, wie würden Sie zu so einer Entscheidung stehen?

Margrethe Vestager, Commissioner-designate. – Well, that is hard to say, because probably I will not be in the seat to take it if it has been taken already. As I have understood this case, it has been prepared and negotiated for more than two years, and if the Commissioner finds that it is ready to be proposed to the College, then he should do so.

Anyway, if I may have another case of the same sort of principle circumstance, what I think is important is to respect that the Member States themselves decide what kind of mix they want to have when it comes to energy supply and production. It is not an issue for us here, it is the competence of
the Member State. So, in respect of that, then, of course, what is important is to make sure that state aid rules are being followed; that the provider is not over-compensated; that things are being fair and open and balanced according to state aid rules.

As I have understood the negotiations that have been going on, it has been the task for the Commissioner and his staff to do exactly that, and that will be the basis of their decision. I think most people have their own opinion about nuclear power – whether they are in favour or not. The problem is that that is not the issue here. The issue is that the Member States themselves decide, and what the Commissioner has to do is to make sure that, if state aid is involved, that it is compatible with the Treaty.

Steven Woolfe (EFDD). – Good evening, Ms Vestager. When the UK joined the European Common Market in the 1970s, we – the British – imagined that we would be joining a prosperous trading bloc. In the 1970s the EEC accounted for almost 40% of the world’s economic output. Since the decision to become a political unit – a country – the EU now only accounts for 25% of world trade. In a decade it is expected to be down to 15% – lower tax levels, higher regulations, average unemployment is up, whilst our competitors in other regions, including the Commonwealth (which we left behind from our country), are now rising. Whatever the Commission has been doing all these years, do you not agree that the economic evidence shows that it clearly has not been helping countries in the EU to compete against anybody?

Margrethe Vestager, Commissioner-designate. – I do not in any way recognise this picture of the Europe that I believe in: not in its history and not in the future to come. On the contrary, what I have seen is the European Union developing from a single market to a community where we rely on each other and where there is a very fine balance between the responsibilities of Member States and what we do in common. And I ascribe to the European Union the prosperity and the ability to contain a major crisis as we have experienced in these last years. I have no idea how the world would have been without the European Union, but I am absolutely certain that we would have been much worse off.

Σωτήριος Ζαριανόπουλος (NI). – Κύριε Πρόεδρε της επιτροπής, επιτρέψτε μου μία επισήμανση σε διαδικαστικό ζήτημα. Οι μη εγγεγραμμένοι βουλευτές δεν αποτελούν πολιτική ομάδα, δεν έχουν ενιαίο εκπρόσωπο, οπότε δεν τους εκπροσωπώ. Εκπροσωπώ μόνο το κόμμα με το οποίο εκλέχθηκα στη χώρα μου.

Τώρα επί του θέματος. Κυρία υπουργός, στο όνομα του ανταγωνισμού υποσχέθηκε η Ευρωπαϊκή Ένωση, και εσείς βεβαιώνετε ότι αυτή η υποσχέση προανεθήκε σε διεθνείς διημερίσεις. Εκατοντάδες εργαζόμενοι έχουν αποσυνδεθεί από τις εργασιακές εντάσεις και έχουν μειωθεί ο καταναλωτικός πυρήνας της ευρωπαϊκής ανάπτυξης. Καθένας περιοδεύει και απαγορεύεται η επανεκκίνηση της εργασίας. Οι απολύσεις διαδίδονται σε εμπορικές δομές, αλλά έρχονται από την επιχειρησιακή πλευρά. Η ελευθερία κίνησης κεφαλαίων και εμπορευμάτων διέλυσε τις επιχειρήσεις, εγκατέστησε νέες θέσεις εργασίας, και επιτρέπει την επανεκκίνηση της ανάπτυξης. Παρ' όλα αυτά, η αμυντική βιομηχανία απαξιώνεται και αποτελεί την επαρκή δομή της ελευθερίας κίνησης κεφαλαίων. Η ελευθερία κίνησης κεφαλαίων και εμπορευμάτων διέλυσε τις επιχειρήσεις, εγκατέστησε νέες θέσεις εργασίας, και επιτρέπει την επανεκκίνηση της ανάπτυξης. Παρ' όλα αυτά, η αμυντική βιομηχανία απαξιώνεται και αποτελεί την επαρκή δομή της ελευθερίας κίνησης κεφαλαίων. Η ελευθερία κίνησης κεφαλαίων και εμπορευμάτων διέλυσε τις επιχειρήσεις, εγκατέστησε νέες θέσεις εργασίας, και επιτρέπει την επανεκκίνηση της ανάπτυξης. Παρ' όλα αυτά, η αμυντική βιομηχανία απαξιώνεται και αποτελεί την επαρκή δομή της ελευθερίας κίνησης κεφαλαίων. Η ελευθερία κίνησης κεφαλαίων και εμπορευμάτων διέλυσε τις επιχειρήσεις, εγκατέστησε νέες θέσεις εργασίας, και επιτρέπει την επανεκκίνηση της ανάπτυξης. Παρ' όλα αυτά, η αμυντική βιομηχανία απαξιώνεται και αποτελεί την επαρκή δομή της ελευθερίας κίνησης κεφαλαίων. Η ελευθερία κίνησης κεφαλαίων και εμπορευμάτων διέλυσε τις επιχειρήσεις, εγκατέστησε νέες θέσεις εργασίας, και επιτρέπει την επανεκκίνηση της ανάπτυξης. Παρ' όλα αυτά, η αμυντική βιομηχανία απαξιώνεται και αποτελεί την επαρκή δομή της ελευθερίας κίνησης κεφαλαίων.
family because they cannot support them; and that applies regardless of party affiliation or our view of the European Union. I can in no way recognise or accept that the European Union is the cause of this.

On the contrary, what I say is that the European Union is the key player in the solution because, as globalisation grows larger and larger, as countries we grow smaller and smaller; and we become more and more dependent upon each other. That is why I cherish the opportunity and the prospect that I may have to work with you because this is important. I find that the empathy for the people who suffer to be the driving force behind cooperation between Parliament, Commission and the Council to build a strong Europe. I do not think that it will be built by accusing Europe of all bad things that may happen wherever you come from.

Luděk Niedermayer (PPE). – Commissioner-designate, let me first of all say that I very much appreciate the opening speech and your answers. Second, if you will be as strict and precise in your office as you were with the timing of your opening speech, then I believe that competition is in very good hands in Europe.

But now back to serious work. My question extends the scope of your responsibility a little. I share your values and your view of Europe but still it is fair to say that we sometimes tend to solve problems with too much regulation. My concern is that, despite all new regulations being based on assessment and good reason, sometimes the outcomes are not entirely as positive as they should be. So I wonder what you can do, as Commissioner, in order to make sure that new regulation will be adopted only if the benefits exceed the costs, if there no possibility to use other measures like self-regulation or enhanced transparency.

Margrethe Vestager, Commissioner-designate. – I agree that regulation is not always the way to go – and that is lucky, because otherwise it would be kind of boring to be Commissioner of Competition, since very little new regulation is expected to come that way – and that market self-regulation, transparency, enforcement and new ways of working with Member States sometimes are more effective tools to choose.

One of the things I find important in making a balanced judgment is whether European regulation comes in place of 28 different regulations. Then it may be less burdensome, even for small businesses which may not operate in all 28 countries but just in two or three or four. Then they do not have to figure out what the regulations are in country A, B or C, but this is the regulation. That might make very good sense.

Second, sometimes there are obvious market failures or it is impossible for consumers to actually see what goes on. One example of that could be the fees that banks impose on our payments, the ones that we do not see. There is an obvious market failure, because as customers we cannot react on this price setting, so it may be a good idea to regulate it.

I will do my best to promote a balanced view of when we should regulate and when we should use other means in order to reach the goals that we are all pursuing.

Anneliese Dodds (S&D). – Thank you and congratulations on your nomination. We know that across Europe it is frequently a huge challenge for smaller businesses to break into markets dominated by a few key players. We have already touched on one example that is very close to my own heart, which is the UK energy market. As you may know, that is dominated by the so-called ‘big six’ energy suppliers, all of whom were originally regional monopoly suppliers. Together they supply about 95% of the domestic market in the UK and own about 70% of its generating capacity.
But independent analyses suggest British households on average pay GBP 136 extra – EUR 173 extra – each year, because that market is not working in the way a competitive market should. That is money many households can ill afford, and it is just one example of a problem that exists across Europe: smaller and medium-sized companies being locked out of markets that should be open to them, depriving consumers and citizens of the benefits that a genuinely competitive market should provide.

So may I ask, what will you do in your time as Commissioner to tackle this issue?

Margrethe Vestager, Commissioner-designate. – Thank you very much for giving us a concrete example, because I think it is a very good example for what a lot of citizens are faced with all over Europe – that the single market does not work as we want it to, because competition is not strong enough, a few dominant players have more or less divided the market between them, and it is very difficult for consumers to use their power as consumers to change that. I think there are a number of tools in my toolbox in order to throw light on that, and that is, of course, the rules concerning anti-trust, mergers and, of course, as we have just spoken about concerning the Hinkley Point, state aid. Is it according to rules or are we moving into a grey zone?

Second thing is that, even though, of course, I am in love with competition (the first couple of years it is like this, you know), there are limits even to what competition can achieve. That is why I am looking very much forward also to work with colleagues in the Commission on this, with the Vice-President in charge of energy union, and with the Commissioner in charge of climate and energy, because I think with different tools, then we can work on this. I have heard a number so big that I cannot remember it, of how much is supposed to be invested in order to get the energy infrastructure that we need over the next 15 years. I think working together on that, and of course, enforcing the rules that we have, will help consumers to bring down their costs.

Andreas Schwab (PPE). – Frau designierte Kommissarin! Ich möchte zunächst sagen, dass ich Ihre Sprache in diesem komplizierten rechtlichen und politischen Bereich wirklich bemerkenswert klar finde. Das trägt dazu bei, dass die Bürgerinnen und Bürger auch verstehen, was Wettbewerbspolitik zu tun hat. Ich möchte darauf verzichten, ein konkretes Beispiel zu nennen, weil das in diesem Rahmen immer etwas schwierig ist.


Margrethe Vestager, Commissioner-designate. – The best thing is not to engage in cartels. It is just a word of advice to those who listen, not to you!

Of course there is an issue, because of course there is a difference between companies who have large portfolios of goods compared to companies who may just have one or two things on their shelf.

What I see in some of the cases that I have been looking at is that the rules that we have on fines actually give you both some sort of security – you actually know what is going to happen if you get caught – and at the same time there is room for taking care of special circumstances. What role did
you play in this cartel? Did you invent it? Or were you one of those followers who should have said no but did not – you know, get round to it? So that you can balance things. I think that is very important.

But basically what I find is that it is very important that fines have a size which would be a deterrent to you; because otherwise it is just a line in your spread-sheet that you should make enough profits also to pay the fine. And that is not good enough, because a fine should be so big that it will deter you and when you hear about other companies who engage in cartels you find ‘they cheated on me and now it’s in for them’.

So in that respect I find that it is very important that there is room for discretion but also that you know that fines are so big that they will ruin whatever undue profits you made out of your cartel.

Jeppe Kofod (S&D). – Endnu engang tak til Margrethe Vestager for en fantastisk indledning. Jeg tror, at det er rigtigt vigtigt at have en stærk og effektiv politiker, når det gælder den fair og fri konkurrence i EU, og at det at stille store og små lande og virksomheder lige for at skabe bæredygtig vækst er helt afgørende.

I opgavebeskrivelsen fra Juncker står også klart og tydeligt, at der skal sættes ind over for skatteplanlægning/skatteunddragelse. Vi har allerede hort nogle eksempler på, at store multinationale selskaber bedriver sådan noget i samarbejde med nogle stater. Jeg kunne egentlig godt tænke mig, at De ville uddybe lidt, hvordan De vil gøre for at sætte ind over for dette, så sagerne ikke trækker ud i årevis, og vi sikrer, at EU slår ned på de selskaber, som bryder reglerne, fordi det for at kunne skabe vækst og job igen er vigtigt, at små og mellemstore virksomheder også har nogle gode vilkår. Det er jo der, hovedparten af jobbene skabes i dag.

Margrethe Vestager, udpeget medlem af Kommissionen. – Tak for det også. Tak for de venlige ord om det at kommunikere stærkt og præcist om disse emner. Hvis det ikke sker, er risikoen, at det bare bliver til sådan noget teknisk noget. Det er ikke spor teknisk. Det er jo lige præcist ind i kernen af ret og rimelighed, hvis man er en mindre virksomhed, som betaler sin skat, som investerer i forskning, som gerne vil frem og innovativt lægge nye varer på markedet, og man så oplever, at de store virksomheder, som har masser af ressourcer, også får sig organiseret på en måde, så de betaler markant mindre i skat end dem, som bare betaler deres skat, med eller uden glæde, det må de selv om, men i hvert fald betaler det, de skal.

Derfor tror jeg, at det er meget afgørende at føre det undersøgende arbejde videre, så de mistanker, der er, kan underbygges. I øjeblikket er det nemlig stærke mistanker, men de skal kunne følges til dørs, de skal kunne bevises. Det, synes jeg, er meget vigtigt, og det er sådan set uanset hvilken virksomhed, det drejer sig om, for så kan vi nemlig komme videre med det.

Jeg ved ikke, hvad den præcise tidshorisont er for nogle af de undersøgelser, som er igangværende, men jeg håber meget, at det kan ske inden for en overskuelig tidshorisont, fordi det er et højtprioriteret indsatsområde. Det er det både, fordi det betyder noget for vores konkurrence, og fordi det sender et meget klart signal om, hvad vi synes er ret og rimeligt.

Dariusz Rosati (PPE). – Commissioner-designate, the European gas market is far from being fair and competitive. Some external gas suppliers abuse their dominant position, imposing discriminatory practices on users. One of those companies, Gazprom from Russia, has been notorious for preventing diversification of gas supplies, imposing unfair prices and hindering free competition. As a result, some of the countries, some of the EU Member States, have paid for their gas 70-80% higher prices
than other Member States. My question is: what do you intend to do in order to restore a fair and competitive gas market in Europe?

Margrethe Vestager, Commissioner-designate. – First of all, I do recognise some of the signs that you are telling us today – that very few large players dominate this market, with all the risk that follows with few dominant players. This is also, of course, one of the obvious reasons why the investigation over Gazprom practices will continue and, hopefully, also be closed. I do not know when it will happen, but it has to be closed, because this is an issue which also has something to say about the vision in the President-elect’s ten priorities.

How can we get a secure, sustainable supply of energy within the European Union? It is also a question, as we just spoke about, for growth and job creation, because the energy crisis is, of course, a crucial input factor for any business in a European context. I think it is very important here both to continue and finalise running investigations, but also to make sure that anti-trust rules are thoroughly enhanced and enforced, because otherwise there is a risk that, if we catch some, then others just find that this is a new market opportunity for similar behaviour, because there are so few players.

This is one of the reasons why this is very high priority, because it is a competition issue but also because it has so much to do with the possibilities for firms in general and for the entire security situation in a European context.

Anders Primdahl Vistisen (ECR). – Margrethe Vestager, De har både før og i dag lagt vægt på, at der er en vis del af policymaking i det job, De skal til at varetage. Jeg vil godt prøve at bringe det ned på det konkrete plan og spørge til et konkret emne, der er oppe. Der er nogen, der ønsker, at man skal gå væk fra det liberale markedsbaserede konkurrenceelement og over til en praksis, hvor man tillader, at Europa skal være rugekasse for det, der kaldes European Champions, altså at man skal kunne give lidt rum og plads til, at nye former for brancher og virksomheder skal kunne skyde op, og dermed måske slække lidt på de krav, man normalt ville stille. Jeg vil meget gerne høre, hvordan De vil forholde Dem til det, hvis/når De bliver kommissær, og hvordan De vil håndtere den trend, der er nogen steder i Europa til, at man ønsker at slække lidt på reglerne, for at man får nye industri til at vokse frem.

Margrethe Vestager, udpeget medlem af Kommissionen. – Jeg synes, vi skal have endnu højere ambitioner end European Champions. Jeg håber da, at europæiske virksomheder kan gøre sig gældende på globalt plan.

Jeg tror, at man bliver bedst til at konkurrere på det meget store marked, hvis man også er god til at konkurrere på sit mindre marked. Det, der efter min mening er vigtigt at få ind i debatten, når forslag som det, der henvises til, bliver rejst, er, at det jo er på bekostning af noget. Hvis man beskytter virksomheder mod konkurrence, risikerer man, at deres produkter bliver dyrere, at de holder op med at forske, at de er mindre innovative, end de ellers ville have været, og det vil sige, at forbrugerne møder dårligere produkter til højere priser, end de ellers ville have fået. Dermed er også sagt, at det ikke er en gratis omgang at begive sig ud på den galej.

Derfor tror jeg, at det er meget afgørende at sørge for, at når vi fastholder og sikrer, at konkurrencereglerne bliver fulgt, er det netop med det perspektiv, at hvis man er god til at konkurrere herhjemme, kan man også håndtere konkurrencen derude.

Når det er sagt, så sætter jeg meget stor pris på de regler, som åbner for, at man kan få mere forskning og udvikling og innovation, f.eks. i blandede private og offentlige partnerskaber, fordi det at skabe
mere viden og gøre det i fællesskab, tror jeg er noget, der kan få nye virksomheder til at vokse frem og også give noget af den styrke, som Europa bør have fremover.

Ramon Tremosa i Balcells (ALDE). – Commissioner-designate, welcome and thank you for providing fresh air to this hall after some hearings. I have a question on the Google anti-trust case and I welcome your specific mention of the digital sector, because as you know Google today has a 90% market share for search services in Europe. The European Commission has three times given Google the chance to provide new commitment proposals, to try and remedy the preferential treatment of its own services. However, these proposals until now do not solve the issues and concerns raised by the 20 complainants, including European consumer organisations. The possibility of displaying rival links below the Google service product at the top of the page does not solve the problem of divergence of traffic. Furthermore the Google product on top is not always the best and more pertinent choice for consumers in terms of price and also review. The concrete question is: do you agree that a statement of objection is the next necessary step for the good of our European SMEs and consumers?

Margrethe Vestager, Commissioner-designate. – As I speak, I do not know what the concrete next step is. But I am absolutely certain that there will be next steps, because this is basically a very classical situation.

We have a business with a huge, huge, huge market here and we have complaints from a number of competitors of different sizes. I think that, as late as yesterday, new issues came into the public debate in Germany, with more dimensions as to how these things are managed by Google. I think it is very important not to go into the concrete investigation today, but to make sure that we have the tools and the willingness to keep investigating, also when it comes to these new areas. As I said in my opening remarks, competition rules are as old as the Treaty; and that is good.

But to enforce them we need to be as sharp as the businesses in the new markets which are developing at a speed which is completely different from what it would have been five or ten years ago. I hope very much that we do not have to prolong this investigation with another investigation, and yet another investigation, because I think that not only consumers, but also competitors would like this to be a competitive open market and to be able to have their services available to consumers.

So there will be next steps, but it is too early for me to say what kind they will be.

Jonás Fernández (S&D). – Commissioner-designate, Mr Juncker said in his speech to this Parliament in July that the internal market does not automatically have priority; social factors must also play a role in Europe.

En mi campaña electoral, en el mes de mayo, estuve en un pueblo en mi circunscripción, en San Martín del Rey Aurelio, con unos padres y madres que tienen hijos con algún tipo de discapacidad intelectual. Estos padres habían peleado durante años para conseguir que el Gobierno regional les ofreciera una instalación donde poder organizar una residencia y, en los últimos años, esta asociación supervisaba el servicio de esa residencia con cuidados profesionales.

Sin embargo, la política de competencia de la Unión —yo creo que una visión mal interpretada de la política de competencia— está presionando para que este tipo de servicios sean ofrecidos también por empresas privadas con ánimo de lucro. Los padres y madres me decían durante la campaña que temían que ese servicio, esa residencia que ellos habían conseguido y que ellos supervisaban, pudiera pasar a manos de una empresa privada. Recordando así la frase de Juncker, deseo preguntarle cómo cree que debe equilibrarse la necesidad de mejorar la competencia en los mercados —objetivo que comparto— con salvaguardar este tipo de iniciativas sociales —el desarrollo de este sector— que conforman el
verdadero espíritu europeísta, ese espíritu de protección social, y ofrecer un futuro a las familias que están desarrollando iniciativas sociales de este tipo.

4-041

**Margrethe Vestager, Commissioner-designate.** – First of all, one of the things that I do respect is that Member States have a very strong responsibility here. Because what we call – with sort of a competition term – ‘services of general economic interest’ is also a bridge for the social responsibility of the Member States to define what are services of general economic interest. What are our social needs? That could be childcare, care for people with handicaps, for hospitals, for health services. And I think it is very important to keep this in mind, that there are some things which are for the market and there are some things which are not, and it is for the Member States to take decisions on this.

I very much appreciate that, if a Member State would like to change how things are handled, they can do that in a simple and transparent way. But it is for the Member State to decide what are our social needs and how can this be handled. I think that is one of the important balances in the European Union as we know it: that there is scope and there is possibility for our societies to be different. Because then national politicians will have in their dialogue with their electorates and their citizens also the scope to do what they find is proper.

And I do hope for the best for the family in question, because it seems as if they have had a very rough time.

4-042


Deshalb meine erste Frage: Wie wollen Sie sicherstellen, dass künftige Leitlinien in enger Kooperation mit dem Parlament entwickelt werden und nicht über die Köpfe des Parlaments hinweg? Zweitens: Es scheint mir notwendig zu sein, dass in der Öffentlichkeit die Bedeutung der Wettbewerbspolitik wieder deutlich gemacht wird. Und meine dritte Frage: Wie glauben Sie, dass Sie in den nächsten Jahren mit dem Parlament insgesamt zusammenarbeiten können?

4-043

**Margrethe Vestager, Commissioner-designate.** Well, first of all I hope you had prepared for a lot of coffee, because that would be the Danish way. Since nobody can smoke anymore, we drink so much more coffee.

That is the beginning of a very good dialogue. Competition area is of course special, because Article 103 of the Treaty has a very limited sort of eyesight for the ordinary legislative procedure. That being said, I think it is very important to also have concrete discussions when we are going to propose things which could be considered as soft law and to have these debates before we put pen on paper. I think that the reports that Parliament has made previously have been extremely helpful for the Commission to find the right balance, and just talking about whether regulation is always the measure to take, if market regulation or transparency could be used.

I think also, on this issue, it is very important to make sure that, there may not be legislation, there may not be ordinary procedures, but there may just the same be a very strong influence and a very
strong holding the Commission up to its promises by the European Parliament, both in formal and in informal gatherings.

The last question, I do not remember the second, but the last question out of three was on information policy. What we need is to keep moving on, with frequently asked questions, with as much openness and transparency when it comes to the work of DG COMP, but also to what I do, because I think it is very, very necessary that people can see who I meet, big and small, states, citizens, companies alike, because transparency is a very, very good thing in this respect. I do hope if we are going to work together on this over the next five years that we will look back and say we gave the cartels a hard time, we made sure that state aid was more in the responsibility of the Member States and that there was sufficient transparency for citizens to see how their money was spent and that we are absolutely certain that we do our best to help businesses to create the jobs we need.


A senhora falou muito na promoção da concorrência e é normal porque é o seu portfolio. Eu gostava de perguntar-lhe simplesmente, na sua perspetiva, quais são os limites da concorrência e se, na sua perspetiva, há setores que devam ficar de fora da concorrência e, se sim, quais.

Margrethe Vestager, Commissioner-designate. – It sometimes scares people a little when the name of my party is translated literally, because literally it is the radical left – so watch out! In a more political sense we would prefer to be called the social liberals.

That being said, yes, I do think that there are limits to competition, and there are limits to what competition law can bring forward, which is one of the reasons why I found that it was very important to use some of the time in my opening statement to say that competition is not a lonely portfolio. If you want to achieve something, then we have to work together: committees in Parliament, Commissioners in the Commission, because then we can achieve something that we would otherwise not be able to do, which is one of the reasons I very much appreciate President-elect Juncker’s vision for new ways of working for the projects of the vice-presidents, because then I think that the probability that we can succeed in the eyes of the citizens is much bigger.

Another thing that I very much appreciate is the balance between what we do in common and what Member States do themselves. Member States and members of national parliaments are also in very close talks and dialogues with their constituencies, and they will know. This is one of the reasons why I very much appreciate that it is up to the Member States to define our social services and what they are. It should not be a European issue. It should not be an issue for me if confirmed as Competition Commissioner.

Ernest Urtasun (Verts/ALE). – Señor Presidente, señora Vestager. Voy a volver a la cuestión de la energía, para presentarle el caso español, que su antecesor, el señor Almunia, trató, pero sin demasiado éxito.

El mercado de la energía en España funciona también de forma oligopolística, lo que repercute en que los consumidores paguen en estos momentos la electricidad más cara de toda la Unión Europea. Y mientras tanto, las corporaciones del sector eléctrico —eso no ocurre solo en España— tienen un marco regulatorio privilegiado y beneficios multimillonarios.
El principal motivo del funcionamiento oligopolístico de este mercado de la energía es el retraso, en el caso de España, de la aplicación de la Directiva 2009/72/CE sobre normas comunes para el mercado interior de la electricidad, que usted conoce bien. Es un grave incumplimiento del Derecho de la Unión Europea, tal y como ha denunciado muchísima gente, entre otros, en España, la Plataforma por un Nuevo Modelo Energético.

Yo quiero preguntarle primero qué acciones va a emprender para conseguir la separación efectiva de compañías que operan en diferentes segmentos del sector eléctrico y qué hará para hacer cumplir la normativa de la Unión en el caso de España.

Y la última pregunta que le quiero hacer es qué acciones va a llevar también a cabo para abrir, de forma real, la distribución eléctrica a la competencia, totalmente vetada en España, por ejemplo, a los pequeños productores.

Son estas las cuestiones que quisiera plantearle.

Margrethe Vestager, Commissioner-designate. – I find this extremely complicated – because what has happened over the last couple of years is that some things have been liberalised and other things just seem to be as they were.

We are moving forward extremely slowly and I think it is timely and important to call for energy union to give us sustainable secure, cost-efficient energy. Because I do not think that this can be solved on a country-by-country approach.

One of the issues when it comes to the debate about where we need investment is, of course, in the energy sector, both in the grid and in the capacity mechanisms, in order to make sure that we can diversify our energy production. But all that being said – which of course needs Commissioners and Vice-Presidents to work very closely – I think it will be very important as well, if I am approved as Commissioner for Competition, to investigate if somebody is misusing a dominant position and thereby making it extremely difficult for smaller suppliers to come in and supply at the lower price for customers.

So I think there is both a very direct way of addressing it and then there is this maybe huge, but very concrete project to give us a real energy union.

Marco Zanni (EFDD). – È di questi giorni la notizia dell'apertura di indagini in merito alla presunta violazione delle norme sulla concorrenza da parte del gruppo FIAT e del Lussemburgo. Non è, ovviamente, il primo caso di concorrenza fiscale sleale all'interno dell'Unione e questo a mio avviso è uno scandalo inaccettabile.

Vorrei avere una sua opinione in merito a questo specifico caso e inoltre vorrei chiederle, in generale, come intende intervenire per risolvere questo problema in maniera strutturale e a monte? E, infine, volevo chiedere se aveva già discusso con il Presidente Juncker del caso FIAT, visto che proprio lui un anno fa da primo ministro del granducato si dichiarava poco preoccupato delle minacce d'inchiesta che arrivavano da Bruxelles.

Margrethe Vestager, Commissioner-designate. – First of all I very much agree that it should be a structural approach. It is one thing to investigate case by case, but these cases should, of course, be handled on the basis of the same principles. I think that the underpinning value is that you should pay the tax that you should pay – that your competitors pay, that other businesses pay – because that is only fair.
I think, as we gain experience in these investigations that are running by now, we will achieve two things: firstly, a deterrent effect; and, secondly, a lot of knowledge about how these things are organised. What kind of schemes do they follow?

One thing that I think is very important is to make sure that this is not common tax policy by the back door. It is a question of ensuring fair competition. I think from what everybody has read in the press, and from what I know about the cases so far, it is right to say that people are offended by some of the things that they see and read because they appreciate it when companies pay the tax that they are supposed to pay. Therefore, of course, we will continue the investigations that are running. We will be as wise and experienced as possible as a result of these cases; and, of course, being wiser and having more insights, we will also make sure that we can have a structured approach to this in the future too.

Costas Mavrides (S&D). – Commissioner-designate, the system of protection introduced by the directive on fair terms and consumer contracts is based on the idea that the consumer is in a weak position vis-à-vis the seller or supplier, as regards both his bargaining power and his level of knowledge. What I have just read is an excerpt from a recent European Court of Justice ruling. I cannot think of a better example of that relationship than that between a bank and a borrower in times of financial distress, especially in the euro periphery, and of course I have my own country in mind, Cyprus. Do you think it is about time for a more concrete policy for the practical protection of all those borrowers from unfair banking practices and do you think it is about time for a better European harmonisation putting emphasis on the effective enforcement of the directive?

Margrethe Vestager, Commissioner-designate. – I definitely think so, because in the three years where I have attended the Ecofin Committee meetings, that is what we have been working for – for new and stronger demands on any institution in the financial sector, be they banks or other institutions. Both in terms of capital demands, liquidity, solidity and governance, in order to make sure that, after the crisis, we have a completely different – and probably a little bit more boring – financial sector. And I think it is very important that these rules are actually enforced.

The banking union will provide a lot of the remedies that we need. The single supervision will do some of that. There will also be an issue for state aid enforcement, because banking union is not necessarily for everyone, though it is open for also non-euro countries. There will be an issue to make sure that ‘ins’ and ‘outs’ are treated equally, and that will be an issue also when it comes to state aid and how things are pursued.

So I think in that respect what we have been working on in Ecofin, with very strong support and legislature from the European Parliament, is precisely to make sure that things are balanced in a completely new way when it comes to banking.

Siegfried Mureşan (PPE). – Commissioner-designate, it was raised before by some of our colleagues that sometimes the competition policy of the European Union basically hinders the development of globally-competitive corporations from Europe. What happens instead in practice in the case of corporations looking to merge with each other is that they end up being taken over by corporations from outside the European Union, which, of course, leads to constraints for the European economy at global level. Heads of State and Government have already raised concerns on this topic. What is your view on this topic?

Secondly, the European Commission has given the green light to the merger between Telefonica and E-Plus, subject to putting in practice some commitments on the side of operators. Do you see that as a deeper understanding at the level of the Commission for a need to allow the creation of global players coming from Europe in the digital economy?
Margrethe Vestager, Commissioner-designate. – One thing which is very important when talking about measures in these markets is to understand the markets. Because it is almost literally a case-by-case evaluation. What market are these companies addressing?

I find that it is very important that mergers can be approved but also to find remedies if these mergers have a huge risk of closing down competition in some fields. Because if your market is basically European, even though you may have global ambitions, your ability to compete should sort of be trained in a European context in order to meet the competition globally. And I think that is most important.

I think it is important as well to listen to companies and to talk to companies when it comes to the remedies, on how to make sure that these new markets will actually work, and the line when it comes to mergers is of course to make sure that businesses who want to merge can merge – under of course the strict condition that competition is not closed down.

I think that it is a very important road to follow if we want global competition and then to take up the debate with other competition jurisdictions about how things are handled there. And of course when you compete in Europe, to be non-discriminatory; because a buyer is a buyer and a seller is a seller in a European context, no matter where they live.

Gerolf Annemans (NI). – Ja, mevrouw, de vorming van de nieuwe Belgische regering is in een slotfase beland. Er zijn nog niet veel akkoorden van de potentiële coalitiepartners uitgelekt, maar ze hebben wel reeds twee zaken naar buiten gebracht. In de eerste plaats de voordracht van uw collega Marianne Thyssen als Europees commissaris en in de tweede plaats dat er een beroep moet worden ingesteld tegen een procedure die het gevolg is van het opdoeken van de Dexia-bank, een zaak die u trouwens in uw schriftelijke vragen en uw schriftelijke antwoorden heeft vermeld. Het directoraat-generaal Concurrentie heeft die zaak van illegale of in ieder geval oneerlijke concurrentie bij het toebedelen van een staatsgarantie aangemeld in het staatssteunregister. Het gaat om een heel belangrijke zaak. Bij het Arco-dossier, zoals het wordt genoemd, zou het om 30 tot 50 miljard gaan. Als de Europese Unie, als u uiteindelijk zou beslissen dat het gaat om staatstegoede en dus niet om aandelen dan heeft dan ook heel veel gevolgen voor de gehele banksector, omdat in dat geval de kapitaalstructuur van heel wat banken in het gedrang zou komen. Ik ga u geen bijzondere vragen stellen, maar het is een bijzonder heet hangijzer en het is waarschijnlijk het laatste wat er in de weg zal staan van de vorming van een Belgische regering. Kent u dat dossier en zijn daar afspraken over gemaakt?

Margrethe Vestager, Commissioner-designate. – Then it is a very good evening for you.

Anneliese Dodds (S&D). – Commissioner-designate, as you will know, fewer than five retailers typically dominate the groceries market in each European country. As one example, just three retailers in Finland account for a staggering 88% of the market. Some individual supermarkets have been shown to abuse their buyer power by passing excessive risks and unexpected costs down their supply chain, most notably to farmers and workers in developing countries, but also of course, with clear
impact on consumers. In the UK a watchdog has been established for supermarkets to prevent these practices, with the powers to fine supermarkets that break the rules.

But with three of the four biggest supermarkets having their headquarters in Europe, action at European level is needed. So how will you stop companies from abusing the buyer power they derive from their very substantial market share? Will you commit to introducing strong, enforceable rules to make supermarkets deal fairly with their suppliers as well as with consumers? And will you commit to setting up a European regulator that will have the power it needs to stop the major European retailers from bullying suppliers, rather than just more voluntary codes that simply can be ignored? (In the same way as I was ignoring the Chair – sorry!)

Margrethe Vestager, Commissioner-designate. – I do recognise the picture that food and competition in retail and supply chains is very important. It is an issue which is very often dealt with by national competition authorities. I think there is a strong point in saying that when retailers say they have a European scope then it is a European issue. I do not know if there is any need for a specific competition regulation here but I think that it is important to be as strict in enforcing competition rules in this sector as in others. I would like very much to come back to it.

Just today DG COMP published a very large study of exactly this sector. I think it is a 400 page kind of thing, so I have not been through it yet. What they are doing is to take in a lot of data about how many different suppliers have their goods on the shelves, how much innovation you find in packaging, in contents, what is the innovative factor when it comes to this and then try to use econometrics up to the number of players in this sector.

I think it is a very interesting approach. I do not think it tells it all. As well as competition econometrics has its limits, but I think it is a very good starting point to get on with getting the full picture of exactly how this sector works when it is at its European level, because I respect the very good work done by the national competition authorities in this field. I think that we can continue with this because now we have a much better foundation because of the study just released today.

Róża Gräfin von Thun und Hohenstein (PPE). – I would like to continue from this row on the state aid, to which you already had a few questions. First a specific one: the European Commission helps consumers, through the European consumer centres, to solve cross-border disputes, and those consumer centres are partially funded by the Member States. Recently there was an issue that such a consumer centre was denied funding. The reason for that was that the national authority was afraid that funding could be seen as illegal state aid. My first question to you is: could you clarify that any funding provided to those European consumer centres does not represent illegal state aid?

And, on the other hand, more generally, the European Commission proposes a new industrial policy: the industry should achieve 20% of GDP until 2020. What I am afraid of is that there may be some Member States that will want to loosen the state aid rules in order to achieve such a goal. The question is: can we count on you that you will defend competition in the single market against any potential pressure from the Member States?

Margarthe Vestager, Commissioner-designate. – I think it is very important that support is not stopped by fear of support being illegal or, even worse, incompatible with the Treaty. And if those kinds of fears arise, that question can be asked so it can be cleared: what are we actually dealing with here?

Second, I think it is very important for Member States to have strong competences when it comes to this. The modernisation of state aid in the general bloc exemption regulation gives Member States...
much bigger scope for dealing with not only minor cases but actually a number of cases when it comes to state aid, which will make sure that we have, here in the Commission and in Parliament, the resources to focus on the bigger schemes, on state aid where it has to be notified, where there are due questions to be asked.

I think that that division of labour is very important because sometimes we have to help consumers get their rights, at other times we have to rely on citizens to make sure that Member States also ask questions about their priorities when it comes to state aid. I think that new transparency coming from state aid modernisation is very well placed here. In that respect I think that we have the time and the resources to go for strict regulation when it comes to the cases that actually have huge impact at a European level, relying on the Member States doing exactly what they are supposed to do, being very, very careful with taxpayers’ scarce resources.

Chair. – Colleagues, I have used some tolerance for 10 seconds but I cannot accept a question of one and a half minutes because we have to finish by 21.00.


Die erste betrifft die wettbewerbsrechtlichen Implikationen der Investorenschutzbestimmungen im Rahmen von TTIP, also die investor-state-dispute-settlement-Mechanismen. Wenn ausländische Investoren, die in Europa investieren, sich den nationalen Gesetzen entziehen können, indem sie vor Schiedsgerichte ziehen, ist das eine Wettbewerbsverzerrung und wie würden Sie gegebenenfalls damit umgehen?

Meine zweite Frage: Ist es eine Wettbewerbsverzerrung zuungunsten von Unternehmen, die Transportleistungen anbieten, wenn ein europäischer Staat Straßenbenutzungsgebühren erhebt, die nur für Ausländer erhoben werden, aber nicht für Inländer? Würden Sie mir zustimmen, dass das antieuropäisch gedacht ist?

Margrethe Vestager, Commissioner-designate. – Unfortunately I have only a very remote knowledge about the cases in question when it comes to transporters. But I think it is fair to raise questions if discrimination is the case – if trucks with foreign number plates are charged and trucks with national number plates are not charged. So of course there is an issue to be investigated there, because non-discrimination is also one of the underpinning values not only of competition but also of the European Union as such.

I think what Cecilia Malmström said in her hearing on the investor-state dispute settlement was a very precise way of putting it. Now there has been a public hearing, lots of ideas and communication have come in, and they have the obligation to take this seriously and to find out what are the risks – what is it that people are afraid of and what are the concerns that one should have when it comes to investor-state dispute settlements? Also taking into consideration how many of those schemes we have already.

I am absolutely certain that we will come back to that, because I think there were 150 000 (or something like that) answers coming in to this public hearing on investor-state dispute settlement and how it should be handled, and I do respect the fact that they have to read all these answers before next steps can be taken. But I am absolutely sure that you heard the answers of Cecilia Malmström on Monday on this exact issue. I share her opinion; I share her opinion that this is an issue which should be scrutinised very thoroughly, but that the thousands and thousands of investor dispute settlement
agreements in the bilaterals that we have already will not go away. So what we need to do is to have a proper, open debate about what are the balances that are going to be kept here.

Sophia in 't Veld (ALDE). – Thank you, Ms Vestager, for your introduction and for your impressive performance so far. I have a question about personal data and competition policies. We have already heard a bit about the Google antitrust case. Personal data has rapidly become one of the most valuable resources of our economy. However, the Commission has so far been very slow to recognise that big data is a game changer for competition rules as well. I am thinking of cases like the Google-DoubleClick merger and cases that have emerged since then. Near-monopolies have been allowed to develop that would never have been allowed in other sectors. Data protection is often seen as an obstacle to enterprise and trade, but that is a mistake. Data protection used to be in the DG for the single market; in the United States it is the responsibility of the Federal Trade Commission; and so there is a very clear link between big data, data protection and competition policies. Instead of case-by-case handling of the issue and discussing individual cases in a political arena, we need a new and integral approach to competition rules in the age of big data. Do you agree and could you give us outlines of such an approach?

Margrethe Vestager, Commissioner-designate. – I very much recognise the profile of big data as being the new currency of the Internet. Here we have something extremely valuable because, when you have access not only to one person’s data but to millions and billions of data, then you can make analysis which is completely different from what you were able to do five or ten years ago, because you have new tools.

I think it is very important for us to stay very sharp and to understand what is actually happening when these markets develop. I do not think that we are at all through understanding what goes on and how to make a happy cohabitation between flourishing businesses based on digital services and the fact that it is our data. I think that I should work with the Commissioner who is specially in charge of data protection and the rights surrounding that, as well as I hope this committee will work with other committees in the European Parliament.

Because I think that here we find an issue which is very much in a zone between competition and data protection and personal rights and also personal freedoms. This I think is not for the far future. It is now and next week and next month that we should engage in not only fact-finding but also a much deeper understanding of these markets. Definitely it is a challenge for DG COMP to make sure that they are ahead of market developments, because these markets develop so quickly that you really have to be in a fit shape in order to keep up.

Jeppe Kofod (S&D). – Jeg er glad for, at De også indledte med at sige, at det at være konkurrencekommissær ikke er en ensom portefølje, men at man blander sig i alt, der er et fælles anliggende i Unionen.

En af de ting, som jeg tror har provokeret mange borgere i Danmark og andre steder, har været, når man har set, at man med EU-tilskud til en virksomhed har udflyttet en arbejdsplads til et andet medlemsland i stedet for, som det var tiltænkt med EU-tilskud, f.eks. fra Regionalfonden, at bruge det til at skabe flere arbejdspladser for alle.

Jeg ved, at det selvfølgelig er kommissæren for regionalpolitik, der har ansvaret, men jeg synes, at det er vigtigt (jeg ved, at reglerne blev strammet op sidste år), at man som konkurrencekommissær også sikrer, at der sker en fair og lige konkurrence, at man ikke misbruger EU-tilskud til at flytte arbejdspladser fra et land til et andet, men tværtom sikrer, at flere arbejdspladser bliver støttet med EU-tilskud, så det ikke er et nulsum-spil, men en indsats, hvor man sikrer, at det tilskud, man får, går
til at skabe reelt nye arbejdspladser i virksomheden. Hvordan vil De sikre, at de regler håndhæves i medlemslandene?

Margrethe Vestager, udpeget medlem af Kommissionen. – Der er ganske rigtigt lavet opstrammede regler, og så vidt jeg husker, betyder de, at man ikke kan få støtte til arbejdspladser, hvis man inden for to år har lukket arbejdspladser inden for samme branche, eller hvis man planlægger inden for de næste to år at lukke arbejdspladser, hvis man er en mindre virksomhed. Det, som selvfølgelig er helt afgørende, er, at virksomheder ikke bare finder en ny vej rundt om de regler, før den risiko er der jo selvfølgelig, fordi noget af det, som jeg tror man skal være meget åben om, for det er, hvis man først er en virksomhed, der modtager støtte, så bliver man ved med at synes, at man skal være en virksomhed, der modtager støtte, fordi det så er en del af ens forretningsside. Det er en af grundene til, at jeg synes, at man skal være meget, meget varsom med, hvor man yder støtte, fordi man risikerer at dreje virksomheders opmærksomhed hen imod at lobbye os alle sammen til, at der skal gives mere støtte, og derfor tror jeg lige præcis, at pointen med at sikre overholdelse af nye regler er helt afgørende.

Jeg kan gøre lidt, hvis jeg bliver godkendt som konkurrencekommissær, men mine kolleger kan især gøre noget, især kommisseren for regional udvikling, men jo også sammen med kommisseren for det indre marked, fordi det er et konkurrencefælt, som spændes ud mellem forskellige kommissærer. Jeg tror, at det er helt afgørende for troværdigheden i vores regionalstøtte, at borgerne oplever, at den fører til skabelse af flere arbejdspladser, vel at mærke ikke bare arbejdspladser, der flyttes rundt til det sted, hvor man nu kan få støtte. Specielt i lyset af, at nogle virksomheder oplever, at det faktisk ikke er støtten, der er det egentlige, men derimod hvordan det ser ud med viden og forskning og udvikling i den region, om der er de medarbejdere, de har brug for, hvordan infrastrukturen fungerer på stedet. I virkeligheden, når det kommer til stykket, er det andre ting, der er afgørende for, hvor en virksomhed placerer sig. Derfor er det også vigtigt, at vi ikke får et system, hvor man kan være på støtten som en del af ens forretningside. Derfor er overholdelse af de nye regler afgørende.

Georgios Kyritsos (PPE). – Commissioner-designate, I would like your opinion, as a politician and not as a technocrat, concerning the major threats to competition in the European market. Do the major threats to competition come from the banking sector, the US and its technological supremacy, the export policy of China, the energy sector giants and the Russian gas company Gazprom, or our state monopolies? I believe you should have specific priorities, because you cannot open all fronts together. In addition, the outgoing commissioner, Mr Almunia, seemed to me during his last appearance in front of our committee resigned to the fact that, despite his good efforts, despite the professional capabilities of the European Commission and the institutional strength of the European Commission, all sorts of oligopolies and monopolies continue to thrive.

Margrethe Vestager, Commissioner designate. – I know this might sound wrong, but if he had succeeded completely there would be no work for me to do. No, I think that some of the things we are up against are huge; because markets are not perfect. This is one of the reasons why we still find there are quasi- or semi-monopolies, duopolies, that there are huge companies which will misuse their position in the markets. It is all the more important to make sure that enforcement of competition rules is strict and impartial, but also focused, because in some of these markets that you mention, consumer power finds it very, very hard to bring about change. Consumers have to rely on us to make sure that things will change.

That goes for energy, that goes for digital markets, that goes for the financial sector; they have to rely on us to make sure that the rules are actually being followed. I hope very much that I can do my best, but I also hope to be able to work with the committee, because as I said in the beginning, you are the
ones who are the closest in the constituencies. You listen to things, you hear things that I will be not be able to hear and therefore I find that it is also important that we have not only the formal, but also the informal talks about how the enforcement actually plays out, not on a case-by-case incidence, because that would be confidential, but to make sure that we actually enforce. Then, hopefully, we can come some steps further towards a more competitive and free Europe than we have today.

**Eva Paunova (PPE).** – Commissioner-designate, you rightly looked to the right, but the organisers of this room decided to put me on the left, even though I represent the EPP, probably to bond with my Socialist colleagues, some of whom are missing tonight. I see we have the same passion for chocolate, and I am sure we will find common ground also in other areas.

As many of you here know, the completion of the digital single market is one of my key policy priorities. And it is very dear to my heart that we, as the European Parliament, together with the Commission set the right incentives for the creation of high value jobs in Europe and, in particular, for the young generation. I believe that the IT industry is one of the essential drivers in this regard. I therefore would be very keen on knowing what your approaches are in tackling the challenges that the digital agenda poses to the EU competition policy. Commissioner-designate, do you agree that competition law intervention in the IT industry can be counter-productive and harm innovation, given the industry’s rapid pace of evolution? For instance, should there be caution in intervening in product design questions such as the way in which online services are presented, to avoid discouraging …

*(The Chair cut off the speaker)*

**Margrethe Vestager, Commissioner-designate.** – And this chocolate is actually a very happy merger! One may have to be a Dane to appreciate it, though, because it is liquorice and very dark chocolate!

But you are right, it is not only the passion for chocolate that we share. To create, and to enable the creation of, high-value jobs is extremely important: for Europe to find a place in the value chain, and to interact in a productive and a flourishing way with the rest of the global economy, it is spot on. The task is not only to create a very strong European economy, as such, but also to find out where we can play a part in a value chain and create more value on a global scale as well.

The IT industry is, of course, extremely important. What I think is that competition will enhance innovation, and the enforcement of anti-trust rules will also enhance innovation because, if you have very large companies which completely dominate the IT industry, it will be more difficult for small businesses to thrive and to get their innovations onto the market if there is no enforcement of anti-trust rules.

This is obviously very important because we have seen fantastic and inspiring examples of itsy-bitsy tiny companies which do not think of themselves as global at all – they think of themselves as global even though they are just one or two or three people. They become global perhaps not in a split second but in a very short time, and they have not been cushioned, they have not been supported, yet they have found ways because they had ideas that spurred innovation, making themselves relevant for customers all over the world.

**Evelyne Gebhardt (S&D).** – Monsieur le Président, je vois beaucoup de sièges vides, du côté du PPE aussi d’ailleurs, si je peux me permettre la remarque.

Madame la Commissaire désignée, quelles mesures concrètes comptez-vous mettre en place pour qu'un mécanisme de réparation collective des infractions aux règles de la concurrence soit adopté et
mis en œuvre? Pensez-vous que ce mécanisme spécifique doive être intégré dans un mécanisme européen de réparation collective horizontal plus englobant?

Quelles mesures efficaces comptez-vous prendre pour protéger l'intérêt des consommateurs tout en leur garantissant un choix toujours plus vaste? Allez-vous vous attaquer au problème des pratiques commerciales inéquitables, de façon à garantir un traitement non discriminatoire et égalitaire aux entreprises et aux consommateurs dans le marché intérieur?

Margrethe Vestager, Commissioner-designate. – Well, first of all it was a very pleasant surprise for me to learn that it is possible to have and to use the ordinary legislative procedure, also in competition.

And I think it is very well in place when it comes to the question of redress. I have learnt from Mr Almunia and the College that they very much appreciated how this was dealt with, both with the Council but of course in particular with Parliament. I am very happy with the result that came out of it.

I think we have to see and to follow it very closely. The question of collective redress has its own history by now. But probably we can come back to it in a year or two when we see how the laws will be implemented.

I think of it as very important because when it comes to redress then we can have a sort of – hopefully happy – dual approach to businesses who do not play by the rules. We have the enforcement of the law from the Commission and then we have the private enforcement making sure that, if there is foul play, then you have to pay.

I think it is also important to keep in mind that the fines that a business may have to pay are for conduct and how they have damaged the markets. When they are compensating consumers, that is on top of it and therefore also making the deterrent even stronger. I think that is one of the best things and we should never underestimate the working of the deterrents because, if we can have an open market with fewer cartels being established, then that is the best thing that we can do for consumers.

In protecting them from that I think it is very important to be very thorough in the investigation and to keep fines at a level where it is not just another line in the spreadsheet – as long as profits are high enough then the cartel will pay them off. No fine should be so high that you are thoroughly deterred from going in that direction.

Rina Ronja Kari (GUE/NGL). – Tak for det første svar på mit spørgsmål. Jeg vil godt have lov til at blive lidt ved spørgsmålet om, hvordan vi finder en fornuftig balance mellem den uhæmmede konkurrence og kampen imod social dumping.

I Danmark har vi et register, RUT-registret, hvori udenlandske virksomheder skal registreres. Ja, De kender det selvfølgelig, men for andre, som ikke kender det, kan jeg fortælle, at det er et register, hvori udenlandske virksomheder skal lade sig registrere med henblik på at hjælpe skattevæsen og arbejdstilsyn og fagbevægelse med at tjekke op på, om der nu er styr på, ja på skatten, arbejdssforhold og f.eks. også overenskomster.

Dette register er faldet en af mine parlamentskolleger så meget for brystet, at hun har rettet henvendelse til den tidligere EU-Kommission med argumentation om, at det er konkurrenceforvridende. Kommissionen har udtrykt opbakning til hendes synspunkt, men den er ikke færdig, og det vil sige, at sagen faktisk snart vil ligge på Deres bord. Derfor vil jeg selvfølgelig gerne kende Deres holdning til denne sag. Vil De forsøvare det danske RUT-register over for dem, som måtte mene, at det er konkurrenceforvridende?

Jeg synes så samtidig, at det er fair nok at stille sig til rådighed for en diskussion af, om det er gået for langt, for på et tidspunkt er det ikke bare et register, som siger, hvem der er her på hvilke tidspunkter og gør hvad. Så kan det også blive så tungt og så bureaukratisk, at nogle tænker, nej, det med at komme ind på det danske marked, det opgiver jeg fuldstændigt, fordi deres bureaukrati er alt, alt for tungt. Så er det klart, at der er et spørgsmål at overveje.

Det tror jeg kan balanceres, fordi det jo er et generelt sundt princip, at vi går efter snyd og humbug og folk, der bøjer reglerne, men til gengæld fremmer muligheden for, hvis du har noget at byde på, og der er kunder til dine ydelser, og det er på ordentlige vilkår, da at sige, at så er du også velkommen.


Mich interessiert, wie Sie zu diesem Thema politisch stehen. Erlauben Sie mir, eines vorweg zu nehmen: Ich weiß, dass Sie noch keine endgültige Antwort zu diesem Fall geben können, dass er geprüft werden muss, dass die Beamten seriös vorgehen müssen. Mich interessiert, wie Sie politisch dazu stehen, was Sie wollen, und ob Sie dort mehr Ressourcen reinstecken werden.

Margrethe Vestager, Commissioner-designate. – What I want is to win the cases if there is a case to be won, and therefore, of course, we have to have the proof and to substantiate the case. It is an extremely important signal to any other business in Europe which pays the tax it is supposed to pay, if we can make a case against those who can arrange themselves in such a way that they do not pay the tax that they are supposed to pay. And from what I have learned already, this is tricky, because it is not necessarily in the rules – it is in the rulings. Therefore you have to go very deep in your investigation in order to make sure that you have very solid ground under you to make sure that this will actually also hold as a court case. I think that should be the ambition, and it should be a high priority to do so.

As I said before, this is not to put a common tax policy in by the back door. It will continue to have different corporate taxes all over Europe. I do wish, though, that the common corporate consolidated tax base (I think that is the name of a barely-breathing proposal) could actually regain some strength and be passed, because that is very important. But that was not a very good answer to what you said. Basically I think that this is something that we can do and we can provide the resources to do it. If we focus, we can also do it in a timespan which is not like forever and a day – on the contrary.

Verónica Lope Fontagné (PPE). – Señor Presidente, señora candidata, en la cartera a la que aspira acceder es de vital importancia que se aplique con rigor y de igual forma en todos los Estados
miembros la normativa europea sobre competencia. Es por ello que sus compromisos hoy, aquí, son muy importantes para garantizar la aplicación de unas reglas de juego comunes.

Me quiero referir a la construcción naval, un sector crucial para la industria europea, para la tecnología y para la creación de empleo, y que ha visto cómo la Comisión Europea no ha actuado siempre de forma equitativa. Hablo del caso particular de las denuncias cruzadas entre astilleros españoles y neerlandeses por la utilización de un sistema similar de tax lease, que en un caso produjo una resolución de suspensión y en el otro no, con claro perjuicio para los astilleros españoles.

Por ello, quisiera preguntarle si usted se compromete a garantizar la igualdad de trato y la buena administración comunitaria.

**Margrethe Vestager, Commissioner-designate.** – I do not know nearly half of enough to speak competently about ship-building. Of course, ship-building is a very important sector, not only in Europe but globally. There is global competition in ship-building, for sure, because transportation overseas is very important for a lot of producers in many industries.

That said, it is important that these sectors too should follow competition rules. It is important that, if there is suspicion about other jurisdictions taking this more lightly than we do, we should take up these debates in trade negotiations or in the World Trade Organisation. It is an important issue at that level as well because whether you can get your ship built with public support or not means something for the cost of transportation too.

**Marco Zanni (EFDD).** – Grazie. Vorrei farle due domande. La prima è sulla metodologia di lavoro che adotterà. Il suo predecessore ha avviato molte indagini senza mai, per la maggior parte dei casi, però prendere dei veri e propri provvedimenti, come intende operare lei? E le chiedo se ci sarà un cambio di rotta o dovremo aspettarci una continuità dell'approccio, come quello che ha fatto Almunia.

La seconda domanda è sul controllo delle operazioni di fusione e acquisizione. Troppo spesso accade che durante queste operazioni i piccoli azionisti e i piccoli risparmiatori vengano fortemente penalizzati e succede di fatto che perdano completamente il valore del loro investimento a favore invece degli speculatori, quali provvedimenti concreti prenderà per proteggere i piccoli azionisti e quindi i piccoli risparmiatori europei?

**Margrethe Vestager, Commissioner-designate.** – Well, on the last part of the question, I think that may be difficult in direct enforcement of competition rules. I guess that when a merger is considered, a number of things should be put on the table – like how this new company will then act, and whether there will still be competition in the markets in which it is active. Some of the remedies that might be necessary in order to approve the merger might take into consideration some of the issues just raised.

I was focusing on the last part of your question, so can I have the first part again?

**Marco Zanni (EFDD).** – It was on the approach to your work.

**Margrethe Vestager, Commissioner-designate.** – It is important to be able to open investigations even though they may not end up in a fine, if it is a cartel, or remedies, if it is a merger, or commitments, if it is an anti-trust case. If you do not open cases that you are willing to close down again – if you only open cases that you are absolutely certain will give you a tick in the box – you may be too limited in your scope.
It is important to allow some discretion: sometimes you have a suspicion and then it turns out that there is no reason for this suspicion. I think it is very important to be able to accept that and, in that respect, to continue some of Mr Almunia’s procedures and ways of working. But, of course, one of the things which is important is to ensure we act with enough speed, because it is critical for a business or a sector to be under special scrutiny and then for it to turn out that there is nothing to come for.

Christel Schaldemose (S&D). – Margrethe, jeg vil gerne starte med at sige til dig, at RUT-registret bestemt ikke er bureaukratisk. Men du har talt meget om bøder som afskrækkende virkning og også, at loven skal håndhæves, men måske har vi brug for yderligere redskaber for at være sikre på, at den fair konkurrence på EU’s indre marked kommer til at fungere.

Kan du støtte op om min ide om, at I i Kommissionen opretter et rejsehold, som selv skal være opsøgende og meget direkte gå ud og undersøge forskellige brancher, hvor der er mistanke om, at der er en unfair konkurrence i forhold til både løndumpning, manglende overholdelse af EU-regler, statsstøtte, og også når en forbruger udsættes for urimelig priskriminalisation? Kunde du forestille dig at være med til at støtte op om sådan et rejsehold, som kunne undersøge slagterier, transportbranchen osv., og således være meget mere opsøgende? Det kunne jeg godt tænke mig at høre din holdning til.

Margrethe Vestager, udpeget medlem af Kommissionen. – Det er i hvert fald et forslag, som jeg meget gerne vil overveje. Jeg synes, at det er svært påstående følgevirkningerne af at lave den type rejsehold, fordi, sådan som jeg oplever f.eks. medarbejderne i DG Competitions måde at arbejde på, så bliver de netop nødt til at være konkrete og have et meget konkret kendskab til, hvordan et givent marked fungerer, fordi de ellers ikke kan træffe de konkrete afgørelser, som opfattes som legitime inden for det marked, og som også holder i en retssag. Derfor er der selvfølgelig elementer af det, nemlig det at være konkret til stede der, hvor forbrugerne faktisk køber deres varer.

Det andet er, at det skal balanceses i forhold til det, som nationale konkurrencemyndigheder foretager sig, fordi noget af det, som jeg ved der bliver lagt virkelig stor vægt på, er erfaringen med et meget positivt samspil med de nationale konkurrencemyndigheder.

Engang imellem er der sager, som lår over og viser sig at have meget europeiske perspektiver, og andre gange kan nationale konkurrencemyndigheder, måske flere af dem sammen, faktisk gøre det, der skal til. Styrken i dette er, at danske konkurrencemyndigheder, tyske konkurrencemyndigheder, bulgarske konkurrencemyndigheder kender deres marked meget bedre, end man ville kunne på europæisk niveau.

Derfor tror jeg i hvert fald, at disse forhold skal indgå i overvejelserne ved en vurdering af, om det ville bidrage til at nå vores mål at lave den type rejsehold, eller om vi skal skrue samarbejdet mellem de enheder, vi har i forvejen, sammen på en anden måde, sådan at vi kommer tættere på, og sådan at forbrugerne oplever, at der faktisk er nogen, som er villig til at sætte ind, når der sker et misbrug, eller vi ikke kan få vores konkrete rettigheder opfyldt.

Marcus Pretzell (ECR). – Fru Vestager, jeg er meget glad for, hvad jeg har hørt indtil nu.

Ich würde von Ihnen gerne wissen, wie Sie generell zur Privatisierung von natürlichen Monopolen stehen und der Möglichkeit, dort Wettbewerb überhaupt zu erzeugen, und wie Sie möglicherweise ein solches privates Wassermonopol verhindern möchten, und wie Sie insbesondere zu den ratchet clauses in TTIP stehen, die eine Privatisierung der Wasserversorgung dann unumkehrbar machen würden.

4.089  
**Margrethe Vestager, Commissioner designate.** – First of all, I think that the initiatives taken under the Citizens’ Initiative procedure are very well conducted. I do not underestimate the effect is has that these initiatives are taken – not only those that reach the threshold of a million signatures, but also those that seek to start a debate and to change the way we see things because more and more people are talking about a given subject.

In that respect, it is appropriate that we have this new facility in our democracy and I think it will also change European debate, including how we talk about things in the dialogue between the Commission, Parliament and the Council.

With regard to the privatisation of natural monopolies, I do not know enough about the interplay with the negotiations on the Transatlantic Trade and Investment Partnership (TTIP) in that respect, or about its potential effect, to answer your question concretely. I can come back on it when I get wiser and more insightful.

4.090  
**Michael Theurer (ALDE).** – Frau Vestager, Sie haben in Ihren schriftlichen Antworten auf unsere Fragen die spezielle Situation kleiner und mittlerer Unternehmen angesprochen. In der Praxis ist es häufig so, dass kleine und mittlere Unternehmen ganz besonders unter bürokratischen Auflagen, unter Genehmigungsverfahren und Umweltschutzauflagen leiden. Viele kleine und mittlere Unternehmen leiden auch darunter, dass diese Regeln in Europa sehr unterschiedlich sind und zum Teil auch unterschiedlich angewendet werden. Wenn beispielsweise für einen Kredit von 50 Millionen Euro – was für das Kleinstunternehmen nicht wichtig ist, aber für ein Mid Cap durchaus – 25 Millionen Euro Beratungskosten anfallen, dann fördert so etwas Konzentrationsprozesse. Wir sind als Gesetzgeber teilweise hier mitverantwortlich. Sehen Sie als designierte Wettbewerbskommissarin hier einen Handlungsbedarf, auch aus Sicht der Wettbewerbsdirektion?

4.091  
**Margrethe Vestager, Commissioner-designate.** – Well I do, and I realise how difficult it is. I worked for three years as Minister for the Economy and the Interior on precisely this agenda, to make more room for professionals and less red tape that ties them in. Because that is a very direct way to enhance the working both of businesses and of public enterprises. So I know from first-hand experience how difficult this is.

I think that this is an issue where we are very lucky to have the first Vice-President in charge – not to leave it to him, because that would not be a nice thing to do, but to insist to co-work with him to make sure that where we can take away red tape, where we in future regulation can do it in a different way, then that would be most appropriate. Also, of course, to balance how new legislation is made, to make sure that it is proper to make one European regulation instead of 28 different regulations.

I think there is an issue which has to be debated about how we make these regulations. Because, at least somewhere, there is a tendency to – what is the slang for it? – ‘gold-plate’ and to say now that we are there and we are supposed to regulate let’s do it a little bit more, because this fact would be very nice to have, and this fact would be very nice to have, and these statistics could be even better if we asked businesses to provide new data for them.
It is possible to go the other way around and to say that instead of gold-plating and making more, we should go for the minimum and then take it onto ourselves as regulators to make sure that we can use data again and again and again, and not ask businesses to keep providing us with new data schemes, new ways of doing things. In that respect, I also think that stability in the way that regulations are made is a very, very crucial factor.

Chair. – I now give the floor to our Vice-Chair Markus Ferber, who is also the new permanent Chair of the Committee on Economic and Monetary Affairs’ Working Group on Competition, which we somehow upgraded in order to enhance our scrutiny of competition policies, hoping to have a fruitful dialogue with the next Competition Commissioner.


In den vergangenen Jahren sind wir wiederholt mit wettbewerbsrechtlichen Verfahren gegen große Internet-Unternehmen konfrontiert worden. Microsoft war ein großer Fall, Google ist ein großer Fall, mit dem wir uns gerade zu beschäftigen haben. Glauben Sie, dass die derzeitigen Regelungen im Wettbewerbsrecht für die digitale Gesellschaft angemessen sind? Wenn nein, wie möchten Sie diese weiterentwickeln?

Zweitens: Die Europäische Union hat mit der Schweiz ein wettbewerbsrechtliches Abkommen abgeschlossen, das den grenzüberschreitenden Informationsaustausch zwischen Wettbewerbsbehörden vorsieht, ohne dass die Betroffenen darüber informiert werden müssen. Wie schätzen Sie dieses Abkommen mit der Schweiz ein? Sind Sie der Meinung, dass wir weitere solche Abkommen schließen sollen? Wenn ja, mit wem?

Margrethe Vestager, Commissioner-designate. – These are very good questions for further consideration. What is at stake here is of course the changes that we envisaged, how much the markets have changed over the last five years. I shall not burden you with how old school my children think I am when words like ‘long-playing’ or ‘fax machine’ come out of my mouth – they have no idea what it is. I think the charge is to keep up with market developments. It is not to say that you cannot misuse your dominant position, it is not to say that we will not have cartels, it is not to say that mergers should still leave competition open. These are healthy principles and the older I get the more I appreciate that old things are still in fashion. But the new thing is whether or not we can keep up and understand what is actually happening in these markets and I think in that we have a challenge.

In some of the cases that are being investigated right now new things keep coming up, not on a day-to-day basis but on a week-to-week basis almost. I hope very much that this is not just a way of prolonging things because we also need decisions to be taken in due time.

The agreement with Switzerland is rather special. It is one of the few which has this component of exchange of information and I would like to debate with you what kind of agreement would be the proper way of handling this, but I think it is of great benefit for us to have these kinds of agreements. I put great weight on international cooperation, on enforcement of competition law. From what I have learnt there is a very good working relationship between EU competition authorities and American competition authorities, which I think is very good. Also with the Canadian authorities and I think the international network for competition authorities is a very important player in order also to enhance an international culture of competition. I think we can do a lot both concretely but also maybe more thematically in enhancing these networks and their working.

Es wurde von einigen Mitgliedstaaten und z. T. auch von der EZB starker Druck ausgeübt in diesem Zusammenhang, die Macht der EU-Kommission über Beihilfen zu reduzieren, gerade jetzt in der Phase der Stresstests. Werden Sie die Vorrechte der GD Wettbewerb gegen solche Angriffe verteidigen?

Zweitens gibt es bis heute keine Klarheit, keine Transparenz, wer eigentlich gerettet wurde und wem Gläubigerbeteiligung und das Haftungsprinzip erspart geblieben ist. Werden Sie eine Untersuchung auf den Weg bringen, um Transparenz darüber herzustellen, wer eigentlich die letztlichen Empfänger und Nutznießer der Bankenrettungsmaßnahmen waren?

Margrethe Vestager, Commissioner-designate. – You are obviously perfectly right in stating that state aid for banks has reached incredible heights during the crisis. The challenge is to get off the aid and get back to a healthy – and, as I said, maybe more boring – financial sector. It is very important to insist that there are still state aid issues, also when the BRRD and banking union are in effect, just as there will be state aid issues now when the total result of the asset quality review and stress tests are be published.

Probably there will be banks which will need more capital in order to be viable and to meet the demands which will allow them to come into the banking union. There, there is an issue for state aid, because there is a modernisation of state aid; there are new rules. What is important is to make sure that we build a bridge from the bailout to the bail-in, which will be the absolutely dominant rule when the BRRD comes into effect. Right now, we have a gap in between and I think there is an obvious task for us to make sure that state aid regulation is in place when it comes to the result of the stress test and the asset quality review, which we will probably know by the end of this month.

Sven Giegold (Verts/ALE). – Und die Untersuchung?

Margrethe Vestager, Commissioner-designate. – I have no overview of the beneficiaries yet, and I do not know yet how such an investigation could be made, what the scope of that would be. But I do know that states have done this very differently. Some have made sure that they could claw back if things actually went well and new profits were made. Others have done that differently.

I would like to know what Member States have done in order to make sure themselves that there is transparency in order to do this, and I would be very happy to come back on this issue at a later stage.

Marco Valli (EFDD). – Grazie Presidente, le farò una domanda diretta e poi le spiego un caso, così magari possiamo argomentare. La domanda è: come possiamo garantire la concorrenza in un sistema così poco uniforme che premia le multinazionali?

Ecco, in questa situazione un piccolo imprenditore che non può sfruttare tutte queste scappatoie che le multinazionali invece possono, come si deve sentire, come si deve sentire tutelato dall’Unione europea nei confronti di multinazionali che obiettivamente stanno facendo un po’ quello che vogliono nella deregolamentazione attuale?
Quindi vorrei condividere queste opinioni con lei e avere un parere da parte sua, grazie.

4-100

**Margrethe Vestager, Commissioner-designate.** – I do not know about the specific case, but I do know that if I were a small business I would find it most important that those who have powers of enforcement should actually use those powers. I would feel it would be highly unjust if somebody had the tools and resources to investigate, and had the rules on their side, but did not do what they were supposed to do to ensure that, yes, people can organise themselves in different ways but they should not do it at the cost of others.

I think that would be a great comfort for me as a small business when I pay the tax I am supposed to pay, knowing that I would never have the option of getting myself organised in three different countries.

There is a very important signal here, and people who listen to this today will also take it as a very important signal from this Parliament – that we will not countenance businesses which organise themselves in ways that other businesses are not capable of doing if the form of organisation is against the rules we have. In that respect, we should pursue the investigations that are now running, to make sure that the cases can be substantiated and hopefully to win them. That is the best thing we can do for people so that they have a sense of right and justice in this Union, which is built on the rule of law.

4-101

**Marc Tarabella (S&D).** – Monsieur le Président, Madame la Commissaire désignée, le marché unique numérique est fragilisé par une concentration excessive du marché et des opérateurs en position dominante.

Pourriez-vous nous garantir une application stricte des règles de concurrence afin d'assurer l'accès universel à l'internet et aux services en ligne pour élargir la possibilité de choix des consommateurs?

Ensuite, pourriez-vous aussi vous engager à lutter contre la concentration de marché dans les moteurs de recherche, en ayant soin de veiller à protéger les données personnelles des citoyens, souvent utilisées de manière abusive à des fins purement commerciales?

Par ailleurs, si vous êtes désignée commissaire, vous serez vraiment comblée car vous vivrez beaucoup à Bruxelles, en Belgique, pays du meilleur chocolat du monde.

4-102

**Margrethe Vestager, Commissioner-designate.** – Well, I am going to make my own investigations on that!

One of the things which is very prominent in the new General Block Exemption Regulation is access to support, among other things for broadband, where the market cannot deliver. To promise that everyone will have the same access to the Internet would be a very bold thing to do because everybody knows that in some regions, in some countries, it is very difficult to get the kind of stable access to the Internet that anyone would wish to have.

The new Block Exemption Regulation gives Member States new possibilities for ensuring that citizens who may live in more remote areas, where the markets fail to provide these services, can get them anyway.

This is a very important consumer consideration as more and more services are being accessed via the Internet – not only private businesses but also all kinds of public business. You would have to use the Internet to tell the authorities that you are moving, that you want to change your doctor, or whatever. This is important: it saves money, it saves time. But it requires that you have access to the Internet.
Therefore, the new regulations we are putting in place are very important because in terms of the provision of Internet we find there are market failures.

If, in addition, we can implement thorough investigations, and take decisions on competition, among those who provide services on the Internet, we can do good for consumers. This is another of the things that listeners will take note of from this debate – that the Parliament insists that, if approved in post, the Competition Commissioner should strongly prioritise the entire digital market. She should do so in combination with fellow Commissioners who have direct responsibility for data protection and for safeguarding the ownership of private data that is not to be exploited.

**Vicky Ford, Chair of the Committee on the Internal Market and Consumer Protection.** – The Committee on the Internal Market and Consumer Protection has been given new responsibilities for the digital single market, so I have two questions. Firstly, on peer-to-peer platforms, the Uber app has recently been banned in Germany and Belgium, but other countries have embraced this service and say it gives new consumer choices. What is your view? Are unilateral actions like this fragmenting digital markets before we even start to have a single market in this area? Secondly, on over-the-top services like WhatsApp and Skype, how can we ensure that infrastructure providers still receive a reasonable return on their investment, whilst obviously stopping them abusing market dominance, but also give consumers access to these sorts of alternative services? Fundamentally, is our competition law appropriate for a digital world, or do you need new tools in your toolbox?

**Margrethe Vestager, Commissioner-designate.** – I would never ever correct national courts in their decisions, but I do find that it is important that some of the digital services facilitate new ways of competition, and if it is fair and if they pay their taxes and the tolls or whatever they should pay, then it is good. Even though some of these challenges are, I think, a surprise to some of the incumbents, I think it is good, as long as it is fair. The reason why this is so important is that some of the incumbents know what tolls to pay, what taxes to pay, and they do pay it no matter what they think about it. That, of course, should be reflected when new markets open, facilitated by differing kinds of apps and programming.

I think the basic rules of competition are as healthy and as modern as ever. I think we need to be still sharper in our understanding of how markets develop because, as we said before, some new businesses never consider themselves local or national or European: they consider themselves global from the first day, because that is the market where they want to thrive. I think that is the challenge, to keep pace and not just tag along, but also to get a thorough understanding. I hope we can explore some of these things together, talking about Big Data as we did before, because that is also changing our understanding of payment and value, that personal data is almost a new currency in some of the services that we use. In that we have a challenge, but I hope that we can take up part of it together, of course.

**Rina Ronja Kari (GUE/NGL).** – Jeg vil starte med at indrømme, at jeg blev lidt overrasket over, at De ikke kunne give et klarere svar vedrørende RUT-registret, i betragtning af at De selv har været med til at vedtage det i Danmark. Men lad det nu ligge.

Jeg har et spørgsmål vedrørende statsstøtte. I tråd med EU’s statsstøttedirektiv har bl.a. Danmark indført et særligt tilskud til skibsrederierne i form af en indkomstskat på 0 % til deres ansatte. Ideen var, at man ville prove at understøtte beskæftigelsen blandt europæiske søfarere, men det har vist sig, at resultatet snarere er, at rederierne ansætter folk fra tredje verdenslande på elendige arbejdsforhold, bl.a. fordi Danmark har et krav om, at man kun kan have danske overenskomster, hvis man har en dansk adresse. Som tidligere vicestatsminister i Danmark bærer De selvfølgelig et ansvar for reglerne i Danmark. Som kommende konkurrencekommissær kommer De til at sidde med ansvaret for konkurrence i hele EU. Med den kasket på vil jeg gerne spørge, om De mener, at der er tale om fair konkurrence, når der gives denne slags statsstøtte, om De mener, det er et problem, at denne statsstøtte
oven i købet bliver givet på en måde, hvor den mest af alt udgør et tilskud til rederierne, der ansætter mennesker på dårlige løn- og arbejdsvilkår. Man kan jo sige, at statsstøtten dermed ikke gives til fordel for hverken arbejdstagere eller forbrugerne.

4-106

4-107
Kaja Kallas (ALDE). – First of all, I would like to say that, being a competition lawyer for 14 years, I am glad to see that competition policy will be in good hands in the new Commission. My question relates to Google, but from another angle. I have been worried about some comments that European leaders have made, suggesting that in order to protect European companies from the digital dominance of US companies like Google, we should over-regulate the Internet. I would like to ask how you plan to cooperate with your fellow Commissioners to ensure that the fight against anti-competitive behaviour is not used to close down the Internet.

4-108
Margrethe Vestager, Commissioner-designate. – I find this very appropriate as the last question because it gives me the opportunity to say how important it is that our investigations are fact-based and not based on emotions or political ideology, or on what we like and what we do not like. Because that is the only way that we can sustain what is a fundamental principle of this Union, namely the rule of law.

One of the most important things to ensure when we make our investigations is that we make them on the basis of facts, understanding of markets and the rules and regulations that we are going to enforce. That is how cases will hold up in court, and that is very important because it is the courts which basically ensure that the checks and balances are in order.

It is a special system. The Commission has huge executive powers when it comes to competition, and therefore the observance of court rulings, if people go to court after a decision, is extremely important.

I have been greatly comforted by the fact that the arrangements have been examined to ensure that the way we have organised things is in accordance with the European Charter of Human Rights, and to ensure that the checks and balances are as they should be, so that we can pursue competition rules and the enforcement of them in a fact-based, neutral and impartial way.

I hope that you are right, because this is exactly what I feared – that people who have worked in this area for 14 years, or 20 years or more, would consider me a lightweight. So I take your kind comments as an encouragement.

4-109
Chair. – I would like to thank all the Members for their questions. The Commissioner-designate now has five minutes for her final remarks.
Margrethe Vestager, Commissioner-designate. – Thank you very much Mr Chair, and thank you, Mr Chair of the Permanent Working Group for Competition within the Committee on Economic Affairs. I hope to work very closely with you.

I hope that those who have followed the debate here tonight have got a very strong message, from every question here, that the European Parliament is in the strongest possible support of fair competition and the neutral, even-handed, impartial enforcement of competition laws, and also that it has a clear picture of how competition policy should facilitate and help in a number of other policy areas.

I owe you thanks for your patience because, on a number of issues, I have been unable to be sufficiently concrete in replying to some of the questions asked. I hope we can come back to those, and I hope you appreciate that I have been trying to show you my values and principles. That could be a basis for cooperation over the next five years.

However, I think the message that people will take from this hearing is one of the possibilities and the promise of competition policy in terms of enhancing growth, jobs and investment. I also think people will have taken in the fact that everybody here realises how much the digital economy means to everyday citizens, and how important it is that there is free competition and no misuse of dominant positions. This means the world to the consumer – and to the computer as well! Computers have a life of their own – at least mine have!

I should not tell you this, but in my preparation I learned a lot of abbreviations and some of this slang, like the ‘double Irish’ and the ‘Dutch sandwich’. And then I stumbled across ‘window mounting decisions’. What kind of clever thing might they be, I wondered? So I asked what principle underlies this slang of ‘window mounting decisions’? And apparently a ‘window mounting decision’ is so called because window mounting producers had a cartel, in which they had agreed on the pricing of window mountings, so there was literally a window mounting decision, which imposed a huge fine on a number of companies and is currently a matter for the courts. I tell you this just to say how humble I felt after that experience!

One of the things that help me is to realise how promising our cooperation could be. The question asked about the limits to competition, and the limits to legislation and regulation, also highlighted how much can be achieved if Parliament and Commissioner work together, both formally and informally, in this field. As I have said a number of times, I will promise to play my part in doing that.

I am the daughter of two ministers – two priests in the Danish Church – and one of their virtues was that they always welcomed those who came, instead of saying bad things about those who did not show up. I very much welcome those of you who came tonight ...

(Laughter and applause)

because it shows the dedication which is truly there. Another thing I hope is that not too much has been lost in translation: I have tried to be clear and I thank the interpreters because I hope their work has made me even clearer.

Honourable Members, Mr Chair, thank you for your patience.

(Applause)

(The hearing ended at 21.00)