



**European Committee  
of the Regions**

**ECON-VI/049**

**137th plenary session, 4-5 December 2019**

## **OPINION**

### **The European Commission Report on Competition Policy 2018**

#### THE EUROPEAN COMMITTEE OF THE REGIONS

- considers that an undistorted and effective competition policy is not an end in itself but rather a tool for implementing the internal market; this is necessary in order to achieve the European Union's aims as defined in Article 3 of the Treaty on European Union, which is based in particular on the strategic framework of the Sustainable Development Goals, a social market economy, and social progress;
- highlights that the political guidelines for the new European Commission entail reforms to European competition policy, in particular in connection with the "Green Deal for Europe", new legislation on digital services and the creation of a special public-private fund for IPOs of small and medium-sized companies;
- reiterates that its belief that "an EU industrial strategy should also include a detailed and evidence-based revision of EU rules on aid and merger control to ensure a level playing field at international level, in accordance with global trade policies and multilateral agreement. At the same time, this strategy should also include the investment and innovation potential of state aid and merger operations";
- calls on the Commission to raise the ceiling for de minimis aid from EUR 200 000 to EUR 500 000 over a period of three fiscal years given that this ceiling was established in 2006;
- calls on the Commission to check whether the kerosene tax exemption amounts to a distortion of competition benefiting the aviation sector, based on an incorrect interpretation of the Chicago Convention on International Civil Aviation (1944).
- stresses the difficulties encountered by regional and local authorities in clearly defining "disadvantaged citizens" in connection with social housing and concerning the method for calculating overcompensation.

Rapporteur

Dominique Lévêque (FR/PES), Mayor of Aÿ-en-Champagne

Reference documents

European Commission Report on Competition Policy 2018  
COM(2019) 339 final

## **Opinion of the European Committee of the Regions – The European Commission Report on Competition Policy 2018**

### **I. POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS,

*General considerations:*

1. considers that an undistorted and effective competition policy is an essential foundation for the European project. It is not an end in itself but rather a tool for implementing the internal market; this is necessary in order to achieve the European Union's (EU) aims as defined in Article 3 of the Treaty on European Union (TEU), which is based in particular on the strategic framework of the Sustainable Development Goals (SDGs), a social market economy, and social progress. The implementation of competition policy must also be consistent with other EU policies (Article 7 of the Treaty on the Functioning of the European Union (TFEU)), and must comply with the cross-cutting requirements relating to employment, the environment and consumer protection, as set out in Articles 9, 11 and 12 TFEU;
2. notes that Article 3 TFEU provides the EU with sole authority over the establishment of competition rules, and that the Commission exercises direct executive powers. As a result, the legal mechanisms for ensuring compliance with the subsidiarity principle do not apply to competition policy (Article 5 TEU). However, this exclusive competence does not exempt the Commission from the obligation to maintain a continuous dialogue and due consideration in the context of the preparation and assessment of competition mechanisms with Member States' public authorities at all levels of government, national competition authorities, the European Parliament, the European Committee of the Regions (CoR), the European Economic and Social Committee and civil society, and consumer associations in particular;
3. welcomes the Report on Competition Policy 2018, but notes that it mainly provides an overview of the Commission's principal decisions in 2018 and of developments in competition law, without putting forward any pointers for reform. However, the political guidelines for the next European Commission 2019-2024, presented by the president-elect on 16 July, entail reforms to European competition policy, in particular in connection with the "Green Deal for Europe", new legislation on digital services and the creation of a special public-private fund for IPOs of small and medium-sized companies;
4. deeply regrets that the United Kingdom-European Union withdrawal agreement of 17 October 2019 no longer contains binding measures guaranteeing that in future, the United Kingdom will comply with EU rules and regulations on State aid, competition and relevant tax matters. The United Kingdom's commitment, which is neither binding nor specific, to maintain "a level playing field" thanks to "common high standards" in these areas, as stipulated in the political declaration accompanying the agreement, provides inadequate protection for the United Kingdom's citizens, workers and businesses;

### *United Kingdom withdrawal from the EU*

5. notes that the United Kingdom (UK) will remain subject to EU competition rules at least until the date on which it leaves the EU. Investigations opened before this date might not be finalised until after the date has passed; however, the decisions arising from these investigations will still have to be implemented; welcomes in this regard the clarifications provided by the Commission in its notice of 25 March 2019 on the consequences of the UK's withdrawal for EU<sup>1</sup> competition law, but regrets that this notice only deals with antitrust and merger control;
6. considers that, in the event of a British withdrawal, vigilance will also be required if the UK government does not stand by its commitment to continue State aid control by maintaining a common regulatory framework with the EU; reiterates, moreover, its request to explore the possibility of putting in place temporary measures to adapt State aid rules (i.e. relax or suspend) in certain geographical areas and economic sectors that would be particularly affected by the consequences of the UK withdrawing, especially if such a withdrawal takes place outside a negotiated framework ("no deal"); this should result in the expansion of General Block Exemption Regulations;

### *EU competition policy and industrial strategy*

7. notes that the Council invited the Commission "to present, by the end of 2019, a long-term vision for the EU's industrial future, with concrete measures to implement it". In this context, the CoR has already expressed its belief that "an EU industrial strategy should also include a detailed and evidence-based revision of EU rules on aid and merger control to ensure a level playing field at international level, in accordance with global trade policies and multilateral agreement. At the same time, this strategy should also include the investment and innovation potential of state aid and merger operations"<sup>2</sup>. The CoR considers that the parameters of this potential include the ability to create or maintain industrial jobs in the EU, in particular by participating in the transformation of troubled industrial sectors and the production of strategic components for European industry;
8. proposes a methodological turnaround in the monitoring of research, development and innovation (RDI) by limiting the Commission's ex ante controls to a minimum, shortening the deadlines for examining this aid, and simplifying the measures for important projects of common European interest (IPCEIs)<sup>3</sup>. Such a turnaround would facilitate the implementation of IPCEIs, only one of which, in the microelectronics sector, has been successfully launched for a total of EUR 1.75 billion. The IPCEI project for the development and production of next-generation battery cells and modules (with a total investment of EUR 6 billion and EUR 1.2 billion in State aid) was presented to the Commission last May;

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<sup>1</sup> [https://ec.europa.eu/info/sites/info/files/file\\_import/eu-competition-law\\_en.pdf](https://ec.europa.eu/info/sites/info/files/file_import/eu-competition-law_en.pdf).

<sup>2</sup> CoR opinion – *A placed-based approach to the EU industrial policy strategy*, 26 June 2019, point 16.

<sup>3</sup> See the Franco-German manifesto for an industrial policy for the 21st century <https://ue.delegfrance.org/manifeste-franco-allemand-pour-une> [Link only available in French].

*State aid – general considerations*

9. welcomes the fact that the process of modernising State aid control, initiated in 2014, has facilitated an increase in the number of exemptions, with more than 96% of new aid measures implemented since 2015 under the General Block Exemption Regulation (GBER), as well as focusing State aid control on the major challenges;
10. stresses the importance, in terms of transparency, of the development of the "Transparency Award Module"<sup>4</sup> platform, which can transmit and publish data on State aid in excess of EUR 500 000, and notes that by the end of 2018, 25 Member States had published information on more than 43 000 aid payments;
11. points out once again that it feels strongly that the 2016 Commission communication on State aid is a springboard for public authorities to gain a better understanding of this complex issue. Nonetheless, asks the Commission to update it in light of developments in its decision-making process and European case law, particularly as regards selectivity;
12. calls on the Commission to raise the ceiling for de minimis aid from EUR 200 000 to EUR 500 000 over a period of three fiscal years given that this ceiling was established in 2006;
13. notes that, in 2018, the Commission launched a fitness check of State aid rules that should be followed in early 2020 by a series of proposals to revise these rules; insists in this context that the CoR be fully and promptly involved in analysing proposals relating to those mechanisms that are most intrinsically linked to the competences and to the political, economic and social sphere of activity of local and regional authorities, namely: the GBER; the De minimis Regulation; the guidelines on regional State aid; the framework for State aid for research, development and innovation (RDI); the Communication on State aid in relation to important projects of common European interest (IPCEI); the Risk Finance Guidelines; the guidelines on State aid to airports and airlines; the guidelines on Aid for environmental protection and energy; the guidelines on State aid for rescuing and restructuring; and finally the Railway Guidelines;
14. takes note of the public consultation conducted between 6 June and 27 September 2019 on the proposal to revise the GBER with a view to accompanying the next Multiannual Financial Framework (MFF) and intended to identify the simplest and most effective means possible of facilitating a mix of national funding and funding from the EU budget; welcomes in particular the proposal to extend the current block exemption, which is limited to aid to SMEs, to large undertakings without prior notification (Article 20); also welcomes the fact that the GBER may provide for simplified block exemptions for very low amounts of aid granted to ETC projects (up to EUR 20 000 per undertaking and per project) (Article 20a); lastly, supports the increase in the aid intensity ceiling for SMEs to 80%; points, however, to two further concerns:
  - i) the need to clarify that use of own resources by public bodies taking part in projects does not count as government contributions when calculating maximum aid intensity rates; and

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<sup>4</sup> See <https://webgate.ec.europa.eu/competition/transparency/public>.

- ii) confirmation that aid granted under Article 20a is not subject to the requirement for reporting (Article 11) and monitoring (Article 12) of the GBER and does not entail any information requirement on the part of third parties;
15. takes note of the Commission's Communication on the recovery of unlawful and incompatible State aid, published on 22 July 2019<sup>5</sup>, as part of the implementation of Council Regulation 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union. Within this legal framework, the communication in question provides no abatements to recipients of State aid and in particular de minimis State aid. The limitation period of 10 years for de minimis aid has therefore not been reduced, even though, as a result of procedural steps with suspensory effect, it is in fact much longer. Nor has the Commission agreed to waive recovery in cases where it has created a legitimate expectation, when the information necessary for recovery is not available or when a decision on the part of a national court that specifically deals with the existence of aid becomes definitive. In addition, the Commission considers that, if the total amount of aid cannot be recovered, not only must the beneficiary be declared insolvent, but no restructuring or temporary continuation of its activity may be authorised without first recovering the full amount. This approach is difficult to reconcile with the aim of national and European insolvency proceedings. Although State aid recovery procedures aim to retroactively remove the distorting effects of unlawful aid, corporate restructuring under insolvency law also takes account of other objectives, such as maintaining employment. The CoR therefore calls on the Commission to consider presenting a proposal to amend Regulation 2015/1589;
16. points out that the arrangements for State aid in the banking sector have not changed since August 2013<sup>6</sup> while the economic context has been transformed, and the question therefore arises of whether the precondition that any aid should help to "remedy a serious disturbance in the economy of a Member State" (Article 107(3)(b) TFEU) is still relevant;
17. welcomes the judgment of the General Court of 24 September 2019 in joined cases T-755/15 and T-759/15 on the validity of the European Commission's decision of 2015 on aid granted by Luxembourg to Fiat Chrysler Finance Europe. The judgment effectively confirms that a selective advantage through a tax ruling may constitute State aid that is unlawful and incompatible with the internal market and that the examination by the Commission of a tax ruling from the point of view of State aid rules does not constitute "tax harmonisation". At the same time it underlines that, in line with the judgement of the Court of 15 November 2011 in joined cases C-106/09 and C-107/09P, "it falls within the competence of the Member States to designate bases of assessment and to spread the tax burden across the different factors of production and economic sectors";

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<sup>5</sup> [https://ec.europa.eu/competition/state\\_aid/legislation/recovery\\_notice\\_en.pdf](https://ec.europa.eu/competition/state_aid/legislation/recovery_notice_en.pdf)

<sup>6</sup> Communication from the Commission on the application, from 1 August 2013, of State aid rules to support measures in favour of banks in the context of the financial crisis.  
[https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52013XC0730\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52013XC0730(01)&from=EN)

*State aid for services of general economic interest (SGEIs)*

18. notes that when applying EU State aid rules on SGEIs, the Treaties confer a wide power of discretion on the Member States with regard to the definition of an SGEI. The principles of local and regional self-government, economic, social and territorial cohesion, and neutrality with regard to the system of property ownership in the Member States guaranteed in Article 3 TEU and Articles 14, 106 and 345 and Protocol 26 of the TFEU should also be respected;
19. stresses the importance, for SGEIs in the social housing sector, of the judgment that the General Court issued on 15 November 2018 in response to an appeal lodged by social housing authorities in the Netherlands<sup>7</sup>. On the one hand, this judgment clarifies the Member State's obligation to show that, in order for competition rules not to apply, the scope of SGEIs for social housing must be necessary and proportionate to the real need for a public service in the area of access to housing; on the other hand, it limits the Commission's role to checking for manifest error. The definition of SGEIs in the housing sector contains a manifest error if it is unclear, since it merely provides priority accommodation to people who cannot find suitable housing, without defining said target group;
20. reiterates in this regard<sup>8</sup> its call for the scope of the Commission Decision of 20 December 2011 to be clarified with regard to social housing. In order to respond to the alarming housing situation of many people on low or even average incomes and the range of situations in local property markets, and also in order to respect Member States' discretionary power in defining an SGEI and with due regard for the subsidiarity principle, the decision should apply to providing social housing for specific groups whose housing needs cannot be met by the market, largely because of limiting factors such as solvency and other sources of vulnerability. The precise nature of these needs must be clearly defined by the competent authorities in the Member States using appropriate and transparent criteria;
21. notes that on 7 December 2018 the Commission approved the extension of the period of application of its De minimis Regulation for companies providing SGEIs until 31 December 2020. In this context, the Committee notes that it has requested the following:
  - that the de minimis thresholds for State aid for SGEIs be raised (beyond compensatory measures up to EUR 500 000 over any period of three fiscal years);
  - that the definition of "reasonable profit" of an SGEI be revised, in particular so as to reflect the fact that, through incentives or an increase in the percentage of recognisable reasonable profit, such profit is often reinvested in SGEIs;

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<sup>7</sup> Case T-202/10 RENV II:  
<http://curia.europa.eu/juris/document/document.jsf?text=&docid=207808&pageIndex=0&doclang=fr&mode=lst&dir=&occ=first&part=1&cid=14523814> [Not available in English].

<sup>8</sup> See point 41 of the CoR opinion on *State Aid and Services of General Economic Interest* (ECON-VI/013), adopted on 11 October 2016.

*State aid for environmental and energy transition*

22. stresses the importance of ensuring that the Commission's policy on aid for environmental and energy protection is fully in line with the implementation of the Paris Agreement under the UNFCCC, promotes sustainable energy in the form of renewable energies and greater energy efficiency, as well as combating energy poverty, securing energy supply and strengthening territorial cohesion; calls in this context for an end to State aid for fossil fuel extraction;
23. draws the attention of the members of the European Committee of the Regions and more broadly of the representatives of local and regional authorities to the current consultation (ongoing until 6 November 2019) on the evaluation of the State subsidy rules for health and social services of general economic interest<sup>9</sup> and looks forward to significant feedback based on practical experience. For its part, gives voice to the difficulties encountered by regional and local authorities in clearly defining "disadvantaged citizens" in connection with social housing and concerning the method for calculating overcompensation;
24. takes note of the review process of the guidelines on certain State aid measures in the context of the greenhouse gas emission trading scheme launched on 20 December 2018;
25. intends to contribute the following elements to the forthcoming revision of the Guidelines on State aid for environmental protection and energy:
  - requires that State aid for biomass and biomethane be subject to guarantees of origin;
  - recommends the introduction of provisions on storage and self-consumers of renewables, ensuring consistency with the revised Renewable Energy Directive (in particular Articles 21 and 22);
  - calls for the granting of aid to be linked to an obligation for transparency whereby costs that are passed on to consumers are clearly defined in invoices (in line with Directive 2019/944 on the energy market);
  - suggests that point 220 of the guidelines be amended so that Member States are obliged to demonstrate that they have prioritised alternative means of achieving the aim of gradually phasing out environmentally or economically harmful subsidies, such as giving priority to demand management and energy efficiency measures, increasing interconnection capacity and opening up the system to renewable energy<sup>10</sup>;
26. calls on the Commission to check whether the kerosene tax exemption amounts to a distortion of competition benefiting the aviation sector, based on an incorrect interpretation of the Chicago Convention on International Civil Aviation (1944). This convention states that in the case of international flights, fuel contained in the tanks of an aircraft cannot be taxed on arrival in a country, but says nothing about taxation at time of fuelling. As a result, as is the case in some Member States, a State could, in any case for domestic flights, impose a tax on tickets if the aircraft is in direct competition with a rail service, or a tax on kerosene to limit greenhouse gas

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<sup>9</sup> [https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2019-3777435\\_en](https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2019-3777435_en)

<sup>10</sup> Guidelines on State aid for environmental protection and energy 2014-2020, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52014XC0628%2801%29>.



emissions. In view of the impact of these taxes on the EU's internal market, it would however be preferable for such taxation to be coordinated at European level; considers therefore that the "Fairosene" European Citizens' Initiative, which seeks to end the aviation fuel tax exemption in Europe, merits careful consideration<sup>11</sup>;

27. reiterates its call<sup>12</sup> "for coal regions to be identified as assisted areas in accordance with Article 107(3)(a) and (c) of the Treaty on the Functioning of the European Union (TFEU), and for the EU aid rules for these special regions to be adapted so as to enable measures to be taken to deal with structural change [...]. In addition, consideration should be given to whether such support measures could be based on Article 107(3)(b) TFEU, given the high-profile and exemplary importance of the climate-resilient transformation of coal regions for EU energy and climate policy";

#### *Competition policy and economic, social and territorial cohesion*

28. welcomes the fact that in 2018 the Commission implemented the Broadband Guidelines for the first time by enabling public authorities to support the roll-out of broadband, specifically a Bavarian project<sup>13</sup> for the deployment of very high capacity networks in six rural municipalities. Given that achieving the Digital Single Market connectivity objectives should require an overall investment of around EUR 500 billion over the next ten years, it is important for competition policy to take into account the specificities of broadband deployment in rural areas, in order to serve the public interest and reverse the trend towards increasing disparities between rural and urban areas regarding access to technology;
29. stresses that in its opinion on the framework regulation on structural and investment funds, the CoR proposed that, in the context of State aid schemes, the body granting the aid can be considered as the beneficiary of the aid (Article 2) "where the aid per undertaking is less than EUR 200 000" and notes that the European Parliament and the Council have accepted this proposal;
30. recalls that, as far as European funds are concerned, the General Block Exemption Regulation (recital 26) states that "Union funding centrally managed by the institutions, agencies, joint undertakings or other bodies of the Union that is not directly or indirectly under the control of the Member States does not constitute State aid. Where such Union funding is combined with State aid, only the latter should be considered for determining whether notification thresholds and maximum aid intensities are respected, provided the total amount of public funding granted in relation to the same eligible costs does not exceed the most favourable funding rate laid down in the applicable rules of Union law";
31. once again calls on the Commission to raise the threshold for applying the GBER to aid for regional airports significantly above the current threshold of 200 000 passengers per year, in

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<sup>11</sup> <https://eci.ec.europa.eu/008/public/#/initiative>

<sup>12</sup> Points 29-31 of the CoR draft opinion on *The socioeconomic transformation of coal regions in Europe*, rapporteur Mark Speich (EPP/DE), adoption of the opinion scheduled for the plenary session of 8-9 October 2019.

<sup>13</sup> Case SA.48418 *Bayerisches Gigabit Pilotprojekt – Germany*, available at the following address: [http://ec.europa.eu/competition/eojade/isef/case\\_details.cfm?proc\\_code=3\\_SA\\_48418](http://ec.europa.eu/competition/eojade/isef/case_details.cfm?proc_code=3_SA_48418).

view of the fact that they have no significant impact on trade between the Member States, they are structurally unable to cover their operating and investment costs<sup>14</sup> and this State aid is intended to develop safe and sustainable air transport infrastructure in underserved regions<sup>15</sup>;

32. regrets that, contrary to what the CoR had requested, the proposals made by the Commission in June 2018 for a post-2020 CAP reform did not include proposals for revising the competition rules applicable to the agricultural sector; calls therefore on the Commission to reconsider, irrespective of the interinstitutional monitoring of post-2020 CAP legislative proposals, its hitherto very restrictive interpretation of Article 101 TFEU in the horizontal guidelines, and not to hinder collective agreements concluded by producer organisations;
33. welcomes the fact that in March 2019 the Commission, in keeping with the CoR's demands, raised the individual ceiling for de minimis aid in the agricultural sector, increasing it from EUR 15 000 to EUR 20 000 and, under certain conditions, to EUR 25 000, while also raising the national ceiling for all de minimis aid from 1 to 1.25% of a country's annual agricultural production over three years. These two increases effectively enable the upsurge of climate, health and economic crises to be taken at least partly into account;

#### *Competition policy in the digital era*

34. welcomes the fact that the adaptation of EU competition policy to the digital age has been identified as a priority in the Commission's report and that the new competition programme for the period 2021-2027 will focus on issues related to the use of metadata and algorithms;
35. regrets, therefore, that the proposals contained in the report on "Competition policy for the digital era"<sup>16</sup>, presented last April, were not discussed at an earlier stage before the annual report; considers the following proposals to be particularly relevant:
  - strategies used by dominant platforms to reduce the competitive pressure they face should be prohibited in the absence of clearly documented consumer protection gains;
  - the Commission's investigations should place less emphasis on the analysis of market definition and more on theories of harm and on identifying anti-competitive strategies;
  - access to the data available to the dominant undertaking, but not to competitors, and the sustained nature of such differentiated access to data should be analysed on a case-by-case basis;
  - (i) data portability, i.e. the ability of users to transfer the data that a platform has collected on them; and (ii) data interoperability must be ensured;
  - platforms representing systemic intermediation infrastructure should be required to prove that "automatic preference" does not generate a long-term exclusionary effect on product markets, as argued in the complaint filed by twenty-three European electronic job boards against the "Google for Jobs" programme;

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<sup>14</sup> Committee of the Regions opinion of 28 November 2013 on EU guidelines on State aid to airports and airlines (COTER-V-043).

<sup>15</sup> See the decision of the European Commission on Angoulême airport, 23 July 2014: [http://europa.eu/rapid/press-release\\_MEMO-14-498\\_en.htm](http://europa.eu/rapid/press-release_MEMO-14-498_en.htm)

<sup>16</sup> <http://ec.europa.eu/competition/publications/reports/kd0419345enn.pdf>.

36. calls for the establishment of European legislation that enables the relevant level of governance (local, regional, national or European), which has authorised platforms to perform services of general interest, to be able to access and monitor the algorithms used by these platforms;
37. supports a greater degree of control over acquisitions of start-ups by dominant or systemic platforms and/or ecosystems; also recommends that the jurisdictional thresholds set out in the EU Merger Regulation be amended so that acquisitions are assessed not only on the basis of turnover, but also on the value of the transaction, in order to better assess the competitive potential of start-ups, which in general do not follow a short-term profit model;

#### *Merger control*

38. stresses that the Commission's competition analysis needs to take better account of the issue of state control and subsidies granted to companies that can distort competition, especially in the case of competitors from third countries;
39. also calls on the Commission to consider modifying Regulation 139/2004 and updating the current guidelines on mergers. In concrete terms, the Commission should ensure that the structural commitments it requires to authorise mergers do not result in the sale of strategic assets to non-European competitors (as has occurred in 50% of cases since 2010). Moreover, the timeframe of the Commission's analysis is in principle fixed at two to three years, which does not allow for anticipation of any major changes related to the entry of innovative actors into the market, especially in the digital sector. Therefore, the Horizontal Merger Guidelines could be amended by deleting the reference to the two-year deadline (point 74) and by stipulating that the timeframe of the analysis "depends on the characteristics and dynamics of the market, as well as on the specific capabilities of potential entrants";

#### *The global dimension of competition policy*

40. considers that the Commission should not only focus on the inclusion of chapters on competition when concluding new free-trade agreements, but should also monitor the implementation of agreements that have already been signed and should provide for retaliatory measures when European companies' access to foreign markets is restricted. In order to do so, it is necessary to explore the possibility of creating the role of "chief enforcer" within the Commission;
41. calls for the legislative procedure for the adoption of the International Procurement Instrument to be relaunched, as proposed by the Commission in 2016 and with a view to opening up public procurement to international competition. Indeed, an instrument of this kind seems indispensable given that, during the negotiations within the WTO on the revision of the Government Procurement Agreement and bilateral negotiations with third countries, the EU confirmed that it was opening up its public contracts, worth around EUR 352 billion, while some countries signing the agreement only include public procurement in their schedules in a limited way (the United States, worth EUR 178 billion, and Japan, worth EUR 27 billion);

42. calls on all Member States to supplement the regulation for the screening of foreign direct investments<sup>17</sup> by means of monitoring mechanisms at national level, in particular to help Member States assist each other where a foreign direct investment in one Member State is likely to affect the security or public order of other Member States.
43. is pleased that in February 2019, the European Commission introduced definitive safeguards in response to the United States' decision to impose customs tariffs on iron and steel products. Imports of such products into the EU had in fact increased sharply, and constituted a serious threat to the EU's iron and steel companies which are still vulnerable owing to continuing overcapacity in the world's steel market and an unprecedented number of unfair trading practices on the part of certain trade partners. In line with the EU's WTO commitments, these measures shall maintain a constant flow of imports guaranteeing real competition in the European steel market and sufficient choice for the EU's many steel users. However, given the significant deterioration in the iron and steel industry's economic prospects, these safeguards must be reviewed without delay and reinforced where necessary;

Brussels, 5 December 2019

The President  
of the European Committee of the Regions

Karl-Heinz Lambertz

The Secretary- General ad interim  
of the European Committee of the Regions

Pedro Cervilla

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<sup>17</sup> Regulation (EU) No 2019/452 of 19 March 2019.

## II. PROCEDURE

<b>Title</b>	The European Commission Report on Competition Policy 2018
<b>Reference</b>	COM(2019) 339 final
<b>Legal basis</b>	Article 307(4) TFEU
<b>Procedural basis</b>	Rule 41(b)(i) of the Rules of Procedure
<b>Date of Council/EP referral/Date of Commission letter</b>	-
<b>Date of Bureau/President's decision</b>	-
<b>Commission responsible</b>	Commission for Economic Policy
<b>Rapporteur</b>	Dominique Lévêque (FR/PES), Mayor of Aÿ-en-Champagne
<b>Analysis</b>	29 August 2019
<b>Discussed in commission</b>	22 October 2019
<b>Date adopted by commission</b>	22 October 2019
<b>Result of the vote in commission (majority, unanimity)</b>	Unanimity
<b>Date adopted in plenary</b>	5 December 2019
<b>Previous Committee opinions</b>	Opinion on the European Commission Report on Competition Policy 2016 (ECON-VI/023), adopted on 1 December 2017  Opinion on State Aid and Services of General Economic Interest (ECON-VI/013), adopted on 11 October 2016
<b>Date of subsidiarity monitoring consultation</b>	Not applicable