

# Commissioner Kroes: the first two years

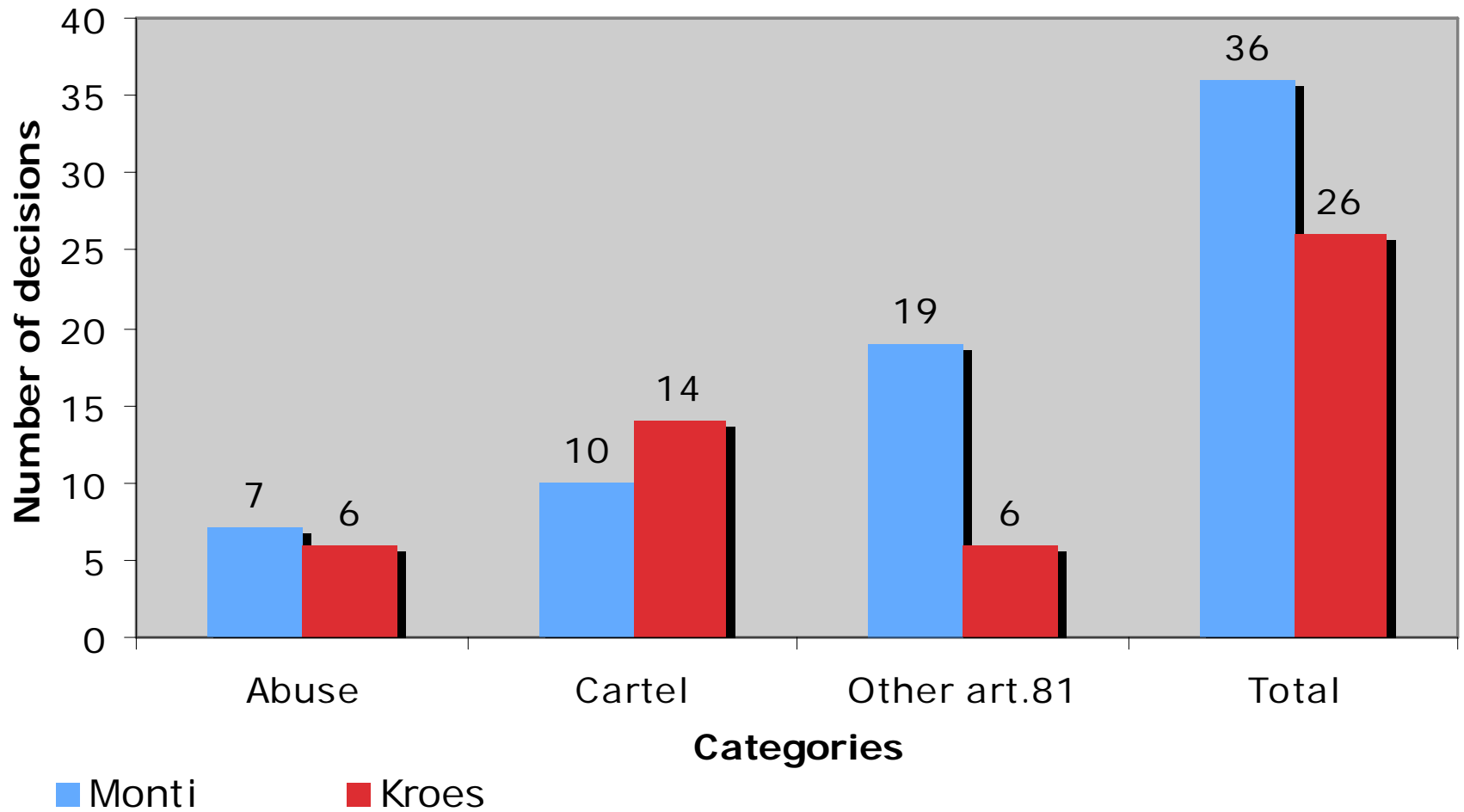
Massimo Motta

European University Institute, Florence

Brussels, 5 December 2006

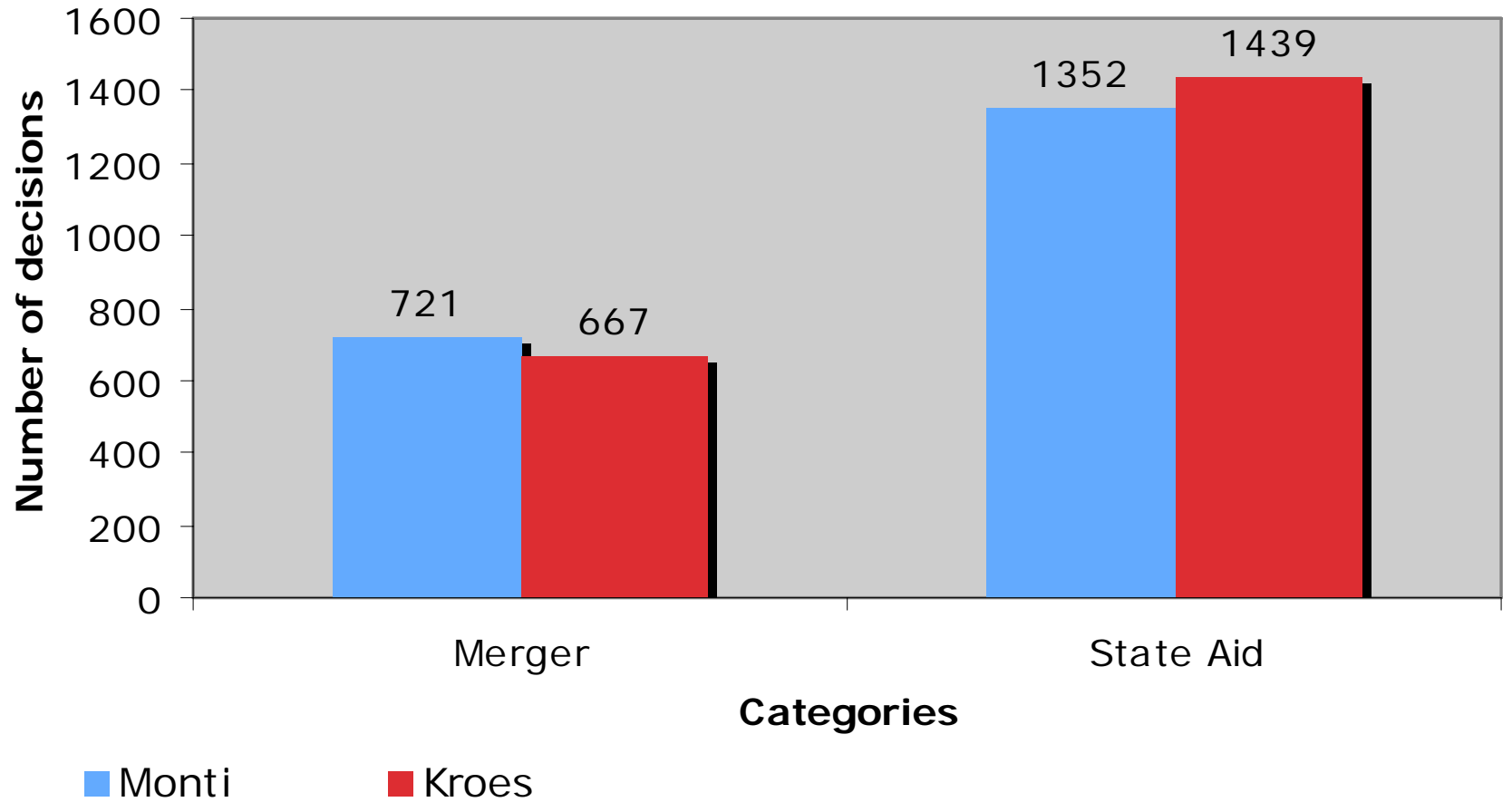
# Decisions - Antitrust Cases

Source: DG Competition



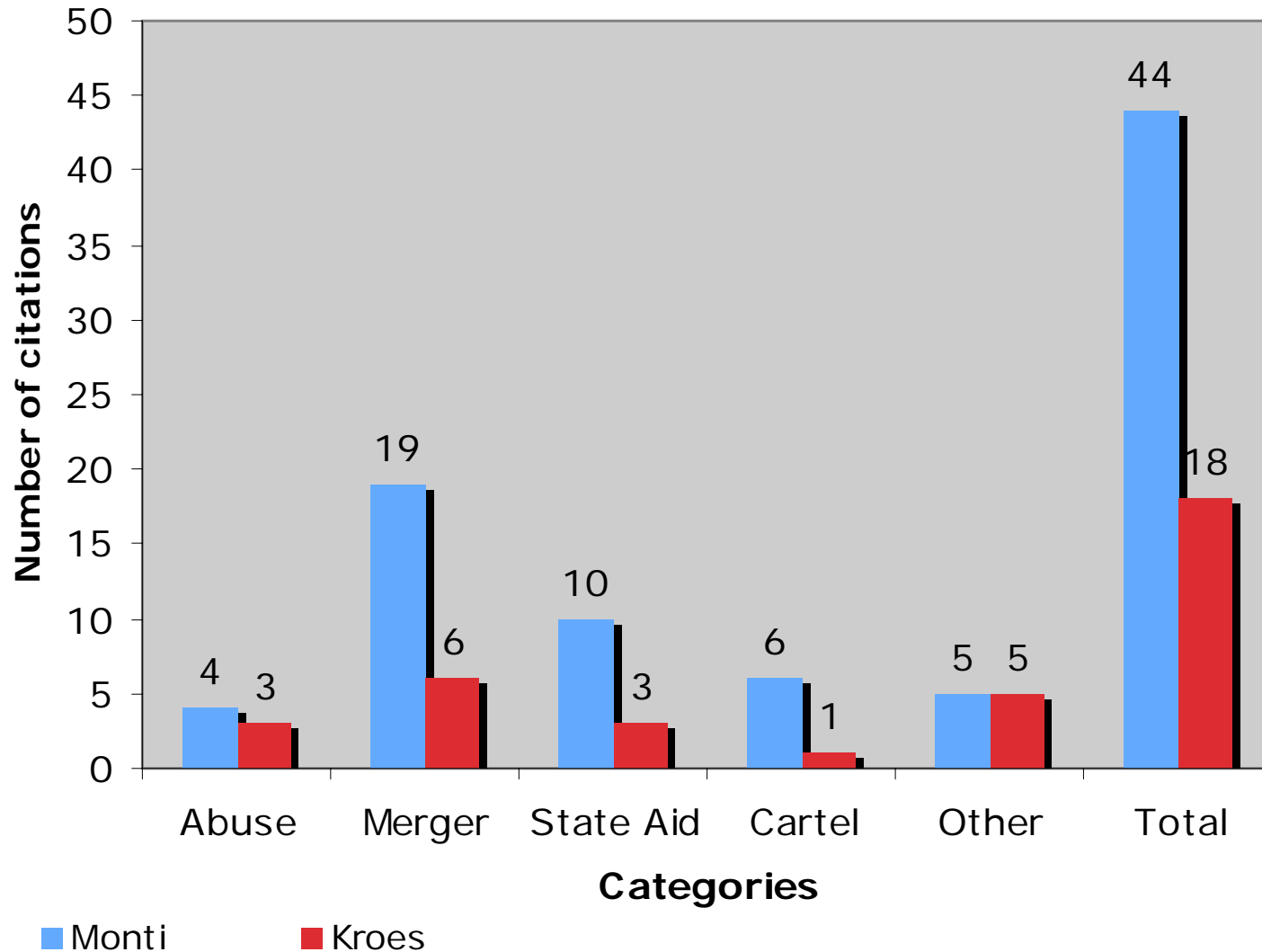
# Decisions - Mergers and State Aid

Source: DG Competition



# Financial Times citations (first page)

Source: Westlaw International



# Preliminary observations

- ‘Modernisation’ (and improved leniency programme): I would have expected more antitrust cases
- FT first pages: less coverage
- 9 out of 18 articles are cases of ‘conflicts with Member States’ (all merger cases are ‘national champion’ cases)

# Cartel enforcement: done

- Creation of cartel directorate
- Notice on fining policy (up to 30% relevant market turnover, times number of years of infringement; higher fines for repeat offenders)
- Promotion of private actions for damage recovery

# Cartel enforcement: to do

- Leniency: huge backlog
  - Current revision (and ‘one stop shop’).
  - Settlements ?
- Align managerial incentives with law
  - Administrative fines for individuals?  
(Unlikely support for criminal penalties)
  - Codes of conduct and compliance programmes for firms

# Policy reviews: in progress...

- Non-horizontal mergers
- State aids
- Article 82 review
  - No to an article 81(3) efficiency approach
  - 50% market share threshold
  - .....

# Policy review: to do

- Need for a complete re-thinking of the parallel imports policy
  - Pharmaceutical industry may be special, but the policy should be revised for all industries
  - Equal prices across Member States is a dogma, not economics (and does not coincide with 'market integration' objective)
  - Revise black list of vertical restraints

# Advocacy (“pro-active C.P.”)

- Sectoral inquiries
- Screening of the competition impact of EU legislative proposals
- Advocacy also within the Commission: dissuade others from the temptation to re-regulate recently liberalised sectors

# Advocacy: educating people

- 50 years of the Treaty: tell citizens how EU Competition Law changed (?) their lives. We need success stories...
- The Commission and the NCAs need to bring citizens on their side (MSs may change their attitudes if citizens are aware that competition benefits them)
- No flirting with 'European champions' (else, difficult to tell national governments not to have their own champions). 'Champions' are good only if they win in markets...

# Organisation

- More economics (and economists)
  - Not sufficient to have a Chief Economist  
Team of ten economists.
  - Recruit specialised economists.
- *Ex post* assessments should become systematic, also for organisational structure (good idea to dissolve the MTF?)