



European Commission

# Competition

Competition, Public Policy and Common Man  
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# Competition Law and Enforcement

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## The Development of European Competition Law

- From co-operation in Coal and Steel to the Treaty of Rome:
  - Article 81 agreements between two or more firms which restrict competition are prohibited
  - Article 82 firms in a dominant position may not abuse that position
  - Article 87 general prohibition of State aid ensuring that government interventions do not distort competition and trade



## Enforcement: A role for the European Commission and the European Court

- Notification and individual clearance of agreements
- Block Exemption Regulations
- Appeal to the European Court of Justice



## Difficulties encountered

- Markets and contractual arrangements became more complicated within the single market
- Progressive enlargement throughout 1980s and 1990s
- Individual notification and clearance was inefficient and lacked legal certainty
- Commission's approach became more proactive in 1990s
- European Courts quashed several key decisions in 2002:
  - Airtours/First Choice
  - Schneider/Legrand
  - Tetra Laval/Sidel



## Modernisation of European Competition Law

- Vertical Restraints Block Exemption Regulation 2790/1999
  - Black list of hardcore restraints
- New Procedural Regulation 1/2003
  - decentralised enforcement
- Merger Regulation 139/2004
  - effective competition significantly impeded within the EU?
- Article 82 Review
- State Aid Action Plan (COM) 2005, 107



## Lessons Learnt From Modernisation

- Enforcement is good but effective enforcement is better:
  - Decentralised enforcement
  - Strategic approach to resources
  - Prioritisation of casework



## What have we been doing since 2004?

- Investigating cases with a community dimension;
- Managing flow of information within European Competition Network ('ECN');
- Applying Merger Regulation;
- Controlling State Aid;



## The International Dimension of Competition Law and Enforcement

- Promoting international convergence of competition policy
  - Bilateral co-operation
  - Multilateral co-operation
- The International Competition Network ('ICN')
- The Organisation for Economic Co-operation and Development ('OECD')





## What's next for the EU

- Focused enforcement to ensure competitive markets, in areas such as:
  - Energy;
  - information and communication technologies ('ICT');
  - Financial services.
- Continued review of existing instruments
- Private damages actions
- Increased international presence



## What's next for India?

- Capitalise on exciting opportunities
- Draw inspiration from participation in international fora
- Inspire others with your approach



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Thank you for your attention