

SPEECH BY Mrs MARGRETHE VESTAGER

Executive Vice-President,

European Commission

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'Please check against delivery'

Introduction

Ladies and gentlemen

It's a very great pleasure to be here with you today.

I always feel very welcome here in Bruges. Maybe that's because this city was founded by Danes – by the Vikings who built a settlement here, more than a thousand years ago.

Those Vikings were wanderers, who used to navigate by the sun. But in the northern seas, seeing the sun can be a bit of a luxury. So the Vikings had a trick up their sleeves – a piece of mineral they called a sunstone, to polarise the light and help them find the sun, even beneath the clouds.

Like those Vikings, Europe today needs to find the right way forward. We're in the middle of not one, but two great transitions – to an economy that's both digital and green. And that's changing the world we know in fundamental ways.

To tackle climate change, we have to transform the way we power our world – a transformation so complete that it's only happened once or twice before in all human history.

And at the same time, our economy has to adapt to a digital future. It's a future that can offer companies of all sizes the chance to become more productive and competitive. It's also one where the waves of new technology will come ever faster – so our ability to innovate will make the difference between taking the lead, and falling behind. And it's one where scale will be increasingly important, as big networks, and large collections of data, become the key to competitiveness, in many different industries.

Those changes offer enormous opportunities for Europe. And the great task that we face today is to put the right policies in place, to help get European industry ready to grasp those opportunities.

The single market and Europe's industrial success

That's not a simple matter. Because these twin transitions come at a time when global markets are shifting. Global competition, protectionism, market distortions, trade tensions and challenges to the rules-based system – all of these things are on the rise. So we all share a feeling of uncertainty.

But like those Vikings, Europe has a sunstone that can help us find our way, despite the clouds of uncertainty – our European single market.

For more than sixty years, we've been working to build a European market where goods and services and people can move freely. So we can make the most of Europe's scale, to build strong and competitive industries for the future.

It's a huge benefit for businesses, to be at home in a big market, where they can grow and gather their strength. American companies have that; so do Chinese ones. And thanks to the single market, European companies have it too – no matter how small the country that they come from.

And that can give European businesses the scale that they need, to make a success of the twin transitions to a green and digital economy.

Digital technologies are important enablers that can unlock huge opportunities for our industries. That's why, in the data strategy that we published last month, we propose to make use of the scale of our single market, by creating European data spaces for the industries where we excel, like manufacturing and transport.

And the same is true of the industrial strategy that we'll publish next week – and the SME strategy that will go with it. The strategy will set out ways to support the transition to a greener and more digital European industry – one that improves our global competitiveness. And strengthening the single market will be at its heart.

Because a single market that covers 30 different countries will never be something we can take for granted. It's a bit like a lawn – it may look tidy today, but if you don't cut the grass regularly, it will quickly get tangled and overgrown.

Competition and competitiveness

And this is where competition comes in.

There's a reason why the competition rules have been a part of our Treaty since the very first day. Because our market needs competition, to reach its potential.

The single market gives us a well-tuned instrument to play on. But the competition rules make sure our best players have the chance to produce the finest music which that instrument can make.

The competition rules do that, when they stop governments and businesses rebuilding the barriers that our single market rules have removed.

They do it, when they drive innovation forward. Because it's one thing for us to invest in research, or to help European businesses of all sizes to find the resources to develop new products. But that only makes a difference when businesses feel the need to innovate. And competition provides that need – because it means they have to innovate, to survive.

And the competition rules help us make the most of the single market, when they help our best companies to become the European champions we need.

Because you don't build strong champions by picking a favourite, and protecting them from competition in Europe. You do it by giving everyone a fair chance – so the best, the most productive and innovative companies can grow, without being held back by unfair competition.

After all, the champions we need are not just the biggest companies. What we need are businesses, big or small, that are the best in the world at what they do - and that share that success with Europeans, by creating jobs and paying taxes here.

Fair competition in global markets

So competition is an essential part of any industrial strategy. Because there can be no competitiveness without fair competition.

And that's true of global markets, just as it is here in Europe. Our businesses need a level playing field, to reach their full potential. And we need to be as assertive in defence of fair competition globally, as we are here in Europe.

Where I come from, when you invite someone to your home, you expect that they're going to invite you back. We say that “den ene tjeneste er den anden værd” – or as you might say in English, one good turn deserves another. And in global markets, we must not put ourselves in a position where we do only good turns, and don't expect something in return.

Of course, we can't just rely on our European competition rules, to preserve the level playing field beyond the single market.

This is why, as long ago as 2012, the Commission put forward its first proposal for an International Procurement Instrument. That instrument would mean we can act, if countries whose companies have access to our procurement markets don't let European businesses compete fairly in theirs – and I hope this proposal will soon become law.

It's also why the Commission is preparing a carbon border adjustment, in line with the WTO rules. Because making Europe climate-neutral by 2050 is good, not just for Europe, but for the world. And European businesses that work hard to cut emissions shouldn't be undercut by others abroad, who aren't doing their bit.

And when European businesses suffer from imports of dumped or subsidised products, we need to act firmly, with the trade defence instruments that we modernised in the Commission's last term of office, to make them faster and more effective.

Because trade and investment are good for Europe – but they need to be fair. When we do a good turn, we should get something back.

And that's not happening, if foreign businesses can freely buy European companies, but the countries they come from don't let our businesses do the same. Or if foreign companies use subsidies to set up business in Europe, or to buy European companies, or to bid for public tenders at artificially low prices.

We have rules, which will start to apply from October, to coordinate action across the EU, to make sure that foreign direct investment doesn't undermine our security or public order. Earlier this year, we agreed with the US and Japan on ways to improve the WTO rules against harmful subsidies.

And right now, we're working on new powers to protect fair competition – powers that would allow us to deal, for example, with the harm that foreign subsidies and state ownership can do to competition in Europe. By the end of June, we plan to publish a White Paper, to get input on our ideas for how these new powers could work.

Competition policy in a changing world

We need these new tools, to protect fair competition in global markets; but we also need to make sure that the ones we already have are fit for purpose. Because our economy will suffer, if we don't have the right tools to promote competition, to stay competitive.

So this work is just part of a much bigger project, which we started in the Commission's last term of office, to make sure that we have the right powers and rules to ensure competition effectively in this changing world. And President von der Leyen has asked me to take that project forward, evaluating and reviewing Europe's competition rules.

It's a project that covers all the work we do – on antitrust, on state aid and also on mergers. In my last mandate, we launched a review of some of our merger procedures. We also asked three special advisers to produce an independent report on competition in a digitised world. And in January last year, we began a "fitness check", to collect information on how our state aid rules are working.

Because to get these changes right, we need to learn from the experiences of everyone who's affected by them. From businesses of all sizes, in every country in Europe. From governments and NGOs, consumer groups and unions. So that the new rules we come up with allow us to handle the opportunities and challenges, which the green and digital transitions create.

State aid rules for the green transition

For instance, our state aid rules have to deal with the huge investments that we'll need, to make Europe climate neutral by 2050.

Our Sustainable Europe Investment Plan will help make a trillion euros available for that investment. And with so much at stake, it's easy to assume that we shouldn't worry too much about exactly how that money is spent.

But the truth is just the opposite. Having the right conditions in our state aid rules can help us to do more with our money, not less.

Those rules can help us to get the best for the money we spend, by using competition to drive down costs. There's been a remarkable fall in the cost of supporting renewable energy, since the state aid rules began to require competitive bidding to hand out that money. In Germany, the cost of supporting solar power has been cut in half. Some offshore wind projects in Europe now happen with no subsidy at all. And the money that Europe saves in that way can be invested elsewhere, to speed up the transition – without costing taxpayers a cent more.

The state aid rules can also help us get the most out of what the private sector can do. Because a fundamental principle of the rules is that taxpayers' money shouldn't crowd out private investment. It should add something extra, not just replace investments that businesses would have made anyway.

The state aid rules also make sure that this money is spent without harming competition. Because we need to tackle climate change - but we should do it in a way that preserves the competition we need, to keep our economy strong and competitive.

So the state aid rules are a vital part of the green transition. And it's important that we keep them up to date, so they can support the investments we need. That's why we've decided to speed up our review of the rules on state aid for energy and the environment, so the new rules can be in place by the end of next year.

We're also about to complete our work on new rules for state aid to help energy-intensive industries cope with higher electricity costs from the EU's emissions trading system. The new draft rules – which are open for comment until next week – are designed to make sure this aid doesn't undermine our climate goals. So companies which get aid will also have to do their part to cut emissions, by becoming more energy efficient.

And our state aid rules can also help make it possible for governments across Europe to pool their resources, and fund innovation that benefits our whole Union.

Our rules on important projects of common European interest already help to make that happen. They open the way for governments from different EU countries to come together with business to support breakthrough innovation – and to share the results widely throughout Europe. Those rules have already made two large, EU-wide projects possible, developing things like low-power microchips, and more environmentally-friendly batteries. But experience shows that there are conditions that could be clearer, and procedures that could work more smoothly. So we're also bringing forward our review of these rules, so we can have new rules in place before the end of 2021.

The green transition affects all of us. But some parts of Europe will have to make a bigger adjustment than others. There are regions of our continent whose economies still depend, to a large extent, on digging up fossil fuels, or on industries that produce a lot of greenhouse gases. And our Just Transition Mechanism will make 100 billion

euros available, to support these regions as they convert their economies to clean industry.

This is a question of solidarity – and it should work with, not undermine, the solidarity Europe shows through the cohesion policies that help our poorest regions to catch up.

Adapting to the speed of digitisation

And alongside these preparations, for the green transition, we also need to make sure that we have the powers we need, to promote competition in a digital world.

Digital markets move fast. And we need to be able to keep up with them – or competition will falter, and our competitiveness will suffer.

Many of the biggest tech companies in the world – Google, Facebook, or Alibaba - didn't even exist, 25 years ago. Now they have hundreds of millions, even billions of users. And with that sort of growth come new threats to competition. In a digital world, where size is often the key to success, growing companies can quickly reach the point where the market simply tips in their favour – and competition is lost forever.

So we've been working to find ways to deal with cases faster – reducing fines, for example, for companies that cooperate. But there's a limit to how fast we can finish a case. We owe it to companies and consumers to investigate thoroughly, before we take a decision. And in a Union of law, it's only proper that companies should have full rights to defend themselves.

One way to square the circle can be interim measures. Last year, we ordered Broadcom to temporarily stop enforcing contracts that prevented customers buying chips from anyone else. That was the first time in nearly 18 years that we used this power. But don't worry – we don't plan to wait another two decades to do it again.

We also have to look at the remedies we use, to roll back the effects of a company's actions on competition. In the past, competition enforcers have often found that it's enough to order those companies to cease and desist. But in today's world, there may be times when we have to go further.

If the market has already tipped, and it's no longer possible for others to compete, then we might have to order those companies to neutralise the effects that they've had on competition. I expect this issue will be an important theme for us in April, when we meet our counterparts from the US Department of Justice and the Federal Trade Commission, for a workshop on remedies.

And meanwhile, we need to be sure that we're getting the most from rules that already let us step in to prevent harm – like our merger rules.

For thirty years, those rules have relied on the turnover of the companies involved, to decide whether mergers should be notified to us. But in the digital world, turnover isn't always a reliable guide to a company's importance.

So in the last few years, we've been looking at how to make sure we see the mergers that matter – even if the turnover involved is small. And in the second half of this year, we'll publish the results of our work on those turnover thresholds, along with some considerations on whether we could rely more on the system of referring mergers from national competition authorities to the Commission, to make sure that important mergers don't escape our notice.

Protecting competition in tipping markets

But even with all of these powers working well, the competition rules don't always allow us to step in before a market has tipped. The rules we have today can't stop big companies from pushing markets towards the tipping point, unless those companies are already dominant in a market.

And that isn't just an issue in digital markets. In the last two decades, four-fifths of Europe's industries have become more concentrated, with the biggest companies taking an ever larger share of the market.

Some competition authorities do have the power to step in, even when businesses haven't broken the competition rules. And we ought to see what we can learn from their experience, about how to head off looming threats to competition.

But that won't give us a cast-iron promise that markets will never tip. We may still find ourselves dealing with digital platforms that have become so dominant that they're effectively private regulators, with the power to set the rules for markets that depend on those platforms.

That doesn't have to cause any more harm to competition, if they use that de facto regulatory power in a way that lets fair competition thrive. But we know from experience – and so do other competition authorities, like the French *Autorité de la Concurrence* – that these big platforms don't always do that. In fact, our competition enforcement has taught us a lot, about the sort of behaviour by dominant platforms that can stop the markets which they regulate from working well. And we can draw on that experience to design regulations that clearly set out what those platforms can do with their power – and what they can't.

Cooperation for innovation

It's important to make sure we can cover all the bases, and deal with competition problems wherever we find them. Because in these times of change, when so much is at stake, we have to get the most out of Europe's potential. And to do that, we need to have fair competition.

Of course, that shouldn't stop businesses working together, to develop new, innovative ideas. Quite the opposite. For instance, Europe's businesses need to be able to pool data, so they can compete to develop advanced artificial intelligence. And that sort of cooperation is good news for Europe – just as long as it doesn't become a cover for cartels.

So we're reviewing our rules on horizontal cooperation, to make sure that businesses have clear rules about how they can cooperate, without harming competition in the process. We've just finished a public consultation, and we'll soon launch a study to give us more evidence on how the existing rules are working. And by the middle of next year, we'll be ready to consult on the main options for change.

We should also make use of the other powers we have, to make it clear to businesses how they can cooperate, without harming competition. So we'll be ready to give informal guidance when it's needed – in new or unclear situations, for instance.

And we should consider making use of our power to decide formally that the antitrust rules don't apply to an agreement, when that agreement doesn't harm competition. So that, by replacing doubt with certainty, we can unlock new possibilities for cooperation.

An up-to-date rule book

This all adds up to a pretty busy few years. But there's no getting around this. The twin transitions are happening right now – and they won't just stop and wait, while we decide what to do.

To give another example, the growth of e-commerce means that businesses need an up-to-date rulebook, for vertical agreements between buyers and sellers. So by the middle of this year, we'll publish our assessment of how the existing rules have worked over the last decade. And by the year's end, we'll launch another consultation, to get views on the main options for revising the rules.

As digitisation changes the way that markets work, it also creates new issues when we define the scope of those markets. So last December, we decided to review the Commission's market definition notice, to set out, clearly and consistently, the tools that we use to discover how a market works. And by June this year, we'll launch a public consultation, to collect views on the existing notice, which dates back to 1997.

And digital platforms can also change the way that people work. They can give access to work, and flexibility in doing it; but they can also leave those workers isolated and vulnerable. And platform workers don't always fit very well into traditional employment categories. That means that for these workers – as for a great many others, in our changing economy – it's not always clear whether the competition rules allow them to club together, to negotiate a fairer deal.

Of course, the competition rules are not there to stop workers forming a union. So we need to make clear that those who need to can negotiate collectively, without fear of breaking the competition rules. And we'll consult on this issue later this month.

Conclusion

In 1956, a committee chaired by Paul-Henri Spaak – one of the guiding spirits of this College – prepared the report which laid the groundwork for the Treaty of Rome. The report began bleakly, noting that Europe's economic position was weakened, and its influence diminished. But the choices which Europe made then – for a social market

economy, with fair competition in a European single market – have since made this the best place to live in all of history.

And today, like Spaak and the other founders of our Union, we have big decisions to make. But we're more fortunate than they were, in at least one vital way. They could only hope that the European way – this single market, with fair competition – would succeed. We know that it works. And because of that, we can confidently say that Europe's future doesn't lie in becoming more like America or China – but in making Europe more like herself.

Thank you.