



# A competition policy fit for new challenges

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# The von der Leyen Commission (2019-2024)

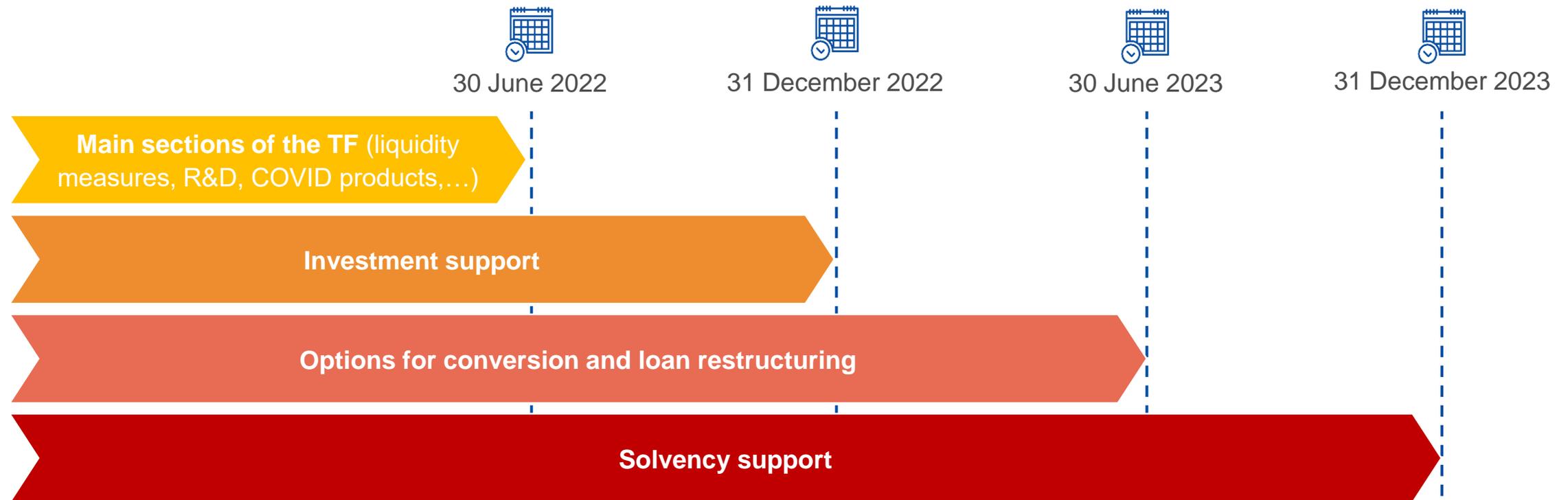
- Executive vice-president Margrethe Vestager, responsible for agenda of **Europe Fit for Digital Age**.
- Time of economic transformation and geopolitical instability.
- Effective competition policy is needed to give the EU economy agility to overcome the challenges it faces.
- Objectives of the EU competition policy remain valid and policy instruments future-proof.
- Competition policy is not standalone.

# Exit from the crisis: Temporary Framework for State aid measures

- Swift response to the crisis, TF was adopted on 19 March 2020, prolonged and amended six times.
- Full flexibility of the State aid rules, exceptional rules need to be closely monitored.
- Limited amounts of aid (up to EUR 2,3 million per undertaking).
- Liquidity support.
- Wage subsidies and tax deferrals, Recapitalization aid, Aid for uncovered fixed costs, Solvency support.
- Investment support towards a sustainable recovery.

# Progressive phase-out of the TF

- On 12 May 2022, EVP Margrethe Vestager announced that there are currently no reasons for a further prolongation, but constant monitoring of developments continues.



# Exit from the crisis: Temporary Framework Communication to provide antitrust guidance

- To avoid anticompetitive concerns in health sector.
- Cooperation through trade associations generally not problematic if safeguards against anticompetitive exchanges are put in place.
- Cooperation might even include exchange of information if **necessary**, **temporary** and **proportional**.
- Exceptional provision of **comfort letters** concerning specific cooperation projects. (*Medicines for Europe*).
- No breaches of the competition rules on the back of the crisis.

# Exit from the crisis: Recovery and Resilience Facility (RRF)

No measure in the plan can damage the environment  
(***Do No Significant Harm principle***)

The national RRFs need to address all or a significant subset of relevant **Country Specific Recommendations**

Specific **targets** for investments contributing to **climate change** objectives (37%) and **digital** (20%)



Member States submit **national Recovery and Resilience Plans (RRP)** contributing to 6 policy pillars, to be assessed by the Commission according to 11 criteria

RRPs need to include both **reforms and investments**, grouped by sectoral components

A **performance-based** instrument  
Payments based on fulfilment of targets and milestones

All reforms and investments to comply with the relevant **EU State aid rules** and follow all State aid procedures

# The new Temporary Crisis Framework (TCF)

- Adopted on 23 March 2022 in response to the economic disturbance created by Russia's invasion of Ukraine
- Enable Member States to use the flexibility foreseen under State aid rules, based on Article 107(3)(b) of the Treaty on the Functioning of the European Union (TFEU)
  - **Small aid amounts** up to EUR 400,000 (35,000 for agricultural and fisheries)
  - **Subsidised loans** and **guarantees**
  - Support for undertakings particularly affected by **high energy prices**
- Available until 31 December 2022
- Combination with COVID-19 TF possible in principle
- No restrictions on undertakings in difficulty
- No aid may be granted that could circumvent EU sanctions

# Supporting the “Green Transition” - I

- **Guidelines on State aid for climate, environmental protection and energy (CEEAG)**
  - Broadening the categories of investments that Member States can support.
  - Introduction of safeguards to ensure the aid is effectively directed.
  - Coherence with EU legislation and increased flexibility.
- **Revised Regional Aid Guidelines**
  - Increased regional aid coverage and aid intensity to support European Green Deal and Digital Strategy objectives.
  - General simplification of the structure of the Guidelines.

# Supporting the “Green Transition” - II

- **Communication on State aid rules for Important Projects of Common European Interest (IPCEI)**
  - Enhancement of the European and open character of IPCEIs.
  - Facilitation of the participation of SMEs.
  - Alignment with the current EU priorities.
- **General Block Exception (GBER) revision and Green Deal GBER Revision**
  - Streamlining the State aid rules applicable to national funding, more possibilities to support twin transition.
  - Green Deal GBER – faster support for green projects, extinction of areas applicable, more flexible rules for defining eligible costs.

# Supporting the “Digital Transition” - I

- **State aid Broadband Guidelines**
  - Existing rules work well but some adjustments are necessary.
  - Focus on high-performing broadband networks.
- **Vertical Block Exception Regulation (VBER) and Vertical Guidelines**
  - Adaptation to the growth of e-commerce and online sales – assessment of online restrictions.
  - Addressing agreements that pursue sustainability objectives.
  - Detailed guidance on selective and exclusive distribution and agency agreements.
  - Narrowing the scope of safe-harbour as regards dual distribution.
  - Clarification and simplification of the rules.

# Supporting the “Digital Transition” - II

- **Guidance on Article 22 of the Merger regulation**
  - Strengthening ability to tackle potentially below-threshold anti-competitive acquisitions.
  - Encouraging more referrals under Article 22 of the Merger Regulation.
- **Rules on horizontal agreements**
  - Need to adopt to digitalization, resilience and sustainability objectives.
  - Some provisions rigid and overly complex.
  - Conditions for exception in the R&D BER may no longer be optimal for capturing pro-competitive agreements.
  - Intention to have new rules in place by 31 December 2022.

# Supporting the “Digital Transition” - III

- New legislative initiative – **Digital Markets Act**
  - Targeting to tackle as large, systemic online platforms with strong economic position and significant impact on the Single Market.
  - Fairer environment for businesses who depend on gatekeepers.
  - Combating unfair conditions limiting the development of innovators.
  - More and better services for consumers.
  - Push for innovation and offer of new services.

# Increasing resilience of the Single Market – I

- **Evaluation of the Market Definition Notice**
  - Review of the Notice in 2022.
  - Principles remain sound but may not fully reflect recent developments.
- **Draft guidelines on the application of competition law to collective agreements for solo self-employed persons**
  - Draft guidelines and proposal for a Directive on improving working conditions in platform work and a Communication on harnessing the full benefits of digitalization for the future of work.

# Increasing resilience of the Single Market - II

- **State aid framework for research, development and innovation (RDI Framework)**
  - Public consultation with a view to simplify the existing framework.
  - Modernisation of the RDI Framework to make it future proof.
- **Revised Risk Finance Guidelines**
  - Consolidation of the ex-ante assessment.
  - Simplified conditions for the schemes aimed at start-ups and SMEs
- **Evaluation of the Agricultural Block Exception Regulation and Guidelines**
  - Targeted revision required, alignment to the reform of CAP.
  - Adjustment to reflect the current priorities of the EU.

# Resilience and open strategic autonomy

- Concept of Open Strategic Autonomy enables the EU to be stronger by being:
  - **Open** to trade and investment.
  - **Sustainable**, and **responsible** to lead internationally to share a greener world.
  - **Assertive** against unfair practices while favouring international cooperation.
- Proposal for a **Regulation on foreign subsidies** distorting the Single Market.
- Commission continues to support the negotiations of the proposal.

# Unprecedented review of EU competition policy in response to economic and political developments

*“Of course, nothing ever stands still. And as our economies need to adapt both to long term transformations and unprecedented shocks, so do we as competition enforcers.”*

Executive Vice-President Margrethe Vestager, in charge for Competition policy



European  
Commission

# Thank you!

Maria Velentza

European Commission, Directorate General for Competition