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PRESS RELEASE

EUROPEAN BUSINESS LEADERS CALL FOR AN EU COMPETITION POLICY FIT FOR THE GLOBAL STAGE

BRUSSELS, 07 October 2019

Leaders of some of Europe's largest employers have today called for an EU competition policy which would allow European businesses to compete successfully at scale in today's globalised and fast-moving economy.

Measures would include adopting a more dynamic approach to competition enforcement and taking a more holistic view to safeguard global competitiveness. These reforms would enable competition policy to operate under the demands of the modern, digital and often borderless economy.

In its paper '*Competing at Scale: EU Competition Policy fit for the Global Stage*', the European Round Table of Industrialists (ERT) affirms its belief in European competition policy to secure fairer markets, strong competition and protect the interests of EU consumers. The rapid digitisation of most sectors of the economy and the increasing dominance of giants from China and the US however also provide evidence of the need for reflection and change.

Regarding recent proposals that certain merger control decisions taken by European Commission should be reviewed by the Council, ERT is not convinced that such a development or greater political involvement in competition decision-making would be positive.

ERT, a group of 55 CEOs and Chairs of major European businesses, collectively responsible for around five million jobs globally as well as supporting many millions more, have set out four key policy recommendations to ensure that EU competition policy remains fit for purpose in the modern digitised and global markets. These are:

- 1. Align competition enforcement with the demands of the modern digitised economy:** a more dynamic and pragmatic approach, which in particular takes into account non-price factors such as the role of data, innovation, quality, and choice, and the potential consumer benefits of inter-company relationships.
- 2. Implement a smarter, leaner merger control regime:** a broader and forward-looking substantive assessment, simplifying and shortening the merger control procedure, including by reducing the burden of information requests, improving checks and balances within the Directorate-General for Competition and implementing effective judicial review.

- 3. Increase legal certainty for competitive collaboration:** providing a more welcoming environment for pro-competitive business activities, ensuring a harmonised approach between the Commission and National Competition Authorities, and better guidance for firms, for example in the form of ‘comfort letters’.
- 4. Adopt a holistic viewpoint to safeguard global competitiveness:** the Commission must adopt a more comprehensive view of market practices and market power held by foreign state-owned or state-supported companies operating in Europe, and introduce more flexibility in state aid rules to enable research, especially in key strategic areas.

This intervention follows on from ERT’s *‘Strengthening Europe’s Place in the World’* policy paper from April this year which saw ERT Members commit to a series of pledges aimed at raising the prosperity of citizens and their trust in Europe’s capacity to deliver for them.

Carl-Henric Svanberg, ERT Chairman and Chairman of AB Volvo, said:

“ERT Members have a commitment to a strong, inclusive and united Europe in which innovative industrial players, large and small, have a decisive role to play.

The EU’s competition policy is an important pillar of a comprehensive industrial strategy for Europe.

We welcome a review of Europe’s competition rules and are putting forward some proposals to deliver a competition policy for Europe that benefits consumers, while allowing European firms to compete on the global stage.”

Concluding, Jacob Wallenberg, Chairman of the ERT’s Competition Policy Working Group and Chairman of Investor AB, said:

“Our companies want to continue to be a driving force for job creation and meeting consumer needs. In a fast-moving, increasingly digitised, global economy, we urge European policy makers to take action on competition policies.

Globally we are facing the emergence of digital markets without borders and an increasing level of protectionism from major players, skewing the global level playing field. European firms must have the right conditions to remain competitive on the global stage. This is crucial for the European economy, for jobs, and for consumers as well.”

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To read the full position paper, ‘Competing at Scale: EU Competition Policy fit for the Global Stage’, please click here <http://bit.ly/fit4thefuture>.

The European Round Table of Industrialists (ERT) is a forum bringing together 55 Chief Executives and Chairmen of major multinational companies of European parentage covering a wide range of industrial and technological sectors. ERT strives for a strong, open and competitive Europe, with the EU, including its Single Market, as a driver for inclusive growth and sustainable prosperity. Companies of ERT Members are widely situated across Europe, with combined revenues exceeding €2,250 billion. They invest more than €50 billion annually in R&D, largely in Europe and are collectively responsible for around five million jobs globally as well as supporting many others.

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