

*Resolution of the Meeting of Heads of the European competition authorities
of 16 November 2010*

Competition authorities in the European Union – the continued need for effective institutions

Effective competition enforcement has a central role in the functioning of market economies. In the European Union it is a prime tool to ensure open and competitive markets, enhancing overall growth and welfare for citizens in all Member States. It defends and supports undistorted competition that pushes prices down and encourages companies to become efficient, be creative and innovate, as was manifest in markets such as telecommunications and air transport when they were opened to competition. It is particularly relevant in the context of a period of economic downturn. Indeed, competitive markets contribute to a faster adjustment to new economic conditions, and therefore to economic recovery and reduction of market inefficiencies, thus supporting and contributing to Member States' efforts to overcome the crisis. Competition enforcement protects consumers and competitive firms against anticompetitive practices that are liable to worsen pre-existing economic hardship.

In the EU, national competition authorities, alongside the European Commission, are in charge of public enforcement of Articles 101 and 102 TFEU, the Treaty provisions on anti-competitive agreements and abuse of dominant positions. As from 2004, their competences in this respect were expanded as the EU moved away from a more centralised enforcement system. Equally they can apply similar national provisions. National competition authorities also have a vital role as trusted advisors to governments and legislators, advocating pro-competitive approaches and promoting a culture of competition in their jurisdictions.

In order to be able to generate the above benefits to society, competition authorities need to be adequately equipped for their tasks and be able to act under suitable conditions for the execution of their task, in an impartial and independent manner. Such means for effective and sustained operation must be guaranteed, including in times of budgetary constraints.

Certain conditions for appropriate functioning need to exist. Besides operating under an appropriate legal framework, national competition authorities must be endowed with the appropriate infrastructure and expert resources to be able to investigate and take action against infringements, including violations such as bid-rigging, market sharing and price-fixing cartels which most recent research estimates to entail overcharges in prices of more than 20% on average. The authorities should be put in a position to take action in a relevant timeframe, intervening swiftly on urgent cases. They must be able to handle complex matters of law and economics and, to this end, to attract talent and retain qualified staff.

National competition authorities must also be in a position to fully cooperate within the European Competition Network and other relevant European and international networks to enhance their ability to jointly address competition problems and ensure convergence.

The above conditions are key to ensuring that competition authorities will be able to provide the beneficial results for the economy and for consumers whilst actively pursuing efforts to enhance the effectiveness of their action and applying the high professional standards that are required.