



Competition: Commission outlines contribution of competition policy and its review to green and digital transition, and to a resilient Single Market

Brussels, 18 November 2021

The European Commission has adopted a [Communication on a competition policy fit for new challenges](#), which frames the important role of competition policy for Europe's path towards recovery, the green and digital transitions, and for a resilient Single Market. The Communication highlights the in-built ability of competition policy to adapt to new market circumstances, policy priorities and customer needs: for example, today, the Commission has adopted the sixth amendment of the [State aid Temporary Framework](#) to enable Member States to provide targeted support to companies during the coronavirus crisis. Furthermore, the Commission is currently pursuing **a review of competition policy tools** to make sure all competition instruments (merger, antitrust and State aid control) remain fit for purpose, and complement its existing toolbox.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: *"Strong competition enforcement is fundamental for businesses and consumers to reap the full benefits of our Single Market. It gives businesses of all sizes a fair chance to compete. It makes sure businesses are challenged to deliver the best, most innovative solutions for consumers. And it gives customers a choice of products and services, contributing to reliable and diverse supply chains. That's why effective competition policy is needed now, more than ever, to give the European economy the agility and drive to overcome the challenges it faces. At the same time, competition rules have an in-built flexibility to adapt. We have adopted today the sixth amendment to the State aid Temporary Framework, and are in the middle of a review of competition policy with unprecedented scope and ambition."*

Since the creation of the European Union, competition policy has contributed to preserving and fostering the Union's economic prosperity. Vigorous competition enforcement has served European consumers and businesses, and has helped nurture the dynamic and vibrant fabric of the European economy, made up of businesses of all sizes.

Today, the Union is facing new challenges: to climb the steep path to recovery following the coronavirus crisis, while enabling European industries to strengthen their resilience and to lead the twin green and digital transitions. An effective and well-calibrated competition policy can contribute the success of this agenda, which will require extraordinary public and private investments, innovation and a well-functioning Single Market.

To illustrate this by way of a few examples mentioned in the Communication:

-To contribute to Europe's response to the coronavirus crisis and support the European recovery, the Commission has adopted a **sixth amendment of the State aid Temporary** with a limited prolongation of existing measures until end-June 2022. It sets the path for a progressive phase-out of crisis measures, while avoiding cliff-edge effects, and accompanies the recovery with new tools to kick-start and crowd-in private investment in the recovery phase (see further information [here](#)).

-To contribute to the green transition, **the upcoming Climate, Environmental Protection and Energy Aid Guidelines** aim at supporting industry's efforts towards decarbonisation, circularity and biodiversity, as well as clean or zero-emission mobility and the energy efficiency of buildings.

Moreover, the Commission intends to provide guidance and legal certainty to enable cooperation to pursue more sustainable products and production processes, as part of **the update of the Horizontal Block Exemption Regulations and Guidelines**.

-To contribute to the digital transition, the **upcoming Broadband State aid Guidelines** aim to foster digital infrastructure development by facilitating the deployment and take-up of broadband networks which respond to fast-evolving user needs.

Moreover, the Commission has strengthened control of potentially problematic acquisitions in digital sector through its **new guidance on the application of Article 22 of the Merger Regulation**.

This encourages Member States to refer potentially problematic transactions for its review, even if they do not meet national notification thresholds, and allows the Commission to review acquisitions of innovative companies having competitive potential beyond what their turnover would indicate, in particular in the digital sector.

-The Commission will continue to support ongoing Member State efforts to design pan-European Important Projects of Common European Interest (IPCEI) that jointly overcome market failures by enabling breakthrough innovation and infrastructure investments in key green and digital priorities, namely hydrogen, cloud, health and microelectronics. The **upcoming IPCEI State aid Communication** will further enhance the openness of IPCEIs, facilitate participation of SMEs and clarify criteria to pool national and EU resources.

-To contribute to resilience by means of open and competitive markets, **European merger control** will continue to allow companies to achieve greater scale, while making sure that markets remain competitive and supply chains diversified. Furthermore, **antitrust policy** allows businesses in the EU to join forces to advance their research and development efforts, to design, produce and commercialise products, or to jointly purchase products or services they may need for their operations.

Finally, in view of the exceptional situation as regards **semiconductors**, their relevance and the dependency on supply from a limited number of companies in a challenging geopolitical context, the Commission may envisage approving support to fill potential funding gaps for the establishment in particular of European first-of-a-kind facilities in the semiconductor ecosystem. Such aid based on Article 107(3) TFEU would be subject to strong competition safeguards as well as ensuring that benefits are shared widely and without discrimination across the European economy.

For More Information

[Temporary framework prolongation](#)

Policy timelines: [Antitrust and Mergers](#); [State aid](#)

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