

# Competition Screening

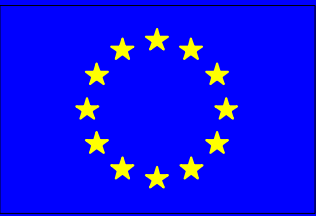
## Conference on Better Regulation of Professional Services

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# The aim: Competition friendly regulation

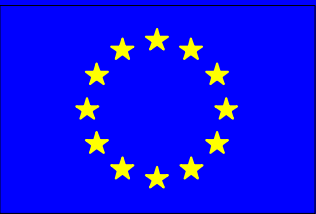
## The tool: Competition screening

- Competition screening: making competition advocacy **operational**
- Competition screening is a DG COMP **priority**
- Competition friendly regulation enhances **competitiveness**
- Does not enroach on **primary objectives of regulation**
- Competition screening both **ex ante** and **ex post**



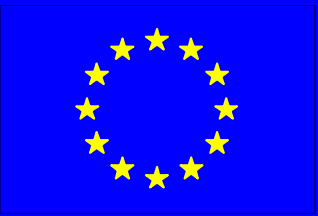
# The rationale for Competition screening

- Competition restrictions created by legislation or regulation may be **even more harmful** than private ones.
- They tend to be wider in scope, more enduring and entrenched than private restrictions.
- Example: Quota-based common market organisation for sugar



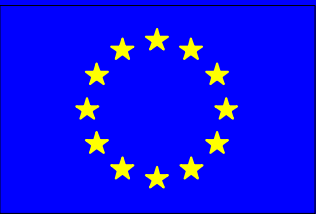
# Which kind of rules are we looking at?

- Types of rules particularly likely to affect competition:
  - Rules **exempting** certain activities from competition;
  - Rules on **internal market** (in particular in **sectors undergoing liberalisation**);
  - **Sectoral rules** pursuing environmental, regional or industrial policy goals;
  - Rules establishing **exclusive commercial rights** (e.g. IPRs).



# Competition screening (both *ex ante* and *ex post*): the approach

- **STEP I:** Which negative effects on competition may result from the proposal?
  - E.g. does it generate obstacles for market entry or expansion, does it affect conduct or incentives of companies?
- **STEP II:** Are less restrictive alternatives available to achieve the policy objective of the proposal?
  - E.g. performance based instead of prescriptive standards, use of economic instruments and incentives, etc?
- The aim is normally **not** to prevent regulation but to **improve** its **quality**.



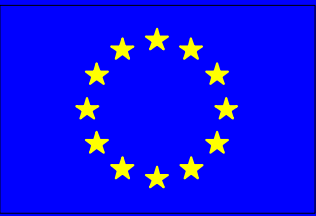
# Competition screening: institutional framework

- **Competition screening firmly embedded in Commission and EU policy**
  - **Communication on Better Regulation of 16 March 2005** called for further improvement of competition impact assessment
  - **Revised Impact Assessment Guidelines (15 June 2005)** make explicit reference to competition screening
  - **Competition screening** is applied to **all legislative and policy proposals** in the Commission's work programme.



# Competition screening: some links

- See the Commission's Impact Assessment Guidelines adopted on 15 June 2005 (in particular page 29, table 1) at:  
[http://europa.eu.int/comm/secretariat\\_general/impact/docs/SEC2005\\_791\\_IA%20guidelines-main.pdf](http://europa.eu.int/comm/secretariat_general/impact/docs/SEC2005_791_IA%20guidelines-main.pdf)
- A DG COMP guidance paper on competition screening is available at:  
[http://europa.eu.int/comm/competition/publications/advocacy/legis\\_est.pdf](http://europa.eu.int/comm/competition/publications/advocacy/legis_est.pdf)
- A concrete example of *ex post* competition screening analysis (waste management legislation):  
<http://europa.eu.int/comm/competition/antitrust/others/waste.pdf>



# Concluding remarks

- Drawing on **experience** gained in competition enforcement, competition authorities are well placed to **significantly contribute** to more **competition friendly** regulation.
- We believe that **Competition screening** will be an **effective tool** to achieve this aim.
- **Ex ante** screening preferable as much more difficult to modify or uproot entrenched regulation **ex post**.