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The Role of Competition Policy in Promoting Economic Recovery – Note by Italy

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This document reproduces a written contribution from Italy submitted for Item 2 of the 134th OECD Competition Committee meeting on 1-3 December 2020.

More documents related to this discussion can be found at
<http://www.oecd.org/daf/competition/promoting-economic-recovery.htm>

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Italy

1. Introduction

1. The OECD Roundtable on “The Role of Competition Policy in Promoting Economic Recovery” offers a valuable opportunity for the Italian Competition Authority (the Authority or the AGCM) to show how its enforcement and advocacy actions have been used during the emergency crisis due to the pandemic and how competition policy could play a role in the current economic crisis and in the recovery.

2. The drastic restrictive measures adopted to contain the propagation of the virus Covid-19 have hit the Italian economy profoundly, registering one of the highest percentage drops in the GDP in Europe in the first two quarters of 2020. This performance could make it more challenging for Italy to return to paths of development, since past growth has not been as robust as in other EU countries, due to its weak productivity growth¹.

3. The submission is organized as follows. Section 2 highlights the AGCM’s contribution to face the challenges of the emergency phase of the first wave of Covid-19 infections, while Section 3 and 4 describe respectively the advocacy and enforcement actions undertaken by the AGCM to promote recovery not only in relation to the current Covid-19 crisis but also with respect to past economic difficult times.

2. The AGCM contribution during the emergency phase of Covid-19 outbreak

4. The AGCM immediately reacted to some of the challenges linked to the COVID-19 emergency during the months of March and April 2020, through a mix of advocacy and enforcement strategies, including the use of consumer protection tools. Advocacy towards businesses assumed a prominent role in the emergency phase with the issuing of general guidance and informal guidance on specific cooperation projects linked to disruption in markets caused by the crisis.

5. The AGCM intervened on some of the government interventions to support the sectors mostly affected by the health emergency, advising policymakers of the importance to keep a view on both short-term intervention and long-term structural effects of the measures being envisaged by the government.

2.1. General and specific guidance on cooperation projects during the emergency phase

6. In the aftermath of the Covid-19 outbreak, the AGCM joined the other competition authorities of the European Competition Network (ECN) in a public statement (23 March 2020) which underlined that the European competition authorities would not actively intervene against necessary and temporary measures put in place to avoid a shortage and,

¹ See Bank of Italy, *The Governor’s Concluding Remarks*, Annual Report, Rome, 29 May 2020, available at: https://www.bancaditalia.it/pubblicazioni/interventi-governatore/integov2020/en-cf_2019.pdf?language_id=1. And the speech of Ignazio Visco, Governor of the Bank of Italy, *Economic growth and productivity: Italy and the role of knowledge*, EuroScience Open Forum 2020, 4 September 2020, available at: https://www.bancaditalia.it/pubblicazioni/interventi-governatore/integov2020/Visco-04.09.2020-en.pdf?language_id=1

at the same time, they would not hesitate to take action against companies that take advantage of the Covid-19 crisis².

7. A similar message was conveyed by the AGCM when it issued a Communication on cooperation agreements during the Covid-19 (hereafter the Communication) on 24 April 2020³. The AGCM decided to adopt the Communication in order to offer a more comprehensive guidance to businesses so they could accelerate the self-assessment of cooperation projects they may put in place during the emergency phase. For this reason, the Communication, which is still operational, addresses the assessment of cooperation projects that (i) might be necessary for tackling issues linked to the shortage of essential goods and services in the emergency phase, in particular in the pharmaceutical, agri-food and health sectors and (ii) are of temporary duration.

8. Therefore, the purpose of the Communication is to make transparent the AGCM general ex-ante assessment criteria for the benefits of businesses and to introduce an ad-hoc procedure for AGCM assessment of specific cooperation projects.

9. According to the Communication, guidance will be provided by the AGCM:

- informally to companies and trade associations on specific cooperation projects (in close cooperation with the European Commission when applying European competition rules);
- or, at its discretion, through comfort letters when applying national competition law.

10. The forms of cooperation envisaged in the Communication concern the health (and possibly agri-food) sector and may involve trade associations or independent third parties (i) coordinating the transport and distribution of raw materials; (ii) identifying for which medicines or medical devices (or foodstuffs) shortage problems may arise; or (iii) providing aggregated information (not regarding individual undertakings) on available production and capacity or on possible supply gaps.

11. According to the Communication, cooperation may extend to address critical supply shortages which would require an exchange of disaggregated and sensitive information and a degree of coordination which is generally problematic in normal times: this cooperation involving exchange of sensitive information will be assessed by the AGCM with greater flexibility provided that they are strictly necessary to avoid shortages, proportionate and of limited duration.

12. The AGCM applied the Communication providing guidance in two instances, in May 2020. The first cooperation project was submitted by the two main Italian associations of pharmaceutical distributors and concerned the joint purchasing and subsequent pro-quota distribution of disposable surgical masks (at a single price negotiated vis-à-vis suppliers) to pharmacies and parapharmacies⁴. In its assessment, the AGCM noted that the agreement was aimed at ensuring stable and homogenous supply over the national territory

² ECN Statement of 23 March 2020, available at: https://ec.europa.eu/competition/ecn/202003_joint-statement_ecn_corona-crisis.pdf

³ See the non-official English version of the AGCM Communication on cooperation agreements and the COVID-19 emergency, 24 April 2020, available at: <https://en.agcm.it/dotcmsdoc/pressrelease/AGCM%20Communication%20on%20Cooperation%20in%20time%20of%20Covid-19.pdf>

⁴ See AGCM press release of June 1st 2020, available at: <https://en.agcm.it/en/media/press-releases/2020/6/DC9901-COV1>

and had limited duration (valid until 30 June 2020). In consideration of the exceptional health emergency situation and the temporally limited duration of the cooperation agreement, the Authority therefore considered that there was no ground for further action. Close consultation with the European Commission was essential as the cooperation project, affecting the whole national territory, fell within the scope of Art. 101 TFEU.

13. The second cooperation project assessed within the framework of the Communication was the proposal by Assofin, the main Italian association of banking and financial providers of consumer loans, of a common scheme allowing a deferral of the main loan terms to consumers during the period 21 February – 30 June 2020. Adherence to the scheme was on a voluntary basis and open to non-members of Assofin. In its assessment, the AGCM noted that this cooperation project was aimed at providing relief to consumers experiencing financial hardship due to the pandemic. In consideration of the exceptional health emergency situation and in view of the temporally limited duration of the cooperation agreement, the Authority considered that there were no elements justifying the launch of any investigative measure. The AGCM invited Assofin to keep track of exchanges of information objectively necessary and proportionate, so that may in the future be made available on request to the AGCM.

2.2. Price spikes and market monitoring

14. During the COVID 19 crisis, spikes in prices occurred in Italy, especially with respect to health-related services and products such as hand sanitizers or face masks.

15. The Authority considered that its power to intervene against excessive prices under the national and European competition law against firms holding a dominant position (Art. 3 L. 287/90 and Art. 102 TFEU) was not a viable instrument to deal with the price increases linked to the COVID-19 crisis, because in most cases there was no dominance and, even if this requirement was met, such an investigation – which is very complex - would not result in a timely intervention.

16. Therefore, the Authority adopted a mix of strategies to address the calls to intervene, mindful that some of these phenomena, although of a temporary nature, might still require a timely response, in view of the risk of market distortions and harmful effects on consumers.

17. In particular, the AGCM requested information on price spikes related to goods or services in the health and food sector. By announcing them with a press release, such information requests acted as a form of moral suasion and sometimes were sufficient to contrast the price increases (see the Box below).

Box 1. Price monitoring of the antibody tests

The AGCM received a complaint from the local government of the Latium Region, in charge of the health policy. In the region most of the laboratories were providing antibody tests at prices that were more than three times those practiced before the pandemics for similar tests (150 euros versus 50 euros).

⁵ See AGCM press release of June 1st 2020, available at: <https://en.agcm.it/en/media/press-releases/2020/6/DC9901-COV1>

This occurred at a time of particular confusion, also for consumers, on the characteristics and prices for this kind of tests. The AGCM sent information requests to the labs and made them public through a press release*.

The AGCM has requested the health facilities concerned to indicate, in particular: the type of tests performed; the ways in which clients are informed of the characteristics and limits of such tests; the way in which the services are performed (at their premises and/or at home); the prices at which the tests are offered; justifications to support discrepancies between the prices indicated by the Lazio Region and the prices charged by private facilities for the same tests.

This acted as a soft moral suasion instrument and a few days later the laboratories reached an agreement with the Region and now the tests are performed at 45 euros.

Note: * See AGCM press release of 17 April 2020, available at: <https://en.agcm.it/en/media/press-releases/2020/4/DC9877>

18. The Authority also decided to ask supermarket chains and grocery retailers to provide data on the trend of retail and wholesale prices of basic groceries, detergents, disinfectants and gloves⁶. While the analysis of the replies is still on-going, the preliminary assessment has showed that in some instances there were legitimate explanations for the price increases or their effects were locally limited, while in other cases the issues raised by such price spikes could not be addressed with competition tool. In these cases, the Authority activated its consumer protection powers by launching investigations against some companies for their price increases, which have been configured by the AGCM as aggressive commercial practices, characterised by an undue influence on consumers carried out through the exploitation of exceptional circumstances⁷.

19. Indeed, the Authority has used its consumer protection powers also in the healthcare and pharmaceutical sector, in order to complement its competition monitoring efforts in mitigating the effects of price increases. In some cases, the Authority sent warning letters and information requests to the main online sales platforms, asking them to inform the agency on the measures, if any, adopted to avoid unjustified and disproportionate price increases in the sale of sanitizing products and masks⁸. In other cases, the AGCM intervened, also using interim measures, including shutting down some websites, where exorbitant prices for some products were associated with unfair commercial practices,

⁶ See AGCM press release of 7 May 2020 available at: <https://www.agcm.it/media/comunicati-stampa/2020/5/DS2620>. These requests for information concerned over 3,800 sales outlets, mainly placed in central and southern Italy. Such requests were prompted by the findings of the preliminary analysis of the Central Statistics Office which showed that the largest price increase occurred in areas not affected by confinement measures.

⁷ Under the Italian Consumer Code, both misleading and aggressive practices are prohibited. The AGCM used as a legal basis for these investigations in the food sector Art. 25, para c) of the Consumer Code: “*In determining whether a commercial practice uses harassment, coercion, including the use of physical force, or undue influence, account shall be taken of: [...] c) the exploitation by the trader of any specific misfortune or circumstance of such gravity as to impair the consumer's judgement, of which the trader is aware, to influence the consumer's decision with regard to the product;*”.

⁸ See AGCM press release of 27 February 2020, available at: <https://en.agcm.it/en/media/press-releases/2020/3/ICA-Coronavirus-the-Authority-intervenes-in-the-sale-of-sanitizing-products-and-masks>

such as misleading health claims about the virtues of the products or selling unauthorised anti-Covid-19 drugs⁹.

20. Finally, it is worth mentioning that the Authority in its Communication (paragraph 17), drawing from a similar recommendation made in the ECN Statement, clarified that the existing rules on vertical agreements allow manufacturers to set maximum prices for their products and that such agreements could be useful in order to limit unjustified price increases at the distribution level.

3. The contribution of competition advocacy

21. The Italian Government has reacted to the emergency posed by the Covid-19 outbreak, by focusing on the response capacity of the health sector and on help for workers, households and firms. In particular, the most important government measures in the period March – October 2020 are the following¹⁰:

- The “Cure Italy Decree” (released on 17 March 2020 and converted into Law No. 27/2020), introducing urgent measures to limit the spread of Covid-19.
- The “Liquidity Decree” (released 8 April 2020 and converted into Law No. 40/2020), which includes measures that are intended to assist businesses by providing loan guarantees, government assumption of non-market risks, and certain targeted tax relief.
- The “Relaunch Decree” (released 19 May 2020 and converted into Law. No 77/2020), which includes urgent measures to support healthcare, employment and the economy, and social policies.
- The “August Decree (released on 14 August 2020 and converted into Law No. 126/2020) which includes measures to support, inter alia, employment and the economy.
- Finally, the Law Decree No. 129/2020, released on 20 October 2020, containing "Urgent provisions on tax collection", which postponed the term of suspension of the tax collection activity previously fixed to 15 October 2020 by the "August Decree".

22. In this context, the AGCM promptly intervened with its advocacy function to support the Italian Government especially in relation to the “Cure Italy Decree” and the “Relaunch Decree” as described in the sections below.

3.1. Advocacy to remind of the longer-term impact of government measures o contrast the Covid-19 crisis

23. In the emergency phase, the Authority intervened during the parliamentary debate for the conversion into law of the “Cure Italy Decree”, which was the first intervention of

⁹ See AGCM press release of 17 March 2020, available at: <https://en.agcm.it/en/media/press-releases/2020/3/PS11723>

¹⁰ For more information, see the Covid-19 related webpage of the Ministry of Finance and Economy, at the following link: <https://www.mef.gov.it/en/covid-19/misure-coronavirus.html#info>

the government to provide economic support to families and businesses, by making a public statement¹¹.

24. In particular, the AGCM invited the Parliament to re-assess the proportionality of all measures under examination which, despite the laudable aim of safeguarding public health and protecting the weakest sectors of the economy in the immediate future, could have jeopardised recovery and growth in the long run. The proportionality test was invoked by the Authority also with respect to certain measures expected to restrict, if not suspend, competition in entire productive sectors. For instance, one measure under discussion was the blocking of the possibility to switch to a new mobile telephone operator for the duration of the entire emergency situation, in order to help the mobile services providers to face the operational difficulties linked to the lockdown. This measure was considered by the AGCM disproportionate, in view of the fact that most migration activity between different operators could be carried out remotely, and the fact that the ability to change supplier would be particularly crucial for consumers in the difficult situation caused by the pandemic and that the restriction on competition caused by the proposed measure could negatively affect prices and quality of the services.

25. In the re-alignment phase after the uplift of the lockdown restrictions, the Authority contributed to the discussion concerning the package of measures to relaunch the economy, by issuing a formal opinion to the “Relaunch Decree”¹².

26. The Authority’s intervention focused on those measures with adverse impact on competition in the short term and advocated for an exit strategy in order not to compromise long term prospects of the economy. For instance, in relation to the proposal to postpone tenders and concessions, the AGCM invited the legislator to carry out a careful and necessary balance between the short-term benefits and the possible costs that could arise in the long-term, underlying that prior to the emergency many local administrations were launching procedures to award local public transport services.

27. In the same opinion, the Authority also intervened with respect to a new proposal exempting from the AGCM review all concentrations carried out within the context of public support to banks in compulsory administrative liquidation, with the stated objective of ensuring the protection of the “national economy’s relevant general interests”. More specifically, the Authority reminded the Parliament that Art. 25 of the Italian Competition Act already allows for the authorization of concentrations otherwise prohibited by the Authority on competition grounds, provided that certain ex-ante criteria set by the government are met and that competition is not eliminated completely or restricted without a justification. Therefore, the Authority noted that a tool for approving otherwise anticompetitive mergers which is proportionate and avoids unjustified restrictions was already at disposal of the government. The new proposal for a full exemption from competition law of this subset of concentrations would have eliminated the requirement to notify these concentrations to the Authority and the possibility for the AGCM to impose remedies deemed necessary to restore competition. Furthermore, the proposal would have reduced transparency in the decision-making process especially in relation to the potential anticompetitive effects of a merger, in the short as well long term, thus bringing uncertainty

¹¹ See AGCM press release of 8 April 2020, available at: <https://en.agcm.it/en/media/press-releases/2020/4/ICA-suggestions-from-the-Authority-about-some-proposed-amendments-to-the-Cura-Italia-Decree>

¹² See AGCM press release of 7 July 2020 which summarised in English the formal opinion, available at: <https://en.agcm.it/en/media/press-releases/2020/7/S3940>. See opinion n. *AS1684 - Osservazioni in merito alle disposizioni contenute nel Decreto Rilancio*, published in the AGCM Bulletin n. 28/2020, available at: https://www.agcm.it/S3940_segnalazione%20ex%20art.%2021.pdf

on future prospects. In the opinion¹³, the AGCM advocated for an amendment of the proposal so that all concentrations invoking this exemption would be nevertheless notified to the AGCM.

3.2. Advocacy for the development of strategic sectors: the case of broadband connection infrastructure

28. The broadband infrastructure, playing a strategic role for the economy even before the pandemic, has proved to be crucial in these last months, as dependence on digital and innovative services has dramatically increased, with the adoption of new methods of working, learning and consuming that rely on the availability of a fast Internet connection. The development of this infrastructure will be key to economic recovery. This is particularly important in view of the fact that Italy is one of the least well-connected countries in the European Union for ultra-fast broadband¹⁴.

29. In July 2020, the Authority issued an advocacy opinion on the development of fixed and mobile ultra-broadband telecommunications infrastructure, with a view to promoting investment and competition¹⁵. In the opinion, the Authority noted that the telecommunications infrastructure, both mobile and fixed, are a fundamental element for the development of the entrepreneurial activity and economic growth, as the recent Covid-19 health emergency has shown with the surge of smart-working modalities, online shopping and online teaching for the education sector. The Authority called for the removal of the existing unjustified obstacles to the installation and operation of telecommunications infrastructure, promoting the use of electronic communication services by citizens and relaunching private and public investment in these communication networks.

30. In particular, the Authority advocated for the removal of all the obstacles to the development of mobile telecommunications infrastructure and broadband wireless access, which could have played a fundamental role in the economic development of Italy, by offering digital services at high connectivity in geographical areas not served by fixed broadband networks.

31. In a subsequent opinion addressed to the Municipalities, the Authority called for the elimination of the obstacles to the development of wireless 5G network infrastructure at local level¹⁶.

¹³ See footnote n. 13 above.

¹⁴ In 2019, only 17% of the Italian households had a broadband connection with speed of more than 100Mbps, while the EU average was 26%. See European Commission, *Digital Economy and Society Index (DESI) 2020*.

¹⁵ See AGCM opinion n. AS1683 - CRITICITÀ IN MERITO ALLO SVILUPPO DELLE INFRASTRUTTURE DI TELECOMUNICAZIONE FISSA E MOBILE A BANDA ULTRALARGA, July 2020, July 2020, published in the AGCM Bulletin n. 28/2020, and available at the following link: [https://www.agcm.it/dotcmsCustom/getDominoAttach?urlStr=192.168.14.10:8080/C12563290035806C/0/53295D179AB149DFC125859F005476DB/\\$File/AS1683.pdf](https://www.agcm.it/dotcmsCustom/getDominoAttach?urlStr=192.168.14.10:8080/C12563290035806C/0/53295D179AB149DFC125859F005476DB/$File/AS1683.pdf)

¹⁶ See AGCM opinion n. AS1691 - OSTACOLI ALL'INSTALLAZIONE DI IMPIANTI DI TELECOMUNICAZIONE IN TECNOLOGIA WIRELESS 5G, August 2020, published in the AGCM bulletin n. 33/2020, and available at the following link: [https://www.agcm.it/dotcmsCustom/getDominoAttach?urlStr=192.168.14.10:8080/C12563290035806C/0/C08BA65755070B9FC12585C10032A36F/\\$File/AS1691.pdf](https://www.agcm.it/dotcmsCustom/getDominoAttach?urlStr=192.168.14.10:8080/C12563290035806C/0/C08BA65755070B9FC12585C10032A36F/$File/AS1691.pdf)

4. Competition enforcement as a tool to promote recovery

32. In setting its enforcement priorities, the Authority has generally looked at the economic relevance of the sector interested by the anti-competitive behaviour and the impact of the latter in terms of missed opportunities for delivering better or more innovative products or services; in this respect, the pandemic has not radically changed the AGCM's priorities. However, restrictions in sectors which may be considered essential during the crisis have been investigated with special attention: e-commerce, food and health sector.

33. The lockdown measures, by greatly reducing worker and consumer mobility, has led to a strong demand for broadband connectivity and an extraordinary expansion of the e-commerce in a country with strong preference to shop in person and cash, and low trust on online payments¹⁷. For these reasons, the Authority prioritized enforcement on connectivity services, e-commerce and digital services.

34. In March, the Authority concluded an investigation against the telecom incumbent operator Telecom Italia, by imposing a sanction of €116 million for abuse of dominance: Telecom Italia had prevented the entrance of competitors in the market for ultra-fast broadband infrastructure and delayed development in areas of Italy with no access to ultra-fast broadband networks¹⁸.

35. Moreover, the AGCM launched in July 2020 an investigation against Apple and Amazon for an alleged agreement to restrict unauthorised third-parties from selling Apple's products on Amazon's Marketplace platform¹⁹. More specifically, Apple and Amazon might have prevented groups of non-authorised retailers from selling via the Marketplace platform, despite purchasing Apple's products legally through wholesalers. In its opening decision, the Authority noted that the alleged agreement could have more pernicious exclusionary effects in the new market conditions post-Covid-19, where e-commerce has become fundamental for both buyers and sellers. The investigation is ongoing.

36. Finally, in October 2020, the AGCM opened an investigation against Google for an alleged abuse of dominant position in the Italian market for display advertising. In particular, the Authority questions the undertaking's discriminatory use of the huge amount of data collected by Google through its various applications, preventing rivals in the online advertising markets from competing effectively²⁰. The conducts investigated by the Authority may have a significant impact on competition in the various markets of the digital advertising value chain, with wide repercussions on competitors and consumers. The

¹⁷ See New York Times article, *Pasta, Wine and Inflatable Pools: How Amazon conquered Italy in the Pandemic*, 29 September 2020, available at: <https://www.nytimes.com/2020/09/26/technology/amazon-coronavirus-pandemic.html>

¹⁸ See AGCM press release of 6 March 2020, available at: <https://www.agcm.it/media/comunicati-stampa/2020/3/A514>. For the final decision: see AGCM case n. A514 - CONDOTTE FIBRA TELECOM ITALIA, decision n. 28162, published in the AGCM Bulletin n. 10/2020, available at: <https://www.agcm.it/dotcmsdoc/allegati-news/A514%20chiusura.pdf>

¹⁹ See AGCM case n. I842 - VENDITA PRODOTTI APPLE E BEATS SU AMAZON MARKETPLACE, decision n. 28294 of 14/07/2020, published in the AGCM bulletin n.30/2020, available at: https://www.agcm.it/dotcmsdoc/allegati-news/I842_avvio%20istr.pdf

²⁰ See AGCM case n. A542 - GOOGLE NEL MERCATO ITALIANO DEL DISPLAY ADVERTISING, decision n. 28398 of 20/10/2020, published in the AGCM bulletin n. 42/2020, available at: https://www.agcm.it/dotcmsdoc/allegati-news/A542_avvio%20istruttoria.pdf. See also the English press release: <https://en.agcm.it/en/media/press-releases/2020/10/A542>

AGCM outlined that online advertising sales are the second most important source of revenue in the media sector, worth more than 3.3 billion euros.

37. With respect to healthcare and pharmaceuticals, it is worth mentioning the ongoing investigation against three undertakings for their alleged exclusionary conducts in breach of Article 102 TFEU, which would prevent third parties from accessing key inputs necessary for the maintenance of their branded medical equipment (e.g., high-tech imaging medical devices)²¹ and an investigation into the alleged abuse of dominant position by the Leadiant group in the Italian market for the production and sale of chenodeoxycholic acid (CDCA)-based medicines for the treatment of a rare disease²².

5. Concluding remarks

38. Although the Authority, especially in the first phase of the emergency, had to deal with some issues strictly linked to the crisis (price spikes, cooperation agreements to overcome supply shortages) the pandemic has not radically changed its priorities. The main efforts of the Authority are still focused on i) the fight against cartels, especially bid rigging in public procurement, ii) investigating restrictions with a direct impact on final consumers' purchasing power and iii) restrictions in the digital economy, that might not only harm consumers but also, in the medium run, negatively affect the economic recovery.

39. With respect to merger control – at least until now – the AGCM has not received merger notifications which explicitly or even implicitly evoke the Failing Firm Defence. However, a recent provision, introduced in one of the various decrees of the Italian government aimed at dealing with the crisis, temporarily confined merger control to the imposition of behavioural remedies if the merger concerned i) labour intensive companies; ii) which provide public services and iii) have been losing money in the last three years.

40. This underlines the risk that State intervention and public policies, which are largely justified during the crisis if selective, non-discriminatory and temporary, might become part of a “new economic constitution” which inevitably would limit or distort the role played by competition law.

41. With many sectors of the Italian economy in dire straits due to the several waves of Covid-19, which is affecting efficient as well as inefficient businesses, the main challenge for competition policy is to facilitate the reconstruction of the economy and its competitiveness at a global level. Competition law and particularly merger control should not be relaxed, but should privilege a forward-looking approach and a more dynamic assessment in order to fully appreciate the impact in the longer run. Competition authorities cannot avoid the challenge raised by a dynamic counterfactual, even if such an exercise becomes even more complex after the exogenous shock of COVID-19.

42. However, relying on a market driven process may be insufficient when long term decisions have to be made in order to make the Italian economic system more resilient. In this perspective, public intervention will play a crucial role for the recovery.

²¹ See AGCM case n. A517 - MERCATI DI MANUTENZIONE DI DISPOSITIVI DIAGNOSTICI, opening decision n. 27007, published in the AGCM Bulletin n. 6/2018, and available at: <https://www.agcm.it/dotcmsDOC/bollettini/6-18.pdf>

²² See AGCM press release of 15 October 2019, available at: <https://en.agcm.it/en/media/press-releases/2019/10/A524>. AGCM case n. A524 - LEADIANT BIOSCENCES/FARMACO PER LA CURA DELLA XANTOMATOSI CEREBROTENDINEA, decision n. 27940, published in the AGCM Bulletin n.42/2019, available at: <https://www.agcm.it/dotcmsdoc/bollettini/2019/42-19.pdf>

43. The coordination and integration of competition policy with other government policies, in particular industrial policy and social welfare policies, is particularly urgent in the Italian context where State intervention has been used as a measure to mitigate the social welfare costs of economic distress, thus raising barriers to exit for inefficient firms. As outlined by the AGCM in several advocacy opinions²³, the implementation of social welfare measures to counteract the negative effects of a crisis would ensure that the exit of inefficient firms is socially accepted and the allocation of resources is oriented towards long-term objectives rather than the short-term view of the markets.

44. The Authority will continue to assist policymakers in designing and implementing policies that are complementary to competition policy and highlight the contribution of competition policy to the achievement of other goals, including the new government's priority of a transition to green and sustainable economy. In this perspective it is worth mentioning the recent conclusion of an antitrust investigation concerning the waste management of plastic products. The case clearly confirms that antitrust goals and environmental goals are not necessarily conflictual whereas, more often than it is believed, may be aligned²⁴.

²³ See AGCM contribution to the 2019 OECD Roundtable on Barriers to Exit, available at: [https://one.oecd.org/document/DAF/COMP/WD\(2019\)99/en/pdf](https://one.oecd.org/document/DAF/COMP/WD(2019)99/en/pdf)

²⁴ See: case n. A531 - RICICLO IMBALLAGGI PRIMARI/CONDOTTE ABUSIVE COREPLA, final decision available at: https://www.agcm.it/dotcmsdoc/allegati-news/A531_chiusura%20istrutt%20+%20sanzione.pdf. See also press release of 10 November 2020, available at: <https://www.agcm.it/media/comunicati-stampa/2020/11/A531>. In November 2020 the AGCM sanctioned COREPLA, a recycling consortium, €27 million for preventing a rival from recovering and recycling plastic bottles from nearly all of the country's municipalities,