

Community, are continuing to promote the extension of competition policy in the telecommunications sector.¹⁰³

In the financial services sector, EC competition authorities have been active in the promotion of greater competition in the pricing of services offered by banks through the abandonment of interbank agreements on interest rates. In a communication to the European Banking Federation, the EC Commission indicated that such agreements should be avoided on the basis that they are restrictive of competition.¹⁰⁴ This communication arose out of a number of investigations that the Commission had made into banking association agreements on service charges. In the area of insurance, EC competition authorities have been involved in the drafting of regulations relating to permissible agreements and arrangements on risk premiums, policy conditions, claim settlement and other insurance-related matters.¹⁰⁵

3. The Implications for Canada

The measures examined in this section of the report reflect a strong commitment on the part of EC authorities to create open and competitive markets in previously highly restricted areas of the European economy. In spite of national sensitivities, progress toward this goal is being accomplished in the areas examined in this section and other areas, such as energy, through the elimination of regulatory and other government imposed restraints on competition, as well as strict application of the EC competition rules.¹⁰⁶

3.1 The Competitive Implications for Canadian Businesses

The opening of previously highly restricted EC markets presents new opportunities as well as challenges for Canadian businesses. As indicated by other studies in this series, the removal of the remaining Member State imposed restraints on competition is creating new competitive opportunities not only for European firms, but also for Canadian firms that are able to gain access to the Community's markets. Many of the European markets that are being opened are potentially of major importance for Canadian businesses.