



Summary of hearing of Joaquín Almunia - Competition

The financial crisis was at the centre of the Economic and Monetary Affairs Committee's hearing of Joaquín Almunia, Commissioner-designate for competition policy. Mr Almunia presented ways in which competition policy can help lead the EU towards growth. Many MEPs asked about his views on state aid to financial institutions and winding it winding down and how to ensure that state aid to banks does not encourage future recklessness.

MEPs were also interested in Mr Almunia's suggestion of the need to look into possibilities for collective redress, the issue of penalties, fiscal races to the bottom and their potential to distort the markets, the application of state aid to transport and other services of general economic interest and ensuring that competition policy does not further euro-scepticism.

Competition policy and the financial crisis

In his opening remarks, Mr Almunia told MEPs that he viewed competition policy as being at the service of the exit strategy and economic growth. "Competition policy is an essential tool for the EU to be competitive on the global stage", he said.

The issue of bank bailout aid was raised by MEPs in the question and answer session. José Manuel Garcia-Margallo Y Marfil (EPP, ES) asked the Commissioner-designate about his strategy for ensuring that banks will not be encouraged to return to reckless practices by the knowledge that they will always be bailed out. Mr Almunia replied that bailed out banks would be required to restructure, and that it was important to ensure a level playing field and avoid the "moral hazard" effect.

Arlene McCarthy (S&D, UK) questioned Mr Almunia on the proper use of public money. "How will you ensure that the taxpayer does not pay for bankers' bonuses and future recklessness?" she asked. Mr Almunia confirmed that the Commission would study very carefully how public money is used in its analyses how banks use state aid.

Jürgen Klute (GUE, DE) asked whether Mr Almunia planned to target public sector banking when reviewing the state aid policies. Mr Almunia replied that there should be no distinction between different types of banks, insisting that "financial institutions are good or bad depending on how they operate and the risks they take, not on their form".

Collective redress

Mr Almunia backed MEPs' calls for Parliament to be included in the design of EU collective redress measures.

Replying to a question by Jean-Paul Gauzès (EPP, FR), Mr Almunia said that it will be important to develop effective co-ordination procedures and to avoid abuse, as has happened in the US class action system.

Burkhard Balz (EPP, DE) asked whether collective redress falls entirely within Mr Almunia's remit or whether he will have to share this policy area with Viviane Reding. Mr Almunia replied that in cases where anti-competitive practices have been identified, "we need to be able to intervene through competition policies".

Press release

Penalties

Gianni Pittella (S&D, IT) asked whether it would be appropriate for the Commission to consider adding administrative sanctions to its penalty arsenal, rather than rely only on financial ones. Mr Almunia replied that the current system "has proved its mettle", adding that administrative sanctions are currently 'not on the Commission radar'.

Ashley Fox (ECR, UK) asked whether money from fines on companies for anti-competitive practices should be returned to Member States and used to promote good competitive behaviour. Mr Almunia replied that fine revenue goes directly to the EU budget and that therefore no individual country is entitled to it.

Fiscal races to the bottom

Philippe Lamberts (Greens, UK) asked about tax advantages and their consequences for competition policy. Mr Almunia replied that "you cannot have competition through tax advantages, although Member States retain sovereignty". He also said that he would prefer a different legal framework, but "I have to abide by the Treaties".

State aid rules in transport

Peter Van Dalen (ECR, NL) brought up the issue of state aid regulation in the transport sector and more specifically legislation on state aid to ports. Mr Almunia replied that the application of competition rules to the transport sector is extremely important and that, together with the Transport Commissioner, he expected that there would be conclusions relating to ports in the coming months.

Competition policy and euro-scepticism

Sylvie Goulard (ALDE, FR) appealed for more intelligent use of state aid invested in innovation. "It is necessary to explain to citizens that state aid is there to guarantee their futures" she said, claiming that in some Member States, the perceived effects of competition policy are at the heart of an anti-EU feeling. Mr Almunia concurred that advocacy is vital in proving that some activities need subsidies.

In the Chair : Sharon BOWLES (ALDE, UK)
12.01.2010

Contact :

John SCHRANZ

Tel.: 0032 228 44 264

E-mail: econ-press@europarl.europa.eu

Natalia DASILVA

ES

BXL: (+32) 2 28 44301

STR: (+33) 3 881 73661

PORT: (+32) 498 98 39 85

EMAIL: prensa-es@europarl.europa.eu