

WRITTEN QUESTION P-2491/02
by Pere Esteve (ELDR)
to the Commission

Subject: Planning agreement involving Real Madrid football club and the free competitive market

On 7 May 2001, the President of the Madrid autonomous region, the Mayor of Madrid and the President of Real Madrid football club signed an agreement on the development of a site located in the district of Fuencarral-El Pardo and bounded by the streets Paseo de la Castellana, Avenida de Monforte de Lemos, Calle de Pedro Rico and Calle del Arzobispo Morcillo. Under this agreement, the administrations concerned undertake to take all necessary action with a view to changing the classification for planning purposes of the (approximately) 120 ha on which the existing Real Madrid sports complex is located. This means that 30 000 m² of land hitherto classified as being for 'private sporting use' will be reclassified as being for all-purpose 'tertiary' use (offices, commercial establishments, hotels, etc). It is planned to build, on this reclassified site, four 54-storey towers, whose sale and/or exploitation would bring in considerable extra income for Real Madrid. This would allow the club to pay off its considerable debt and provide it with a financial base outstripping its competitors. Given that under Community law European football must be considered a single market, it is clear that to place a Spanish club in a privileged situation of this kind will affect not only other clubs in Spain but also their counterparts in other EU Member States, since all have to use the same market in goods and services, whether to acquire sporting material or to engage the services of players and trainers. What is at issue here is not the right of football clubs to exist, irrespective of their prosperity level or resources, but the fact that the circumstances surrounding the transfer or sale of the property in question reflect a particular political and administrative preference, in breach of the rules of fair competition.

This operation could be considered an 'aid granted by a Member State' to Real Madrid. This would be contrary to Community law, given the provisions of Article 87 of Title VI of the EC Treaty, which states: 'Save as otherwise provided in this Treaty, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, insofar as it affects trade between Member States, be incompatible with the common market.' A cloak of legality has been thrown over a state aid by disguising it as a planning measure. The irregularity may reside, not in the desire of a sports club to obtain the reclassification of a site belonging to it, but in the fact that this reclassification by means of a planning agreement has had an outcome which excessively favours the main owner involved, i.e. Real Madrid, and therefore cannot be fairly compared with other operations in the planning and sporting spheres.

Does the Commission intend to examine the legitimacy of this operation, which could have the effect of substantially undermining and distorting free competition within an economic sector - i.e. sport and, specifically, football - which is highly globalised in character? If so, will the Commission take the necessary steps with a view to correcting this distortion, pursuant to Article 88 of the EC Treaty?