

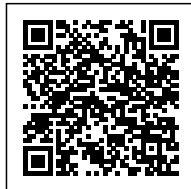
A CHALLENGING TIME FOR COMPETITION LAW - VIEIRA DE ALMEIDA

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The current global economic situation is creating challenges for competition law but it must nonetheless overcome them, believes Nuno Ruiz, partner and head of competition at Vieira de Almeida.

"It is not that competition law is now not required but that it has to adapt to what is at hand. There are no precedents for the situations many clients and even the regulators are facing but it will be a mistake if we ignore the advantages of competition policy, even in times of crisis."



One likely impact of a worsening economic situation in Portugal will be further company restructurings, many in sectors that are already struggling and where there are already high levels of concentration, for example, fuel, telecoms, energy and transport, he suggests.

"Talk of liberalisation within a regulatory framework that promotes competition is not enough if the

notional idea of 'national champions' persist. Some difficult decisions may finally now have to be taken about how competitive the Portuguese economy has to be."

Ruiz believes that it is still too early to assess whether Portugal's Competition Authority (Autoridade da Concorrência – AdC) is reacting in the correct way, but under a new administration it is clearly taking a much more discreet approach to issues.

"We still have to see how courageous the administration is and how it tackles some of the more difficult issues at hand but I am happy that it is ready to look at new ways of addressing the competition issues that may result."

The overriding emphasis has to be on businesses to adhere to accepted competition guidelines, and to have a very strong reason to cross the line, says Ruiz. Nonetheless there are clearly "frontier" issues where guidance does not exist.

"It is evident that in some of the merger control, dominance and state aid issues that have come up in recent months there has been less margin for the national, or even pan-European, regulators to act. They have to continue to survey and assess what is going on but it is also important however that they do not lose control."