

BOOSTING COMPETITION AUTHORITY - VDA

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As other European countries merge their competition and regulatory authorities, the big question is whether Portugal will follow their example

It has been a busy 18 months for EU competition authorities. These organisations tasked with ensuring that cooperation and M&A benefits the markets have themselves been consolidating, says Nuno Ruiz, Head of EU and Competition at Vieira de Almeida & Associados. As an example, the Spanish Government recently reviewed their regime and established the National Commission for Markets and Competition, tying in the country's existing industry regulators with the national competition authority.

"There is a clear desire from some EU countries to bring together their competition and regulatory authorities into a single entity," says Ruiz. "There are a host of reasons but the crux is that competition authorities alone do not always have enough power to address the issues in the market, and competition authorities and regulators have not been properly articulated in the past."

In Portugal, Ruiz says that the issue has been discussed but, so far, competition and regulation remain separate. Even so, he believes it could be a good thing for the market. "The Portuguese Competition Authority has increasingly been getting involved in regulatory matters when cases are

not really about competition rules."

Ruiz believes combining the competition and regulation bodies in Portugal would help from a management perspective and to simplify the process, although it must ensure a different approach to each sector. "The regulation of telecoms, energy or health faces issues of a very similar nature and there has been a lot of red tape across the various organisations. It would make sense to bring them into a single body with the competition authority but retain their individual functions within the larger, single entity." So while the European Commission can – and has – been enforcing anti-competitive breaches there is nothing in the various treaties that give it the power to directly enforce sector regulation. Therefore, concludes Ruiz, whether Portugal will follow the actions of its Iberian neighbour remains to be seen.