

# Putting Kroes's theories to the test

From Philippe Bodson

Competition Commissioner Neelie Kroes should get all the support she needs in order to implement what she announced as the 'Monti-Plus' method for tackling state aid that distorts competition between companies. It is indeed time for EU state aid policy to be reformed, focusing funding in areas of the economy and situations where aid does not distort competition but instead contributes to improving the internal market.

Investing taxpayers' money where it provides the best return on investment for Europe's ailing economy and encouraging innovation, research and development to unleash the dynamics of competition are the ingredients needed to drive growth and jobs. Kroes's ideas should not remain objectives but should be made reality soon. There are some excellent opportunities to put the theory to the test, one of which is the ongoing investigation into alleged competition-distorting state aid granted to ABX Logistics in Belgium.

On 3 May the Commission announced



Photograph: European Commission

## Kroes: should get support for tackling state aid

that it would extend the investigation procedure on the compatibility with EU rules of the state funds used by ABX, the commercial logistics subsidiary of Belgian Railways, the SNCB. For years, Belgium has injected money into the loss-making SNCB Group to build a group with branches all over the world operating in the fields of logistical services and in parcel delivery services by road, air and sea. It needs to be seen if the new financing is justifiable under EU state aid policy or if competition has been distorted.

One usually associates state aid with direct funding granted by a government to a suffering company or region. But very often organisations which have been publicly financed by the state and are now operating in commercial areas are still receiving unjustified public contributions.

The FFPI is glad to see that the Commission is continuing its efforts to police markets and control state aid in the postal services sector, where distortions of competition are still too frequent. I would encourage Commissioner Jacques Barrot, who is in charge of the ABX case, to take this opportunity and show that the Commission speaks with one voice on competition and particularly on state aid policy. It is important that Europeans see that the Commission's commitment, as demonstrated in past years with decisions on important cases such as the one on illegal state aid granted to Deutsche Post, remains strong.

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