

# **THE NEW GOVERNMENT'S COMPETITION POLICY.**

**Presentation to Competition Press Conference  
28<sup>th</sup> September 2011**

# EARLY INDICATIONS NOT PROMISING

- ESB/Aer Lingus sell-offs.
- Transport.
- Reform of the Legal Profession,
- Media Mergers.

# ELECTRICITY

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- Proposed Sale of Minority Stake in ESB
- But no Restructuring.
- Rejects McCarthy Report – Transfer Transmission System to Eirgrid and Retain in Public Ownership.
- Restructuring Essential for Effective Competition.
- Positive Impact on Competitiveness.
- Current Proposal Effectively Makes Future Restructuring Impossible.

# AER LINGUS

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- ✘ OFT investigation of Ryanair Minority Shareholding.
- ✘ Obvious Implications for Proposed Sale of Remaining Government Stake.
- ✘ Official Silence.
- ✘ Why No Action from Parnell Square?

# TRANSPORT

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- “The reduction in the subsidy to CIE over the next few years will be in the region of a 20 per cent cut so that will have to be met through a combination of fare increases, cost-cutting and cuts to services. Obviously I favour cost-cutting over higher fares or cutting services.” Leo Varadkar T.D. Minister for Transport (*Irish Times* 26 September 2011)
- Bus Fares up 26% 2005-2010 – 3<sup>rd</sup> Highest in EEA Countries
- Easy solution if Minister serious.
- Introduce Competitive Tendering for Bus Services. (Official Fine Gael Policy pre-Election.)
- Sale of All State Assets including Airports, Ports and Roads being considered – But CIE not for sale.

# REFORM OF LEGAL PROFESSION

- CA Report Form Rather than Effects Based.
- “The fundamental point is that if self-regulating professions are left to their own devices there is little incentive for them to encourage competition in the market.” (CA Report para 3.71).
- Be Careful What You Wish For.
- Replacing Self-Regulation with Political Regulation
- MDPs.

# MEDIA MERGERS.

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- Plurality of Media not an Issue for CA.
- Problematic for Politicians.
- Irish Press case and “Payback Time”.
- UK BSkyB Case.
- Specialist Part-Time Members for Media Cases?

**THANK YOU**

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