

CLIENT ALERT

Joaquin Almunia Appointed EC Competition Commissioner

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On November 27, 2009, European Commission president Jose Manuel Barroso announced the nomination of Joaquin Almunia to succeed Neelie Kroes as EC Competition Commissioner. The nomination follows requests by Spain 's president Jose Luis Rodriguez Zapatero that Mr. Barroso gives the Spanish Commissioner Almunia a "key" economic portfolio. Mr. Barroso is said to owe Mr. Zapatero a favor for his support of Mr. Barroso's re-election in the face of opposition by the European Socialist group. Mr. Almunia's nomination, along with the nomination of the rest of the EC Commission, is expected to be confirmed after hearings before the European Parliament in January 2010. If confirmed, the new team of Commissioners will be in office beginning of February 2010.

An economist and a lawyer, Mr. Almunia has been the EC Commissioner for economic and monetary affairs since 2004. Earlier in his career, Mr. Almunia was chief economist of the Union General de Trabajadores (UGC), the Spanish trade union affiliated with Spain's Socialist Workers' party (PSOE). In 1984, he was the youngest minister of the Gonzalez government, where he served as minister for Labor and Social Security. He then became a leader of Spain's socialist party and ran for Prime Minister of Spain in 2000. While Mr. Almunia is not an antitrust specialist, it is not unusual for the EC Competition Commissioner to be a generalist. In contrast, U.S. Assistant Attorney General for antitrust are typically lawyers with established reputations in the private antitrust bar or academia.

In succeeding Ms. Kroes, Mr. Almunia will inherit a large backlog of state aid cases regarding state guarantees and recapitalization measures in the EC banking and financial sector. In November 2009, Ms. Kroes noted that "the aid element of crisis support to business is at least €220 billion, and the total liabilities governments have taken on are around one trillion euros." Mr. Almunia will also succeed to Ms. Kroes' track record of huge fines for cartel behavior and the conduct of dominant firms, the largest being the fine levied against Intel of € 1.06 billion.

Mr. Almunia enjoyed great respect by his colleagues in the Barroso I Commission as well as by Commission staff. While he has limited competition background, he is known to be knowledgeable and balanced. It can be expected that the business community will find a reasonable counterpart in him.

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