



EUROPEAN UNION

DELEGATION OF THE EUROPEAN UNION

Skopje, 26 September 2012

Twinning Kick-Off Event
**“Assistance to the Commission for Protection of
Competition (CPC) for State Aid Control”**

EU InfoCentre

Speech by
H.E. Mr. Aivo Orav
Head of EU Delegation

Dear Deputy Prime Minister, Ms. Arifi,
Dear Ambassador Yvon,
Dear Mr. Churlinov,
Dear Ms. Vankovska,
Your excellencies, ladies and gentlemen,

I am pleased to welcome you today at the official launch of this Twinning project. The project will be implemented with the assistance of the UK Administration.

For the country, this project represents an additional step towards approximation to EU Policies, Standards and Goals. On the territory of the European Union, the European Commission is the exclusive responsible institution for the control of the public aid given by Member States to commercial activities. The European Commission's role is to prevent that governments give selective advantages to companies, causing therefore distortion of the competition in the market. In these cases, the European Commission has the duty to investigate the matter.

However, European Commission does not control all public spending, for example for services that are not economic in nature or are not provided by the market, such as defence or security.

Similarly, European Commission does not look into the support that member states provide to all economic actors, such as lower tax rates, because this does not distort competition.

Of course, this does not mean that State aid is forbidden; quite the contrary. In our economies, government intervention is justified – and sometimes necessary - to complement market forces when they fail to produce the desired outcomes. For example, by giving access to capital to small and medium enterprises (SMEs); protecting the environment; encouraging the use of renewable energies; investing in research and innovation or attracting investors towards underdeveloped parts of the territory, etc.

Let me reiterate once more that in the current global financial situation, it's of crucial importance that National Administrations make a more efficient use of public money and encourage spending on policies that can boost growth, innovation and creation of jobs.

Now let me focus on the project we are opening today, by listing few points why we consider it important:

- It will promote the legislative approximation in state aid matters to the EU legislation, which is one of the targets for EU Accession;

- It will build competences and skills in the Commission for Protection of Competition;
- It will inform public bodies and private sector of the usefulness of state aid rules and promote their respect;
- It will prepare public administration and private sector to the regulatory environment they will find once the country enters in the EU;
- It will introduce fairer rules in the market allowing for healthy competition and a better functioning market economy, which is fundamental in order to enter in the European Union.

However, the project representatives will provide you with more details later at the event.

Thank you very much for your attention.