

# **EON bid for Endesa shows Commission "in denial" over EU energy policy**

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over EU energy policy

(Brussels, 22 February) Another example of the failing story of EU energy market policy was started on 21 February 2006 when German company Eon bid for Spanish company Endesa. If pushed through, it would create one of the world's largest energy companies with more than 100.000 workers world wide and a presence in Europe and Latin and North America. Endesa is currently resisting a take-over battle from Spanish company Gas Natural.

"We call on management of Eon to consult quickly with the trade unions of the different companies of Endesa in the different countries to explain the bid, the industrial logic and what will be the consequences for workers and citizens", commented Sven Bergelin from the German trade union Verdi and the President of the EPSU utilities committee. "Workers should see their jobs and working conditions protected" he added.

The take-over battle has brought the development of the internal market for electricity and gas to a new stage. It underlines that the whole idea of creating competition in essential services such as electricity and gas is unsustainable. The physical and economic constraints in this sector and the fact that electricity is not a commodity but a social good, combine to show that the market based approach does not work. EPSU predicted all this in 1999. It was confirmed in research in 2005 ([see www.epsu.org](http://www.epsu.org))

"Big fish eat small fish, that is the reality of the European internal market for electricity and gas. Jobs are lost, prices increase, and investment is not realised. And only last week, we saw the EU Competition Commissioner Mrs. Kroes, arguing that the Electricity internal market does not function, confirming our analysis, says Jan Willem Goudriaan, EPSU Deputy General Secretary. "It is time for the Commissioner to stop living in denial and to realise that more competition is bad for workers, bad for users and bad for EU energy needs"

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For more background information, our research and detailed positions please check: [www.epsu.org/a/1465](http://www.epsu.org/a/1465) The information is available in several languages including French and German.

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