

EUROPEAN COMMISSION DIRECTORATE GENERAL ECONOMIC AND FINANCIAL AFFAIRS Economies of the Member States II

> Brussels, 26 September 2012 GG D(2012) Ares

Dear Mrs Zanzanaini,

Thank you for your letter related to the water privatisation of various countries.

As you know, privatisation of public companies contributes to the reduction of public debt, as well as to the reduction of subsidies, other transfers or state guarantees to state-owned enterprises. It also has the potential of increasing the efficiency of companies and, by extension, the competitiveness of the economy as a whole, while attracting foreign direct investment.

The Commission believes that the privatisation of public utilities, including water supply firms, can deliver benefits to the society when carefully made. To this end, privatisation should take place once the appropriate regulatory framework has been prepared to avoid abuses by private monopolies. At the same time, public access to basic goods must be ensured. This is why it is important to find a balance between equal and fair access to public utilities (water, gas, electricity), good quality of services and a financially sustainable supply.

The Commission will check that the privatisation process of water companies guarantees full access to water for all citizens.

Yours sincerely,

() Gabriele Giudique Head of Unit Country desk Greece.