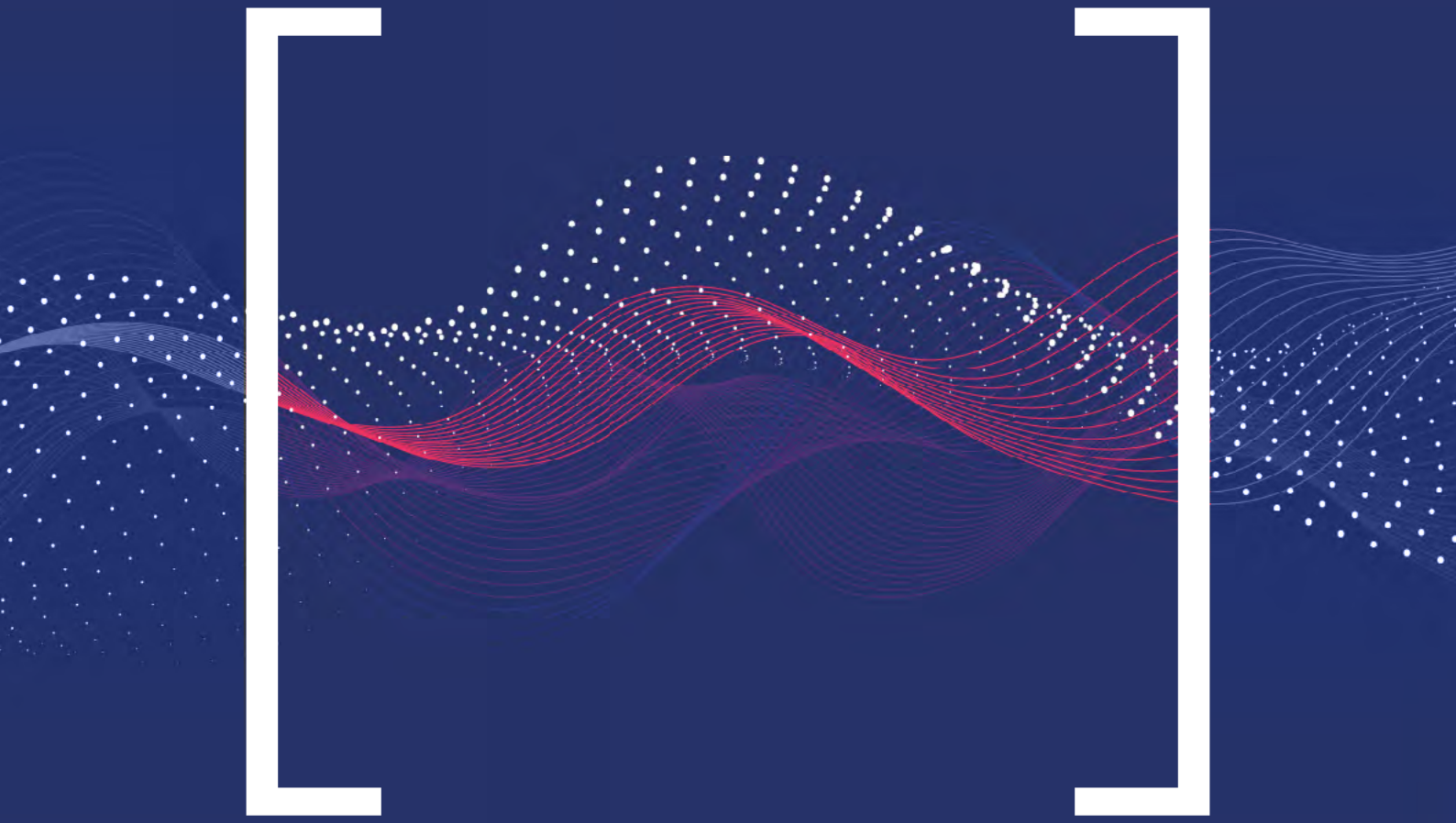
COMPETITION POLICY IN EASTERN EUROPE AND CENTRAL ASIA

Liberalisation, tourism and transport



OECD-GVH Regional Centre
for Competition in Budapest (Hungary)
Review No. 26, July 2025

OECD RCC OECD-GVH HUNGARIAN COMPETITION AUTHORITY

Inside a competition authority: **CROATIA**

Table of Contents

I. FOREWORD

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OECD

Foreword

This year marks an important milestone for our Centre: the celebration of its 20th anniversary. Over the past two decades, the Regional Centre for Competition in Budapest has worked side by side with competition authorities across Eastern Europe and Central Asia, promoting a shared vision of open, fair, and well-functioning markets.

It is with sincere appreciation and pride that we dedicate this issue of our newsletter to a topic of enduring relevance in our region: **liberalization,** with a special focus on the **transport and tourism sectors.**

Liberalization has been a powerful driver of economic transformation in many of our beneficiary countries. By opening up key sectors to competition, governments have not only fostered greater efficiency and innovation, but also expanded consumer choice and supported broader economic resilience. The experience of the past 20 years demonstrates how liberalization, when accompanied by sound regulatory frameworks and effective enforcement of competition rules, can bring tangible benefits to citizens and businesses alike.

Transport and tourism, in particular, are vital pillars of the economies across Eastern Europe and Central Asia. These sectors connect markets, support regional development, and generate employment and investment. Yet, they are also sectors where structural barriers and outdated regulations can persist—often unintentionally limiting access, distorting competition, or slowing growth. That is why we believe it is timely and necessary to revisit how competition policy can support further liberalization efforts in these industries, ensuring they remain dynamic, inclusive, and responsive to new challenges and opportunities.

I wish to express my heartfelt thanks to the authorities of our beneficiary countries for their ongoing commitment to dialogue, reform, and capacity building. Your active participation, insights, and support have made our Centre's work both possible and impactful. I also warmly thank the Hungarian Competition Authority (GVH) for its continued trust and generous support of the Centre's mission.

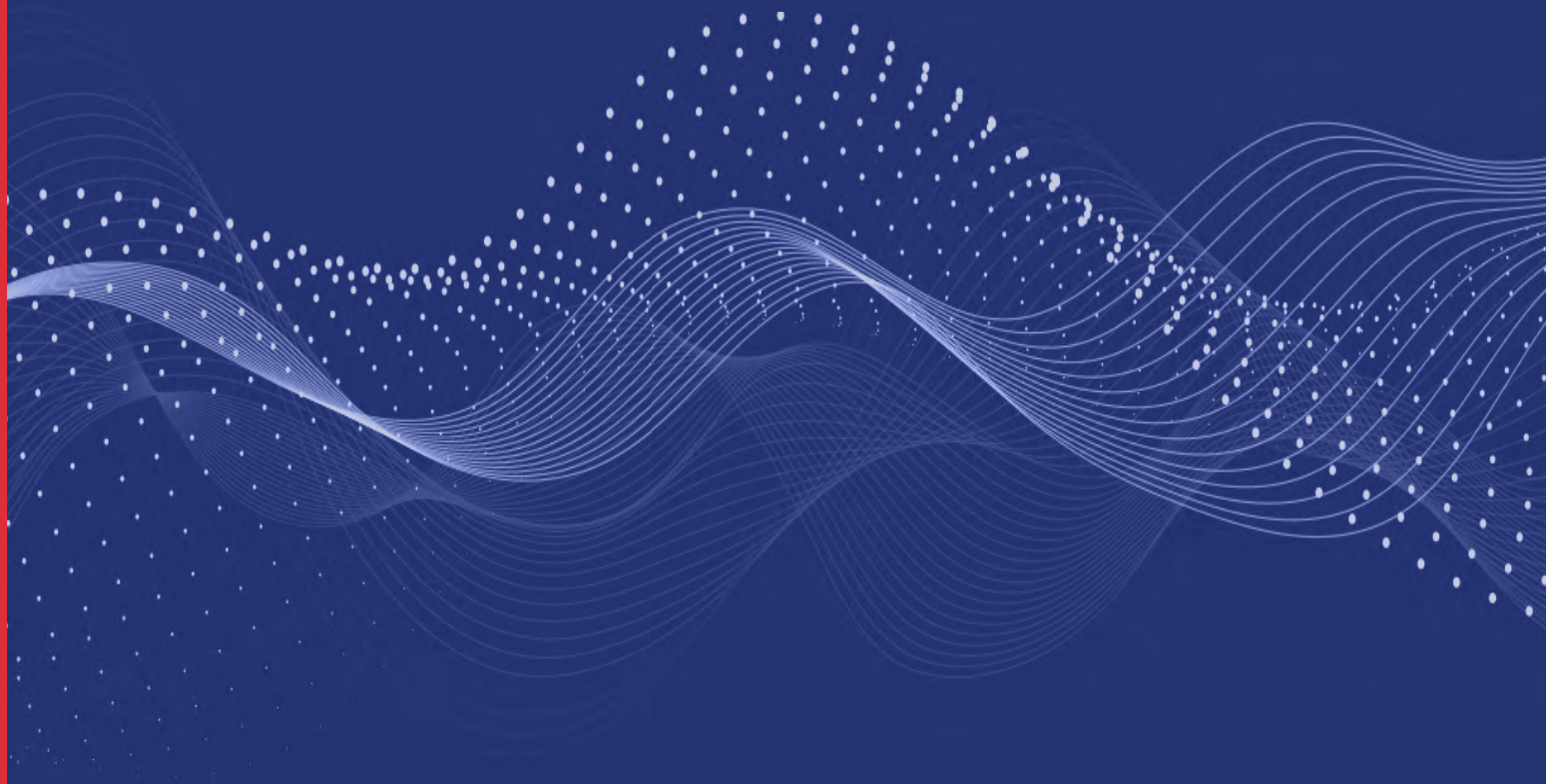
Looking ahead, we remain committed to deepening our collaboration, exchanging knowledge, and strengthening the institutions that safeguard competition in the region. May this issue of the newsletter inspire new conversations and renewed efforts to build more competitive and open markets for the benefit of all.

On the next number, following your request and considering some relevant cases that you have lately underlined, we will focus our attention to **fighting hard core cartels.** We expect to learn from your very enriching experiences and all the challenges faced.

With warm regards,

Maria Pilar Canedo
Academic Director
of the OECD-GVH Regional Centre
for Competition in Budapest

II. PROGRAMME 2025



Programme of Work for 2025

I. WORKSHOPS AND CONFERENCES			
	Date	**Topic of the Workshop**	**Audience**
1.	27-28 February **Budapest**	**20th Anniversary of GVH-OECD- RCC:** The presidents of the beneficiary agencies of the GVH-RCC, together with some of the key actors of this joint venture along its long and successful history will join to celebrate the 20th anniversary of this project and present the main ideas for his future.	Event open to the public with Presidents, Chairs and senior staff of the beneficiary agencies.
2.	18-20 March **Bilbao**	**Tourism, transport, and competition:** The economic and social impact of those sectors has attracted the interest of national and international undertakings that sometimes face big entry or operational barriers that would require the attention of competition agencies.	Competition officials with experience in related matters both in enforcement and advocacy.
3.	29-30 May **Budapest**	**Judge's trainings. Abuses of dominance:** This seminar will allow the judges of the member states of the European Union together with those of Montenegro, Kosovo and North Macedonia to have a better understanding of the grounds of the evolution of case law at national and EU level.	Judges of EU or beneficiary countries
4.	29-30 September **Budapest**	**GVH staff training:** A group of international experts will discuss with GVH staff their views of the challenges that competition agencies face in this moment. This year we will cover the main ECJ cases on cartels and abuse of dominance.	Board members, Directors, and staff of the GVH.
5.	4-6 November **Ljubljana**	**SOEs and Competitive Neutrality:** Competitive neutrality fosters competition by eliminating or reducing undue competitive advantages that some players may enjoy over their competitors. The seminar will deal with means to try to guarantee level playing field between state-owned and privately-owned enterprises.	Competition officials in charge of competition advocacy of the beneficiary agencies.
6.	18-20 November **Almaty**	**Challenges on fighting cartels and bid rigging:** Cartels are the most relevant area of concern for competition agencies, as they are the most harmful competition infringement. Special attention to main concepts needed to fight these behaviours and sanction them will be included in this seminar.	Competition officials in charge of cartel competition enforcement.
7.	December **Budapest**	**Judge's trainings. Non cartel agreements:** This seminar will allow the judges of the member states of the European Union together with those of Montenegro, Kosovo, and North Macedonia to have a better understanding of the grounds of the evolution of case law at national and EU level.	Judges of EU or beneficiary countries.

II. PUBLICATIONS:
The OECD-GVH Regional Center for Competition will publish (both in English and in Russian):
Two issues of the Newsletter *"Competition Policy in Eastern and Europe and Central Asia"*
The Annual Report with the summary of its activities

III. VIDEOS:
Two videos *"Key Competition Topics explained in few minutes"* on the topics:
Competitive neutrality
Competition assessment toolkit

IV. RFI:
The RCC will continue to create a hub of exchange of information on cases for the Agencies in the Region.

III. ARTICLES ON LIBERALISATION, TOURISM AND TRANSPORT

1. RCC country contributions

Abuse of Dominant Position in Transport Markets – Case of Albania

Mimoza Kodhelaj
Director
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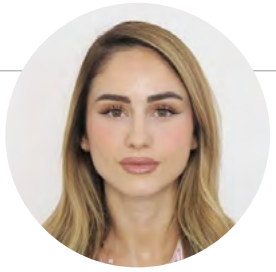


Anisa Buxheli
Director
Albanian Competition Authority

1. Legal basis

Albanian law no. 9121/2003 "On competition protection", is fully aligned with articles ***101*** and ***102*** of ***TFEU***. Article 3 point 5 of law no. 9121/2003 defines the dominant position as "a position of economic strength held by one or more undertakings which enables them to prevent effective competition on the market by giving them the power to conduct, concerning demand or supply, independently of other market participants such as competitors, customers or consumers".

Article 8 of law no. 9121/2003 determine how to evaluate the dominant position of one or more undertakings notably particularly by establishing the following: a) the relevant market shares of the investigated undertaking/s and those of the other competitors; b) the barriers to entry to the relevant market; c) the potential competition; ç) the economic and financial power of the undertakings; d) the economic dependence of the suppliers and purchasers; dh) the countervailing power of buyers/customers; e) the development of the undertaking's distribution network, and access to the sources of supply of products; ë) the undertaking's links with other undertakings; f) other characteristics of the relevant market such as the homogeneity of the products, the transparency of the market, the undertaking cost and size symmetries, the stability of the demand or the free production capacities.

Abuse of the dominant position is determined in article 9 of law no. 9121/2003 as „Any abuse by one or more undertakings which may, in particular, consist in: a) directly or indirectly imposing unfair purchase or selling prices or other unfair trading conditions; b) limiting production, markets or technical development; c) applying dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage; ç) concluding contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts."

The Albanian Competition Authority (ACA) under law no. 9121/2003 and all sublegal acts has powers to address competition infringements and restore the competition in the market in both *ex-ante* and *ex-post* analysis.

In *ex-ante* analysis, the ACA assesses draft normative acts by the government that may impose barriers to entry, or grant special or exclusive rights to an undertaking in the form of Public-Private-Partnership or concession, pursuant to article 69 of competition law: „Obligation for central and local administration bodies". The ACA may recommend or give obligation to the undertakings to respect the principles and rules of competition, being brought to market in order to comply with the provisions of article 9 of the competition law regarding abuse of dominant position: - imposing, directly or indirectly, unfair purchase or sale prices or other unfair trading conditions; - restriction of production, markets or technical development.

In *ex-post* analysis, the ACA may conduct market studies/ sector inquiry or open preliminary and in-depth investigation. The first step in all cases is defining the relevant market which includes both the product and the geographic market as foreseen in the Guideline no. 76/20081 "On Market Definition" and Guideline 20152 "Appraisal of dominant position".

Regarding procedures during investigations, dawn raids, data collection and access to file, the ACA has in force the following regulations and guidelines: Regulation 2011"On investigation procedures", Regulation 2016 "On administration of electronic data during inspections from the competition authority", Regulation 2016 "On personal data protection, Regulation 2018 "On the Functioning of the Competition Authority", Guideline 2021 „On the best

practices for submitting evidence of economic character and data collection, in cases related to the implementation of articles 4 and 9 of law no. 9121/2003 and in concentration cases", Guideline 2020"On confidentiality and access to file".

The transport sector, due to its strategic economic role and frequent reliance on exclusive infrastructure (e.g., ports, terminals, rail networks), is particularly vulnerable to the abuse of dominant position. In such markets, dominance often arises through legal concessions, high entry barriers, and essential facility control—creating conditions where a single operator may act independently of competitive pressures. The following two cases express the experience of the ACA in those markets.

2. The container ship loading and unloading service market and related activities at the Durrës Container Terminal (DCT)

In 2020, following a formal complaint submitted by an operator concerning the loading and unloading fees for containers at the Durres Container Terminal (DCT), the Competition Commission launched an investigation into a potential abuse of dominant position under Article 9 of the law. Durres Container Terminal (DCT part of Kürüm Holding) has a concession contract which operates the container's terminal in the port of Durres since 2013, for 35 Years. DCT is the only undertaking that possess and the sole administrator of all infrastructure and facilities of this terminal, being ***100% dominant,*** high barriers to entry, no competition potential; low countervailing buyer's power.

The investigation, which covered the period 2018–2019, involved dawn raids and requests for information (RFIs) sent to the Portual Authority of Durres (PAD) and the Ministry of Infrastructure and Energy (MIE). Through the gathered data, it was established that container handling fees must be mutually approved by both MIE and PAD. However, from May 2018, DCT independently implemented a self-determined fee structure without official approval or inclusion in PAD's fee book. The unauthorized fees were as follows: 20-foot containers: €120/box; 40-foot containers: €150/box. In contrast, PAD and MIE had jointly proposed significantly lower fees:20-foot containers: €65/box; 40-foot containers: €86/box. Despite formal requests in November 2018 to align with the approved fee structure, DCT continued to apply its higher rates—85% and 43% higher, respectively. The Competition Commission concluded that these fees were excessively high and constituted an abuse of dominance. Following data analysis and a hearing session involving DCT, PAD, and MIE, the Competition Commission issued Decision no. 696/2020 imposing a fine of 0.43% of DCT's turnover from the preceding financial year, amounting to 5,052,370 ALL (approximately €41,756) as its abuse of dominant position. DCT appealed the decision in the Court, however, the Court upheld the Competition Commission's ruling, affirming the findings and the imposed sanction.

This case marks a significant enforcement action by the ACA and serves as a reminder of the obligations placed on dominant undertakings to operate fairly and within the regulatory framework. The DCT case underscores the importance of transparent pricing mechanisms and the regulatory oversight necessary in concession-based monopolies, especially in critical infrastructure sectors.

3. The passenger taxi service market to and from Tirana International Airport (TIA)

During 2023, the Competition Authority initiated a monitoring procedure in the taxi service market to and from Tirana International Airport (TIA).

The undertaking Tirana International Airport SHPK is the sole owner and administrator of the infrastructure and facilities of Tirana International Airport, which by its very nature is an essential facility for carrying out air transport. According to a contract signed in 2019, Auto Holiday Albania SHPK (AHA) was granted the exclusive right to operate taxi services at the passenger terminal until 2031, with unlimited use of the airport premises.

During the monitoring, it was observed that a sign reading *"No taxis without passengers allowed"* had been placed in the Kiss & Fly area, which effectively prevented other undertakings from offering taxi services from the airport to the city of Tirana unless they already had passengers on board. This restricted access favored AHA and was assessed as a potential violation of Article 9 of Law no. 9121/2003, which states that it constitutes an abuse of a dominant position for a company to refuse to provide services/products by placing them at a competitive disadvantage.

Under these circumstances, the Competition Commission decided to open an investigation and take an interim measure against Tirana International Airport SHPK, requiring the removal of the prohibitive sign and allowing free access for all companies providing taxi services.

At the conclusion of the investigation, it was found that TIA SHPK had implemented the interim measure by restoring competition in the relevant product market through the removal of the "No taxis without passengers allowed" sign

and by allowing access to other taxis. During the administrative investigative procedure, a causal link between TIA's action in placing the sign and the resulting consequences was not proven. However, during the investigation, discrepancies were observed regarding the tariffs applied by AHA SHPK. The undertaking was licensed by the Municipality of Kruja but applied tariffs approved by the Municipality of Tirana, which were also published on the official websites of TIA and AHA, creating confusion and legal inconsistencies.

In conclusion, with Decision no. 1083, dated 06.06.2024, the Competition Commission decided to: (i) Close the in-depth investigation procedure against TIA SHPK and AHA SHPK in the passenger taxi service market to and from Tirana International Airport.; (ii) To recommend to the Ministry of Infrastructure and Energy that, due to the importance of Tirana International Airport (TIA), as well as in light of the increasing number of other international airports in the Republic of Albania, it should review the regulation of Article 37 of Law no. 8308, dated 18.03.1998 "On Road Transport" and other sublegal acts based on it, regarding the obligation for vehicles to depart without passengers outside the municipality that issued the license, particularly in relation to international airports.; (iii) Ensure that the tariffs of AHA SHPK comply with those of the respective municipality where it is licensed, in accordance with Article 36 of Law no. 8308/1998 "On Road Transport."

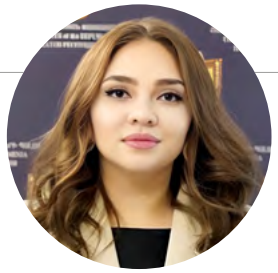
This case clearly highlighted the issues that arise in the market when competition is lacking and when key access points are unilaterally controlled. The TIA case demonstrated that a single operator can negatively impact market structure by excluding other players and depriving consumers of cheaper or higher-quality alternatives. The decision of the Competition Commission serves as an important precedent for ensuring fair competition and for underlining the need for institutional, legal, and regulatory intervention in strategic sectors such as transport, where the impact on consumers is direct.

4. Final remarks

Cases in transport markets like DCT or TIA illustrate how dominant undertakings can impose excessive fees, limit access, or engage in discriminatory practices, ultimately harming market efficiency, downstream businesses, and consumers. These actions constitute clear violations of competition law, specifically Article 9 of Albania's Law no. 9121/2003, and their EU counterparts under Article 102 TFEU. An effective competition policy must strike a balance between recognizing natural monopolies in infrastructure and preventing their abuse. This requires: Rigorous market definition and dominance assessment, Ongoing *ex-ante* oversight of concession agreements and regulatory barriers, Prompt *ex-post* enforcement through investigations and sanctions when abuse occurs. Transparency and accountability in price-setting mechanisms, especially when public interest is at stake.

In conclusion, ensuring open access, fair pricing, and non-discriminatory conditions in transport markets is essential to safeguard competition, promote investment, and support broader economic development. The role of competition authorities, like the ACA, remains critical in monitoring dominant operators, enforcing compliance, and fostering a level playing field.

Electricity Market Liberalisation in Armenia



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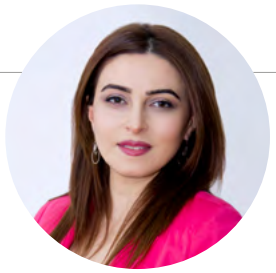

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Market liberalization plays a crucial role in fostering competition, improving efficiency, and enhancing consumer choice, thereby ensuring long-term economic and environmental sustainability.

1. Introduction

Liberalization is a powerful policy tool for creating competitive markets and ensuring long-term economic sustainability. It encourages investment, improves efficiency, and broadens consumer choice-ultimately driving down prices and raising service quality. In Armenia, one of the most significant liberalization initiatives in recent years has taken place in the electricity sector, reflecting the country's broader commitment to energy sector reform.

In February 2022, Armenia initiated a phased transition to a liberalized electricity market. This step was part of the Government's 2021-2026 Programme, which prioritizes modernization of the energy sector and the creation of a competitive, secure, and environmentally sustainable electricity market. The reform strategy focuses on expanding both wholesale and retail competition, increasing cross-border trade, and encouraging renewable energy development.

2. From Monopoly to Market: Structural Reform

Prior to liberalization, Armenia's electricity market operated under a single buyer model introduced in 2004. This framework functioned as a natural monopoly, where a designated distributor purchased electricity from producers and resold it to consumers. The entire system-from generation to final supply-was tightly regulated, restricting competition and innovation.

The liberalization process formally commenced in 2022, with actual market transactions beginning in 2023. These early stages enabled the identification of structural strengths and emerging challenges, laying the groundwork for further reform.

3. The Role of the Competition Protection Commission

Recognizing the importance of data-driven regulation, the Competition Protection Commission of Armenia conducted a comprehensive market study in 2023. The study assessed the initial performance of the liberalized market and identified key areas for improvement. One critical finding was the dominance of a single wholesale trader in electricity exports during the early stages of liberalization. This concentration highlighted the need for enhanced regulatory interventions to promote fair competition and market diversity.

4. Market Participants and Evolving Dynamics

The reforms introduced a new structure of market participation, enabling broader access and engagement across the electricity value chain. Market participants now fall into three primary categories:

- **Suppliers** – entities purchasing electricity from the wholesale market and selling it to end users;
- **Qualified Consumers** – large industrial users who can either produce electricity for their own consumption or procure it directly from the market;
- **Traders** – participants engaged in electricity imports and exports through wholesale transactions.

As of 2023, Armenia recorded 4 licensed suppliers, 7 qualified consumers, and 2 traders. These numbers have since increased significantly. By early 2025, 21 active qualified consumers and 23 licensed suppliers were participating in the liberalized segment of the market. This growth reflects both the success of the phased approach and the effectiveness of regulatory signals encouraging market entry.

5. Phased Integration and Regulatory Milestones

The transition to full liberalization is being implemented through a phased schedule, currently planned through 2030. Each year, the electricity consumption threshold required to obtain "qualified consumer" status is progressively lowered, thereby broadening the pool of consumers eligible-and ultimately required-to participate in the competitive market.

Beginning in 2025, consumers who meet the qualified consumer criteria are obligated to engage in electricity trade independently, without selecting a licensed supplier. These consumers must procure electricity directly from the market, either through self-generation or by participating in wholesale trade mechanisms. This phased and mandatory integration aims to expand market participation, ensure equitable access to competition-driven benefits, and support the long-term development of a fully liberalized electricity market.

The liberalized segment's share of the domestic electricity market has grown steadily-from 5.3% in 2022 to 20.1% in 2023, and 27.8% in 2024.

6. Renewable Energy Support and Reforming Purchase Guarantees

Producers in Armenia's electricity market can benefit from the power purchase guarantee established by law. This mechanism obligates producers—for small hydroelectric power plants, within a period of fifteen years, and for other renewable energy sources, within twenty years-to sell all electricity generated to the guaranteed supplier at pre-established tariffs. Importantly, if a licensed producer elects to use this purchase guarantee, they are not permitted to subsequently refuse or withdraw from the arrangement.

Production companies operating under this framework continue to sell electricity exclusively to the guaranteed supplier, in accordance with the terms of their license. Alongside these, there are also licensed producers who do not rely on the guarantee and instead sell electricity directly to other suppliers or to large industrial consumers (Qualified Consumers) through bilateral contracts, thereby participating in the liberalized market segment.

In recent legal developments, amendments have been made to the law that allow producers who have chosen the purchase guarantee to subsequently opt out of it. According to these amendments, producers at small hydroelectric power plants built on natural watercourses, as well as solar and wind power plants using the purchase guarantee, are given the opportunity to voluntarily renounce the guarantee within the next two years. Once this decision is made, producers will enter the competitive market and will not have the right to restore the guarantee in the future.

These legal changes are intended to expand producer participation in the competitive market while maintaining investment incentives for renewable energy development, offering producers greater flexibility and aligning the market structure with the broader liberalization objectives.

7. Legislative Reform and Market Transparency

While significant progress has been achieved, the liberalization process is ongoing. Legislative reforms are currently underway to address electricity market design, renewable energy integration, and energy efficiency. The Competition Protection Commission is actively contributing to these reforms, and many of its recommendations have already been incorporated into draft legislation.

In parallel with legal amendments, there is a growing need for enhanced public awareness and improved access to information. Many consumers, especially those newly entering the market as qualified participants, require a clear understanding of the liberalized market structure, the obligations they face, and the opportunities available. To support this transition, the Commission has proposed the creation of a unified digital platform allowing consumers to compare supplier offers. This initiative aims to boost transparency, foster informed decision-making, and strengthen trust in the liberalized system.

8. Conclusion

Armenia's electricity market liberalization demonstrates the transformative potential of well-designed and strategically implemented market reforms. The phased transition has already delivered tangible benefits: increased competition, more diverse market participation, expanded renewable energy integration, and improved pricing. As the reform process continues through 2030, Armenia is laying the foundation for a more efficient, resilient, and consumer-driven energy sector.

Liberalization, when guided by sound regulatory oversight and responsive policymaking, serves as a powerful driver of economic growth, environmental sustainability, and long-term development. In Armenia's case, it has signaled a strong national commitment to building a modern, competitive energy future.

Competition Advocacy in Transport and Tourism in Bulgaria

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Though people usually use transport and tourism together, from competition point of view these services are quite different. Due to the fact that transport services in some cases can be provided by only one operator there is a risk of a creation of a dominant position or an abuse of such a position. The sector of tourism is characterized by many market participants and is more prone to a risk of prohibited agreements. As sometimes these competition risks are a result of regulation, the differences between transport and tourism can be seen in the competition advocacy opinions of the Bulgarian Commission on Protection of Competition (CPC).

Transport

In the end of 2009, the CPC adopted opinion on the proposed amendments to Ordinance 2 of the Ministry of Transport, concerning public transport. The CPC considers that the introduction of maximum duration of a public service contract of 10 years diminishes the risk of market foreclosure for a long period of time, thus enhancing the competitive pressure on the market.

The Commission proposes amendments to the existing provision allowing the municipal councils to include discretionary criteria in the competitive award procedure for public transport services. In its practice, the CPC has encountered a number of cases in which the municipalities have included anti-competitive and discriminatory criteria, such as criterion for traditional carrier; requirement for experience in public passenger transport services in towns with more than 500 000 residents; criterion for experience in a certain town; tax registration in the relevant municipality; requirement the participants in the competition to be Bulgarian legal or natural persons; requirement for compulsory setting of minimum or maximum prices; requirement for certain turnover; requirement for certain amount of revenue for the past financial year; criterion for paid profit tax in the last 3 financial years; criterion for ownership of the operating buses.

In its opinion, the CPC proposes the inclusion of an explicit provision in order to restrict the power of the municipal councils to include requirements or criteria in the competitive award procedures that might lead to prevention, restriction or distortion of competition on the market for public transport services. The proposal of the CPC was taken into account and such text was included. As a result, the procedures with anticompetitive requirements in public transport decreased significantly.

Another advocacy opinion in the field of transport of June 2019 concerns the Methodology for formation of the prices for use of bus stations as well as the maximum prices for bus station service. Before the adoption of the Methodology the CPC established the existence of restrictions of competition in Art. 22 (4) of the Law on Road Transport and in the Draft Methodology. The CPC takes into account that carriers are obliged to use the bus stations for a fee, and in settlements with more than one bus station the mayor of the municipality determines the bus station, which is the starting, intermediate or final stop on the route. Given that the majority of bus station owners also operate as bus carriers, bus stations could take advantage of their situation and impose unreasonably high prices for bus station services, as has been established in cases of the CPC practice. This determines the necessity of regulation of the prices of these services, but it should be done without restricting competition. According to the Draft Methodology, the price for passing through the bus station is determined on the basis of costs and reasonable profit, and at the same time maximum prices are provided for the respective category of the bus station. The CPC considers that the bus stations of the same category do not have the same costs, taking into account the differences in the level of salaries in different settlements, as well as the fact that the requirements for the respective category of bus stations are minimal. Maximum prices are intended to protect bus carriers from paying unreasonably high prices for bus service, but this is not necessary if there is a way to calculate cost-oriented prices. At the same time, maximum prices restrict competition, as they would create preconditions for lowering the quality of bus station services and for all bus stations to set a price that is close to

the maximum. Therefore, the CPC proposes the envisaged requirement in Art. 22 (4) of the Law on Road Transport for setting maximum prices for bus station service to be revoked and the relevant texts of the Draft Methodology to be removed. However, this proposal of the CPC was not taken into account.

The CPC considers that the provision envisaging the carriers to pay for the ticket sale service through the bus station counter when paying for the service of passing through the bus station also restricts competition. The CPC draws attention to the fact that in this way carriers who do not use the ticket sales service or have chosen the option of renting a counter, pay unreasonably for a service that is not actually used. In this regard, it should be borne in mind that tying two products or services by dominant undertakings, such as bus station owners, may constitute an abuse of a dominant position. According to the CPC, such tying could lead to an increase in the cost of passing through the bus station. In addition, the possibility of selling tickets at no extra cost may lead all bus carriers to start offering their tickets through bus stations instead of agencies and other intermediaries, which would put the latter at a disadvantage. As a result of the CPC advocacy opinion these texts were removed from the Methodology.

Tourism

The advocacy opinions of the CPC in the field of tourism concern price regulation of the hotel accommodation and entry restrictions for the tourist guides.

In May 2018 the CPC adopted an opinion that the proposal by the Ministry of Tourism for introduction of minimum prices for hotel accommodation restricts competition. The CPC considers that the setting of minimum prices for accommodation would restrict the price competition between hotels. The minimum prices could not be a guarantee for quality or for compliance with the requirements for the relevant category hotels or that the hotels would invest this additional profit in increasing the quality of the offered services.

As the prices for accommodation depend on many other factors besides the category, it is practically impossible to set one minimum price for a category which would be adequate for all cases. The best way for setting prices is this to be a result of the natural market mechanisms which reflect the intersection point between demand and supply. The effective competition does not mean supporting of ineffective market participants. The aim of competition is to stimulate the effectiveness through offering of more qualitative services at lower prices with the aim to attract more clients.

In May 2024 the CPC adopted a competition advocacy opinion that the regulations of the activities of tourist guides contain restrictions on competition. The requirement of legal capacity to provide tourist guiding services restricts competition, as it may to some extent narrow the number of participants in the market, resulting in higher prices and lower quality services. At the same time, this barrier to entering the market is not justified, as it does not guarantee the quality of the services provided. In addition, the profession itself does not require the introduction of special measures to protect consumers, since these services are not decisive for their health and life. The CPC also finds that the separate elements of the legal capacity requirement – education, practical training and exam, represent unjustified barriers to entry into the tourist guide services market. The options for meeting the education requirement are so wide and various that it is not possible every option to guarantee the availability of the necessary knowledge. The profession of a tourist guide is not among those in which practical training is necessary due to a risk of serious harm to consumers as a result of insufficiently good implementation. The exam for legal capacity requires very broad knowledge that may not be necessary to organize the specific tours. It is important for the tourist guide to be familiar with the tourist sites in the settlements in which he/she operates and not with all the tourist sites in the country and the detailed historical and other data related to them. The analysis of the individual elements of the legal capacity requirement confirm that it is not justified and necessary. Anyone can make a detailed study of the sights of a given city and prepare a guided tour, and the quality of the services offered will determine whether he/she will stay in the market. Therefore, the question of who stays in the market should be decided by the natural market mechanisms of demand and supply, not by regulation. Other identified restrictions are registration regime; placing new entrants in an unprivileged position compared to the existing market participants at the moment of the introduction of regulation; the ban on foreign guides to perform their functions outside the vehicle.

Like every other sector, competition is crucial for ensuring high quality and lower prices also in transport and tourism. However, the interventions of the competition authorities should take into account the specifics of each of the sectors in order to be most effective in removing restrictions of competition.

Legal and Economic Overview of Excessive Pricing in Parking Rental Services at Automobile Markets in Georgia

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Ramazi Razmadze
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Georgian Competition and Consumer Agency

Compliance of a Georgian Legal System with EU Acquis

First of all, we would like to mention, that Law of Georgia on Competition (hereinafter, the "Law"), establishes legal basis against unfairly high pricing, in particular Article 6, paragraph 2, Subparagraph "a". Pursuant to the signing of the Association Agreement between the EU and the European Atomic Energy Community and their member states, of the one part and Georgia, of the other part, the amendments made in 2014 to the Law and the Article 6 complied with the Article 102 of the TFEU. Under the applicable legislation, pricing practices are expressly recognized as forms of abuse of a dominant position.

Legal basis for initiating an investigation

The Competition and Consumer Agency of Georgia (hereinafter, "the Agency") received a complaint from automobile importers (hereinafter, "complainant"), alleging a potential infringement of Article 6, Paragraph 2, Subparagraph "a" (in particular, imposing, directly or indirectly, unfair purchase or selling prices or other unfair trading conditions) of the Law. The complaint concerns the conduct of LLC "Rustavi Auto Market" and LLC "Mikado Georgia" (hereinafter collectively referred to as the "Single Economic Entity") and alleges the direct or indirect imposition of unfair purchase or selling prices, or the application of other unfair trading conditions in parking rental services at automobile market, in contravention of the aforementioned provision of the Law.

The complainants asserted that the respondent, acting as a Single Economic Entity, had engaged in conduct constituting an abuse of its dominant position within the relevant market. In particular, they proved that the imposition of excessively high service tariffs materially impaired the ability of car importers to fulfill their financial obligations to the auto market, thereby causing them significant economic harm.

Based on the correlation between the factual circumstances outlined in the complaint and the additional evidence reviewed by the Agency during the admissibility assessment stage, the standard of reasonable doubt regarding a potential infringement of the Law was met. Consequently, on November 14, 2023, the Agency initiated a formal investigation into a possible violation of Article 6 of the Law by the respondent Single Economic Entity.

Factors underlying the definition of the relevant market

In light of the fact that the subject matter of the investigation pertained to an alleged abuse of a dominant position, the Agency, as a preliminary step, conducted an assessment to identify and define the boundaries of the relevant market, in accordance with the applicable principles of competition law and established methodologies for market definition. Eventually, the investigation identified the existence of two distinct relevant market – 1. The market for the provision of parking services related to the subsequent sale of motor vehicles classified under category M1 and 2. The market for the provision of customs terminal services associated with the subsequent sale of motor vehicles classified under category M1.

In view of the unique characteristics of the territory, for the purposes of the present analysis, the geographical scope of the both relevant markets was defined the city of Rustavi.

As part of the investigation, the Agency determined that the respondents held significant market shares in the relevant markets during the period under examination. In accordance with the established practice of the European

Commission and the European Court of Justice, the Agency further investigated and confirmed the presence of substantial barriers to entry, hindering competition with the respondents in the relevant markets.

It was undoubtedly established that both respondents held a dominant position within their respective relevant markets. This conclusion is supported by their significant market shares as well as the existence of substantial barriers to entry that effectively restrict competition from other undertakings operating within those markets. Accordingly, as a result of the investigation, the Agency has identified the following circumstances as being of substantive and material significance to the resolution of the case - In the city of Rustavi, the respondents maintained a dominant position in their respective relevant markets for the years 2021, 2022, and 2023. This is substantiated by the respondent undertaking's consistently high market share — exceeding 40% throughout the referenced period and the existence of substantial barriers to effective competition within the relevant market.

Analytical framework for the assessment of disputed conduct

In evaluating the conduct of the Single Economic Entity, the Agency applied best practices developed by the executive and judicial bodies of the European Union within the context of this specific legal framework, including, in particular, the two-step test for assessing excessive pricing as established in the *United Brands* case.[1]

At the first stage of the test applied by the Agency, the following circumstances were identified and established as part of the evidentiary assessment: In 2023, LLC "Mikado Georgia" imposed excessive pricing for customs terminal services related to vehicle clearance by establishing tariffs in the amounts of 5, 10, and 15 GEL. Similarly, LLC "Rustavi Auto Market" applied excessive pricing for parking services rendered in connection with the sale of vehicles by setting tariffs of 10 and 15 GEL during the same period. Specifically, for the purpose of establishing the costs incurred by the respondent undertakings during the relevant period, as well as for determining an appropriate and reasonable profit margin, the Agency applied *cost-plus* methodology. In the subsequent stage of the analysis, the Agency was guided by the practice found to be excessive in various decisions of the European Court of Justice and other competition authorities.[2]

Pursuant to the first alternative of step 2 of the applicable test, no circumstances/factors (such as innovation, improvement, investment, R&D investments, commercially specific risk and/or regulatory pressure) have been identified that would justify the imposition of excessive prices by the Single Economic Entity in 2023.

This constituted a sufficient basis for the Agency to conclude a violation of the Law. However, in light of the high standard of proof required, the Agency also proactively examined the second alternative of the second step of the applicable test. Pursuant to the second alternative of the second stage of the test, with respect to the excessive prices set by respondent undertakings in 2023, it has been established that a relevant benchmark exists for the purposes of a reasonable comparison—namely, the prices previously set by the dominant undertaking for the same service under investigation. Based on this comparison, the price set by respondents in the examination period were unfairly high.

The Agency mentions that, although it was sufficient to definitively establish a violation of the article 6 of the Law under the first alternative of the second step of the applicable test, the determination of the existence of excessively high pricing by the respondents in 2023 has been substantiated through the application of both alternatives of the second step, independently.

In the duration of the investigation, it was determined that the imposition of unfairly high prices by Single Economic Entity in 2023 constitutes a violation of Article 6, Paragraph 2, Subparagraph (a) of the Law, which prohibits the determination (fixing) of unfair prices by an undertaking holding a dominant market position.

Conclusion

According to the Agency's decision made in May 2025, the respondent Single Economic Entity was fined, as prescribed by the Georgian legislation.

The Agency used its power, granted by the Law to issue a binding recommendation for consideration by the undertakings identified within the scope of the investigation, as well as by other relevant market participants and potential economic agents operating within those markets.

Specifically, in the course of conducting economic activities, the pricing policy for services and/or products within the relevant market must be formulated in a manner that ensures an assessment and consideration of potential anti-competitive risks prior to the determination of prices.

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[1] Case 27/76, *United Brands v Commission* [1978] ECR 207.

[2] *Deutsche Post*, Case COMP/36.915 [2001] OJ L 331/40; *Aspen* Decision, Case AT.40394 [2021] OJ C 435/04; *Albion Water II* [2008] CAT 31.

Such assessment shall be carried out in accordance with the reasoning set forth in this decision and the criteria for excessive pricing as defined in the aforementioned recommendation. Furthermore, in cases where excessive pricing is applied—recognizing that excessive pricing itself does not automatically constitute a violation of the Law—an undertaking holding a dominant position bears the responsibility to evaluate the risk that such pricing may be deemed unfairly high. In assessing these circumstances, the Agency considers the unfairly high nature of the price either in itself or in comparison to the prices of competing products or services. The existence of either basis is sufficient to establish a violation of the applicable legal provisions. If the Agency finds out the existence reasonable doubt regarding unfairly excessive pricing, it remains the right to open an investigation proceeding against the undertakings concerned.

The Role of Diplomacy in EU Negotiations in the Areas of Competition and State Aid in Montenegro

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Montenegro's accession process to the European Union (EU) represents a transitional period from the communist legacy of Yugoslavia towards embracing democratic norms based on full respect for human rights and a market-oriented economy realized within the EU Single Market. The Stabilisation and Association Agreement is an international treaty between Montenegro and the European Union that established the legal framework for mutual cooperation and gradual alignment with European standards. This agreement has provided the developmental direction for Montenegrin society through the stabilization process, whose primary objective is the stabilization of the Western Balkans region, economic transformation towards a market economy, and the encouragement of regional cooperation on the path to full membership. Accession to the EU represents the second component of the negotiation process, aimed at fulfilling the established criteria for full membership, and it has often been a widely used theme in daily political discourse, frequently accompanied by populist and declarative narratives.

When discussing Montenegro's negotiations with the European Union—where the duration of negotiations significantly affects their quality—we recognize two primary components of the process: the technical (administrative) and the political component. The technical component of the negotiations involves communication between state institutions that coordinate the process at the level of negotiating working groups, with the support of the Ministry of European Affairs, and European partners, primarily from the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR), and subsequently from the line directorates responsible for specific areas. At the core of this communication are activities defined by the closing benchmarks and negotiating positions, and their implementation by Montenegro. The technical level of negotiations is carried out through subcommittee meetings grouped into seven thematic areas, the Stabilisation and Association Committee, and the Stabilisation and Association Parliamentary Committee. In more complex chapters, meetings monitoring progress in individual chapters are not uncommon. Essentially, the technical component provides administrative support to the political component of the process.

The political component is a key driving force and gives momentum to the acceleration of negotiations towards full membership. In diplomatic circles, it is often said that political decisions determine membership—even when not all criteria are fully met. All that the European Commission identified as shortcomings in negotiations with Bulgaria and Romania, and later Croatia, has spilled over to Montenegro, significantly complicating and intensifying the process with clear negotiation outputs. However, the political component of the process frequently changes and intensifies in line with geopolitical and international developments. The war in Ukraine and the rise of pro-Russian forces in some European countries have "softened" the European Commission's stance and made it more benevolent towards the acceptance of new members, although this does not seem to reflect the position of all member states. A good indicator is the rise of right-wing parties dissatisfied with the leftist approach to key social issues. The political component has brought Montenegro back into the game for full membership, and it is now up to us to efficiently implement the third component in the negotiations – diplomacy.

The role of diplomacy in negotiations with the European Union on issues of competition and state aid is of essential importance, as diplomatic activities enable the establishment of trust, understanding, and long-term sustainable solutions acceptable to all parties. Through expert and well-argued negotiation efforts, diplomatic teams can ensure a balanced approach focused on protecting national interests while also achieving the standards and practices required by the EU legal framework. In addition to the negotiations themselves, equally important is the quality presentation of results—not only to international partners but also to the domestic public and economic entities. A clear, transparent, and professional presentation of the agreements and understandings reached is crucial for maintaining credibility, institutional trust, and support for further reform processes. As practice shows, every success

on the European path will go unnoticed if the results are not properly presented to interested parties using all the advantages of marketing to highlight the progress and benefits for citizens.

Bilateral Cooperation

Bilateral cooperation with relevant competition authorities of EU member states represents an excellent way to exchange knowledge and experiences with officials who apply EU law in their daily work. In this way, in addition to strengthening the Agency's capacities, we also gain access to experience that can significantly assist in applying EU provisions during the preparation of cases on the Montenegrin market. Moreover, this is an excellent opportunity for the Agency's officials to demonstrate their knowledge, experience, and readiness to their European counterparts, showing that their expertise meets the demands defined through the accession negotiations with the EU and that they are prepared for the challenges ahead following Montenegro's EU membership. In this way, member states have the opportunity to practically verify Montenegro's progress in Chapter 8, in this case, and to become vocal advocates for full membership based on the measurable application of EU standards.

Communication with EU Member States' Embassies

Keeping diplomatic missions of EU member states in Montenegro informed represents an important part of diplomatic efforts to timely share information with EU partners about Montenegro's progress on the European path. In addition to communication with EU bodies, this approach enables member states to receive direct „on-the-ground" information regarding Montenegro's activities in meeting the closing benchmarks across various negotiating chapters. This is especially significant for the most complex chapters, which in practice tend to be closed last (Chapter 23 – Judiciary and Fundamental Rights; Chapter 24 – Justice, Freedom and Security; Chapter 8 – Competition; Chapter 27 – Environment and Climate Change).

Communication with DG NEAR and EU Delegation

Regular and transparent communication with the Directorate-General for Competition within the European Commission (DG NEAR), as well as with the EU Delegation in Montenegro (DEU), is essential for timely and clear presentation of results achieved in the field of competition and state aid. Establishing proper channels for information exchange, regularly reporting on reform progress, and maintaining open dialogue about potential challenges not only ensures better coordination but also continuous support from the European Commission. In this way, the credibility of domestic institutions is built and public trust in the reform process is strengthened, which is crucial for meeting the obligations of the negotiation process and securing further progress in EU integration. A significant challenge may arise from a lack of awareness among certain Commission officials regarding the complex areas of competition and state aid. This lack of knowledge or experience can slow progress, as it hampers a full understanding of local specificities and reform priorities.

The "Big Brother"

In addition to regular cooperation with the competent bodies of the European Commission and the EU Delegation, the support of a so-called „big brother"—a larger and more influential EU member state—is extremely valuable. Thanks to its political weight and rich experience in negotiation processes, such a country can greatly contribute to easing disagreements or dissatisfaction among other member states. This support enables more effective mediation and alignment of positions, especially in areas that are complex and subject to varying interpretations. In this way, common solutions are more easily found, the fulfilment of obligations is accelerated, and the stability of the candidate country's negotiating position is strengthened—all of which is key to a sustainable and successful path toward full EU membership.

Political Will

Finally, it is necessary to emphasize that political will is the key driver of any progress in negotiations. Without clear and unified political determination within the European Union, there will be no room for further enlargement. At the same time, without strong political will and continuous commitment to reforms in Montenegro, progress on the path to full membership remains questionable. Past experience has shown that declarations have often characterized Montenegro's approach to negotiations, which highlights the need for concrete implementation of agreed reforms and further strengthening of institutional capacities. Only through the synergy of these elements can we ensure a sustainable and credible European integration process that will result in Montenegro becoming the next EU member state.

Driving Reform through Competition: Findings from the CPC's Sector Inquiries into Rail Freight and Intercity Bus Services in Serbia

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Introduction

The transport sector is a cornerstone of economic growth and social inclusion, enabling the movement of people and goods, boosting trade, and supporting overall economic development. In today's context of globalization and regional integration, ensuring open and competitive transport markets is essential for driving down costs, fostering innovation, and enhancing consumer welfare.

However, the sector's structural complexity—natural monopolies, high infrastructure costs, and varying levels of state involvement—creates fertile ground for anti-competitive practices. These can manifest in the form of collusion, abuse of dominant market position, and/or unjustified barriers to entry for new operators. In this context, robust competition policy becomes a crucial tool for promoting transparency, fair access, and long-term market efficiency.

The Transport Community Treaty and Serbia's path toward EU membership further underscore the importance of facilitating the regional integration of transport markets and alignment with EU competition and regulatory standards. Recognizing the sector's strategic importance, the Commission for Protection of Competition (CPC) has made transport one of its priorities, closely examining its competitive landscape and underlying regulatory obstacles. The findings from the two CPC sector inquiries—on rail freight and intercity bus transport, offer a compelling picture of the current state of competition in respective segments of Serbia's transport markets and provide actionable recommendations for reform.

CPC's Sector Inquiries in the Transport Market

Between 2020 and 2022, the CPC completed two sector inquiries in the transport sector: one focusing on the rail freight transport market and the other on the intercity bus transport market[3]. The inquiries were carried out within the framework of the World Bank's Serbia Investment Climate Project, a part of which envisaged the provision of technical support to the CPC for conducting market research, to identify obstacles and propose reforms to improve competition and market regulation. These studies were the product of collaboration between World Bank staff and CPC officials, developed in close partnership with representatives from the relevant line ministries, sector regulators, and the business community.

Rail Freight Transport Sector Inquiry

The Republic of Serbia opened its railway sector to competition through a comprehensive reform initiated in 2015, aiming to improve the sector's operational and financial performance. The former vertically integrated state-owned monopoly, Serbian Railways, was restructured into three separate state-owned companies: Serbian Railways Infrastructure (infrastructure management), Serbia Train (passenger transport), and Serbia Cargo (freight operations). The objective of the separation was to make these entities profitable, efficient, and competitive within a liberalized market. In 2016, the first private carrier entered the market.

Soon after the market opening, the CPC terminated a competition infringement proceeding against Serbian Railways for the abuse of dominant position in the railway infrastructure management market. As a result of the commitments which the Serbian Railways implemented by September 2017, the access to and use of railway infrastructure were enabled also for other economic entities interested in the provision of rail freight services. This was an additional step forward in establishing effective competition in the relevant market.

[3] Non-confidential versions of the final reports are available in English at the following link: https://kzk.gov.rs/en/category/sektorske-analize

Considering the time that has passed since the rail market was opened and the mentioned CPC's enforcement action, the primary objective of the Rail Freight Transport Sector Inquiry was to assess competitive conditions in the post-liberalized market, identify key structural and operational deficiencies, and recommend policy reform to further promote market competition.

The study revealed that the rail freight market remained highly concentrated, with the state-owned enterprise Serbia Cargo holding approximately 85% of market share in 2019. However, no evidence of competition distortion caused by individual or coordinated behavior among market participants was found, and no enforcement action was deemed necessary. The study further concluded that Serbia's legal framework is largely aligned with the relevant EU acquis and, according to the OECD's Product Market Regulation (PMR) methodology, the sector was not excessively regulated.

Nonetheless, several challenges were identified as hindering market development, such as aging infrastructure, outdated route allocation procedures, inadequate intermodal connectivity, and price regulation, in terms of fixed tariffs for domestic transport approved by the government and applied by Serbia Cargo. Therefore, the study emphasized the need to promote investment, enhance both intermodal and intramodal connectivity, and ensure competitive neutrality through consistent enforcement of competition rules across the sector.

The analysis also examined the challenges faced by European and national regulatory authorities during the liberalization of railway markets under the "railway packages." Based on the main findings of the study and the applicable international benchmarks, a set of recommendations were issued to be implemented (jointly) by the relevant regulatory bodies and state-owned enterprise active on that market[4]. First, the study emphasized the need for significant investments in infrastructure, particularly along key corridors and international connections, to improve safety, efficiency, environmental sustainability, and regional connectivity. Second, the study suggested a modernization of the current path allocation system, by using path allocation software that provides more flexibility to railway undertakings, improves traffic planning, and enables significant time savings. Third, the study proposed a gradual price liberalization and access fee reform, to increase competition on domestic routes and improve allocative efficiency. Lastly, the study called for joint market monitoring by the CPC and the sector regulator (Directorate for Railways), to proactively address institutional gaps and market imperfections.[5]

Intercity Bus Transport Sector Inquiry

The Intercity Bus Transport Sector Inquiry was initiated to address a key mode of passenger transport in Serbia. Namely, in 2018, buses accounted for 26% of all passenger-kilometers, significantly surpassing trains, which contributed less than 1%, and exceeding the EU average. This qualified the coach market as a prime candidate for closer scrutiny, especially in light of the CPC's previous enforcement actions.

Between 2017 and 2021, the CPC concluded several competition infringement proceedings in the bus transport sector, focusing on abuses of dominance by local bus operators acting as station managers. The violations included imposing discriminatory station service fees based on the carrier (Autoprevoz), setting different platform ticket prices for international routes (Sirmiumbus), granting preferential treatment to their own operator as the sole station manager (Janjušević), charging excessive fees for station services (Interturs plus), and applying inconsistent pricing for equivalent platform entrance services (Niš Express)[6].

The inquiry aimed to identify structural and regulatory obstacles to competition and provide practical recommendations to policy makers to improve market functioning. One of the key findings was that intercity bus services remain essential for passenger mobility in Serbia. Yet, both per-kilometer fares between major cities and station fees remain substantially above EU averages. The market is characterized by high concentration, with most routes served by a single operator. Many bus operators also control the stations, further reinforcing their dominance. The study suggested that such market structure could limit competition and lead to higher prices and diminished service quality for passengers.

The study also revealed that Serbia's coach services market is constrained by both structural features and regulatory barriers. Although entry barriers for new bus operators are generally not stringent, larger firms benefit from network economies and maintain dominance through con-

[4] Some of the recommended reforms are under way as part of the Railway Sector Modernization Project, co-financed by the World Bank and the French Agency for Development (AFD).

[5] Over the past few years, the CPC has issued positive opinions on several regulations concerning railways, including those on railway safety and system interoperability. Furthermore, the CPC has prepared a proposal for a Regulation on Categories of Agreements in the Railway and Road Transport Exempted from Prohibition and submitted it to the Government for adoption.

[6] Three out of five mentioned proceedings were closed with commitments.

trol over essential infrastructure such as bus stations. Additionally, the Road Passengers Transport Act, while intended to safeguard service quality and safety, often goes beyond what is necessary, thus inadvertently protecting incumbents and deterring new entrants. Lastly, study revealed that the lack of accessible, comprehensive digital data on bus connections further hampered competition by limiting consumer choice and impeding the development of e-ticketing systems.

Based on these findings, the study recommended three key actions to improve market functioning in the Serbian coach services. First, it advised amending the Road Passenger Transport Act to simplify licensing, limit exclusive rights, and better align regulations with EU standards. These changes were expected to reduce informality, improve safety and service quality, and foster competition. Second, it called for the Ministry of Construction, Transport and Infrastructure to publicly disclose intercity bus connections data, thereby enabling the growth of digital ticketing platforms. Third, it suggested continuous monitoring of large bus companies and bus station operators by the CPC, to prevent anti-competitive behavior.

Key Lessons: Structural Challenges and Smart Regulation

The sector inquiries into rail freight and intercity bus transport reveal a shared set of structural and regulatory challenges that hinder the development of fully competitive transport markets. While both markets remain concentrated and hindered by regulatory and operational barriers, they differ in maturity and nature of competition issues. The **rail freight market**, despite liberalization, remains dominated by a state-owned operator and suffers from outdated infrastructure and rigid pricing mechanisms, but showed no evidence of anti-competitive behavior. In contrast, the **intercity bus market** faces higher consumer costs due to entrenched local incumbents controlling essential infrastructure and engaging in abusive practices, despite lower formal entry barriers. Common recommendations across both sectors included the need for infrastructure investment, regulatory modernization and competition monitoring, while each sector also requires targeted reforms: rail needs up to date route allocation system and tariff deregulation, whereas bus services demand reduced exclusivity and digital innovation. Together, these studies point to a shared need for smarter governance that fosters competitive neutrality, greater transparency, and long-term market efficiency in Serbia's transport sector.

Conclusion

The CPC's work in the transport sector highlights how competition policy, beyond its enforcement role, can drive structural and regulatory reform through targeted advocacy efforts, thereby supporting long-term economic development. As the country advances toward EU membership, embedding robust competition principles into transport governance will be vital for building a resilient, inclusive, and future-ready transport system that serves both citizens and the broader economy.

2. External expert contributions

Sector Inquiries in Regulated Industries – The Austrian Experience

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1. Introduction

One of the central responsibilities of the Federal Competition Authority (AFCA) is to investigate economic sectors when there are signs that competition may be restricted or distorted. These sector inquiries are essential not only for identifying inefficiencies but also for protecting the principles of open markets and preventing monopolistic behaviour that harms consumers. By systematically analysing market structures and their regulatory environment, the AFCA aims to foster a setting in which businesses can innovate, new entrants are not unfairly disadvantaged, and consumers benefit from fair prices and wider choices.

A key instrument supporting this mission is the OECD Competition Assessment Toolkit. This internationally recognized framework provides a structured approach to reviewing existing regulations, identifying barriers to competition, and delivering evidence-based recommendations for reform. When used effectively in the context of liberalizing markets, the toolkit ensures that deregulation leads to more -not less - competition. It helps policymakers avoid the risk of replacing one form of market distortion with another.

We are all witnesses to how rapidly markets are evolving. When regulation fails to keep pace with economic change, it can inadvertently shield incumbents from competition, block innovation, and ultimately reduce consumer welfare.

Two illustrative examples from Austria demonstrate how excessive or misaligned regulation can lead to these consequences: the taxi and ride-hailing market, and the pharmacy sector.

2. The Taxi and Ride-hailing Market

The regulatory framework governing the taxi and ride-hailing sector had long been the subject of scrutiny. Historically, taxis operated under strict regulation, including fixed tariffs, while emerging ride-hailing services such as Uber and Bolt introduced more flexible pricing and service models, giving consumers access to more tailored and affordable mobility options.

In an effort to modernize the regulatory environment, an amendment to the Austrian Occasional Traffic Act brought both business models under a single framework. At first glance, this appeared to be a move toward fair competition and integration. In practice, however, the reform initially created new obstacles, particularly for digital platforms and new entrants.

New drivers were required to pass a comprehensive taxi examination and comply with administrative standards that were more demanding than those that applied previously. Meanwhile, many long-established taxi companies were not subject to the same requirements, which created an uneven playing field. The ban on dynamic pricing, one of the central features of ride-hailing platforms, eliminated a key element of consumer choice. The inability to offer flexible pricing during peak hours or low-demand periods limited the economic viability of these platforms and discouraged innovation.

For consumers, the consequences were clear. Fares tended to rise in the absence of competitive pressure. Service options diminished as digital platforms reconsidered their market presence. Waiting times increased due to fewer available drivers. Innovation was suppressed, and the market risked reverting to a less dynamic, less responsive system.

Following the BWB's sector inquiry, however, the legislative framework was revisited. The insights and recommendations put forward during the investigation contributed to adjustments that made the regulatory environment more competition friendly. These changes aimed to lower entry barriers, improve transparency, and create a level playing field for all market participants.

3. The Pharmacy Market

The Austrian pharmacy sector presents another striking example of how regulatory restrictions can hinder both innovation and access. According to findings published by the AFCA, Austria has one of the lowest pharmacy densities in Europe, with around 1,300 locations nationwide. This

shortage is not the result of market failure but of legal and institutional barriers that severely limit market entry.

Current legislation mandates a "needs assessment" before a new pharmacy can open, allowing authorities to determine whether a new location is justified rather than allowing competitive forces to do so. This top-down approach suppresses the natural development of service networks and reduces competitive pressure, which could otherwise lead to better pricing and improved access.

Additionally, the ban on pharmacy chains and foreign ownership limits the potential for efficiency gains and innovation that often arise from scale. Many countries that have allowed the establishment of pharmacy chains have seen positive effects on both availability and affordability. Austria's resistance to such models inhibits the modernization of its pharmaceutical retail sector.

The restrictions on online medicine sales further weaken competitiveness. Stringent requirements make it difficult for Austrian pharmacies to develop digital services, pushing consumers to foreign online retailers who can offer the same products more affordably and with greater convenience.

The effects on consumers are tangible. Rural areas are underserved, medication prices remain high, and digital solutions are slow to emerge.

Progress could be made by eliminating the needs assessment process, allowing pharmacy chains to enter the market, and enabling online sales through modern, secure, and user-friendly channels. These steps would encourage competition, support innovation, and improve access to healthcare services across the country.

4. Conclusion

What unites both sectors is a pattern of rigid regulation that inadvertently protects incumbents and suppresses the benefits of competition. In doing so, it denies consumers the advantages of lower prices, greater choice, and faster innovation.

The solution is not deregulation for its own sake, but rather targeted liberalization that supports a level playing field. Regulation must be proportionate and adaptive, serving the public interest without stifling market dynamism.

Industrial, Investment and Competition Policy Balance Instruments in Georgia

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Competition policy and industrial policy ultimately aim at achieving the goal of economic growth and development. However, as competition and industrial policies differ in specific policy objectives, scope and means, they interact with each other in various ways during policymaking and enforcement. Their interaction may be coordinating or in conflict with each other.

Industrial policy is becoming more and more relevant for many countries in the modern world, particularly after the COVID-19 pandemic and the Russia-Ukraine war.

One of the key aspects of industrialization policies is to invest in priority sectors so as to enhance their competitiveness in the domestic as well as international market. In this regard, I think that there is a need for active coordination and collaboration between competition authorities and economic policy institutions in order to ensure a proper balance between the development of industries and competition policy. It is, therefore, important that these efforts go hand in hand for sustainable growth instead of being in conflict with each other.

For example, Georgia has had several active programs running for many years to attract investors who want to set up production in the country. These are: Contribution to the payment of bank interest; Transfer of assets (Land and Buildings) at nominal rates; Bank guarantees; Export promotion; Consulting and technical assistance. In addition, specific programs aimed at agriculture offer help for seeds, machinery and irrigation for orchards. There are also initiatives for energy development, startup and innovation support, and municipal programs.

In Georgia, these programs play a crucial role in attracting foreign direct investment (FDI), which serves as a key driver of economic growth. They also contribute to job creation and the overall improvement of social welfare.

Furthermore, Georgia actively fosters a business-friendly environment for foreign investors. The country offers minimal bureaucracy, a simplified tax system with only six taxes, and a low level of corruption. Additionally, Georgia benefits from free trade agreements that provide access to key international markets, including the European Union, CIS countries, China, Turkey, EFTA countries, the United Kingdom, South Korea, and more.

As a result of these programs, Georgia despite a market size of just 3.7 million people, attracts $1.8-2 billion in annual investments, while international trade, including goods and services exports, continues to expand steadily.

The Georgian Competition and Consumer Agency has been functioning since 2014. In 2020, competition legislation was strengthened. In 2021, the Agency was given the responsibility to enforce anti-dumping rules, and in 2022, it took on the task of protecting consumer rights. The Agency actively enforces legislation in close coordination with the Government and Parliament of Georgia, leading to effective outcomes.

In the context of Georgia's active investment and industrial policy, our Agency's mission is to foster a fair competitive environment, protect local industries from dumped imports, and ensure fair pricing.

Within the framework of industrial and investment policy, we work on achieving an optimal balance across three key priorities: ensuring fair competition, fostering local business development, and attracting foreign direct investment, all of which are crucial for Georgia's economic growth.

1. The first instrument – Merger control

Since 2020, Georgia's legislation on merger control has been significantly improved, allowing us to actively monitor mergers, including those that were implemented without notifying the Georgian Competition and Consumer Agency (GCCA). Between 2020 and 2024, 37 mergers took place in Georgia, including 17 that were not properly notified. To detect these non-notifications, we rely on data from the National Agency of Public Registry of the Ministry of Justice, which we process on a quarterly basis. The full digitalization of business registration, as well as the sale and transfer of shares in Georgia, significantly strengthens our enforcement efforts. In 2024, we reviewed over 53,000 regis-

trations, which enabled us to maintain strong and effective supervision. In terms of business sectors, the majority of mergers occurred in industries like FMCG, construction materials production and extraction, education, fuel, and beverage production.

I would like to highlight a few cases where, in making our decisions, we focused on striking the right balance, carefully considering the context of industrial and investment policy.

- **A merger implemented in 2024** - In Georgia, where the largest producer of cement, clinker, and concrete planned to acquire competitors in the cement and concrete production sectors. The acquiring company, a major investor, employer, and exporter in Georgia, owns factories in the country. With major infrastructure projects upcoming, including an international port, airport, highways, and expanding construction and development projects, this market is becoming increasingly attractive for investment and growth. The acquiring company's market share in the relevant sectors exceeded 50%, which, under Georgian law, signals a dominant position. Following the merger, their share of the cement and concrete market would rise to over 60%. The Agency approved the merger, but with specific conditions. We imposed a price ceiling for three years and required that any future price increases be agreed upon with the GCCA. Additionally, we ensured that the company would not refuse to supply raw materials to other manufacturers, thus protecting competition in the market.
- **The second case involves the entry of the largest European beer production company into the Georgian market.** This company, which previously held a small share in a local company, acquired one of the largest domestic producers. The transaction, along with the foreign direct investment, was valued at $100 million. Georgia has four major beer producers, with their combined market share exceeding 80%, and this deal further consolidated the market. While a standard review could have led to the rejection of the merger, we considered several factors, including the elasticity of the beer market, the market's development dynamics, the rise of licensed brands in recent years, and the potential synergy effects - such as the introduction of new production technologies and expertise. Taking all these factors into account, the GCCA ultimately approved the merger.

I believe these two examples demonstrate the GCCA's balanced approach in decision-making, aligning with the shared goals of industrial and competition policy. Our aim is to ensure that these decisions foster sector development and contribute to overall economic growth. Moving forward, we will continue to closely monitor the market's impact on competition.

2. The second instrument – Anti-dumping legislation

One of the key functions of the GCCA is enforcing anti-dumping legislation, with the primary goal of protecting local industries from unfairly priced imports. When an application is submitted to the GCCA, we analyze the market in coordination with the Ministry of Economy of Georgia. If dumping is identified, we recommend appropriate actions to the government.

This legislation plays a crucial role in supporting local industries, especially during times of crisis. I believe we're seeing these kinds of policies becoming more common worldwide, especially following actions taken by the new US administration. While I'm not suggesting that this policy is inherently good or bad, I do believe we'll see more similar decisions in the future.

Allow me to share two examples of our work: **The first one** involves protecting the local cigarette industry from potential dumped imports from Armenia and Azerbaijan in 2023-2024. I want to express my sincere gratitude to my colleagues in Azerbaijan and Armenia for their active communication throughout the investigation. Through our collaborative efforts, we were able to thoroughly address the issue, establish dumping margins, and assess the negative impact on the local industry. As a result of our joint work, importers agreed to adjust their prices, ensuring fair competition. This allowed the local industry to continue operating, grow, and attract further investment.

The second issue concerns the potential dumping of rebar imports from Russia and Iran, which has become a growing concern as demand increases due to large-scale infrastructure projects and the expansion of the construction sector. Despite the growing demand, the production volumes and financial performance of the local industry have declined in 2024. Although communication with these countries has been difficult, if the issue is confirmed, we will collaborate with the government to take necessary actions

(imposing tariffs) to restore fair and competitive market conditions. Currently, Georgia has three major manufacturers in this sector, and their contributions are vital to the country's economic growth, exports, and employment.

3. The third instrument – State aid

State aid control is a fundamental aspect of competition law, designed to prevent anti-competitive practices and evaluate the impact of specific programs or individual aids on the market. Many countries use state aid to strengthen local industries. As I mentioned earlier, Georgia has several programs that support local production, both private and state-owned strategic enterprises, energy and technology.

At the moment, the GCCA only maintains a state aid register, which doesn't completely align with the best European practices. However, with the valuable support of our European partners, we've worked on drafting amendments to the legislation, which we've already submitted to the Parliament of Georgia. Once approved, we plan to implement these changes in phases. I believe that within the next 2-3 years, we will be able to fully establish state aid control in Georgia.

In this area, just as in others, it's crucial to find the right balance between industrial policy and competition policy, ensuring that economic growth ultimately leads to tangible benefits for our citizens.

Towards the Liberalisation of Intercity Bus Services in Spain

Renata Sánchez de Lollano Caballero
Advisor at the Market Studies and Reports Unit
Spanish National Commission for Markets and Competition

Mobility is essential in everyday life and is a key element in the economic and social development of regions. In Spain, half of all public transport journeys between municipalities are made by bus. Moreover, buses are most commonly used by low-income groups and are often the only alternative to private cars in many municipalities. This has a significant impact on social and territorial cohesion. The socioeconomic relevance of the bus explains the traditionally high level of public intervention in the sector in Spain.

Given the relevance of this sector, in 2022 the CNMC (National Commission on Markets and Competition) published a market study analysing its competitive functioning and including recommendations to improve it. In January 2025, two years and a half after the publication of the market study, the CNMC also published an impact assessment report. The latter analyses the effectiveness of the 2022 CNMC study (the degree of compliance with the study's recommendations and the potential effect of the recommendations suggested). This newsletter contribution outlines the main conclusions of the CNMC market study and the ex-post impact assessment report.

In Spain, intercity bus transport is regulated through a concession system, which means that only public authorities (national or regional) can establish a regular transport route between two or more municipalities. Once the route is designed, the authority calls for a public tender to grant a private operator the exclusive right to provide the service for a maximum of ten years. As a result, in this system, companies cannot offer new routes or compete on existing ones—competition is limited to the tendering stage.

For the system to work effectively, tender specifications must select the best possible offer for users in terms of price, frequency, quality, etc. This requires all companies to compete under equal conditions, without discrimination or unjustified barriers. Moreover, the concession system is based on the principle of the periodic tendering of concessions, which maintains competitive pressure on the incumbent. Consequently, tenders must be held regularly to update services and ensure users benefit from optimal conditions.

The CNMC's analysis revealed that this is not happening in practice in Spain:

- Public administrations award concessions for the longest duration permitted by law. When these terms expire, they extend them as much as possible. Consequently, regardless of demand or investment, concessions are updated infrequently (the maximum permitted by law).
- Once all extensions have been used, many concessions expire without public administrations calling new tenders to replace them. Since regular bus service is classified as an essential service, it cannot be discontinued, therefore allowing the incumbent operator to continue operating irregularly on a monopoly basis. The lack of tendering of expired concessions prevents the updating of frequencies, fares, or routes to better match current demand.
- Tender specifications that are issued contain competition restrictions that could be lowered or removed. For example, they often require high financial solvency, which hinders participation by smaller operators. Other issues such as incumbents' advantages in terms of route information also reduce competition in tenders.
- Tenders that have been called have resulted in significant litigation, sometimes leading to the annulment of specifications by courts, which in turn prevents contracts from being awarded.

The aforementioned factors have restricted competition in Spain. By the end of 2019, 52% of concessions had expired, and the concessions that had been tendered accounted for less than 25% of the sector's revenue. The average duration of concessions exceeded the legal 10-year limit, reaching 30 years in some regions. This is detrimental to users and public authorities since tendered concessions are between 5% and 23% more efficient, according to CNMC estimates: they can offer cheaper or more frequent services using the same resources.

As a result, alternative models for the sector should be considered. The analysis of other cases at international level shows that Spain is currently the largest market in the EU still operating under a concession system. Major economies such as Germany, Italy, and France, liberalized medium and long-distance bus routes in the last decade. In these countries, liberalization has led to better prices, frequencies, and connectivity, along with greater innovation and improved service quality.

In this context, the CNMC proposes liberalizing routes longer than 100 kilometres, in line with a proposal from the European Commission. This would require establishing an independent regulatory body to oversee the process and manage the risks associated with liberalization.

For routes under 100 kilometres that are necessary for reasons of general interest, the CNMC recommends reorganizing them into concessions and ensuring their funding. It also recommends:

- Improving the design of tender requirements, removing barriers to competition and ensuring the efficient management of the remaining concessions.
- Ensuring concessions are managed adequately: tender expired concessions, liberalize expired concessions two years after expiration in the absence of a new call for tenders, and only resort to extensions in exceptional situations.
- Mitigating inefficiencies associated with the concession system: strengthening transparency obligations of concession holders to avoid information asymmetries between operators, promoting a reform of the institutional framework to ensure a balanced representation of all stakeholders (including associations of users and smaller operators), strengthening inter-territorial cooperation between public authorities, and reducing restrictions to the operation of related services, such as tourism or special services.

Following the 2022 market study, the ex-post impact assessment published in 2025 considered the relevance of all restrictions to competition identified in the study using the OECD's Competition Assessment Guidance (2019). Regarding the degree of compliance with the study's recommendations up to date, the ex-post impact assessment concluded that there has been little progress in implementation: no steps have been taken toward liberalization, the design of the tender documents has not improved, and many concessions still remain expired. In other words, there is significant room for the implementation of the recommendations issued by the CNMC.

The assessment also underscores the benefits associated with the implementation of the market study's recommendations: fully implementing the CNMC's recommendations would have significant effects on the development of the sector and the economy as a whole. On the one hand, liberalization has led to an increase of 15% to 18% in the number of bus passengers within just two years in comparable markets such as Italy and could result in considerable savings for users. It is estimated that these savings would more than offset the estimated cost of subsidizing potentially unprofitable routes of 100 kilometres or less. On the other hand, there is still significant room to improve the design of tender specifications. This would enhance competitive pressure in procurement processes and lead to savings for public administrations and users. Finally, the assessment considers that putting out to tender the high amount of concessions that remain expired or annulled would also have a significant impact on the supply and demand of intercity bus services, as well as on the prices paid by users and the cost borne by public administrations.

IV. CONFERENCES IN THE PAST SEMESTER

1. RCC seminars

20th Anniversary of the RCC. Conference Summary: Competition, Liberalisation and Industrial Policy in Europe and Central Asia

This conference brought together policymakers, regulators, and experts to discuss the evolving landscape of competition policy, market liberalization, and industrial strategies in Europe, the Caucasus, and Central Asia. Discussions focused on how competition fuels economic progress and the role of coordinated liberalization in regional development.

1. Competitive Markets, Thriving Societies: How Competition Fuels Progress

Participants emphasized that open and competitive markets are essential for innovation, productivity, and long-term economic resilience. Competition was presented as a key mechanism for improving service quality, reducing prices, and fostering entrepreneurship—particularly in economies undergoing transition. Panellists highlighted that competitive markets tend to deliver greater consumer choice and better access to essential goods and services, especially when paired with sound regulatory oversight.

2. Market Liberalization in the European Region

The session on liberalization explored recent progress in deregulating key sectors such as energy, telecommunications, and transport. In the EU context, liberalization was linked to efforts to deepen the single market, improve cross-border service provision, and increase competitiveness. However, challenges remain due to fragmentation, administrative barriers, and uneven implementation across member states. Discussions stressed the need for harmonized regulatory frameworks to unlock economies of scale and encourage private investment in infrastructure and innovation.

3. Competition Policy Developments in the Caucasus and Central Asia

Representatives from the region shared updates on reforms aimed at modernizing competition frameworks. Notably, several countries have introduced new legislation to improve enforcement tools, increase institutional independence, and address anti-competitive practices in digital and traditional markets. Efforts are also underway to strengthen regional cooperation through knowledge exchange, capacity building, and alignment with international best practices. Initiatives supported by the OECD-GVH Regional Centre for Competition and other international partners were cited as key enablers of progress in these areas.

4. Competition and Industrial Policy

A central theme was the balance between industrial policy and competitive neutrality. While industrial policies—such as subsidies, state aid, or sectoral strategies—can support economic transformation, they must be carefully designed to avoid distorting competition. Participants discussed the importance of transparent frameworks, competitive public procurement, and effective state aid control mechanisms to ensure that industrial interventions support long-term growth without entrenching inefficiencies or creating market entry barriers.

5. Impact on the Region: Competition and Industrial Policy Working Together

Case studies from transport and tourism sectors illustrated how liberalization, when coupled with fair competition, can generate significant spill-over effects across the economy. Regional infrastructure projects were cited for their potential to enhance connectivity and reduce trade costs. Tourism liberalization was noted for driving job creation and small business growth in several economies. Participants emphasized the need for regulatory reform, reduced administrative burden, and cross-border cooperation to maximize the benefits of liberalization in these sectors.

6. Conclusion

The conference highlighted that well-functioning competition policy, aligned with liberalization and targeted industrial strategies, is vital for sustainable development in the region. Strengthened enforcement, policy coherence, and regional dialogue are essential to ensuring that markets remain open, inclusive, and growth oriented.

Keynote speakers were Mr. Carmine **Di Noia**, *Director for Financial and Enterprise Affairs at the OECD;* Mr. Benoît **Cœuré**, *President of the Autorité de la concurrence, Chair of the OECD Competition Committee;* Ms. Melis

Ekmen **Tabojer**, *Managing Director, Policy Strategy Delivery, EBRD,* and we also counted with the participation as speakers of Mr. Yerlan **Alzhan**, *Deputy Chairman of the Agency for Protection and Development of Competition of the Republic of Kazakhstan*; Mr. Lukas **Cavada**, *Executive Director for International Affairs, Austrian Federal Competition Authority;* Mr. Bogdan-Marius **Chirițoiu**, *President of the Romanian Competition Council*; Mr. Gegham **Gevorgyan**, *Chairman of the State Commission for the Protection of Economic Competition of the Republic of Armenia;* Mr. Alexei **Gherțescu**, *President of the Competition Council of the Republic of Moldova;* Ms. Mirta **Kapural**, *President of the Croatian Competition Agency;* Mr. Asadulla **Kayumov**, *Deputy Chairman of the Competition Promotion and Consumer Protection Committee of the Republic of Uzbekistan;* Mr. Irakli **Lekvinadze**, *President of the Georgian Competition and Consumer Agency;* Mr. Daniel **Mańkowski**, *Vice-President of the Polish Office of Competition and Consumer Protection;* Mr. Albion **Rexhepi**, *Head of Prohibited Agreements Division, Kosovo Competition Authority.*[7]

[7] This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence. Hereinafter referred to as Kosovo.

Conference Summary: Competition, Tourism and Transport – Evidence, Advocacy and Industrial Policy

This conference explored the intersections between **competition**, **tourism**, **transport**, and **industrial policy**, showcasing how regulatory assessment, enforcement, and advocacy can drive reform in emerging European and Central Asian markets.

1. Advocacy of Competition and Principles of Better Regulation

A workshop detailed how competition authorities engage in regulatory advocacy, using both formal and informal tools to ensure competitive neutrality in state-supported sectors. Tools include legislative opinions, advisory interventions, and expost impact studies of state support measures. Participants emphasised the OECD Competitive Neutrality Toolkit as an important resource in supporting effective advocacy.

2. OECD Study on Tourism in Tunisia – An Example of the Competition Assessment Toolkit

Drawing from the recent OECD Competition Assessment Review: Tunisia (2023), sessions illustrated how the Toolkit was applied to analyse the tourism sector—identifying regulation-driven barriers and formulating 351 targeted recommendations. Estimates suggest implementation could yield benefits equivalent to 1.2% of Tunisia's 2018 GDP. Key regulatory burdens included licensing requirements, zoning restrictions, capital thresholds, and discriminatory professional rules. These recommendations were structured through the Toolkit's methodology and stakeholder engagement approach.

3. María Pilar Canedo, Director of the OECDGVH Regional Centre for Competition

María Pilar Canedo presented the Centre's broader role in delivering capacity building and competition law enforcement across Eastern Europe and Central Asia. Her contributions emphasised the dissemination of the Toolkit methodology and the promotion of evidence-based advocacy and regional cooperation.

4. Introduction to Competition in the Transport Sector – Two Abuse of Dominance Cases from GVH

Máté Stáber (Case handler, GVH) outlined the application of competition analysis in Hungary's transport sector, citing two significant abuse of dominance investigations by the National Competition Authority (GVH). These cases serve as illustrative examples of how enforcement in transport can promote fairness and market access for new entrants.

5. Transport Enforcement: Agreements and Abuse of Dominance – Renfe Operadora Case (Spain)

Francisco Roig (Case handler, CNMC, Spain) offered a detailed review of a case involving Renfe Operadora, Spain's state railway operator. The case demonstrated how regulators handle complex abuse of dominance and collusion issues in public transport markets.

6. Bus Sector in Spain – Advocacy Study and Impact Assessment

Renata Sánchez de Lollano (Trade Expert, CNMC) shared findings from a recent advocacy study into the Spanish bus sector. She discussed the impact assessment supporting reforms designed to liberalise market access, reduce entry barriers, and improve service quality.

7. Competition in Tourism – The Booking Case in Spain

Francisco Roig provided an overview of competition issues in tourism, focusing on the Booking.com case in Spain, which highlighted restrictive parity clauses and their impact on pricing and consumer choice.

8. Broad View of Competition's Effect on Tourism

Eugenio Olmedo (Professor of Commercial Law, University of Malaga) expanded the discussion with a wider perspective on how competition regulation shapes the tourism sector, influencing price transparency, provider diversity, and regulatory frameworks.

9. Accommodation-Platform Regulation – Case Handler Perspectives

Estibaliz Albizua (Case handler, Basque Competition Authority, AVC) discussed the Authority's interventions in the touristic apartment market. Máté Stáber then presented the GVH's inquiry into online accommodation platforms—specifically addressing price parity clauses, search ranking practices, and complaints mechanisms.

10. Housing, Land, and Competition – Advocacy Report

Renata Sánchez de Lollano (CNMC) discussed an advocacy report examining the intersection of housing regulation and tourism competition. The report focused on zoning rules, land use restrictions, and pricing controls that affect short-term accommodation markets.

11. Regulation in Transport – Competition and Public Policy

Ducan Kernohan (EBRD) discussed how transport-related regulations serve broader public-policy goals, such as infrastructure planning and social service provision. He emphasised the importance of aligning transport regulation with competition principles while achieving public objectives.

12. The Croatian Perspective in Tourism and Transport – Two Case Studies

Mirta Kapural (President of the Croatian Competition Agency, AZTN) presented two emblematic cases: the Eagle Hills–Sunčani hotel investment, and Dubrovnik's taxi-regulation reforms. Both illustrated the complexity of balancing local regulatory interests, public service provision, and competition policy enforcement.

Key Takeaways:

- **Assessment Tools & Advocacy**: The OECD Toolkit and Competitive Neutrality approaches are effective in revealing and eliminating regulatory distortions.
- **Sectoral Enforcement**: Abuse of dominance and anti-competitive agreements are key concerns in transport and tourism sectors; targeted enforcement drives reform.
- **Industrial Policy Alignment**: Coordinated industrial strategies must preserve competitive neutrality to foster market openness and innovation.
- **Regional Integration & Learning**: Authorities across European, Caucasus, and Central Asian regions benefit from sharing best practices in regulatory audits, enforcement, and liberalization.

Competition Lab for Judges: Stepping Up with Competition Law Enforcement – Cooperation Agreements between Competitors

The **Competition Lab for Judges**, held on **29-30 May 2025** in Budapest under the OECDGVH Regional Centre for Competition and co-funded by the EU, focused on the complexities of **horizontal cooperation agreements** between competitors. The seminar offered national and apprentice judges from the EU, Kosovo, Montenegro, and North Macedonia a comprehensive, case-based exploration of collaboration between peers.

Analytical Framework & Core Issues

- **Competition Agreements Between Competitors**: Led by *Pál Csizár* (Brunswick Group), the session explored EU case law, including the concepts of undertakings, joint ventures, and the ancillary restraints doctrine (e.g. *MecaMedina*, *Superleague*).
- **Restrictions by Object and Effect**: Judge *Tihamér Tóth* (CJEU General Court) delved into jurisprudence such as *Allianz*, *Cartes Bancaires*, and *European Superleague* to guide evaluation frameworks.
- **Exemption Conditions**: *Lefkothea Nteka* (Lambadarios Law Firm) assessed conditions under Article 101(3) TFEU and horizontal guidelines, stressing economic and non-economic benefits.
- **Information Exchange**: *Mercedes Pedraz* (National High Court, Madrid) covered anti-competitive information-sharing practices, including hub-and-spoke and data pools, supported by cases like *John Deere*, *Asnef-Equifax*, and the EU ebook case.

Sectoral and Case-Specific Modules

- **Purchasing & Subcontracting Agreements**: *Daniel Severinsson* (Stockholm Patent & Market Court) provided analytical and practical insights into buyer cartels versus joint purchasing.
- **Other Forms of Cooperation**: *Christian Bergqvist* (Univ. of Copenhagen & GWU) scrutinized the fine line between lawful collaboration and cartels in joint bids, marketing, non-compete clauses, and IP settlements.
- **Specialized Agreements**: *María Pilar Canedo* (OECD Competition) examined joint bids, food-chain supply, sustainability, industrial innovation, and greeneconomy agreements.

Methodology & Format

The seminar combined expert-led analytical sessions with **hands-on hypothetical case exercises**, encouraging active participation and peer learning. Each day concluded with logistical sessions fostering informal exchange and networking.

Key Takeaways

1. A **robust analytical framework** is critical to discern permissible cooperation from illicit collusion.
2. EU case law provides clear guidance on object/effect assessments, exemptions, and information exchanges.
3. Practical scenarios reinforce the application of legal principles to industry-specific contexts like procurement, sustainability, and innovation.
4. Peer interaction and judicial dialogue support a consistent, informed approach to competition law enforcement across jurisdictions.

The seminar exemplified how judicial capacity building—through structured content and interactive pedagogy—enhances enforcement coherence in the EU and beyond.

2. OECD conferences

The OECD Competition Week. June 2025

The **Competition Week** took place on 16-20 June 2025, which included the meetings of the **Competition Committee**, **Working Party on Competition and Regulation (Working Party 2)** and **Working Party on Co-operation and Enforcement (Working Party 3).**

Meetings of Working Party 2 and Working Party 3 took place on 16 and 17 June 2025, respectively. Highlights include:

- **WP2 held a roundtable on assessing the impact of competition authorities' activities**. Delegates shared their experiences of implementing impact assessments, highlighting the benefits and challenges associated with this approach. There was a lot of interest from delegates in ways to expand the 2014 OECD guidance on impact assessment to other areas such as measuring the deterrence and non-price effects but also appreciation of having a clear and practical approach to measuring the direct price effects. Delegates highlighted that the OECD's guidance is still widely referred to, but there was broad support for the guidance being refreshed to incorporate the latest developments in agency practice and academic research. Additionally, the WP held a short session on the macroeconomic benefits of competition and competition policy, including a presentation from the Economics Department, and was briefed on the next steps on the implementation report on the Recommendation on Competition Assessment.
- **WP3 held a roundtable on efficiencies in merger control.** The RT included an overview of current practices and recent developments, where authorities shared experiences and challenges in evaluating efficiency claims. They presented cases where efficiencies significantly influenced decisions to approve, challenge, or block mergers. The second part of the discussion looked ahead. Several jurisdictions reported recent or upcoming updates to merger guidelines, with a focus on refining how efficiencies are considered. Common themes included better accounting for dynamic efficiencies and adapting assessments to the unique characteristics of digital and fast-evolving markets.

Meeting of the Competition Committee took place on 18-20 June. Highlights include:

- **Roundtable on competition in mobile payment services.** The RT explored how digitisation and newer entrants are reshaping retail payment systems. Expert speakers and country contributions examined competition risks and opportunities at each layer of this ecosystem, highlighting the interplay among financial incumbents, Big Techs, and FinTechs. Three key themes emerged. First, mobile payments are a fast-growing and transformative force, offering the potential for greater competition; however, competition risks are also rising. Second, enforcement and pro-competitive interventions are already helping keep markets contestable. However, timing is critical. Third, international cooperation and inter-agency coordination, particularly with financial and digital regulators, are invaluable.
- **The Peer Review of the Competition law and policy of Ukraine.** The PR intended to determine their willingness and capacity to become an Associate to the Committee. The Secretariat presented the most relevant takeaways of the Report presented, and the lead examiners, Austria, Canada and Ireland, led the discussion together with the Chair. The Committee supported the change in the status of Ukraine.
- **Competition in the provision of cloud computing services**. Key points discussed included the barriers to entry and economies of scale that may make it difficult for competitors to enter the market. The business model of cloud computing and its impact on competition was also discussed, namely the risk that pricing the exit of data may dissuade switching, as well as the largest cloud services firms offering significant discounts and free credits to attract potential customers. Delegates who have conducted market studies on the topic of cloud computing gave detailed presentations of key aspects of the market studies and the policy outcomes they are pursuing. Other delegations presented their contributions, which highlighted that there is broad interest in the topic of cloud computing given its importance to

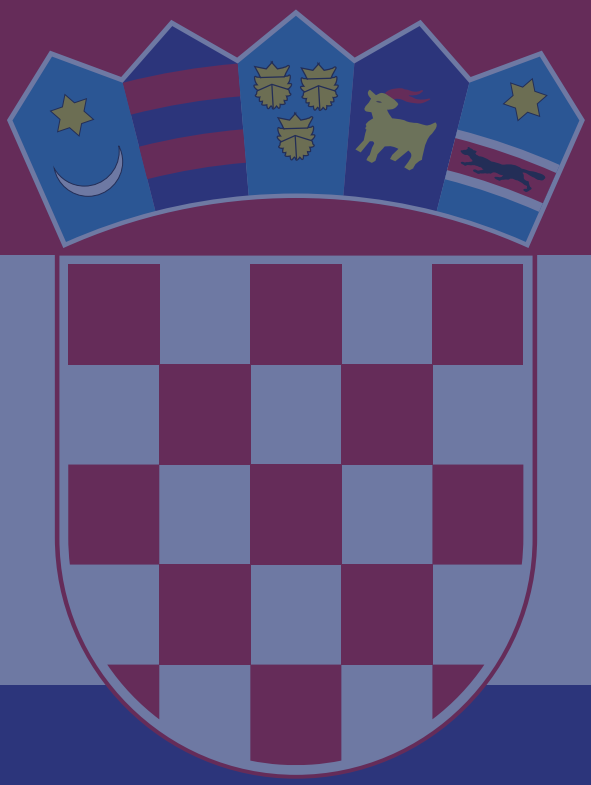
the operations of many businesses and government services.

- **Corporate Influence in Competition Policymaking**. The session explored the importance and benefits of corporate engagement in competition policymaking while also discussing the risk of such engagement becoming undue influence and the potential harms this can pose, such as regulatory capture, biased enforcement, or weakened public trust. Several delegations also shared their perspectives and experiences, highlighting benefits and specific areas of risks, as well as institutional safeguards they are using such as transparency registers, consultation processes, and internal integrity measures. It was noted that these issues are not unique to the field of competition, and so it was noted that future horizontal work across different parts of the OECD would be valuable.
- **The Peer Review of the Competition law and policy of Kazakhstan.** The PR was done at the request of Kazakhstan. The Secretariat presented the most relevant takeaways of the report, and the discussion was led by the Chair together with the lead examiners, Costa Rica, Greece and Romania.

The Committee approved the revised **guidelines on Fighting Bid-Rigging in Public Procurement**. An additional discussion was held on changes to the meeting format, initiated by the new Chairs of the Committee and the Working Parties (WPs). Finally, the Committee approved the implementation plan following an in-depth evaluation report conducted in 2024.

Throughout the week, the Committee and WPs benefited from horizontal contributions from ECO, GOV, STI/PIE and STI/DCES.

V. INSIDE A COMPETITION AUTHORITY: CROATIA



Agency Questionnaire

1. Relevant competition legislation

Croatian Competition Authority is an autonomous and independent legal entity with public authority that performs the tasks of a general, national regulatory body responsible for the protection of competition in all markets within the scope and competences defined by the Competition Act and Articles 101 and 102 TFEU.[8]

The Act on the prohibition of unfair trading practices in the business-to-business food supply chain, Official Gazette 117/17, entered into force on 7 December 2017 and empowered the Croatian Competition CCA (hereinafter: CCA) for its enforcement. The Act on prohibition of unfair trading practices in the business-to-business food supply chain (hereinafter: UTPs Act) lays down the rules and effective redress mechanisms with the view to eliminating UTPs that have been imposed by any trading partner in the food supply chain, precisely, where a superior bargaining position is abused by the buyer and/or the processor or the re-seller with respect to the supplier. The UTPs Act intends to create, ensure and promote fair-trading practices that would protect all the participants in the food supply chain.[9]

The CCA is also the national regulator for the implementation of the Digital Markets Act. The Regulation on the implementation of the Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 (Digital Markets Act) entered into force on 11 November 2023. Under Article 3 thereof the CCA it empowered for its implementation in Croatia. The Croatian Regulation has been adopted in order to ensure harmonised application and coherence in the implementation of the EU acquis.

2. Agency's competences

- Antitrust (restrictive agreements and abuse of dominance)
- Merger control
- Advocacy to other public bodies
- Market studies
- Unfair trading practices in the in the business-to-business food supply chain
- Digital markets

3. The institution

A. Structure of the CCA

a. The Chairperson

Mirta Kapural, PhD[10]
President of the Competition Council
2021–2026

b. The members of the Board[11]

Branimira Kovačević
Vice-president of the Competition Council
2024–2029
Sandra Mikinac
Member of the Council
2024–2029
Hrvoje Šeremet
Member of the Council
2024–2029
Denis Matić
Member of the Council
2024-2025 (passed away on 7 June 2025)

c. Key persons in the direction of the CCA

The Competition Council, as the body that manages the work of the CCA, makes decisions regarding all general acts and individual administrative decisions of the CCA at its sessions.

d. Staff of the authority

Total number of staff members including case handlers and support staff: **56 employees**
Number of staff in antitrust and mergers: **31**
Total and break down between case handlers and administrative/support staff:

- **Total number of staff: 56**
- **Number of supporting staff: 10**

[8] Please find more about the legislative framework here: https://www.aztn.hr/en/competition/legal-framework/
[9] Please find more about UTPs here: https://www.aztn.hr/en/unfair-trading-practices/legal-framework/
[10] https://www.aztn.hr/ea/wp-content/uploads//2025/07/MKapural-zivotopisRHEUpass725.pdf
[11] Please find more about the Competition Council here: https://www.aztn.hr/en/about-us/legal-powers/competition-council/

For the case handlers/managers, please complete the following table.

Field of work	Number of case handlers/managers
Antitrust	22
Mergers and acquisitions	6
Market studies	2
Advocacy to other public bodies	1
Unfair trading practices	10
Supporting staff	10
Competition Council	5
TOTAL	**56**

B. Level of independence

a. System of appointment and detachment for the Chairperson and other key roles

The CCA is governed by the Competition Council (hereinafter: the Council). The Council is a body of the CCA consisting of five members. The president and the members of the Council are regularly employed in the competition authority. The president and members of the Council are appointed and relieved from duty by the Croatian Parliament, upon the proposal of the Government of the Republic of Croatia. The president and the members of the Council are appointed for a five-year mandate. The conditions for appointment, the duration of the mandate and the scope of work of the Council members are defined by the Competition Act.

b. Budgetary and structural issues

The internal structure and the operation of the CCA, its general acts and other important operational issues are regulated in detail by the Statute of the CCA.

The work of the CCA is public.

The general provisions of labour law apply to the employees of the CCA and the members of the Council with regard to the exercise of rights and the fulfilment of obligations arising from the employment relationship.

The resources for the activities pursued by the CCA are provided from the state budget of the Republic of Croatia.

In compliance with the financial capacity of the State Budget of the Republic of Croatia the CCA is ensured sufficient resources in terms of qualified staff, financial means, technical and technological expertise and equipment, necessary for the effective performance of their tasks under this Act and Articles 101 and 102 TFEU.

Without prejudice to and fully adhering to the provisions of the Act on the Execution of the State Budget of the Republic of Croatia, the CCA is independent in legitimate spending of the allocated financial resources aimed at exercising its powers.

The administrative fees, fines and periodic penalty payments set and imposed by the CCA are contributed to the state budget of the Republic of Croatia.

c. Relation with other institutions

The CCA cooperates with other sector regulators in the fields of energy, telecoms, postal services, railway, electronic media, financial and banking services in the Republic of Croatia under the signed cooperation agreements with all sector regulators.

The CCA also signed a cooperation agreement with the State Attorney's Office, aimed at enhancing collaboration in the area of competition, particularly in combating prohibited agreements in public procurement.

The CCA is engaged in proactive relationships with other public administration authorities and other institutions, particularly the Ministry of the Economy, according to the powers and procedures described in the Competition Act. Through the Ministry of the Economy, the CCA is granted access to the Electronic Public Procurement Data Base of the Republic of Croatia.

The CCA also signed cooperation agreements with the Faculty of Economics and Business and the Faculty of Law, University of Zagreb.

Cooperation is taking place through various activities, and special attention is paid to professional development of students in the field of competition law through guest lectures by the CCA experts, the engagement in the student education programmes, occasional student visits to the CCA and joint trainings and lectures.

d. Accountability

The CCA is accountable for its work to the Croatian Parliament, to which it regularly submits its annual report.

C. Decision making

a. Internal procedure on competition cases

The Competition Council, as the body that manages the work of the CCA, makes the decisions about its general acts and individual administrative decisions at its sessions. The decisions that are based on the proposals made by case handlers and the expert staff, are made by a majority of at least three votes, and the president or vice-president of the Council must be present at each meeting. When making decisions, the members of the Council cannot abstain.

b. Control of the decisions taken

No appeal is allowed against a decision of the CCA in the field of antitrust and merger control, but a dissatisfied party may initiate an administrative dispute before the High Administrative Court of the Republic of Croatia within 30 days from the date of receipt of the decision.

There are no specialized courts dealing with competition issues.

4. Enforcement over the last 24 months (period 2023-2024)

A. Cartels

a. Leniency applications

The total number of leniency applications: **1**

b. Dawn raids

The number of separate cartel cases in which dawn raids were carried out: **3**

c. Main cases

<u>The CCA finds six undertakings in the PBX market engaged in cartel</u>

The CCA issued a decision on 18 December 2024 confirming that within the meaning of Article 8 of the Competition Act, six undertakings participated in a prohibited agreement (cartel) in the sale and maintenance of private branch exchange (PBX) systems (telecommunications systems used to manage and route incoming and outgoing telephone calls within an organization) in Croatia. Total fines imposed amounted to 1,170,968.24 EUR.

The investigation was initiated in the PBX market, specifically within the Enterprise Program. The Enterprise Program was originally a business telephone system of the Swedish company Telefonaktiebolaget LM Ericsson (and its connected undertakings) but was sold to Aastra Technologies Limited (Canada) in May 2008. In 2014, Aastra was taken over by Mitel Networks Corporation (Canada), the current manufacturer of the PBX equipment in question.

The CCA found that **Ericsson NT, Kodeks, Retel, Vatel, and Lumiss engaged in a market-sharing agreement by allocating specific customers to each participant.** The companies agreed to avoid price competition by not competing in selling, installing, maintaining, or upgrading Ericsson/Aastra/Mitel PBX systems.

In line with Article 17 of the Regulation on immunity from fines and reduction of fines, two undertakings applied for leniency.

This case involved a specific type of cartel (intra-brand cartel), where competitors colluded on the distribution of a single brand's product – Ericsson/Aastra/Mitel PBX systems. All participants in the prohibited agreement directly engaged in every relevant aspect of that agreement, or in anti-competitive behaviour constituting a unique and ongoing infringement and were therefore fully responsible for the infringement. Market-sharing agreements are considered severe infringements of competition law, as they by nature restrict competition by object and are strictly prohibited under the Competition Act.

The CCA also investigated whether the agreement violated Article 101 TFEU. There were no legal grounds to proceed under the EU law, leading to termination of that part of the case.

d. Fines

Total sum of cartel fines: 1.170.986,24 EUR

e. Number of cases

Infringement decisions	1
With fines	1
Without fines	0
Non-infringement decisions	1
Other (specify)	0
TOTAL	**2**

B. Non-cartel agreements

a. Main cases

Prohibited vertical agreement (KEINDL SPORT)

In its infringement decision of 20 July 2023, the CCA found that within the meaning of the Croatian Competition Act the distributor of bicycles Keindl sport d.o.o. from Zagreb concluded a prohibited vertical agreement with its distributors in the territory of the Republic of Croatia. In the period from 17 September 2013 to 1 June 2018 this undertaking had set minimum resale prices of CUBE bicycles where **the distributors concerned tacitly agreed to implement the unilateral business policy of the undertaking Keindl sport that had as its object resale price maintenance (RPM)** of the product concerned and adopted the unilateral conduct in practice.

For this hard-core restriction Keindl sport was fined a total of EUR 281,836.88.

The fine imposed was paid by Keindl Sport into the state budget of the Republic of Croatia. It is the view of the CCA that the fine will have a deterrent effect on the undertaking concerned as well as other undertakings from engaging in or continuing the behaviour which restricts competition.

b. Fines

Total sum of non-cartel agreement fines: 281.836,88 EUR

c. Number of cases

Infringement decisions	1
With fines	1
Without fines	0
Commitment decision	0
Non-infringement decisions	1
Other (specify)	0
TOTAL	**2**

C. Abuses of dominance

a. Dawn raids

The number of separate abuse of dominance cases in which dawn raids were carried out: **1**

b. Main cases

Croatian Hunting Association fined for predatory pricing and ordered remedies

The CCA found that the Croatian Hunting Association (CHA) from Zagreb abused its dominant position in the hunter training market in the territory of Croatia in the period from 1 January 2022 to 31 March 2024 **by directly or indirectly imposing unfair purchase or selling prices or other unfair trading conditions.**

In its decision of 23 December 2024 the CCA found that in the period concerned the CHA was engaged in predatory conduct, concretely, by charging then HRK 400 (now EUR 53.09) excluding VAT or HRK 500 (now EUR 66.36) including VAT, in other words, **by lowering its price below the cost of the provision of hunter training services with the intention to eliminate or discipline rivals or prevent their entry and likely protect or strengthen its dominant position in the market concerned**.

Since it was necessary to determine the price below which the service in question could not be provided, the CCA calculated that the cost of the hunter training program was not covered by the price of then HRK 400 excluding VAT (EUR 53.09). Additionally, it found that the difference between this price and the actual cost of providing the service was **cross subsidized by the CHA using the funds from county associations and other members, or its own resources obtained from connected neighbouring markets where, based on specific rules, it is the sole provider of services protected by legal monopoly**.

The CCA fined the CHA 89,935.20 euro based on its turnover realized in the relevant market in 2023 and prohibited any further practices that raised competition concerns.

Additionally, to remedy the negative effects, the CHA was ordered to keep separate accounts regarding the activities concerned. This entailed keeping separate accounts of the costs incurred in the provision of hunter training services and those incurred in markets where CHA has been the sole provider of the services protected by legal monopoly. CCA also ordered a transparent transfer pricing system for all individual services in actual quantities used in the program supplied by its members. These transfer prices must correspond to competitive prices that would be charged to third parties, including the CHA competitors, or at least to the actual incremental cost of producing the respective services.

c. Fines

Total sum of abuse of dominance fines: 89.935,20 EUR

d. Number of cases

Infringement decisions	1
With fines	1
Without fines	0
Commitment decision	2
Non-infringement decisions	4
Other (specify)	0
TOTAL	**7**

D. Merger Review

a. Number of cases

Blocked merger filings	0
Mergers resolved with remedies	1
Mergers abandoned by the parties	1
Unconditionally cleared mergers	24
Other (specify)	0
TOTAL CHALLENGED MERGERS	**26**

b. Main cases

Acquisition of direct controlling interest over Sunčani Hvar and Sunčani Hvar Nekretnine by Eagle Hills deemed conditionally compatible

On 22 January 2025 the Croatian Competition CCA (CCA) conditionally approved the concentration in the form of acquisition of direct controlling interest over the undertakings Sunčani Hvar and Sunčani Hvar Nekretnine by the undertaking Eagle Hills. In its decision on conditional approval the CCA also accepted the proposed commitments, ordered their implementation and defined the monitoring of the implementation of the remedies concerned.

Based on the data contained in the notification of the concentration, the statements of the notifying party, the defined structure of the relevant market that involved both the actual competitors (incumbents) and the potential competitors, the general market share indicators in the relevant market, the data received from the undertakings included in the survey, the post-merger market share of the parties to the concentration, the expected effects of the concentration in the form of benefits for the consumers, as well as other evidence based data, following the legal and economic study in the case concerned, and taking into consideration all factual, legal and economic circumstances, the CCA found that this concrete concentration was assessed as conditionally compatible subject to remedies that would eliminate anticompetitive effects of the concentration in the hospitality sector market including accommodation and catering in hotels in the territory of Split-Dalmatia County.

The following commitments have been undertaken by the notifying party:

A. Investment in the Target Company (primarily Sunčani Hvar) amounting to at least [20-30] million euro. This investment particularly relates to:
   (i) Hotel Sirena and
   (ii) Hotel Amfora.
B. Maintaining Existing Contracts with Croatian Suppliers
C. Increased Contract Value with Local Hvar Suppliers

Upon the proposal of the notifying party the CCA has appointed PricewaterhouseCoopers as the monitoring trustee, who is required to submit an initial report to the CCA on the implementation of the measures within six (6) months from the date of the receipt of the CCA decision by Eagle Hills.

5. JUDICIAL REVIEW OVER THE LAST 24 MONTHS

A. Outcome of the judicial review by the Supreme Courts (Constitutional Court)

Entirely favourable judgements (decision entirely upheld)	1
Favourable judgements but for the fines	0
Partially favourable judgements	0
Negative judgements (decision overturned)	0
TOTAL	**1**

B. Outcome of the judicial review by the first instance Courts (High Administrative Court)

Entirely favourable judgements (decision entirely upheld)	25
Favourable judgements but for the fines	0
Partially favourable judgements	0
Negative judgements (decision overturned)	0
TOTAL	**25**

C. Main judgements

Constitutional Court rejects the constitutional complaint filed by Presečki grupa

In its infringement decision of 27 December 2012, the CCA found that the bus operators Presečki grupa d.o.o., Rudi express d.o.o., Jambrošić tours and Autobusni prijevoznik Turist entered into a Cooperation Agreement and the Agreement on joint scheduled bus transport services in Međimurje County on 1 March 2011. The CCA found that in the time period from 1 March 2011 to 9 October 2011 the undertakings concerned distorted competition in the scheduled public bus transport market and scheduled transport on school buses in Međimurje County by concluding a prohibited horizontal agreement.

Presečki grupa appealed against that decision of the CCA but the High Administrative Court of the Republic of Croatia rejected the statement of claim and upheld the legality of the decision of the CCA. Shortly afterwards Presečki grupa filed a constitutional complaint against the ruling of the High Administrative Court with the Constitutional Court of the Republic of Croatia. The Constitutional Court confirmed the constitutional complaint, cancelled the ruling of the High Administrative Court and returned the case to the High Administrative Court to reverse the proceeding. The High Administrative Court rejected the statement of claim of Presečki grupa for the second time and confirmed the legality of the decision of the CCA. Again, Presečki grupa filed a constitutional complaint against that ruling of the High Administrative Court. On 19 April 2018 the Constitutional Court confirmed the complaint by its decision and cancelled the ruling of the High Administrative Court of 19 January 2017. After the Constitutional Court cancelled the ruling of the High Administrative Court for the second time, the High Administrative Court, complying with the interpretation of the Constitutional Court, cancelled the decision of the CCA of 27 December 2012 by its ruling and reversed the proceeding to the CCA.

Respecting the legal interpretation of the High Administrative Court in the repeated proceeding the CCA found that in the period from 30 December 2010 to 1 March 2011 exclusively the provisions of the Road Transport Act applied as a separate law in the part regulating the subcontracting, which within the meaning of the principle *lex specialis derogat legi generali* enjoyed supremacy over the competition law.

In its infringement decision of 7 October 2021, the CCA found that undertakings entered into a Cooperation Agreement and the Agreement on joint scheduled bus transport services in Međimurje County. The agreements concerned contained restrictions of competition by object in the provision of scheduled bus transportation services in Međimurje County, such as the provisions on market sharing, joint arrangements and registration of new bus transportation routes in Međimurje County, agreed re-scheduling of the existing bus services and joint bidding in all future biddings for the provision of scheduled bus transportation services on school buses in Međimurje County. Thus, from 1 March 2011 to 9 October 2011 the undertakings concerned distorted competition in the scheduled public bus transport market and scheduled transport on school buses in Međimurje County by concluding a prohibited horizontal agreement within the meaning of the Competition Act. The undertakings concerned were imposed a fine in the total amount of EUR 136,837.

In its ruling of 9 March 2022, the High Administrative Court rejected the statement of claim of Presečki grupa and upheld the infringement decision of the CCA. On 26 May 2022 Presečki grupa filed a constitutional complaint against the ruling of the High Administrative Court of 9 March 2022.

By its ruling, dated 12 September 2024, the Constitutional Court rejected the constitutional complaint filed by Presečki grupa, finding that the CCA, in the repeated proceedings, provided a comprehensive and detailed explanation of all its findings and legal positions, including those previously identified as insufficient by the Constitutional Court, in a manner that satisfies the constitutional and conventional guarantees of the right to a fair trial (adjudication) with respect to the prohibition against arbitrariness or the right to a reasoned decision. The Constitutional Court did not find any infringement of the constitutional and conventional rights alleged by Presečki grupa.

Thus, the decision of the CCA of 7 October 2021, has been fully upheld by both the High Administrative Court and the Constitutional Court.

6. ADVOCACY OVER THE LAST 24 MONTHS

A. Initiatives related to public bodies

Opinion of the CCA: Local administration of the Town of Dubrovnik regulates the provision of taxi services

The CCA received several reasoned submissions from taxi service providers claiming that the local administration of the Town of Dubrovnik had adopted a decision introducing a new traffic regime and regulating the issuance of licenses for a limited number of taxi vehicles that can operate in the old town. Allegedly, the local administration of the Town of Dubrovnik had leased a number of taxi-stands to a limited number of taxi service providers or taxi associations, and thereby supposedly restricted the provision of these services. Related to the matter concerned the CCA requested the explanation and the necessary documentation from the local administration of the Town of Dubrovnik.

After reviewing the provided documentation and the rules in effect, in its opinion of 1 August 2024 the CCA made its recommendations concerning the leasing period for the reserved parking slots and any future public tenders related to the minimum number of vehicles required by bidders to bid for reserved parking locations.

The CCA noted that the local administration of the Town of Dubrovnik should list justifiable objective criteria, specifically the quantitative requirements regarding the minimum number of vehicles. This is to avoid any arbitrary decisions. The CCA emphasized that the requirements for the provision of taxi services should be comparable among different categories of taxi operators.

Finally, the CCA noted that any further tendering procedure should ensure that the conditions are not discriminatory for any category of taxi operators. The administration of the Town of Dubrovnik must also ensure that any category of taxi operators has the right to provide taxi services in a way that enhances competition in the taxi service market within the Town of Dubrovnik, in line with the objectives of the traffic regime.

B. MARKET STUDIES

CCA Grocery Retail Market Inquiry for 2023: Turnover rise and increased market dynamics

The CCA carried out the grocery retail market investigation (including food, beverages and toiletries and household supplies) in Croatia for 2023. The sample included 44 undertakings that, according to their realized turnover, represented the largest undertakings operating in the grocery retail market.

There were four retailers less in the 2023 sample compared to the previous 2022 market research – Duravit, Kordun, Strahinjčica and Špar from Bjelovar, whose market segment was integrated into Studenac.

The turnover from grocery retail in the Republic of Croatia of all undertakings from the sample in 2023 amounted to EUR 7.73 billion. In 2023, a nominal grocery retail turnover growth of EUR 1.07 billion was recorded compared to the previous 2022, when it amounted to EUR 6.66 billion, showing that the grocery retail market rose by 16.1%. For the sake of comparison, the growth rate had been 15.7 % in the previous period, or EUR 0.9 billion. This was certainly influenced by the general inflation trends and especially in the part related to the food and non-alcoholic beverages component in the consumer price index.

In 2023, there was a total of 5.140 sales outlets of the sampled retailers, which rose by 144 compared to the previous 2022, representing a growth of 2.9%. For the sake of comparison, in 2022 the rise was 3.5% compared to 2021, or 177 more outlets.

The total net sales space of all sales outlets of the surveyed undertakings in 2023 amounted to 1.6 million square meters, recording an increase in net sales space of 59,000 square meters compared to the previous 2022, representing a growth of 3.8%.

The results of this research showed that the average gross margins for food products in 2023 were the highest in the category of bakery products and confectionery products, and relatively high in the category of fresh fruit and vegetables and non-alcoholic drinks.

Sector inquiry into vertical relations between suppliers and retailers in the food and non-food supply chain in the Republic of Croatia

The CCA conducted a sector inquiry into the relations and terms of business between retailers and suppliers in the vertical supply chain for food, beverages and household hygiene products in the Republic of Croatia.

The objective of the inquiry was, among other things, to establish facts and circumstances related to financial and commercial terms of business, pricing mechanisms, contracting models, and other elements of business cooperation between retailers and suppliers,

with the aim of better understanding market mechanisms within the vertical food supply chain.

The inquiry did not identify structural competition concerns in terms of prohibited agreements between market participants. Certain practices, such as potential tying, will be subject to further examination.

The results showed that during the observed period, suppliers – especially distributors – changed their price lists more frequently than producers. This dynamic in wholesale prices was reflected in changes and increases in retail prices set by retailers.

This was particularly evident in inflationary conditions.

- Food prices in Croatia increased by 26.1 % compared to the EU average of 24.3 %.
- Producer prices in Croatia rose by 18.5 % compared to 21.3 % in the EU;
- The Croatian import price index increased by 26.3 %, suggesting the import component was a more significant driver of price increases than domestic production.

The increase in retail prices was primarily driven by the rise in input and procurement costs, particularly for distributors who, based on the data, more frequently adjusted their price lists. Although some retailers reported absorbing part of the cost increases, most adjusted retail prices in response to rising input costs.

Finally, it is not possible to assign responsibility for price increases to any single participant in the supply chain. However, the available data indicate that the import component and international supply chain prices play a significant role in the overall increase in food and consumer goods prices in Croatia.

C. Initiatives related to General Public

TSI Project workshops on preventing bid rigging in public procurement

From 7 to 10 April 2025 a series of three thematic workshops was successfully held in Zagreb, organized by the CCA as part of the Technical Support Instrument (TSI) project. The initiative was carried out in collaboration with competition authorities from Austria, Bulgaria, Cyprus, Greece, and Romania, with expert support from the OECD and the European Commission. The workshops aimed to strengthen the capacities of key stakeholders in the public procurement system—from contracting authorities and members of the judiciary to undertakings and their associations—with the goal of more effectively preventing and combating bid rigging in public procurement.

The vice-president of the Council was a panelist in the conference organized by the Faculty of Economics and Business, University of Zagreb and the OECD on 16 April 2024 "Combating corruption and ensuring competitive market in Croatia". The event was part of the "Fair Market Conditions for Competitiveness" project, launched by the OECD in 2019 with financial support from Siemens, aiming to bring together government officials, business representatives, civil society, and the academic community to help address country-specific challenges through collective action and best international practices.

The CCA introduced the new whistleblowing tool – anonymous reports of prohibited agreements.[12]

The CCA published "Priorities in the work of the Croatian Competition CCA for 2024".[13]

D. Other capacities

In 2024, the CCA published the Guide on the procedure for the assessment of concentrations in the electronic media market, jointly drafted with the specific regulators for the media and telecom industry (Agency for Electronic Media and Croatian Regulatory Authority for Network Industries).[14]

[12] The link (https://www.aztn.hr/kartel/prijava-kartela/) and the promotion video are available on the CCA website: https://www.aztn.hr/anonimne-prijave-zabranjenih-sporazuma/

[13] The full document is available in the English language on the CCA website: https://www.aztn.hr/en/prioriteti-aztn-a-za-2024-godinu/

[14] The full version of Guide in the Croatian language is available on the CCA website: https://www.aztn.hr/ea/wp-content/uploads//2024/04/AZTN-AEM-HAKOM.pdf

Biography – Ms. Mirta Kapural

Mirta Kapural is the president of the Competition Council of Croatian Competition Agency since 1 October 2021 when she was confirmed by the Croatian Parliament for this function after working as a member of the Competition Council since 25 January 2019. Until then, she worked in the Department for International and European Cooperation of Croatian Competition Agency where her main tasks included: relations of the Competition Agency with European Commission and EU competition authorities within ECN and within ICN, OECD, implementation of EU funded projects and participation in the negotiations and drafting of new EU legal instruments in competition law.

Ms. Kapural chaired hair the working group for the preparation of Draft Law on Amendments to the Competition Act (2020) for transposition of the EU Directive 2019/1 (ECN+ Directive) and working group for the preparation of Law on damages claims for the breach of national and EU competition law (transposition of EU Directive 2014/104).

After completed Law Faculty in Zagreb, she did her Master in European studies at the University of Sussex, UK. In 2012 she obtained her PhD in Company law and Competition law at University of Zagreb, Faculty of Law, PhD Thesis: "Application of leniency institute for immunity of fines or reduction of fines in competition law".

Ms. Kapural is an author of numerous expert articles in national and EU Competition Law published in national and international expert magazines and books. She is a regular participant and lecturer of EU and national Competition law at Croatian and European universities, national and international seminars and conferences as well as the author of the seminar and regular lecturer on EU and national Competition law in the Public School for Civil Servants. She is also engaged as short term and medium-term expert for competition law in different EU funded projects.

Interview with the Chairperson

How would you describe the mission of your agency and its impact in your society and economy?

The mission of the Croatian Competition Agency (CCA) is to establish and protect effective competition that promotes long-term economic growth and ensures maximum benefit for the consumers and at the same time encourages undertakings to foster innovation and efficiency both in the Croatian and the EU market. Effective competition drives the long-term productivity growth based on efficient allocation and use of limited resources, innovation and investment promoting these objectives. The main role the CCA, as competition authority and the regulator is to strongly continue enforcing competition law, ensuring the conditions for effective competition for undertakings, and punishing the ones that do not respect those rules and engage in anti-competitive practices. The CCA is competition regulator in charge of ensuring competition in all markets with benefits for business and consumers in the form of lower prices and better choice of products and services. This is achieved by effective enforcement focused on combating hard core restrictions of competition supported by strong advocacy activities in the form of opinions, sector inquiries and cooperation.

On the other hand, the mission of the CCA includes also detection, elimination and sanctioning of unfair trading practices in the business-to-business food supply chain as well as raising awareness of economic entities of the importance of fair trading by establishing a level playing field and balance in business transactions between all the participants in the food supply chain.

The work of the CCA has direct impacts in the markets where it intervenes and in markets that are vertically related to these. For example, improving or protecting competition can lead to lower prices, higher quality, improved choice, and greater potential for future innovation. The work of competition authority can have important wider impacts on GDP, productivity and innovation. In other words, competition enforcement also has deterrent effects beyond the markets where intervention occurs, so called indirect effects.

For instance, it may deter anti-competitive behaviour in general, due to risks of future enforcement action.

The impact of the work of competition authority is visible on daily basis in each sector of the economy. Bid rigging as a form of collusion significantly harms the economy, state budget, and consumers. In that respect, detecting every case of bid rigging can help diminish the negative effect on the economy and it can also trigger criminal prosecution, thus having a double positive impact on punishing the ones harming the most competition and economy. Sometimes, those types of prohibited agreements impact the most vulnerable members of the society like the bid rigging case of the CCA in public soup kitchen. With each decision, especially those decisions imposing certain measures and with the fulfilment of those measures, competition on the market in question is restored and by imposed sanctions the undertakings are deterred from breaching of competition rules. Merger control plays significant role for the markets, for example, in telecom sector the approval of the CCA in one merger case led to effect that third rival is retained in the electronic communication fixed-line network market and that the third integrated operator in mobile and fixed-line network was created that is able to more effectively compete with the incumbent leading operators by offering convergent services.

Moreover, the impact is visible through our opinions pointing to certain distortions of competition or the need for change of certain laws or draft laws or practices.

Concretely, the opinion of the CCA on the Proposal od Decision of City of Zagreb on taxi transportation in taxi services market led to liberalization of this market. In this opinion, main points of the CCA were that there should be an improvement of taxi transportation model to enhance competition and that any limitation of the number of undertakings engaging in a certain activity in a certain market (numerus clausus) is undesirable from the point of view of competition. Direct positive consequence of the opinion was liberalization of taxi services in the City of Zagreb but also on the local markets in other cities, (cities of Osijek, Rijeka and Split). It also led to introduction of competition and reduction of prices of taxi services with immediate benefits for consumers and with positive influence on promotion of competition. Another example of positive impact on competition by opinions of the CCA is the one regarding Bar association first entry registration fees. The CCA concluded in this opinion that the amount of the registration fee for the first registration of a lawyer in Bar Association directory is excessive and constitutes a barrier to entry to that category of persons. From the point of view of competition rules, the amount of the registration fee in question is regarded as a financial condition or a possible financial barrier to entry into that market, so this fee should not be significantly different and excessive, disproportionate, restrictive. The result of this opinion, the fees have been significantly lowered (from approximately 5.000 euros to 1.500 euros). The most rewarding effect is when the implementation of competition rules and the practice of the CCA has an effect on small undertakings which we witness more and more.

Finally, regular annual sector inquiries of groceries retail market (including food, beverages and sanitary products for households) offers very important data base and overview of the market relevant for consumers and for daily life especially in the times of inflation and higher prices of food.

What is the level of competition awareness in your country? Do policymakers consider competition issues? Is competition compliance a significant concern for businesses?

The CCA strongly believes in awareness raising and dissemination of knowledge about competition law and policy, which is its constant priority. One of the most important tasks of the CCA is to advocate competition culture and identify the barriers contained in the existing and new laws that impede free and fair competition among undertakings in the market. It is the objective of the CCA to promote the understanding of competition rules within all the three branches of the government— executive, law-making and judicial. To that end, the CCA participates in the revisions of the non-compliant rules and informs the public administration and the wider public about competition concerns. Furthermore, the CCA issued on its website Compliance Guidance. With the view to helping all undertakings, particularly the medium-sized and small businesses, to proactively respect competition rules, the CCA drafted guidance for undertakings helping them to diminish risk of breaching competition law and to ensure compliance with competition rules. The Guidance ensures a tailor-made approach for each business regardless of the industry or markets in which it is active. In five chapters the Guidance gives an insight into the key competition rules, using a preventive approach it gives a list of 'DON'Ts' and RED FLAGs' which serve to identify situations in which infringements of competition rules can be suspected.

The level of competition awareness is much higher than 10 or 15 years ago, especially among judiciary and business

society. However, this level is still not sufficient, so the CCA continues with its advocacy activities aimed at promoting competition law and policy. Besides mentioned expert opinions, those activities also include trainings, education and conferences hosted by the CCA, transparent communication, social media announcements, development of new tools to promote competition and joint activities with other stakeholders.

Besides the efforts of the CCA, effective competition includes all government authorities whose job is to create clear and predictable rules aligned with competition rules. The CCA is requested to issue expert opinions on the draft laws and their alignment with competition law which it does regularly, sometimes we need to ask for some draft laws which might be particularly interesting from the point of view of competition rules. Competition compliance became an integral part of business and many companies have compliance programs often accompanied with internal trainings on competition rules. However, this is still valid for larger undertakings whereas small business subjects lack complete knowledge on competition rules because they lack resources to deal with this type of compliance. It should be emphasized here that often undertakings offer as commitments or remedies compliance programs and trainings so in a way compliance has a double role. It ensures that business activities are conducted in line with competition law and thus, raises awareness among business about importance of competition. At the same time, it represents the adequate remedy or measure in antitrust cases with commitments where appropriate.

Do you think that the situation has significantly changed after your agency began working and or publishing reports or impose sanctions?

The CCA is almost 30 years old competition authority with long history of development of its practice and legal changes with several amendments of the Competition Act. In this development, one major change occurred in 2009 when the Competition Act granted the CCA the power to impose fines directly. Hence, from 2010 when the actual Competition Act entered into force, the CCA by its decisions imposes fines to undertakings that infringed competition law including Articles 101 and 102 of the treaty on functioning of the EU after 2013 when Croatia became EU Member State. This had stronger deterrent effect considering that before the competent minor offence courts practically imposed no fines at all. The revised Competition law gave also another important investigatory tool to the CCA, right to conduct surprise inspections (dawn raids) in the premises of the undertakings which together with the power to impose measures and interim measures led to the recognition of the CCA as competition authority with strong investigatory powers which has the power to successfully impacts the participants on the market in order to ensure effective competition in all relevant markets. The additional powers gained after transposition of ECN+ Directive like obligatory interviews and daily fines (periodic penalty payments) confirmed this strong role.

What are the main challenges that your authority is facing? What are your priorities for the near future?

Main challenge for the CCA like for many other smaller competition authorities is the lack of resources and gaining and retaining skilled and well-equipped staff who enforce these rules and effective enforcement record.

Another challenge is to prove the breach of competition rules with strong evidence, it became tougher to discover and find evidence of cartels without leniency and this is why it is important to strongly advocate and promote the importance of leniency programs in detecting cartels and encourage the leniency applicants to report about the existence of a cartel. High evidentiary ceiling for abuse of a dominant position mostly defined by relevant EU case law is specific challenge related to proving those types of infringements.

Development of competition law is very fast and it extended its scope in last years to digital markets, sustainability, no poch agreements, foreign subsidies etc. The small authority needs to follow this dynamic tempo which is not so easy with limited resources.

In defining the priorities in its work, the CCA acts in relation to those practices that have the greatest impact on the development of competition in the market and producing efficiencies regarding innovation, productivity, consumers and market resilience. One of the ongoing priorities remains the detection and sanctioning of prohibited agreements across all markets. Prohibited horizontal agreements (cartels) represent the most severe breaches of competition law, irrespective of the market share. The particular focus will be placed on detecting and proving prohibited bid-rigging cartels among competitors in public procurement. This form of collusion significantly harms the economy, state budget, and consumers. The CCA will continue investigating abusive practices of undertakings holding a dominant position in the market due to their harmful impact on competition, market structure, and consumers. Equally, the focus will remain on the merger control to prevent anti-competitive

effects arising from mergers, acquisitions, and joint ventures, particularly those leading to the strengthening of existing or the creation of a dominant position. In terms of specific sectors, grocery retail market (food, beverages, toiletries and household supplies), electronic communications, energy markets and digital markets with the role of the CCA as national coordinating body with the European Commission in enforcing the EU Digital Markets Act (DMA) remain priority sectors for the near future. Transparency in its work, modern communication, national and international cooperation, strengthening resources and capacity building are general, constant priorities of the CCA.

What are the points of strength and of weakness of your authority?

Knowledge, skills, development within teams, professional staff, openness and transparency in our work, strong advocacy activities, very good cooperation with many national institutions and credible European and international cooperation.

The main weakness is lack of resources, employee turnover due to not so attractive salaries and material conditions especially compared to private sector, not sufficient amount of the budget for expert studies in more complex cases and education, lack of its own financial resources (the CCA is financed solely from ths state budget).

If you could make one major change in your national competition law tomorrow, what would you choose?

The ability to completely independently determine material conditions in the work of the CCA.

Over the last two years, what are the decisions adopted by the authority that make you particular proud, and what are the cases that could have been conducted better?

In last two years, firstly, I would point to cartel case in the sale and maintenance of private branch exchange (PBX) systems (telecommunications systems used to manage and route incoming and outgoing telephone calls within an organization) in Croatia. This case was one of the most complex cases in our practice. It is interesting because it involved larger number of cartel participants, six undertakings participated in a prohibited agreement. It is also very interesting because it was the first case with leniency applications, both for immunity from the fine and reduction of fines.

In the abuse of a dominant position, the CCA had first predatory pricing case (in which we also conducted surprise inspection although usually the surprise inspections are conducted in cartel cases). The CCA established that Croatian Hunting Society (CHA) committed an infringement in the form of abuse of a dominant position for being engaged in predatory conduct. Concretely, the CHA was charging the unrealistically low price for hunting exams by lowering its price below the cost of the provision of hunter training services with the intention to eliminate or discipline rivals or prevent their entry and likely protect or strengthen its dominant position in the market concerned. The decision of the CCA includes several measures for the CHA to fulfil, necessary to regain competition and remove negative effects of the CHA's behaviour. The CHA has to keep separate accounts of the costs incurred in the provision of hunter training services and those incurred in markets where CHA is the sole provider of the services protected by legal monopoly. Furthermore, it has to ensure a transparent transfer pricing system for all individual services in actual quantities used in the program supplied by its members.

In merger control, conditionally allowed merger in tourism sector, acquisition of direct controlling interest over the undertakings Sunčani Hvar and Sunčani Hvar Nekretnine by the undertaking Eagle Hills. The CCA found that this concentration can only be allowed subject to remedies that would eliminate anticompetitive effects of the concentration in the hospitality sector market including accommodation and catering in hotels in the territory of Split-Dalmatia County. The CCA accepted the commitments undertaken by the notifying party which are interesting because they include several investment measures. Investments are not so usual in other mergers but are suitable in tourism sector as a form of obligatory measures. This merger is very sensitive due to the importance of tourism in Croatia and it showed that it is crucial to protect local suppliers but also to ensure the entrance for new competitors at the same time.

We can always do better; we would like to solve some cases faster and use some more sophisticated tools (like algorithms) for data analysis or for quicker and easier detection of breaches of competition law like prohibited agreements. The precondition for this is again more resources and more experts on complex cases. We would also like to have more comprehensive sector inquiries but with only three economists in the chief economist's office (including chief economist) it is very difficult to prepare more than 2 or 3 sector inquiries per year.

Do you feel support from the administration, citizens and business community?

There is a very good cooperation with relevant ministries and other public institutions and with sector regulators enhanced also with the cooperation agreements but also in the form of continuous support and help in daily work. This was confirmed during the recently held first expert conference of the regulators initiated by the CCA. The relations with business community as subjects of control by the CCA are mostly aimed at helping them to remain aware of the importance of effective competition for their business prospects. The broader audience still lack sufficient understanding of the competences of the CCA compared to other institutions. However, in general it can be concluded that the need to have an independent institution like CCA is necessary. Good and consistent enforcement of competition law during the years led to higher level of trust in the work of the CCA. Based on this trust, the CCA was granted another competence to sanction unfair trading practices in the food supply chain.

Do you find that international and regional cooperation is helpful? Is it working well?

It is very helpful and significant, almost crucial for development of competition law and practice in line with European and international standards. Exchanging views and best practices helps to understand markets, to modify your own practice but also to respond to new challenges which are often similar for many national competition authorities. The CCA has always been very active in international cooperation. One side of this cooperation is European cooperation with European commission which was very important and helpful in the period before EU accession with the need to align complete legislation with EU acquis but also to have enforcement record comparable to the European NCAs. After Croatia became EU member state, this cooperation continued within European competition network (ECN) aiming at convergence in EU competition law especially important because the EU NCAs including CCA apply EU law (Articles 101 and 102 TFEU) directly. On the global level, the International Competition Network (ICN) is a very useful platform including more than 100 jurisdictions from different parts of the world who exchange information about their practices, cases, ideas and challenges. More than that, every working group of the ICN developed valuable working documents that support work of the NCAs. Another very important organization dealing with competition is OECD. Its working materials, global competition forum and the education provided within OECD GVH RCC centre for competition in Budapest had strong influence on development of competition law practice in the CCA. Since 2016, the CCA regularly participates in OECD Competition committee sessions and now it is also engaged in accession negotiations of Croatia to become member of the OECD. The potential of OECD membership will bring another important and useful global component in the work of the CCA and in the further development of best practices in applying competition rules in Croatia.

When talking about international cooperation and sharing of knowledge and best practices one should not forget bilateral cooperation which is also crucial. The NCAs help each other in ongoing cases, organize joint events and learn from each other. Recognizing the importance of bilateral cooperation, CCA has concluded agreements of cooperation with many NCAs (Albania, Austria, Bosnia and Herzegovina, Georgia, Hungary, Kosovo, Northern Macedonia, Montenegro, Serbia, Turkey).

In all mentioned aspects, international cooperation is working very well with the need to grow even stronger in the future.

What is your opinion about the OECD-GVH Regional Centre for Competition? Do you have suggestions for improvement?

The work of the OECD GVH Regional Centre for Competition is excellent and extremely useful in the development of knowledge in the competition authorities. The CCA is attending education and trainings from OECD RCC from its beginnings (twenty years ago). So, I can freely say that the CCA participated in almost all events of the OECD RCC in past 20 years. Every employee of the CCA dealing with antitrust or merger control or international cooperation attended at least one or two trainings. The CCA also had a chance to host jointly with the OECD RCC two events, in June 2013, workshop on Cartel Investigation Procedures: Leniency Programmes, Dawn Raids and Public Procurement Issues held in Rovinj and in September 2022, the seminar on ex-ante regulation and enforcement of competition rules in digital markets. Both events were well attended and successful. Why OECD RCC seminars and trainings are so useful? I would emphasize the following: it always invokes active engagement of participants making them either to present the concrete cases from their respective authorities or to present a part of hypothetical case. This is an excellent approach for learning, sharing best practices and similar

challenges in practice and stimulating joint search for solutions.

By this approach, it helps the participants not only to learn about competition rules but also to develop their own soft skills like communication or presentation skills. The OECD RCC seminars and events are covering all relevant topics in competition law, and besides that, it is also very good to have basic courses for young staff and more advanced seminars for experienced staff of the NCAs. It is the forum for enhancing bilateral cooperation between NCAs, especially from neighboring countries. In the case of Croatia, it helped to create competition experts in the CCA who are still working in the CCA, some in the high positions, but also other former colleagues who used to work in the CCA and who took part in the OECD RCC trainings are now good experts in competition law as attorneys or companies lawyers. Education of judges (administrative court judges, commercial court judges) should also be mentioned as very important for proper development of competition case law in national jurisdictions.

VI. CONTACT INFORMATION

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