Federal Competition Authority, Austria

„The role of a competition agency in promoting a better competitive environment and increasing public awareness of the benefits of competition“

Mag. Valerie Ditz, LL.M.
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Federal Competition Authority, Austria

Benefits of competition

➢ Quote Joaquin Almunia, Commissioner for competition:

“Competition gives business the tools to succeed on the world stage, by enhancing their competitiveness and encouraging innovation. It helps create viable companies that can offer workers long-term employment prospects. And it gives consumers the benefit of lower prices, better choice and better quality of goods and services.”
The role of competition agencies to promote these benefits I

Informative responsibilities

- Raising of public awareness
- Homepage and press releases
- Twitter
- Public speeches, conferences and articles
The role of competition agencies to promote these benefits II

- Punitive responsibilities
  - Investigating restrictions of competition
  - Actively fining breaches of competition law
2 ways of effective competition law enforcement I

- Judicial procedures
  - leniency programme
  - sector inquiries
  - very time consuming
  - need for shorter and more efficient proceedings

- Raising of public awareness
  - informed consumers
  - informed undertakings
  - through conferences, seminars and press releases
2 ways of effective competition law enforcement II

Essentials for both ways:

➢ Conclusive approach
  – free, fair and transparent proceedings
  – parties and public must know why and when authorities will act

➢ Persistent implementation
  – willingness to stand up for “unpopular” actions
Examples

- Sector inquiry: Retail prices for liquid fuel
- Informed public: Evaluation of electricity bills
- Leniency programme
- Make use of new applications
Sector Inquiry: Retail prices for liquid fuel

- Public concern raised: FCA started investigation into specific features of the Austrian retail markets for petrol and diesel

- Oil companies claimed that changes of domestic retail prices have to be linked closely to the changes of Platts notations

- **Result:** temporal asymmetry
  Increases in Platts notations are passed through faster than decreases
Informed public: Evaluation of electricity bills

- understanding of bills is a precondition for consumer-decisions on new/other electricity suppliers

- survey showed:
  - 60% of the interviewees are not able to understand their electricity bill
  - almost 75% of the interviewees do not know what is meant by the components of the bill

- FCA advocated understandable and transparent electricity bills
Leniency programme

- Introduction of the leniency programme in January 2006 - important step towards establishing a real culture of competition in Austria
- 20 applications in total, approx. 300 undertakings
- 5 cases already brought to court:
  - Escalator and elevators: fines of € 75.4 Mio
  - Industrial chemicals: fines of € 1.9 Mio
  - Printing chemicals: fines of € 1.5 Mio (on appeal)
  - Plumbing (pending)
  - Freight forwarders (pending)
Advocacy efforts

Efforts to make the leniency programme more attractive and generate more leniency applications:

- Pro active fining policy
- *Ex officio* cartel investigations (e.g. driving school cartels)
- Pragmatic application of the leniency system
- Seminars
- Articles
Federal Competition Authority, Austria
Make use of new applications
Thank you for your attention!

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