

Class: UP/I 034-03/15-01/043

Reg.no: 580-10/76-2017-058

Zagreb, 19 January 2017

CCA v Ukop d.o.o., Osijek

- Alleged abuse of a dominant position

Decision on non-infringement of competition rules

Case summary:

Following the initiative of the undertaking that was promised confidentiality the CCA found in the case carried out against the undertaking Ukop from Osijek that the undertaking active in the provision of the funeral services did not infringe competition rules and did not abuse its dominant position.

The claimant basically stated in its initiative that since the adoption of the Funeral Services Act in April 2015 the undertaking concerned has been charging 300 Kuna for each transfer of the deceased person to the cemetery and the use of mortuary refrigeration facilities and registration. Concretely, when a deceased person is transported to the cold chambers by some other transportation service provider, Ukop allegedly charges 116 Kuna for the use of mortuary refrigeration facilities per day, whereas it charges 300 Kuna for the receipt and registration of the body. However, when Ukop provides the transportation of the deceased person, it allegedly applies no charges for the use of the refrigeration facilities or for the receipt of the body. In the opinion of the complainant such behaviour of Ukop, a utility company holding a monopolistic position in the funeral services market in the town of Osijek, makes the clients buy also funeral supplies with the same undertaking.

In the proceeding carried out by the CCA it has been established beyond doubt that the monopolistic position of the undertaking Ukop in the funeral services market in the town of Osijek leads to its significant market power in cemetery management. This makes spilling over of Ukop's market power in the traditional cemetery management market to the neighbouring market involving sales of funeral supplies and mortuary equipment, as well as deceased persons' transportation market and monumental masonry market very likely.

In spite of the fact that the data the CCA collected during the preliminary market investigation represented sufficient indices for the initiation of the proceeding, the facts collected and used in evidence after the proceeding was commenced evidently showed that there has been no abuse of a dominant position by the undertaking Ukop in the cemetery management market.

Namely, a detailed assessment proved that the undertaking Ukop has been charging equal fees to all users of its services including the taking up of the body and the use of cold chambers, regardless of the undertaking providing the transportation services or of the place where funeral supplies and mortuary equipment have been purchased.

At the same time the CCA found that the charges for the building of the graves or tombs and graveyard maintenance in the graveyards in the town of Osijek are applied for the use of the infrastructure owned by Ukop and their amount depends on the complexity of the activities concerned. These fees are charged under equal conditions to all undertakings performing these activities and apply also to Ukop when it carries out these activities. These costs are then included in the price of the construction of headstones and other grave monuments.

Taking everything into account, the CCA established that Ukop has not been abusing its monopolistic position in the cemetery management market in the town of Osijek and has not been involved in discriminatory practices towards other undertakings. At the same time, the analysis showed that the competing, alternative service providers have not been restricted in the performance of these services and that the users have been free to choose among other undertakings and freely decide where to buy funeral supplies and mortuary equipment, transportation services for the deceased person and the monument masonry services.