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ANNUAL REPORT
CROATIAN COMPETITION AGENCY



Croatian Competition Agency

Savska cesta 41, 10000 Zagreb, Hrvatska

Editor: CCA, PR Office

Phone: +385 1 617 64 48

Web: www.aztn.hr

E-mail: agencija.ztn@aztn.gov.hr

Design: Ognjena Brkanović

Photos: Envato Elements, spar-international.com

Intro



MIRTA KAPURAL, PHD, LLM

President of the Competition Council

In 2021 main tasks of the Croatian Competition Agency (CCA) were detection, elimination and sanctioning of hardcore restrictions, contained in prohibited agreements, primarily horizontal agreements between competitors (cartels) that produce greatest harm to the economy and consumers, especially in public procurement.

Equally, the CCA was engaged in identifying and sanctioning of infringements relating to abuse of a dominant position by undertakings that distorts the competitive structure of the market. In the same way, activities continued in the area of merger control and compatibility assessment of concentrations, directly arising from acquisitions of and mergers between undertakings and the consolidation of individual markets.

The CCA was also focused on competition advocacy, as a complementary part to its enforcement role. It includes the CCA opinions about the compliance with competition rules of laws, law proposals and other pieces of legislation with the provisions of the Competition Act, the conduct of sector inquiries, the publishing of the CCA decisions on its website and monthly e-bulletin AZTNinfo, press releases, expert and research papers, participation in trainings and their organization, expert meetings, and international conferences etc. In the enforcement of the rules and competition advocacy the CCA continued its cooperation with specific regulators and other stakeholders.

The CCA also continued to raise awareness of direct and indirect harm of unfair trading practices in the food supply chain for the consumers and the economy, by transparently informing the public about all decisions made by the CCA in this area of enforcement. At the same time, the CCA remained active

in promoting fair trading practices in the food and agri supply chain and participated in drafting rules in this area. Concretely, in cooperation with the Ministry of Agriculture as a sponsor of the UTPs Act, the Croatian Chamber of the Economy, the Croatian Employers' Association, attorneys, and undertakings, the CCA published a Guidebook of Q&As replying to queries of the addressed actors and explaining the UTPs rules, particularly regarding the application of Revised UTPs Act 2021 to the operation of the undertakings concerned.

In 2021 the CCA continued to monitor digital markets with particular attention, where the new digital market developments bring about innovations in the enforcement of competition law. Since the challenges in the future are particularly digital markets, the CCA will like other institutions adapt to new circumstances with respect to its enforcement procedures and sector inquiries.

As a head of the CCA, I will endeavour to support the CCA as a strong, modern, professional institution with the necessary resources, a competition regulator that will remain acknowledged as a credible public institution, whose experts are open to cooperation, working its way through to contribute to the benefit of the economy of the Republic of Croatia and ensuring that competition and unfair trading practices rules are complied with and respected.

I believe that effective enforcement of competition and unfair trading practices rules in the business-to-business food supply chain ultimately produces positive effects on the undertakings competing in the market and the consumers that should be ensured a wider choice, better quality and lower prices of products and services.



About CCA

THE CCA WAS ESTABLISHED UNDER THE FIRST 1995 COMPETITION ACT PURSUANT TO THE DECISION OF THE CROATIAN PARLIAMENT ON 20 SEPTEMBER 1995 AS AN INDEPENDENT NATIONAL COMPETITION AUTHORITY. IT BECAME OPERATIONAL IN 1997.

In a market economy the purpose of competition law is to ensure a level playing field for all market operators regardless of their size, market power or other features. Effective competition produces maximum benefit for the consumers in the form of a wider choice, lower prices and better quality of products and services. It facilitates improvements in productivity and innovation of the actors in the market. Effective competition boosts economic development based on competitive markets, effective allocation and use of limited resources and investment for innovation. Besides the proactive action of the CCA, the achievement of these objectives depends on the activities of other government authorities in the creation of clear and enforceable rules regulating the behaviour in the market and their capacity to apply these rules in practice.

CCA TASKS AND OBJECTIVES

The task of the CCA is to ensure the proper functioning of the market that produces benefits for the consumers, undertakings, and the economy, by removing barriers and market failures through effective enforcement of competition rules and the rules on the prohibition of unfair trading practices. The main objective of the CCA as an expert authority and a competition regulator in all markets is to create and ensure effective competition through enforcement and advocacy activities, that would facilitate long term growth, benefit the economy of Croatia, ensure maximum benefits for the consumers and produce procompetitive effects enhancing the choice of innovative goods and services of high quality and

lower prices and at the same time encouraging undertakings to improve efficiency and innovation in the market.

COMPETITION ACT

In accordance with the Competition Act, OG 79/09, 80/13 and 41/21 in effect the CCA is a stand-alone and independent legal person with public authority which, as a general, national regulatory authority in charge of competition in all markets, performs the activities within its scope and powers regulated by the Competition Act and Articles 101 and 102 of the Treaty on the functioning of the European Union, OJ C 115, 09.05.2008 (TFEU) and:

- the Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty, OJ L 1, 04.01.2003, relating to the implementation of Articles 101 and 102 of the Treaty on the Functioning of the European Union, OJ C 115, 09.05.2008, and
- the Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation), OJ L 24, 29.01.2004.

In other words, the CCA applies national competition law in parallel to Articles 101 and 102 TFEU.

The internal structure and operation of the CCA, its internal acts and other matters relating to the operation of the CCA are regulated by the CCA Statute that is adopted by the Croatian Parliament.

ACT ON THE PROHIBITION OF UNFAIR TRADING PRACTICES IN THE BUSINESS-TO-BUSINESS FOOD SUPPLY CHAIN

Since 7 December 2017 the CCA has been also in charge of the implementation of the Act on the prohibition of unfair trading practices in the business-to-business food supply chain, OG 117/17 and 52/12; (UTPs Act). The full application of the UTPs Act started on 1 April 2018 and the application of the Revised UTPs Act 2021 on 1 March 2022. This piece of legislation has for the first time regulated the area of unfair trading practices in the food supply chain in Croatia.

The UTPs Act defines the rules and measures for the prevention of imposition of unfair trading practices, it provides a black list of unfair trading practices in the food supply chain, the imposition of which enables the use of the strong bargaining power of the buyer with respect to its supplier. On the other hand, the UTPs Act seeks to promote and encourage fair trading practices that would protect the participants in the food supply chain.

COMPETITION COUNCIL

The CCA is run and managed by the Competition Council consisting of five members. In 2021 there were four members. The president and the members of the Council are all employed in the CCA. The president and the 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 term of office. The conditions for the appointment, the term of office and the scope of competence of the Council are regulated by the Competition Act. The members of the Council cannot be state officials, persons who perform duty in any administrative body of a political party, members of supervisory boards and executive bodies of undertakings, or members in any kind of interest associations, which could lead to conflict of interest. At the same time, the president and the members of the Council cannot be relieved from office due to the reasons linked with the orderly performance of their duties and orderly exercise of their powers in the application of the Competition Act and Articles 101 and 102 TFEU.

As the managing body of the CCA the Council adopts its decisions in its sessions, with the majority of at least three votes, where no member of the Council can abstain from voting. The president or the vice-president of the Council must be present at the session.

CCA EXPERT TEAM

The everyday administrative tasks are carried out by the expert team of the CCA, that consists of masters of law with a passed Bar Exam, masters of economics specialized in competition law and policy and IT experts specialised in digital forensics. There is a team of at least one lawyer and one economist handling a case, accompanied, when necessary and depending on the complexity of the case, by an IT expert. The expert team of the CCA performs administrative and investigation activities, whereas the Council adopts a decision on the basis of which the case is resolved.

The CCA is empowered for the enforcement of competition rules applicable to prevention, restriction and distortion of competition by the undertakings that conclude prohibited agreements or are engaged in abusive practices in the market. The powers of the CCA also include the ex-ante merger assessment.

EMPLOYEES' STRUCTURE

20 Economists



20 Lawyers



2 IT-experts



7 Other



Source: CCA

EMPLOYEES' PROFESSIONAL DEGREE

1 PhD



3 MSc



6 AM



35 Master



2 BAcc



2 Secondary education



Source: CCA



The fines set and imposed by the CCA for the infringements of the Competition Act and the UTPs Act are contributed to the State Budget of the Republic of Croatia.

CCA FINANCING

The CCA has no operational or financial revenue of its own. The CCA is financed exclusively 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 resources in terms of sufficient qualified staff, financial means, technical and technological expertise, and equipment.

On the other hand, the CCA is independent regarding the purposeful spending of the financial means allocated to it for the enforcement of its powers, without prejudice to and in full compliance with the provisions of the Act on the Execution of the State Budget.

The CCA obliges itself to responsible distribution of the allocated financial resources from the State Budget.

The planned funds for the regular operational activities falling under the scope of the CCA in the State Budget for 2021 amounted to EUR 1.840,422 (HRK 13.866,662). The total executed budget in 2021 amounted to EUR 1.838,757 (HRK 13.854,113) which was 99.91% of the current plan.

In 2021 the number of CCA workers was lower compared with the previous year. Concretely, on 31 December 2021 the CCA had 49 employees, whereas in 2020 it employed 51 workers.

CCA 2021 enforcement record

DESPITE THE SECOND CHALLENGING PANDEMIC YEAR IN 2021 THERE WERE 725 RESOLVED CASES IN THE AREA OF COMPETITION AND UNFAIR TRADING PRACTICES

On 31 December 2021 there were 40 pending administrative cases, 28 in the area of competition, 12 in the area of unfair trading practices. Predominantly, these administrative (investigation) proceedings were opened at the end of 2019 or in 2020 or 2021 and the legal conditions for their closure had not been met. Most of these cases will be closed during 2022. Besides the administrative cases that are handled by the CCA in the area of competition, a great part of the activities of the CCA involves so called non-administrative cases in the area of competition advocacy (opinions on draft laws and proposed regulations and opinions on the compliance of the laws and regulations in effect), market studies, and responses to queries that cannot be classified as initiatives for the opening of an infringement proceeding in the sense of the Competition Act, preliminary market investigations carried out at the stage where the CCA has to decide whether there is enough circumstantial evidence to open an infringement case, data base cases, assessments of notifications of concentrations under the Council Regulation (EC) No 139/2004, assistance cases with other regulators and authorities, international co-operation cases, internal acts of the CCA, access to files responses and other replies to the addressees of the Competition Act. Similarly, in the area of unfair trading practices, the CCA has been receiving a large number of queries from natural and legal persons that have not

The fines imposed for the infringements of the Competition Act and the UTPs Act in 2021 amounted to a total of EUR 398,301 (HRK 3.001,000)

been directly connected with the concrete administrative (investigation) cases but have been urgently responded to by the CCA in so called non-administrative cases. Within its powers, in these non-administrative cases the CCA asks for information, documentation and written explanations directly from the alleged infringers and investigates the received and analysed data for the existence of possible circumstantial evidence for the opening of an administrative proceeding.

In 2021 the CCA received a total of 40 initiatives or complaints within the meaning of the Competition Act and the General Administrative Procedure Act respectively (GAPA) for the initiation of ex-officio administrative proceeding. In 22 of the resolved administrative cases the procedure was initiated ex officio based on the received initiative or complaint (13 cases in the area of competition, and nine cases in the area of unfair trading practices). There was a total of ten anonymous complaints (three in competition and seven in unfair trading practices). In 18 of the pending administrative cases the procedure was initiated ex officio based on the received initiative or a complaint (11 cases in the area of competition and seven cases in the area of unfair trading practices). There was a total of seven anonymous complaints, all in unfair trading practices.

CCA ENFORCEMENT RECORD IN 2021

	Competition	Unfair trading practices	Total
Administrative cases	33	10	43
Non-administrative cases	622	60	682
Total:	655	70	725

Source: CCA

Enforcement of competition rules

THE MOST IMPORTANT OBJECTIVE OF THE CCA IN THE PAST PERIOD WAS RELATED TO ITS CORE ACTIVITY, THAT IS TO SAY, THE IMPLEMENTATION OF THE NATIONAL AND EUROPEAN COMPETITION LAW, WITH THE EMPHASIS THE ON THE REMOVAL OF HARD-CORE RESTRICTIONS AND ACTIVE COOPERATION WITH THE EUROPEAN COMMISSION (EC)

Within this objective, the focus of the CCA work was on the practices of undertakings that directly restrict competition, and thus the growth and functioning of the economy.

The anti-trust procedures are complex due to the necessity of the conduct of a detailed economic and legal analysis ensuring at the same time the protection of the parties' right to defence and are therefore stipulated in detail by the Competition Act. These procedures are always initiated ex officio, whereas a wide range of persons can file a complaint (initiative) for the opening of a procedure.

Within the concrete case proceedings in 2021 the CCA carried out the investigations in 77 relevant markets, 19 thereof were in the area of assessment of prohibited agreements between undertakings, 20 in the area of alleged abuse of a dominant position in the market and 38 in the area of assessment of compatibility of concentrations between undertakings.

For the infringements of the Competition Act in 2021 the CCA imposed the fines in the total amount of EUR 1.838,757 (HRK 1.391,000)

ACT ON THE AMENDMENTS TO THE COMPETITION ACT (REVISED COMPETITION ACT 2021)

The Republic of Croatia was obliged to transpose the Directive (EU) 2019/1 of the European Parliament and of the Council of 11 December 2018 to empower the competition authorities of the Member States to be more effective enforcers and to ensure the proper functioning of the internal market OJ L 11, 14.1.2019 (ECN+ Directive).

The purpose of the ECN+ Directive is to put in place fundamental guarantees of independence of the national competition authorities (NCAs), adequate financial, human, technical and technological resources and minimum enforcement and fining powers including periodic penalty payments to ensure that NCAs apply Articles 101 and 102 TFEU.

By the adoption of the Competition Act, OG 79/09 and 80/13 and eleven ancillary provisions (regulations) necessary for the proper application of the Competition Act, the legal framework in the area of competition law and policy has already been to the large extent brought into compliance with the EU acquis. Now, the Revised Competition Act 2021, by the transposition of the ECN+ Directive into the national legal system, means that the complete national legal framework in the area of competition law and policy has been fully harmonized with the EU acquis and put in place. In addition, the ten-year-application of the Competition Act in practice has indicated the need for some fine tuning regarding certain provisions with the view to resolving any possible uncertainties in the interpretation thereof.

Instead of adopting a completely new Competition Act, the Revised Competition Act 2021 was adopted in line with the

rule against retroactivity, which would deprive the CCA of the legal basis and thus render impossible any opening or running of the infringement proceeding against any undertaking that has committed a serious infringement of competition law before the entry into force of this amended act, for instance, with respect to participating in a cartel that constitutes a hard core restriction of competition law and usually takes three to five years to be detected, which would ultimately leave such infringements unprocessed and unsanctioned.

The Revised Competition Act 2021, OG 41/2021 entered into force on 24 April 2021

The Revised Competition Act 2021 defines the frequently used terms, such as "cartel", "secret cartel", "leniency programme", "leniency statement", "applicant authority", "requested authority", whereas the definition of "undertaking" particularly explains the term "association of undertakings" and defines the notion of "undertakings concerned" in merger assessment. In addition, the Revised Competition Act 2021 introduces new legal tools, such as: "interview", "periodic penalty payment", "uniform instrument", "settlement in cartel cases", and elaborates "access to leniency statements and settlement submissions". It also specifies the imposition of fines where the infringement is committed by an association of undertakings.

The Revised Competition Act 2021 establishes the CCA as a general, national regulatory authority in charge of competition in all markets. This brings into compliance the legal status of the CCA with the nature of the tasks that it performs. The legal status, the independence, the organization, and the resources of the CCA have all been brought into compliance with the ECN+ Directive, which ensures the institutional, financial, and operational independence of the CCA. At the same time, the ECN+ Directive also introduces some new powers of the CCA, such as the power to impose periodical penalty payments for the infringements to ensure a uniform and effective application of Articles 101 and 102 TFEU.

CASES IN THE AREA OF PROHIBITED AGREEMENTS

One of the priorities of the CCA in 2021 was again the elimination of hardcore restrictions within the meaning of the Competition Act contained in prohibited agreements, particularly, horizontal agreements that are concluded between competitors (cartels) that mostly harm the consumers and the economy and constitute the most serious infringement of competition rules. In addition, the CCA carried out procedures in which it investigated into hardcore restrictions and prohibited provisions contained in vertical agreements between undertakings that are not direct competitors in the market.

In the area of prohibited agreements in 2021 the CCA conducted preliminary market investigations in 19 relevant markets, the most significant were the following:

- Doctors' and dentists' services advertising market
- Public road transport on scheduled lines and scheduled school bus transportation services in Međimurje County
- Sale of honey and other bee products in Primorje-Gorski Kotar County
- Attorneys' services
- Charter accommodation services
- Cross-border rail transport on rail freight corridors network in EU.

In the area of prohibited agreements in 2021 the CCA conducted preliminary market investigations in 19 relevant markets with a view to investigating whether there has been sufficient circumstantial evidence to open ex officio proceeding. The CCA resolved a total of 24 cases in this area, ten thereof were administrative and 14 non-administrative cases



Example of a prohibited vertical agreement case: **CCA against Spinnaker distribucija d.o.o., Zagreb**

THE CCA FOUND THAT THE UNDERTAKING SPINNAKER DISTRIBUCIJA D.O.O. BREACHED COMPETITION RULES IN THE DISTRIBUTION MARKET FOR POV ACTION CAMERAS IN THE TERRITORY OF THE REPUBLIC OF CROATIA BY THE CONCLUSION OF THE STANDARD SELECTIVE DISTRIBUTION AGREEMENT WITH TEN AUTHORISED RETAILERS IN EFFECT FORM 1 APRIL 2018 TO 31 MARCH 2019.



The Standard Selective Distribution Agreement contained provisions that constitute hardcore restriction of competition by object and therefore are prohibited within the meaning of Article 8 paragraph 1 of the Competition Act and Article 9 paragraph 1 item d) of the Regulation on block exemption granted to certain categories of vertical agreements, given the fact that it contained the restriction of cross-supplies between distributors within a selective distribution system.

The challenged provisions imposed on the appointed dealers to purchase the GoPro cameras exclusively from Spinnaker but also imposed an obligation causing the authorised dealers not to sell to other authorised dealers but exclusively to end users. To ensure the authorised dealers' compliance in practice, Spinnaker imposed a quantitative restriction on its authorised dealers by requiring a fixed number of cameras per sales.

The restriction of cross-supplies between distributors within a selective distribution system is a restriction of competition by object, which does not require any further analysis of the relevant market that would justify such a behaviour. In other words, selected distributors must remain free to purchase the contract products from other appointed distributors within the network, operating either at the same or at a different level of trade. Therefore, it is not necessary to conduct an individual assessment to demonstrate concrete restrictive effects in the market and investigate whether these effects are significant or not. Thus, such an agreement cannot be granted block exemption, which makes it ex lege void.

For the serious infringement of competition rules Spinnaker was fined EUR 46,453 (HRK 350,000) and prohibited any such behaviour in the transactions with the authorised dealers (retailers) of GoPro products in the future.

CASES IN THE AREA OF ABUSE OF DOMINANCE

Abuse of a dominant position by an undertaking/s on the market also impedes the competitive market structure and prevents the competitors from market entry or growth.

Within the meaning of the Competition Act the undertaking which holds more than a 40 per cent market share in the relevant market can be presumed to be dominant but this is a rebuttable legal presumption.

When identifying a dominant position on the market, a whole range of factors are taken into account, such as, for example, the time during which the undertaking holds a high market share and its market position, its economic power, advantageous access to sources of supply or the market, economic links with other undertakings, legal or factual barriers to entry, the ability to impose market conditions with regard to its supply or demand and the ability to exclude competitors from the market by targeting other undertakings.

MOST COMMON FORMS OF ABUSE OF A DOMINANT POSITION

- directly or indirectly imposing unfair purchase or selling prices or other unfair trading conditions;
- limiting production, markets or technical development to the prejudice of consumers;
- applying dissimilar conditions to equivalent transactions with other undertakings, thereby placing them at a competitive disadvantage;
- making the conclusion of 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.

Abusive exclusionary practices are particularly detrimental to competition. This is why in 2021 the CCA continued to investigate whether certain undertakings have been involved in such abusive practices.

With a view to investigating whether there is sufficient circumstantial evidence to open ex officio proceeding relating to alleged abuse of a dominant position in 2021 the CCA conducted a preliminary market investigation in 20 relevant markets. The CCA resolved 17 cases in this area, nine thereof were administrative and eight non-administrative cases.

In 2021 the CCA conducted preliminary market investigations in 20 relevant markets in administrative cases, such as the following:

- assessment of the legal framework and revision of karst grasslands,
- distribution of POV action cameras,
- sale of bakery products,
- hydrographic surveying,
- travel agencies and counselling services,
- sale of insulin pump supplies,
- pay-tv services,
- digital signature services, etc.

Example of abuse of dominance case:

CCA against Hrvatski telekom d.d., Zagreb

THE CCA TERMINATED THE PROCEEDING INITIATED AGAINST THE UNDERTAKING HRVATSKI TELEKOM D.D. (HT) AND CONCLUDED THAT THERE HAVE BEEN NO GROUNDS FOR ACTION WITHIN THE MEANING OF ARTICLE 13 OF THE COMPETITION ACT AND ARTICLE 102 TFEU

The CCA opened the proceeding against HT on its own initiative following the circumstantial evidence that HT has been abusing its dominant position in the pay-tv market in the territory of the Republic of Croatia by offering expanded TV packages (Prošireni TV, MAX Arena, MAX Sport Plus and HBO Premium packages) under discount prices for term contract commitments, offering the highest discount for the 24-month contract. This discount for TV deals was in effect since 14 April 2017– the duration that was taken relevant in the CCA analysis.

It should be noted first that any abuse of dominance must fulfil two cumulative conditions: the undertaking must actually hold the dominant position in the relevant market in the sense of Article 12 of the Competition Act, and second, it must be shown that it abuses its dominant position in the sense of Article 13 of the Competition Act or Article 102 TFEU.

In the course of the proceeding, it has been found that HT indisputably held a dominant position in the pay tv market in Croatia in the relevant period. Considering the EU law and practice, the CCA investigated whether predatory pricing has

been applied by the undertaking concerned, specifically, the CCA used the long run average incremental cost (LRAIC) as a cost measure in gaining a more realistic estimation of the long run cost necessary for the undertaking to enter the market and stay on it. The analysis particularly involved the fact that in the network industries, such as the provision of electronic communication services, fixed costs are high, so as not to undervalue the costs of the undertaking holding a dominant position.

By comparison of the long run average incremental costs for the provision of MAXtv base TV pack and that of add-ons (expanded TV packages) with the prices of these TV packages, the CCA found that the prices of the TV packages concerned covered the long run average incremental costs for the provision of these services in the time period from 2017 – 2019.

In addition, given the fact that the marginal cost in the analysis of HBO Premium and MAX Sport Plus packages were slightly below the comparable relevant values, the CCA adequately applied the criteria arising from the application of competition rules in the EU. Namely, to prove the pred-

atory pricing of the services below the LRAIC there must be evidence of a strategy to exclude “as-efficient or more efficient-competitor”. In this concrete case the CCA did not find evidence of such a plan to engage in certain conduct to exclude a competitor by HT.

Furthermore, the CCA found that HT has offered add-ons under the price available to all users, new and existing, whose contracts lapsed. Not only does the prices offered for add-ons apply to all users, but it has been in effect for a longer time period – from April 2017 until today. As mentioned above, and as substantiated by the EU law and practice, it is less likely that an undertaking holding a dominant position would be engaged in predatory pricing where a lower price applies to all users and for a longer period of time.

Therefore, the CCA found that further steps in the proceeding concerned would not be compliant with the principle of procedural efficiency and closed the proceeding concerned.





MERGER CONTROL

As a rule, mergers (concentrations between undertakings) are a normal and common part of business and a justified form of consolidation or restructuring processes of companies or whole industries as a response to the challenges amid the changes in the relevant markets with a view to achieving the savings and synergies that will ensure the new economic entities increase in performance. Unlike the assessment of possibly prohibited agreements between undertakings or abuse of a dominant position by an undertaking/s in the market which is carried out ex-post on the CCA's



own initiative, the assessment of compatibility of concentrations between undertakings is carried out ex-ante, based on the merger notification of the undertakings concerned in the sense of the criteria for obligatory notification under the Competition Act.

In other words, the participants to the concentration must notify the concentration prior to its implementation, where they cumulatively fulfil the criteria for notification in terms of turnover thresholds in the Croatian and global market, as stipulated in Article 17 paragraph 1 of the Competition Act.



THE ASSESSMENT OF COMPATIBILITY OF CONCENTRATIONS IN 2021 COVERED 38 RELEVANT MARKETS AS FOLLOWS:

- wholesale market in unleaded gasoline fuels,
- wholesale market in diesel fuels,
- wholesale in extra-light heating oil,
- motor fuels retail market (unleaded petrol and diesel fuels) sold at petrol stations located on and outside the highways,
- retail liquefied petroleum gas (LPG) in gas cylinders and autogas,
- production and sale of electric cables,
- production and sale of telecommunications cables,
- production and sale of marine cables,
- production and sale of railway cables,
- wholesale of agricultural machinery and spare parts,
- wholesale in mercantile goods, fertilizers, and production material,
- fertilizers and production materials in specialized retail stores,
- health insurance market in the Republic of Slovenia and the Republic of Croatia, etc.

In other words, no concentration exceeding the said thresholds can be implemented without the compatibility assessment and approval of the CCA.

The task of the CCA is to carry out ex ante investigations into these transactions and run the checks into their possible beneficial effects on market structure and consumer interests, that should outweigh the anticompetitive effects of the concentrations, such as the decline in the number of competitors or the rise in collusive behaviour or possible creation or strengthening of a dominant position.

In the area of assessment of compatibility of concentrations in 2021 the CCA analysed 38 relevant markets in 35 cases. Out of 35 cases handled in merger control by the CCA in 2021, in 13 cases the CCA assessed the compatibility of the notified concentrations, in one case it monitored the implementation of the commitments in the previously conditionally approved concentration, whereas in 18 cases the CCA provided replies to queries of third parties. In 2021 no concentration was assessed as prohibited



Example of merger assessment case: Telemach Hrvatska d.o.o., Zagreb / OT-Optima Telekom d.d., Zagreb

THE CCA CLEARED IN THE FIRST PHASE THE CONCENTRATION BETWEEN THE UNDERTAKINGS TELEMACH HRVATSKA AND OT-OPTIMA TELEKOM AND ACHIEVED THE OBJECTIVE LAID DOWN IN THREE PREVIOUS DECISIONS ON CONDITIONALLY APPROVED CONCENTRATION IN THE TELECOM MARKET THAT WAS CLOSED IN DECEMBER 2021. THIS COMPLEX DIVESTITURE PROCESS INCLUDED A TRUSTEE MONITORING OF THE IMPLEMENTATION OF THE REMEDIES UNDER THE DECISION ON CONDITIONALLY APPROVED CONCENTRATION IN THE SENSE OF THE EC COMPARATIVE PRACTICE

Telemach Hrvatska was selected as the best bidder that by the implementation of this concentration entered the market in electronic communication in fixed-line network services where exclusively Optima has been present and thereby took the market shares of Optima. It has been accordingly assessed that by the acquisition of Optima, Telemach Hrvatska would provide integrated telecommunication services in fixed and mobile telephony and able to offer convergent services as the third integrated telecommunication services rival competing in the Croatian telecom market.

It has been expected that the concentration concerned will have positive effects based particularly on the fact that the third rival is retained in the electronic communication fixed-

line network market and that the third integrated operator in mobile and fixed-line network will be created, that will be able to compete with the incumbent leading operators more effectively by offering convergent services. The creation of the third fully integrated competitor in the electronic communication sector ascertains potential efficiencies based on the ability of the integrated operators in mobile and fixed-line networks to offer convergent products, ensuring a counterbalance to already existing competitors to the advantage of the consumers. In other words, the creation of the third rival in the market would therefore produce efficiencies, contribute to strengthening of competition and consequently benefit the consumers.

In 2021 there were 421 notifications of concentrations that were notified to the EC and then transmitted to the CCA, where the effects of these concentrations on competition in the Croatian market had to be assessed. At the same time, within the European Competition Network (ECN) cooperation, a well-placed authority to deal with the compatibility assessment procedure is decided. In other words, it is the obligation of the EC to transmit the obligatory notification of a concentration to all national competition authorities in any case of concentrations with an EU dimension. As a rule, these are concentrations that produce effects in at least three Member States.



MARKET STUDIES

Market studies are also one important part of the CCA regular activities. These sector inquiries are research projects with the purpose of gaining in-depth understanding of how particular sectors or markets work. It is also the analysis of possible market barriers and the legal framework regulating the markets, which is the prerequisite for effective enforcement of the rules falling under the scope of the CCA. These legal and economic analyses very often enable the CCA to detect indications for infringement proceedings.

The CCA conducted three sector inquiries including the retail groceries' market (market research in food, beverages, toiletries and household supplies), the insurance market and the press publishing market.

The leading groceries retailer in 2020 was Konzum plus. It held a market share of 20% to 30% that slightly fell in 2020. Konzum plus had a total of 608 outlets in 2020. In 2020 the members of Schwarz Grupa kept but a more moderate rising trend than in 2019. The market share of Lidl was 10% to 20%. The other member of Schwarz Grupa – Kaufland also recorded a moderate rise in its turnover whereas its market share was 5% - 10%. Both members of Schwarz Grupa together held a combined market share of 20% - 30%. In 2020 there were 30 undertakings with a turnover rise in groceries retail compared with 38 of them in 2019. However, 21 retailers experienced a falling turnover trend, in comparison with 12 with a falling turnover trend in the year before. The highest nominal turnover rise in 2020 was recorded by Plodine, followed by Spar, Lonia trgovina, Lidl, Mlin i pekare and Studenac. Lonia increased its turnover by acquiring Sloga Podravska Trgovina and its 70 outlets, whereas Mlin i pekare leased 23 outlets of Trgonom in spring 2020. Besides its organic growth Studenac turnover rose due to the acquisition of some 80 outlets of Sonik Trgovina. In 2020 the following regional retailers increased their turnover: Mlin i pekare, Boso, Slavonija-Bošković, Gavranović, Decentia and Robin. The line-up of the leading retailers has not changed compared to 2019 apart from the fact that Lonia trgovina took over the tenth position on the top-10 list leaving Mlin i pekare behind and came back to the top-10 list.



COMPETITION ADVOCACY

In 2021 the CCA also continued with its intense activities involving proactive competition advocacy and development of competition culture and raising awareness about the significance of competition for the economy and consumers, particularly in the sense of creation of the whole institutional and economic environment that would promote competition, the entry of new undertakings to the market and the removal of actual and administrative barriers for the development of competition.

In that sense, besides the enforcement of the rules under its scope involving the administrative proceedings and case handling, one of the important roles of the CCA is active competition advocacy as its important complementary part.

Concretely, the CCA is empowered to issue expert opinions regarding the compliance with competition rules of draft proposals for laws and other legislation, as well as the existing laws and other legal acts and other comments on related issues raising competition concerns.

This includes market studies, the publishing of the CCA decisions on its website, press releases, the monthly e-bulletin AZTNinfo and other communication activities that ensure transparency in the work of the CCA.

The CCA experts often write articles and research papers, give lectures, organize and participate in trainings, workshops and international conferences covering the relevant competition issues.

Example of competition advocacy case: CCA comment on the Ordinance on standardization of repair services drafted by the Croatian Association of Motor Vehicle Repairers

In April 2021 the CCA was requested by a group of the members of the Croatian Association of Motor Vehicle Repairers to comment on the compliance with competition rules of the Ordinance on standardization of repair services that had been drafted by the Association with the view to regulating the motor vehicle repair services after damage.

The CCA legal analysis showed that the Ordinance clearly contained provisions that contravened with competition rules.

In its comment the CCA found that as a competent national competition authority it could not approve any price regulation as referred to in Article 7 of the Ordinance. The CCA added that any price fixing by an association of undertakings, particularly setting the minimum hourly cost of car body and car painting services as referred to in Article 8 of the Ordinance was not in compliance with competition rules.

In addition, the CCA explicitly commented that with respect to the sanctions provided under Article 11 of the Ordinance the CCA was the only enforcement authority that could impose sanctions on undertakings.

The CCA also informed the Association of the key provisions of Article 8 of the Competition Act that prohibit any agreement between two or more undertakings, decisions by associations of undertakings and concerted practices, which have as their object or effect the distortion of competition in the relevant market, among others, those which directly or indirectly fix purchase or selling prices or any other trading conditions. Similarly, the CCA quoted the provisions under the Competition Act that provide the definition of an undertaking, an agreement, and a cartel. In addition, the CCA drew the attention of the Association to the relevant provisions of the Motor Vehicle Block Exemption Regulation that stipulates hardcore restrictions of competition in the specific sector, and the Vertical Block Exemption Regulation referring to the hardcore restriction contained in the restriction of the buyer's ability to determine its sale price, without prejudice to the possibility of the supplier's imposing a maximum sale price or recommending a sale price, provided that they do

not amount to a fixed or minimum sale price as a result of pressure from, or incentive offered by, any of the parties.

In its comment the CCA emphasised that any direct or indirect agreement on the prices and/or trading conditions between undertakings, competitors in the market, in this case the members of the association of undertakings, is prohibited. In that sense, any calculations, or methods of calculation of the price that have as their objective or effect price fixing are prohibited under competition rules. This excludes guidelines and recommendations of merely informative nature.

Finally, the CCA noted that in the sense of competition rules, it was necessary to ensure the provision of motor vehicle repair and maintenance services by independent, small, and medium-sized enterprises. The injured party should freely choose any repairer or body shop, regardless of whether it is included in the contract repairers' network or not. Also, from the aspect of competition rules, the price of work should be determined by the relevant market, that is, by any individual registered auto repair shop under the price list that it normally uses.



In 2021 there were 68 resolved advocacy cases, thereof 16 expert opinions on laws and 52 answers to different queries about competition issues

JUDICIAL REVIEW

In the context of judicial review, against the decisions of the CCA no appeal is allowed but the injured party may file a claim and start an administrative dispute before the High Administrative Court of the Republic of Croatia. The council of three judges decides about the claim against the decisions of the CCA.

In 2021 the High Administrative Court took 6 decisions based on which it dismissed the claims of the claimants and fully upheld the decisions of the CCA.

Regarding the judicial review of the decisions of the CCA, it must be noted that exclusively the CCA lawyers who passed the Bar Exam represent the CCA in courts in the proceedings carried out against the decisions of the CCA. Thus, the CCA does not use any attorneys' services but relies on its own experts.

Enforcement of the rules on the prohibition of unfair trading practices in food supply chain

With respect to the enforcement of the Croatian Act on the prohibition of unfair trading practices in the business-to-business food supply chain (UTPs Act), in 2021 the CCA resolved 69 cases, thereof ten administrative cases and 60 non-administrative cases.

In 2021 the CCA closed ten administrative proceedings and adopted nine decisions (some cases were joined). In five decisions thereof the CCA found that the party to the proceeding used its strong bargaining power and imposed on its suppliers unfair trading practices. For the infringements concerned the CCA imposed fines, whereas it terminated the proceedings in four cases.

The total sanctions imposed by the CCA for the imposition of unfair trading practices amounted to EUR 213,684 or HRK 1.610,000

In seven administrative cases the CCA acted following the allegations from anonymous complaints, while the remaining cases were opened based on detected circumstantial evidence during the market investigation carried out by the CCA following the analysis of the documentation requested within the meaning of Article 17 paragraph 1 of the UTPs Act that regulates the CCA's power in collecting data. The administrative proceeding under the UTPs Act is a complex one. It requires a multidisciplinary approach to each case and investigation into all relevant facts and circumstances relevant for the adoption of a decision. The duration of the proceeding depends not only on the volume and complexity of information and documentation that has to be processed by the CCA but also on the activity of the party concerned and their cooperation with the CCA and their willingness to voluntarily remedy their behaviour involving the imposition of unfair trading practices in the food supply chain

THE ACT ON THE AMENDMENTS TO THE ACT ON THE PROHIBITION OF UNFAIR TRADING PRACTICES IN THE BUSINESS-TO-BUSINESS FOOD SUPPLY CHAIN (REVISED UTPS ACT 2021)

Entered into force on 1 September 2021 but its full application started on 1 March 2022. The Revised UTPs Act 2021 transposed the Directive (EU) 2019/633 of the European Parliament and of the Council of 17 April 2019 on unfair trad-



The objective of the Revised UTPs Act 2021 is to rectify the existing irregularities in business-to-business relationships in the agricultural and food supply chain by providing clearer definition of unfair trading practices, fully empowering the CCA as a competent enforcement authority and institutional cooperation and strengthening of all enforcement authorities of the Member States and the EC.

ing practices in business-to-business relationships in the agricultural and food supply chain that has regulated for the first time the area of unfair trading practices in food supply chain in the EU. All administrative proceedings that had been opened before 1 September 2021 were closed pursuant to the UTPs Act 2017 then in effect.

In line with the Directive (EU) 2019/633 the Revised UTPs Act 2021 introduces a wider scope of agricultural and food products found in the business transactions between sup-

pliers and buyers. It also additionally regulates the procedure and introduces new procedural instruments and at the same time regulates the cooperation between the national enforcement authorities and the EC in unfair trading practices.

The major difference is that the "statement of the facts of the case" has been revoked given that the established facts of the case can be finally established only by the decision of the CCA resolving a particular administrative matter.

This is a part of the proceeding where the Revised UTPs Act 2021 has been harmonized with the Directive (EU) 2019/633, ensuring appropriate safeguards in respect of rights of defence, in accordance with the general principles of the EU law and the Charter of Fundamental Rights of the European Union. Another novelty was the revocation of the "main hearing" leaving the "oral hearing" in line with the Revised UTPs Act 2021 and the GAPAs. At the same time, unannounced on-site inspections are introduced.

Since December 2017, when the Croatian UTPs Act entered into force, in collaboration with the Ministry of Agriculture, the CCA has been gathering and analysing the questions relating to the issues linked to the application of the UTPs Act in Croatia. The questions of the addressed actors were communicated by the Croatian Chamber of the Economy, the Croatian Employers Association, the lawyers' offices and addressed actors themselves. The CCA Guidebook of Q&As replying to these queries and explaining the UTPs rules was published on the website of the CCA and the Ministry of Agriculture on 5 February 2018 and has been updated ever since. The UTPs Guidebook in the Croatian language can be found on the website of the CCA and the Ministry of Agriculture.



The CCA Guidebook of Q&As replying to these queries and explaining the UTPs rules was published on the website of the CCA and the Ministry of Agriculture

Example of unfair trading practices case:

CCA v SPAR Hrvatska d.o.o., Zagreb

The CCA opened ex officio infringement proceeding within the meaning of the UTPs Act with the view to establishing whether the re-seller SPAR used its strong bargaining power and imposed unfair trading practices by selling a food product, in this concrete case flour, to the final consumer at a price that was lower than any purchase price in the food supply chain. The CCA opened the infringement proceeding following a complaint of one supplier.

In the course of the proceeding the CCA found that in the period from 9 November 2018 to 11 November 2018 SPAR sold a specific food product – flour, to the final consumer at a price that was lower than any purchase price in the food supply chain and thereby committed a serious infringement of the UTPs Act that provides for a fine of up to EUR 663.614 (HRK 5 million).

Considering the gravity, the scope and the duration and the consequences of the infringement concerned for the suppliers, as well as a number of extenuating circumstances, SPAR was imposed a fine in the amount of EUR 172,540 (HRK 1.3 million).

It is the view of the CCA that the fine is proportional to the gravity, scope, and duration of the infringement and that it will have a deterrent effect not only on SPAR but also on other re-sellers, buyers and processors in the food supply chain.

The CCA also prohibited SPAR any further above-described practices. SPAR contested the decision of the CCA and filed a claim before the competent administrative court.

Considering the gravity, the scope and the duration and the consequences of the infringement concerned for the suppliers, as well as a number of extenuating circumstances, SPAR was imposed a fine in the amount of EUR 172,540 (HRK 1.3 million)



JUDICIAL REVIEW

With respect to lawsuits challenging the infringement decisions of the CCA, identifying that a re-seller, purchaser and/or processor imposed unfair trade practices in terms of the UTPs Act, the competent administrative courts passed four judgments in 2021. In three judgements thereof the claimant's claim for annulment of the decision of the CCA was rejected, together with the requests for compensation of the costs of the administrative dispute, while in one judgment the decision of the CCA was annulled ordering the CCA to reopen the case and bring a new decision. CCA fully complied with the order of the Administrative Court in Zagreb and closed the administrative procedure by issuing a new decision on 25 November 2021, finding that the re-seller concerned had used its strong bargaining power by imposing unfair trading practices in relation to three suppliers. Considering the gravity, scope, duration and effects of the infringement for the supplier and the established mitigating circumstances, the CCA imposed a fine of EUR 53,089 (HRK 400,000) on the re-seller concerned. In one of the administrative disputes, the competent administrative court issued a decision dismissing the plaintiff's claim as untimely filed.

In 2021, the High Administrative Court adopted three rulings by which it dismissed the appeals of the re-sellers and upheld the rulings of the first instance courts rejecting the claim for cancellation of the decision of the CCA on the infringement of UTPs Act and upholding the CCA infringement decision. By the rulings of the High Administrative Court the CCA infringement decisions became legally valid and the parties made payments of the respective amounts of fines plus penalty interest into the State Budget immediately after the respective decisions became legally valid.

INTERNATIONAL COOPERATION

Another important segment of the operation of the CCA are its international cooperation activities. In 2021 international activities took place both through multilateral cooperation and through bilateral contacts with competent authorities in and outside the EU.

However, due to the extraordinary circumstances of the pandemic, the usual bilateral meetings did not take place, and all contacts were made virtually. The same was true for

the multilateral cooperation forums in which the CCA continued its activities. Despite the extraordinary circumstances that continued due to the pandemic, the EC continued to hold virtual meetings and the CCA representatives participated in the meetings of working groups and subgroups of the ECN, advisory committees, and the working group of the Council of the EU.

The trend of many requests for information between the agencies through the ECN network continued.

In 2021, due to the COVID-19 pandemic, the OECD, like other international organizations, continued its activities and organized regular meetings on-line. The CCA cooperation with the OECD takes place twice a year, in the Competition Committee, where the CCA has a participant status since June 2016, and once a year in the Global Forum on Competition, where participation is open to all world jurisdictions, regardless to the country's membership in the OECD. The meetings of the Committee are structured through a series of round tables and discussions, based on the written and oral contributions of the participants, and in 2021 they covered the following topics: trade, development and competition, economic analysis in abuse of a dominant position, promotion of competitive neutrality, assessment of market power, challenges of digital markets. Competition during the time of the COVID-19 disease was also an inevitable topic, and within the work of the Competition Committee, the CCA made its contribution on the topic of competition compliance programs. The employees of the CCA also participated in the virtual OECD Competition Open Day held in February 2021.

Organized by the OECD-GVH Regional Centre for Competition in Budapest, several regular seminars were held in virtual format. The topics of the seminars were: bid rigging, market studies, abuse of a dominant position, competition and intellectual property rights, and implementation of effective investigative procedures.

The CCA received and replied to 60 requests for information (which is on average 2.5 requests per Member State) and sent two requests to other Member States. In this way, the CCA proves itself as the advocate of active cooperation between the Member States



REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON CONTESTABLE AND FAIR MARKETS IN THE DIGITAL SECTOR (DIGITAL MARKETS ACT) - DMA

Within the working group for competition, a total of 32 meetings was held in 2021 on the topic of the adoption of the Regulation of the European Parliament and of the Council on contestable and fair markets in the digital sector (Digital Markets Act) - DMA. In its session held on 3 March 2021, the Committee for the Economy of the Croatian Parliament discussed and supported the position of the Republic of Croatia on the proposal of the Digital Markets Act. Since the DMA deals with a completely new matter and brings innovations in the field of competition and business in general, in March 2021 the CCA established an informal working group with a view to including all relevant stakeholders in the Republic of Croatia from the very beginning in the long-term work on the proposal of the DMA.

The proposal of the DMA seeks to resolve negative effects on the contestability of the core platform services and large platforms that increasingly act as gateways or gatekeepers

between business users and end users and enjoy an entrenched and durable position.

These gatekeepers have a major impact on, have substantial control over the access to, and are entrenched in digital markets, leading to significant dependencies of many business users on these gatekeepers. Without action at the EU level, they could lead to the fragmentation of the Internal Market.

In addition to the work on the DMA, the CCA was also actively involved in the working group under the leadership of the Ministry of the Economy and Sustainable Development, dedicated to the work on the Digital Services Act – DSA. The Digital Services Act and the Digital Markets Act are the European response to the thorough reflection process carried out by the EC, the EU Member States, and many other jurisdictions in recent years with a view to better understanding of the effects of digitization, and especially internet platforms, on fundamental rights, competition and generally the society and global economy.



In 2021 the CCA published 51 decisions, replied to 20 queries of the journalists and 24 queries of the parties, and published 52 press releases. The CCA published 10 issues of its monthly e-bulletin AZTNinfo containing the monthly updates of the CCA decisions and other activities and decisions with respect to the developments in the comparative practice in the area of competition law and policy in the EU and globally.

TRANSPARENCY AND THE RIGHT TO INFORMATION

Transparency of the operations of the CCA is achieved through different communication channels. Active competition advocacy activities have been carried out through trainings and workshops for undertakings and consumers and open communication with the public, both in the area of competition and unfair trading practices in the business-to-business food supply chain. The CCA regularly publishes its decisions and press releases on its website and responds to the questions of all the addressed actors.

Within competition advocacy activities in 2021 the CCA experts held several expert papers. The education included the basic concepts of competition law and policy, the work of the CCA and cooperation with the EC, prohibited agreements between undertakings, abuse of a dominant position, merger control and competition advocacy, along with case studies. At the same time, education has often been focused on current issues and news in the development of competition law. In this way, the CCA communication with the public is deepened and redirected to professional and qualified public, primarily undertakings, the judiciary, attorneys, and the academia. In 2021 the CCA employees also published several articles related to the revisions of the Competition Act and the orthodontists' cartel case.

In compliance with the principles of transparency, independence, neutrality, and professionalism in the communication with the parties and the public and its publicly available Communication Strategy, the CCA continues to publish on its website its decisions, opinions and annual reports, relevant articles written by its experts and press releases about the opened and closed cases, market studies etc. The authorised representatives of the CCA are present in the media and maintain contact with the journalists. The CCA publishes different related content and guides while its representatives participate in conferences, trainings and workshops as paper holders or participants covering the specific matters in competition law and policy and unfair trading practices. All press releases, the legislative framework, and summaries of the CCA decisions are translated into the English language and published on the CCA website.

SOCIAL RESPONSIBILITY

The CCA has incorporated social responsibility in all its operations in line with the best European practices.

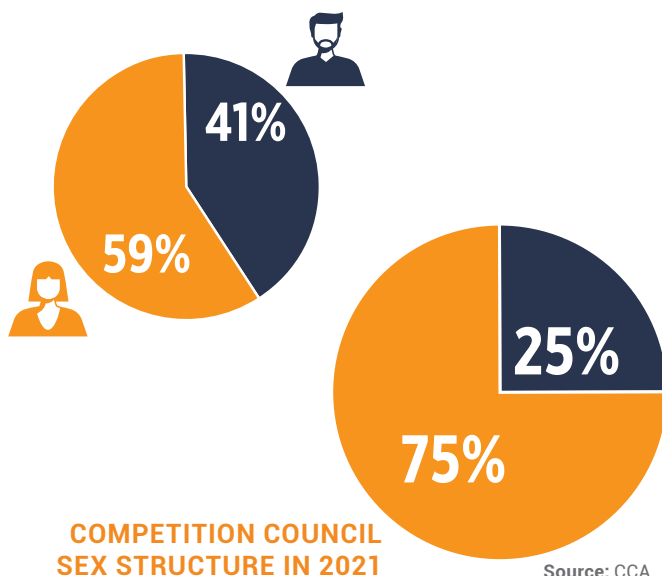
In compliance with its own code of ethics all individuals are accountable for fulfilling their civic duty and taking actions for the benefit of the society, complying with ethic, environmental, legal and public standards. The CCA has appointed its ethics commissioner. It has a waste sorting system and an organized collection system for paper for recycling and disposal of sensitive documents.

Vacancies are made public, any query made by a natural person or a party to the proceeding or the press is replied to, and the decisions are published on its official website. Efficiency and effectiveness are key orientations in the management of administrative organizations.

The CCA invests in human capital. Under the law equal employment opportunities are designed to prevent discrimination and unfair treatment in hiring and managing employees. Gender equality is implemented in all recruitment processes, education, and trainings. Men and women of the same rank in the CCA are equally paid i.e., there is no wage disparity based on sex.

There are more women (58%) than men employed in the CCA. The non-discrimination principle requires equal treatment of an individual or a group based on employability criteria. There is 64% women in leading positions and 60% of the members of the managing body of the CCA – the Competition Council – are women.

CCA SEX STRUCTURE IN 2021



ARCHIVE DIGITIZATION

After having obtained the consent of the Croatian State Archives in 2017 the CCA started to digitize its documents and records since its establishment in 1997. The digitizing process of converting any hard-copy, or non-digital record into digital format has included both the new documents as well as the archived documents. The transformation into the digital format ensures easier access, screening, extraction, and preservation, thus saving the archives space and resources.

By the end of 2021, 12,500 items have been converted into the digital form. The completion of the documentary material conversion project is expected by the end of 2022, involving the coordination with the Croatian State Archives regarding the drafting of a new regulation on the protection of digital material and the introduction of electronic signatures and improvement of the information system of office operations.

At the beginning of July 2021, the new Regulation on office operations entered into force. The novelty of the Regulation is the introduction of information and communication technologies in public enforcement. The CCA is expected to comply with the provisions of the Regulation by 1. January 2023. The adoption of the Regulation is particularly important for the work of the enforcement authorities, introducing information and communication technology in a way that not only abolishes paper-based record-keeping in a registry office, but also abolishes the whole process of paper-based work on files and record-keeping within the organization. Items are primarily created, signed, and sent electronically. This fact significantly changes, accelerates, and modernizes the work of the public administration. However, it will also require appropriate technical conditions - high-quality computers, network equipment, scanners and compliance with information security measures and standards.



Conclusion

THE CCA PRIORITIES FOR THE UPCOMING PERIOD ARE BASED ON THREE MAIN DETERMINANTS: EFFECTIVE ENFORCEMENT AND SANCTIONING, COMPETITION ADVOCACY, AND COOPERATION WITH ALL STAKEHOLDERS

Effective enforcement of the rules falling under the jurisdiction of the CCA in the area of competition implies the use of all investigative tools and methods available to the CCA and appropriate sanctioning with a general deterrent effect preventing other undertakings from engaging in anticompetitive practices.

The main tasks of the CCA in the enforcement of the rules in the field of competition will continue to be the elimination of hardcore restrictions stipulated by the provisions of the Competition Act and Articles 101 and 102 TFEU, such as prohibited agreements, primarily prohibited horizontal agreements between competitors (cartels) that produce the greatest harm to the economy and consumers, and abuse of a dominant position that distorts the competitive structure of the market. Similarly, the activities will continue in merger control and compatibility assessment of concentrations, directly arising from acquisitions of and mergers between undertaking and the consolidation of individual markets.

A particularly important activity is undoubtedly competition advocacy, that raises the awareness of the importance of competition rules and the benefits that competition brings to citizens and consumers and builds competition culture and can have a deterrent effect. Specifically, it includes the opinions about the compliance with competition rules of laws, law proposals and other pieces of legislation with the provisions of the Competition Act, the conduct of sector inquiries with the aim of better understanding of particular relevant markets, transparency of operations and modern communication with all stakeholders, participation in trainings and their organization, expert meetings and international conferences on current and specific topics in the area of competition. In the coming period, the enforcement of the other law falling under the scope of the CCA, the UTPs Act,

will continue. The CCA will continue to raise awareness of the necessity of fair trading practices in business relations between suppliers and buyers through the procedures it carries out within the meaning of the UTPs Act and the decisions it makes on the basis of these procedures. The CCA will remain active in promoting fair trading practices and the benefits of complying with the rules in the area concerned. In addition to transparently informing the public about all decisions made by the CCA in this area of enforcement, it will continue to publish the guidebook with updated answers to the addressee's queries about the application of the UTPs Act.

Furthermore, the CCA will continue to monitor digital markets that certainly bring about innovations in the enforcement of competition law. The challenges in the future are precisely digital markets, so the CCA, like other institutions, must adapt to the new circumstances which, on one hand, benefit the economy and facilitate innovation, but, on the other hand, must comply with competition rules. Thus, the CCA will be included in the drafting of the Digital Services Act and the Digital Markets Act at the EU level.

Finally, we would like to note that effective competition is the foundation of a market economy and a prerequisite for its growth, it encourages innovation and provides consumers with benefits in the form of a wider choice, better quality of products and services, and lower prices.

Therefore, we want the CCA to be a strong, modern, professional institution with the necessary resources, that will work its way through to benefit the economy and ensure that competition rules and the unfair trading practices in the business-to-business food supply chain rules are complied with.