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**ANNUAL REPORT ON COMPETITION POLICY DEVELOPMENTS IN SWEDEN**

-- 2010 --

*This report is submitted by Sweden to the Competition Committee FOR INFORMATION at its forthcoming meeting to be held on 29-30 June 2011.*

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## Executive Summary

### 1. Changes to competition laws and policies proposed and adopted

#### 1.1 *Summary of new legal provisions of competition law and related legislation: Amendments to the Competition Act*

##### 1.1.1 *Supplement to the Competition Act on public sales activities*

1. On 25 November 2009, the Riksdag (the Swedish Parliament) adopted a new rule in the Competition Act that came into force on 1 January 2010. If petitioned by the Competition Authority, individual companies or an industry organisation, the Stockholm City Court may under penalty of a fine prohibit the state, a municipality or a county council from conducting certain practices in its sales activities. A municipality or county council may also be banned from conducting activities that are incompatible with the law. This means that municipalities, county councils and state authorities – just like public sector controlled legal entities – may be banned from conducting commercial activities in a certain manner if they distort competition for private companies. The Authority's enforcement focus will be on prioritising matters of broad public interest, for example where many companies are affected in large parts of the country, or which in some other way are of a nature involving principles.<sup>1</sup>

##### 1.1.2 *Obligation to provide information concerning markets and competition conditions*

2. In the spring of 2010 the Government presented a Bill regarding an Act on the obligation to provide information concerning markets and competition conditions. The Act that entered into force 1 January 2011 aims at fulfilling the need for information by the Competition Authority in its promoting of effective competition and public procurement. The Act is not to be applied in the Authority's investigation or enforcement of individual cases according to the Competition Act or the Act on Public Procurement. The Act replaced a similar law from 1956.

##### 1.1.3 *Implementation of EU Directives on remedies with regard to public procurement*

3. New rules in the procurement legislation came into force on 15 July 2010. They mean that the Swedish Competition Authority may bring proceedings at court for a fine ('administrative fine') to be imposed on those municipal authorities, county councils and government authorities that have conducted an illegal direct award of a contract. Over the past year the work of the Swedish Competition Authority within the area of procurement has revolved around these new rules. For example, we have produced new procedures and methods to enable us to pursue proceedings for administrative fines at court.

##### 1.1.4 *System of choice for Employment Agencies*

4. In March 2010 the Government presented a Bill regarding system of choice for employment agencies. In brief the Bill contained provisions stating that the Act on System of Choice was to be applied also on the employment agencies' job coaching activities for newly arrived immigrants to Sweden. The law (SFS 2010:536) entered into force on 1 July 2010.

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<sup>1</sup> The Swedish Competition Authority has made a contribution to the OECD 105<sup>th</sup> Meeting of Working Party No. 3 on Co-operation and Enforcement (Roundtable on Corporate Governance and the Principle of Competitive Neutrality for State-owned Enterprises), see DAF/COMP/WP3/WD(2009)54.

## **1.2 Other relevant measures, including new guidelines**

### *1.2.1 New regulations and general guidelines*

5. Last year the Swedish Competition Authority published general guidelines on trading prohibitions and conducted a review of the regulations on the notification of concentrations between undertakings.

### *1.2.2 General guidelines on trading prohibitions, KKVFS 2010:1*

6. In 2009, the Competition Act was supplemented with an individual sanction, a so called trading prohibition or “disqualification order”. A trading prohibition is a new penalty that may be applied to individuals who have participated in cartels. Price fixing and market sharing are examples of serious infringements of the Competition Act that can lead to a trading prohibition. A District Court can issue a trading prohibition subsequent to an action brought by the Competition Authority under the Competition Act.

### *1.2.3 Revision of Merger Regulation, KKVFS 2010:3*

7. The Competition Authority’s Regulations on the Notification of Concentrations between Undertakings under the Swedish Competition Act (KKVFS 2010:3), have been revised during 2010.

### *1.2.4 Fighting bidding cartels*

8. The Competition Authority continued its fight against bidding cartels in 2010. This included having discussions with and providing information to public procurers in various parts of Sweden. The aim was to make them aware of certain patterns in public procurement that may indicate the formation of a cartel. As part of this work the Authority also produced a checklist and a folder that has been launched on a broad basis, since it is important that procurers get in touch with the Authority if they suspect a cartel.

### *1.2.5 Focus on leniency*

9. We have produced an information film about the leniency rules entitled “*Be the first to tell – a film about leniency*”. The purpose of the film is to increase the knowledge of the stakeholders of the possibilities that exist to avoid administrative fines and ultimately to increase the number of applications for leniency to the Authority. The film is available on, for example, our website and YouTube. We have also produced edited versions that have been shown on Swedish television and express trains to and from Arlanda Airport. The film has also been shown at seminars where we have informed lawyers and company legal advisors about the rules on leniency.

## **2. Enforcement of competition laws and policies**

### ***2.1 Action against anticompetitive practices, including agreements and abuses of dominant position***

#### *2.1.1 Summary of activities of the Competition Authority*

- Application of the Competition Rules 2010

During 2010, the Competition Authority made 162 decisions pursuant to the Swedish Competition Act and Articles 101 and 102 of the Treaty of the Functioning of the European Union (TFEU).

Several competition law cases have been addressed through the parties changing their conduct or eliminating the competition problem in the course of the case being processed. The Swedish Competition Authority decided to bring two cases to court by issuing summons applications and imposed one fine order in 2010. We also made decisions imposing one obligation and on two voluntary commitments, all made subject to a fine for default.

- Mergers

The Swedish Competition Authority made 58 decisions relating to concentrations between undertakings. A special investigation was carried out in one case. In certain cases we can request the notification of a concentration that is not subject to a duty to report under the Swedish Competition Act. We requested two such notifications last year.

- Anti-competitive activities by public entities

Over the past year the Swedish Competition Authority also made 32 decisions on cases relating to anti-competitive activities by public entities.

- The Competition Authority's application of EU Competition Rules

The Swedish Competition Authority applies Articles 101 and 102 TFEU in several cases and also cooperates with the other European competition agencies in the European Competition Network (ECN). When any national competition authority applies articles 101 and 102 TFEU in a case, ECN is informed at an early stage and the Commission must also be consulted before any decision is taken based on these articles. We also assisted the Commission and conducted investigations on the assignment of our sister authorities within the EU several times in 2010.

- Statements to courts

This has been the first year that the Swedish Competition Authority has availed itself of the option contained in Article 15.3 of EC Council Regulation 1/2003 to submit observations to a court (Svea Court of Appeal), concerning on going proceedings relating to an interim decision. This case applies to a trademark infringement in the CO2 cartridge market. (Ref. no. 632/2009)

- Tip-offs and complaints

Tip-offs about competition problems encountered often form the basis of our work to track down and take measures against serious infringements of the rules and regulations that we implement or supervise. If a competition problem cannot be addressed through legislation, we will conduct an investigation and then submit proposed regulatory amendments to the Government. Since the introduction of the new rule on anti-competitive sales activities by public entities into the Swedish Competition Act on 1 January 2010, many of these tip-offs have related to competition problems between private and public stakeholders.

As part of our task to supervise public procurement, it is important that we are informed about procurements that do not comply with the rules and regulations or comments on the Public Procurement Act. Around a third of the comments that we receive from companies are directed at contracting authorities. This may involve the illegal direct award of contracts, unclear contract documents or decisions that are called into question by suppliers.

The Swedish Competition Authority received around 1,000 tip-offs and complaints from companies, customers and consumers this year. Approximately 140 of these related to anti-competitive activities by public entities and 450 related to public procurement.

## 2.2 *Decisions and rulings of the courts in 2010*

- The Stockholm City Court
- The Market Court

The final instance of appeal, the Market Court, upheld the Authority's interim decision in the only two cases subject to review by courts in 2010.

## 2.3 *Description of significant cases, including those with international implications*

### 2.3.1 *Anti-competitive cooperation*

- Suspected cartel – tyre companies

The Swedish Competition Authority made an application for a summons to Stockholm City Court with a demand that two tyre companies should jointly pay just over 9 million SEK, equivalent to 1 million EURO, in administrative fines for anti-competitive cooperation. The two companies (Däckia and Euromaster) submitted identical tenders in conjunction with public procurements for tyres and tyre services. These tenders were submitted via the trade association where both companies are represented on the board. (Ref. no. 511/2008)

- Suspected cartel – coach travel companies

The Swedish Competition Authority made an application for a summons to Stockholm City Court with demanding that two coach companies that arrange package travel should jointly pay just over 17 million SEK, equivalent to 2 million EURO in administrative fines. The two companies had not just agreed on prices, but had also limited the production of travel arrangements and divided up the market for package travel by coach between themselves. It is stated in the summons application that according to the Swedish Competition Authority both companies had close and regular contact with each other to agree on prices. (Ref. no. 439/2009)

### 2.3.2 *Abuse of a dominant position*

- Milk supplies

Following a decision by the Swedish Competition Authority, the dairy company Arla undertook to introduce a clear amendment to its membership rules, giving its Swedish members the right to deliver up to 50 per cent of their milk production to dairies other than Arla. This commitment was imposed subject to a penalty for default of SEK 750 000, equivalent to approximately 84 000 EURO. According to Arla's membership rules, members were obliged to deliver up to 80 per cent of the milk that they produced to Arla. There was a risk that dairies competing with Arla might find themselves without milk and Arla's delivery requirement could constitute abuse of a dominant position (Ref. no. 568/2009).

- District heating in Stockholm

The Swedish Competition Authority has reviewed the district heating prices of Fortum Värme in Stockholm. This issue related to whether the company had abused its dominant position in the market by charging unreasonably high prices for district heating. Fortum Värme announced in the course of our investigation that the company was considering taking measures to strengthen the

position of customers in Stockholm. The Swedish Competition Authority took the view that these measures would have a positive effect on the price of district heating and thus chose to close the investigation. (Ref. no. 521/2007 and 945/2005)

### 2.3.3 *Anti-competitive sales activities by public entities*

- Municipal interpretation service

The Swedish Competition Authority examined the municipal interpretation centre Tolkkentralen operated by the City of Gothenburg. Tolkkentralen had arranged interpretation services in competition with other companies outside its own municipality and this could be contrary to the localisation principle under the Local Government Act. During the course of the investigation, Tolkkentralen undertook to no longer sell interpretation agency services that had no link to residents of the municipality of Gothenburg. The Interpretation Centre's voluntary suspension of its sales activities outside its own municipality resulted in the Swedish Competition Authority closing its investigation. (Ref. no. 120/2010)

## 2.4 *Mergers and acquisitions*

### 2.4.1 *Statistics on number, size and type of mergers notified and/or controlled under competition law*

10. The following table shows the number of new cases registered during 2010 under the Competition Act and the number of decisions during that same period. The total number of cases pending at the end of 2010 amounted to 4.

Year	Registered new cases		Decisions	
	2009	2010	2009	2010
<b>Mergers</b>	43	57	41	58

### 2.4.2 *Summary of significant cases*

- TT's acquisition of Retriever

When the news agency Tidningarnas Telegrambyrå (TT) purchased the media monitoring company Retriever, the Swedish Competition Authority considered that there were special grounds for examining the acquisition despite there being no duty to report under the rules of the Swedish Competition Act. The Swedish Competition Authority decided to take no further action in respect of the acquisition following investigation. (Ref. no. 660/2009)

- Bonnier's acquisition of Pocketgrossisten

The Swedish Competition Authority considered that there were special grounds for examining the acquisition by the publishers Bonnierförlagen of the distributor Pocketgrossisten to investigate whether the purchase would have an adverse effect on competition. The Swedish Competition Authority decided to take no further action in respect of the acquisition following investigation. (Ref. no. 287/2010)

## 2.5 *Stakeholders' views on the implementation of the Competition Act*

11. It is stated in the Annual Governmental Appropriation Directions for 2010 that the Competition Authority should report and comment on the views of its stakeholders regarding its law enforcement work.

The Authority's most important stakeholders are: large companies (200 employees or more); SMEs (less than 200 employees); trade associations; municipal authorities and county councils; business lawyers; journalists; and the group 'public authorities and agencies'. This was the eighteenth year in a row that the Authority has conducted a stakeholder survey. The findings relating to law enforcement are reported below. The survey was conducted by TNS Sifo.

#### *2.5.1 Effects*

12. All stakeholder groups have a very extensive positive attitude towards competition as well as the view that competition benefits the consumer. As regards the question of whether the Swedish Competition Act has helped to generate properly functioning markets, most people in all of the stakeholder groups consider this to be the case. This year there has been a significant reduction among most stakeholder groups in the belief that stakeholders knowingly breach the law. Most people in all sub-groups think that the Swedish Competition Authority is actively counteracting adverse restrictions on competition and that its decisions and other measures provide businesses and public authorities with guidance on competition issues.

#### *2.5.2 Attitude*

13. The general attitude towards competition legislation is quite similar among the various stakeholder groups. The proportion of positive respondents ranges from 52 per cent (small enterprises) to 76 per cent (trade associations). Last year, the proportion of respondents who were positive ranged from 48 per cent (small enterprises) to 75 per cent (public authorities and agencies). A clear majority of those who have been in contact with the Swedish Competition Authority awarded it high marks for accessibility, response and competence.

#### *2.5.3 Confidence*

14. The level of confidence in the Swedish Competition Authority has increased for almost all stakeholder groups. When taking into account all of the different stakeholder groups, 59 per cent said that their level of confidence in the Swedish Competition Authority was 'high' or 'very high'. The corresponding figure was 49 per cent in 2009. The proportion of people with a high level of confidence is lowest among small enterprises (42 per cent) and highest for authorities and agencies (71 per cent).

#### *2.5.4 Assessment of the Authority's handling of cases*

15. Every year, companies that are parties in cases relating to concentrations and lawyers who represent these companies can make an assessment of how their cases were handled. The overall opinion of those who assessed the Authority's handling of concentration cases was positive this year as well. Most of those questioned awarded high marks in respect of all of the detailed questions about the handling of their cases.

16. Most people who had been in contact with the Authority regarding other competition issues thought that it had been easy to get in contact with the Authority and were satisfied with the response they received. The score improved slightly regarding its understanding of the case and whether its decision was clear and well-reasoned. Around a third of those questioned held negative views concerning how transparent our handling of the case was.

17. The Authority's ambition is for more people to feel that it is easy for them to get information about what is going to happen with their case.

### **3. The role of the competition authority in the formulation and implementation of other policies, e.g. regulatory reform, trade and industrial policies**

#### **3.1 *Proposals for improved competition***

18. One of the tasks of the Swedish Competition Authority is to be aware of obstacles to effective competition in public and private operations. We are to present proposals for opening up competition and for regulatory reform, and must also follow up developments within the area of competition. We describe our proposals for improvement measures in reports, responses to official consultations and official communications to the Government. We also provide comments and opinions for other public authorities that want to know our views on a particular investigation or changes to the rules and regulations.

19. In our reports we analyse how different markets function and present proposals for improvement measures. In most cases these reports are conducted on our own initiative, although we also prepare reports on the assignment of the Government.

##### *3.1.1 Reregulation of the pharmacy market*

20. The Swedish Competition Authority was assigned by the Government to monitor and analyse the winding up of the pharmacy monopoly. In its report *Reregulation of the pharmacy market*, the Authority presents an analysis of the changes in the pharmacy market 18 months after reregulation.

21. The Authority points out that there is a high level of interest in entering the reregulated market and that many new pharmacies have opened. More pharmacies and longer opening hours have made it easier for customers to find a pharmacy when they need one. Today there are four major chains in the market and a total of 20 or so companies run pharmacies. The government-owned Apoteket AB is still the largest in the market. The Swedish Competition Authority presented in this report a number of proposals to the Government for ways in which to further develop the pharmacy market. One proposal, for example, is that a clear and long-term ownership policy should be produced for Apoteket AB, that guidance is produced for small stakeholders that want to run a pharmacy and that an opportunity be provided to run a pharmacy purely for animals. (Swedish Competition Authority's report series 2010:4)

##### *3.1.2 Warranty conditions when selling new cars*

22. This report was conducted in light of complaints received by the Swedish Competition Authority about the fact that some warranties for new cars only apply when new cars are serviced by workshops authorised by the manufacturers. After a questionnaire was sent out to 20 suppliers of passenger cars, the Swedish Competition Authority was able to establish that there was a requirement to use authorised workshops, but that this is not of such a scope that it constitutes a competition problem. (Swedish Competition Authority's report series 2010:1)

##### *3.1.3 Competition Policy and Green Growth*

23. The Nordic competition authorities have analysed in a joint report how sustainable development can coexist with functioning competition, with an equal footing for all stakeholders in the market. The report mentions several opportunities to achieve sustainable development at the same time as maintaining functioning competition. Some examples include taxes, various kinds of support, prohibitions against certain substances or methods, emissions trading and environmental requirements for public procurement. It is important to consider through methodical impact analyses how such requirements may affect competition in the market. (Report from the Nordic Competition Authorities No. 1/2010)

### **3.2 Responses to official consultations**

24. By commenting on proposals contained in reports and other inquiries the Authority is able, at an early stage, to become involved in and influence the preparation and drafting of proposals and decisions. The Authority has submitted 172 responses during 2010. The following is an example of the responses to official consultations in the area of competition that the Authority submitted during the previous year.

#### *3.2.1 Bribery offences is detrimental to the taxpayer*

25. The Swedish Competition Authority has expressed its views on a report concerning bribery offences. The Swedish Competition Authority welcomes the tightening up of the rules now taking place and supports the proposed criminal legislation on bribery offences. The Swedish Competition Authority considers that the introduction of the trade and industry codes proposed by the inquiry may lead to interpretation problems. What is and what is not permitted must be set out by law, and the courts should be able to make assessments on this. There are also certain terms that must be clarified to avoid interpretation problems. We also reject the proposal to set up a private law committee. (Ref. no. 380/2010)

### **3.3 Research**

26. The Swedish Competition Authority has a special government appropriation to be used to contribute to research in both the areas of competition and public procurement. The appropriation for 2010 was approximately 13 million SEK, equivalent to 1, 5 million EURO. The research must result in an increased level of knowledge among our staff as well as our stakeholders. In the first instance we finance research within the fields of law and economics. We are also arranging seminars and providing information about the research and its findings. We announce an essay competition for students every year.

#### *3.3.1 The Pros and Cons series*

27. For some years the Swedish Competition Authority has published a series of books and arranged research conferences to describe different aspects of key issues relating to competition and procurement in order to disseminate and deepen understanding of these issues. The theme for this year was patents, standards and their ensuing competition problems. On 12 November, the various authors presented their contributions to the book at the ninth international conference in the Pros and Cons series. Those attending the conference included around a hundred researchers, people from the academic community, lawyers and representatives of competition authorities from some 15 countries. We published a research anthology entitled *The Pros and Cons of Standard Setting* in conjunction with the conference.

#### *3.3.2 Research Seminar*

28. The Swedish Competition Authority arranged for the third time an international workshop on research in the areas of competition and procurement together with Eva Edwardsson (Associate Professor in Public Law and member of the Public Procurement Issues Council). There was a great deal of interest among those invited to attend.

#### *3.3.3 Projects granted support for 2010*

29. Our most important task within the area of research is to support research projects. Over the year we received 32 applications for research grants within the areas of competition and procurement. The Swedish Competition Authority granted funds for six new projects within competition research and one within procurement research, jointly amounting to 3,4 million SEK, equivalent to 382 000 EURO. We also paid out around 6, 7 million SEK, equivalent to 752 000 EURO, for ten on-going projects, seven of which involve competition research.

30. The following shows the new research projects that refer in particular to competition issues:

- Public services in private hands
- Banks, risk and competition
- Essential facilities
- The Swedish Competition Authority's investigative powers
- Prices after a cartel
- Better cooperation and interaction between competition law researchers in the Nordic region

#### 3.3.4 *Commissioned research*

31. We order and contract out research assignments as 'commissioned research'. This research relates to issues where the Swedish Competition Authority sees a direct need to investigate or where there is a particular question that calls for clarification. Findings are generally published in a special report series for commissioned research. We assure the quality of the assignments we contract out by linking reference groups to each assignment. These reference groups comprise people, both from the academic community and others, who have special skills within the area in question. Our ambition is for the reports to be founded on a solid academic basis and for them to be written in such a way that the content can also be understood by non-specialists. During 2010 we published the following commissioned research reports:

- Is there a need to broaden the right to litigate, strengthen supervision and introduce sanctions to LOV?
- Which health care choice system structure resulted in the creation of most new businesses? Experiences from the health care choice reform within primary health care.
- Choice of primary health care – findings from a user survey based on panels of residents.
- Competition for schools and the awarding of grades.
- A statutory prohibition for public authorities to conduct business operations in areas open to competition. Criteria for exemptions from this prohibition.

#### 3.3.5 *Council for Research Issues*

32. The Council for Research Issues has been assigned to foster research in the areas of competition and procurement and to present the Swedish Competition Authority with the results of developments, primarily within those fields of law and economics that are relevant to its activities. Members of the Council are appointed by the Swedish Competition Authority and have a term of two years. The Council met three times this year to discuss general research issues and to process applications for research grants and entries for the essay competition.

### 3.4 *Knowledge*

33. The Swedish Competition Authority is to promote a competition-oriented approach and provide appropriate information for companies and other concerned parties regarding important decisions, our

implementation of the rules and the content of these rules. Over the year we conducted a number of different initiatives to disseminate knowledge about competition issues to various stakeholders.

#### *3.4.1 Raised awareness about bidding cartels*

34. In 2010 the Authority continued its fight against bidding cartels. This included an extensive campaign directed at public procurers, which aimed to make them aware of certain patterns in public procurement that may indicate the formation of a cartel. The Authority produced a checklist of what may indicate a bidding cartel and a folder, which it has combined with newspaper adverts in the media directed at its target groups. The Authority has also informed public procurers at meetings about the risk of becoming exposed to bidding cartels.

#### *3.4.2 Film and seminar about leniency*

35. As mentioned above, The Swedish Competition Authority has produced a film, primarily aimed at companies and managers, about the possibility of avoiding fines for those who are first to inform the Authority about an illegal cartel. The film is available on its website and on YouTube. The Authority also invited stakeholders to a seminar on the leniency rules in Stockholm, which was very well attended.

#### *3.4.3 [www.konkurrensverket.se](http://www.konkurrensverket.se)*

36. Our website is our primary channel for information and knowledge for our stakeholders. We have around half a million visitors every year. We launched a new version of the website at the turn of the year. This was produced following extensive qualitative and quantitative evaluations among our most important stakeholders.

#### *3.4.4 Electronic newsletter Competition*

37. Our electronic newsletter is issued once a month and provides our subscribers with current information about what is happening in the area of competition.

#### *3.4.5 Information in English about competition*

38. In 2010 we translated a document about Swedish competition rules into English. We also updated our English translation of the Swedish Competition Act with the new rule on anti-competitive sales activities by public entities. Both are available on our website.

#### *3.4.6 Speeches*

39. Trade associations, municipalities, universities and other institutions are welcome to engage our staff as speakers. We often publish our presentations on our website.

### **3.5 Public procurement**

40. Over the past year the work of the Authority within the area of procurement has revolved around these new rules introduced on 15 July 2010.

#### *3.5.1 Supervision*

41. Supervisory activities and the introduction of legal remedies were prioritised in 2010. We also focused in particular on measures to make it easier for SMEs to participate in public procurement. The Swedish Competition Authority has made 42 supervisory decisions in accordance with the public

procurement laws over the past year. We have also carried out supervision in accordance with the Act on System of Choice in the Public Sector and have made four supervisory decisions. Our supervisory decisions have resulted in contracting authorities and entities amending their procurements so that they no longer infringe the rules and regulations. Our supervisory decisions have also helped to prevent the illegal direct award of contracts, which benefits both the general public and market stakeholders.

### *3.5.2 Monitoring legal developments*

42. The Competition Authority has been assigned to monitor and report on both national and international developments within public procurement. The Authority's database for court rulings contains judgments from administrative courts, administrative courts of appeal and the Supreme Administrative Court. The database also contains rulings from EU courts. The Authority has chosen to summarise our comments on some of these judgments. These summaries are presented with the judgments in our court database.

## **3.6 Stakeholders views**

43. It is stated in its Annual Governmental Appropriation Directions for 2010 that the Competition Authority should report and comment on the views of its stakeholders regarding its supervision of public procurement. The Authority's most important stakeholders are: large companies (200 employees or more); SMEs (less than 200 employees); trade associations; municipal authorities and county councils; business lawyers; journalists; and the group 'public authorities and agencies'. This was the fourth year in a row that the Authority has conducted a stakeholder survey focussing solely on issues relating to public procurement. This survey was conducted by TNS Sifo.

### *3.6.1 Attitude*

44. The proportion of respondents with a positive attitude ranges from 31 per cent (small enterprises) to 60 per cent (public authorities and agencies). There has been a marked increase in the proportion of public authorities, agencies and journalists who are positive towards public procurement. The proportion of positive respondents within the 'municipal authorities and county councils' group fell from 50 to 37 per cent.

### *3.6.2 Assessment of the Authority's handling of cases*

45. This was the third year in a row that the Authority has conducted a survey of people who have contacted it about procurement issues.

46. When making a comparison with last year, a higher proportion of respondents awarded the Authority high marks for all questions, with the exception of the question on information about what would happen with their case. Seventy-two per cent of those questioned were positive about the treatment they had received. The proportion of respondents who were positive about the Authority's understanding of their case increased from 40 to 60 per cent. There were a high proportion of first-time contacts with the Swedish Competition Authority (58 per cent). More than half answered 'well' or 'very well' when asked how the Competition Authority had dealt with their case. Seventy-nine per cent stated that they would contact the Swedish Competition Authority again if they encountered any problems relating to procurement.

47. The Authority's ambition is to continue its work to increase the proportion of people who considered that they were able to find out information about their case quickly and easily.

### **3.7 Act on System of Choice in the Public Sector**

48. The Act on System of Choice in the Public Sector entered into force on 1 January 2009 and the Competition Authority became the supervisory authority. The Act originally only applied to municipal authorities and county councils when systems of choice for health care and social services were being introduced. From and including 2010 it became mandatory for county councils to introduce systems of choice for primary health care services. The Act now also applies to several areas of operation for the Swedish Public Employment Service. The Authority's supervision relates to the system of rules, while the management body is responsible for quality issues concerning their operations.

49. The Competition Authority has dealt with six supervisory cases for various systems of choice this year. We also studied systems of choice in primary health care services when we conducted an evaluation of the health care choice reform on the assignment of the Government.

#### **3.7.1 New provisions of the Act**

50. The Act on System of Choice in the Public Sector means that individuals are entitled to freely choose between the suppliers that the contracting authority has approved and with which the authority has concluded contracts. The Act increases opportunities for municipal authorities, county councils and the Swedish Public Employment Service to allow individuals to make their own choices about who is to perform the service in question.

## **4. Resources of the Swedish Competition Authority**

### **4.1 Resources overall**

#### **4.1.1 Annual budget**

- 2009: SEK 125 million, equivalent to 14 million EURO (average exchange rate for 2009)
- 2010: SEK 129 million, equivalent to 14, 5 EURO (average exchange rate for 2010);

#### **4.1.2 Number of employees**

- Economists: 43
- Lawyers: 45
- Other professionals: 6
- Support staff: 27
- All staff combined: 121

### **4.2 Human resources (person years) applied to (total XX):**

- Enforcement against anti-competitive practices and merger review: 94 (number of employees)
- Advocacy efforts; integrated into the work of the enforcement of competition departments (about 70 per cent of time registered refers to law enforcement)
- Public procurement: 14
- Period covered by the above information: 2010

## **5. Summaries of or references to new reports and studies on competition policy issues**

### **5.1 *Reregulation of the pharmacy market***

51. The Swedish Competition Authority was assigned by the Government to monitor and analyse the winding up of the pharmacy monopoly. In our report Reregulation of the pharmacy market, we present an analysis of the changes in the pharmacy market 18 months after reregulation. (Swedish Competition Authority's report series 2010:4)

### **5.2 *Follow-up of health care choice within primary health care – final report***

52. The Swedish Competition Authority was assigned by the Government to monitor and evaluate the county councils' introduction of a health care choice system into primary health care. (Swedish Competition Authority's report series 2010:3 (final report) and 2010:2 (interim report 2))

### **5.3 *Warranty conditions when selling new cars***

53. This report was conducted in light of complaints received by the Swedish Competition Authority about the fact that some warranties for new cars only apply when new cars are serviced by workshops authorised by the manufacturers. (Swedish Competition Authority's report series 2010:1)

### **5.4 *Competition Policy and Green Growth***

54. The Nordic competition authorities have analysed in a joint report how sustainable development can coexist with functioning competition, with an equal footing for all stakeholders in the market. (Report from the Nordic Competition Authorities No. 1/2010)

### **5.5 *Annual Reports***

55. The Competition Authority publishes Annual reports which contain a description of the work performed by the Authority. The Annual Report for 2010 is available at the Authority's website ([www.kkv.se](http://www.kkv.se)).

### **5.6 *The Pros & Cons seminars and series***

56. *The Pros & Cons of Standard Setting* was the theme of the 2010 international conference. On 12 November, the various authors presented their contributions to the book at the ninth international conference in the Pros and Cons series.