



Federal Competition Authority, Austria

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

**Director General Theodor Thanner
29th of September 2010, Zagreb**

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Benefits of competition

➤ Quote **Joaquin Almunia**, *Commissioner for competition*:

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

The role of competition agencies to promote these benefits I

- **Informative responsibilities**
 - Raising of public awareness
 - Homepage
 - Twitter
 - Public speeches

The role of competition agencies to promote these benefits II

- **Punitive responsibilities**
 - Investigating restrictions of competition
 - Actively fining breaches of competition law

2 ways of effective competition law enforcement I

➤ Judicial procedures

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

➤ Raising of public awareness

- informed consumers
- informed undertakings
- through conferences, seminars and press releases

2 ways of effective competition law enforcement II

Essentials for both ways:

➤ **Conclusive approach**

- free, fair and transparent proceedings
- parties and public must know why and when authorities will act

➤ **Persistent implementation**

- willingness to stand up for “unpopular” actions

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Examples

- Sector inquiry: Retail prices for liquid fuel
- Informed public: Evaluation of electricity bills
- Leniency programme
- Regional cooperation

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Sector Inquiry: Retail prices for liquid fuel

- Public concern raised: FCA started investigation into specific features of the Austrian retail markets for petrol and diesel
- Oil companies claimed that changes of domestic retail prices have to be linked closely to the changes of Platts notations
- **Result:** temporal asymmetry
Increases in Platts notations are passed through faster than decreases

Informed public: Evaluation of electricity bills

- understanding of bills is a precondition for consumer-decisions on new/other electricity suppliers
- survey showed:
 - 60% of the interviewees are not able to understand their electricity bill
 - almost 75% of the interviewees do not know what is meant by the components of the bill
- FCA advocated understandable and transparent electricity bills

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Leniency programme

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

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Advocacy efforts

- Efforts to make the leniency programme more attractive and generate more leniency applications:
 - Pro active fining policy
 - *Ex officio* cartel investigations (e.g. driving school cartels)
 - Pragmatic application of the leniency system
 - Seminars
 - Articles

Value of regional cooperation

- Example of successful regional cooperation: Marchfeld Competition Forum (MCF)
- Exchange of information, best practices, know-how flow
- Awareness of activities in other authorities (e.g. sector investigations, court proceedings etc.)
- Learning from each others experiences

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Thank you for your attention!

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