

PARLIAMENTARY HEARING

Budget and Finance Committee

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I. INTRODUCTION

➔ GOALS

- ✓ **MOTTO**

To serve competition

- ✓ **VISION**

To be a benchmark institution on competition enforcement and advocacy

- ✓ **MISSION**

To ensure competition enforcement and advocacy in Portugal

I. INTRODUCTION

➔ STRATEGIC OBJECTIVES

- a) To contribute to
COMPETITION IN THE PORTUGUESE ECONOMY
- b) To improve the
SERVICES PROVIDED BY THE PCA
- c) To strengthen the
PCA CAPACITY TO FULFIL ITS MISSION

I. INTRODUCTION

➔ ANNUAL OBJECTIVES

- i. To enforce and to foster competition in the Portuguese economy
- ii. To ensure a clear understanding of the economic realities concerning the PCA decisions
- iii. To consolidate greater participation in international competition fora
- iv. To foster an internal teamwork culture
- v. To keep the objective reached by the end of 2010, i.e. no cases pending older than 3 years

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II. OBJECTIVES FOR 2011

➔ Operational objectives

a) COMPETITION IN THE PORTUGUESE ECONOMY

- ✓ To improve the Competition Law**
- ✓ To take good decisions in the exercise of its powers**
- ✓ To strengthen competition enforcement and supervision**
- ✓ To foster a competition culture**

II. OBJECTIVES FOR 2011

➔ Operational objectives

b) SERVICES PROVIDED BY THE PCA

- ✓ To improve quality
- ✓ To shorten deadlines
- ✓ To reduce the wording of decisions
- ✓ To monitor costs and benefits of its work
- ✓ To publish judicial reviews on the PCA site
- ✓ To enhance the PCA domestic and international image

II. OBJECTIVES FOR 2011

➔ Operational objectives

c) PCA CAPACITY TO FULFIL ITS MISSION

- ✓ To invest in human capital
- ✓ To make the internal organisation more flexible
- ✓ To enhance institutional cooperation
- ✓ To consolidate the analytical agenda
- ✓ To expand the international agenda

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III. CASES

➔ Number of cases for infringement of competition rules

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Open	8	36	30	13	6	13	14	8	17
Concluded	0	5	6	9	14	24	21	29	14
With sanctions	0	1	5	4	3	3	4	5	2
Filed	0	4	1	5	11	21	17	24	12

III. CASES

➔ Undertakings condemned for competition infringements *

	2004	2005	2006	2007	2008	2009	2010	2011	TOTAL
Agreements between undertakings	1	2	2	2	1	1	1	1	11
Decisions by associations of undertakings		3	1		1	1	3		9
Concerted practices			1			1	2	1	5
Abuse of a dominant position				1	1	1	1		4
Abuse of economic dependency									0
TOTAL	1	5	4	3	3	4	7	2	29

* In 2003, there were no sanctioning decision

III. CASES

➔ Cases relating to unfair trade practices (DL 370/93)*

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Open	162	118	102	56	22	49	76	51	42
Concluded	50	14	12	183	177	14	42	95	57
W/ S**		1	2	4	75	5	27	36	21
Filed		4	6	12	38	4	6	20	25

* Decree Law on unfair trade practices, which are deemed to be different from infringements of competition rules;

** With sanctions

III. CASES

➔ Infringements of competition rules (Law 18/2003*)

	2004 – 2007	2008 – 2011
Number of cases open at end of period	85	52
Number of decisions with sanctions	13	14
Número of filed cases	21	74

➔ Unfair trade practices (DL 370/93)

	2004 – 2007	2008 – 2011
Number of decisions with sanctions	82	89
Number of filed cases	60	5

* Current Portuguese Competition Law

III. CASES

➔ Merger control decisions *

	2003	2004	2005	2006	2007	2008	2009	2010	2011
1 st phase, C, NR	30	35	68	53	78	58	43	53	43
1 st phase, C, R	1	2	1		3	5		2	3
2 nd phase, C, NR			1	1	1	1			1
2 nd phase, C, R		5	1	2	3	2			
Inapplicability	12	3	6	7	4	2	4	2	2
Prohibited			2	1			1	1	
Withdrawn		1		2	1		2		1
Sent to EU Commission	1				1			1	
TOTAL	44	46	79	66	91	68	50	59	50
<i>Memory items</i>									
2 nd phase	1	6	6	6	1	4	1		3
Pre-notification					13	6	7	14	8

* C, cleared; NR, no remedies; R, remedies

III. CASES

➔ Fees collected and fines applied and collected

<i>(In thousand of €)</i>	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fees collected	268	953	1,550	1,185	1,368	1,180	850	958	678
Fines applied		3,292	25,844	5,201	38,493	16,761	76,739	2,951	326
Fines collected *	54	44	727	38	383	1,345	37	229	181

* The figures correspond to 40% of the fines collected, these being receipts due to the PCA

III. CASES

➡ **Global Merger Control Index (GMCI)**

- ✓ **PCA ranked in the 4th position, among 71 competition authorities in 2011**
- ✓ **This ranking was the 3rd best among the 27 Member States of the European Union**

➡ **Agility Award**

- ✓ **The PCA was distinguished with an Agility Award by Outsystems for its SNEOC project (Merger Notification Electronic System)**

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IV. OTHER ACTIVITY

- ➡ Finalizing the draft of the new competition law, which was the basis for the draft law 45/XII (GOV), currently going through Parliament's approval proceedings
- ➡ Participation in the discussions on competition issues during the preparation of the Memorandum of Understanding between Portugal and the so-called troika (EC/ECB/IMF) and in the three peer reviews already undertaken
- ➡ Cooperation with ECN (*European Competition Network*), especially through the ECN working groups (*e.g., mergers, food supply chain*)

IV. OTHER ACTIVITY

- ➡ **Institutional cooperation with sectoral regulators and the Centre for Judicial Studies (training centre for judges, Ministry of Justice)**
- ➡ **Intense activity in market studies (liquid fuels, telecommunications, energy, ...) and participation in PARCA (Working group on commercial relations in the food supply chain), an initiative of two ministries (Economy and Agriculture), as a result of one of the recommendations of the PCA 2010 *Final Report on Commercial Relations Between the Large Retail Groups and Their Suppliers***
- ➡ ***Competition and Regulation Review (C&R)*, quarterly, in cooperation with the Institute of Economic, Financial and Tax Law (IDEFF), Law School, Lisbon University; 1st issue in January 2010**

IV. OTHER ACTIVITY

- ➡ Two international training programmes of one or two weeks designed for competition experts of other competition authorities, one in 2010 (Brazil) and the other in 2011 (Turkey)
- ➡ Cooperation with ICN (*International Competition Network*), as co-chair of the Advocacy Working Group responsible for the *Report on explaining the benefits of competition and evaluation of competition interventions* and the *Market studies handbook*