

## REPUBLIC OF ALBANIA -THE COMPETITION AUTHORITY-The Competition Commission

# DECISION No. 135, dated 21.12.2009

#### "On

# "The opening of the in-depth investigation procedure in the market of procurement of new vehicles"

The Competition Commission, at its meeting held on 21.12.2009, with the participation of:

Mrs. Lindita MILO (LATI) Mrs. Servete GRUDA Mr. Koço BROKA Mrs. Rezana KONOMI Chairwoman Member Member Member

Addressed the following issue:

Subject: The opening of the in-depth investigation procedure in the market of procurement of new vehicles, to verify the existence of agreements containing offers that restrict competition on this market.
Legal basis: Law No. 9121, dated 28.07.2003, titled "On the protection of competition", Article 4, Article 24, letter 'd', Article 26 and

competition", Article 4, Article 24, letter 'd', Article 26 and Article 43, paragraph 1, and Regulation on the Functioning of the Competition Authority, Articles 12 and 12/1.

The Competition Commission, upon reviewing the Report "On the preliminary investigation in the market of procurement of new vehicles" presented by the Secretariat of the Competition Authority and the Report of the Secretary General of the Competition Authority,

#### NOTED THAT:

From the preliminary investigation in the market of procurement of new vehicles results that exist electronically stored, as well as hard copy evidence of coordination between four companies: Classik Sh.p.k, Ultramotors Sh.p.k, Noti shpk and Hyundai shpk for participation in public procurement, which may constitute a coordinated behaviour between the companies that operate in the relevant market.

The companies use the scheme of covered offers, by accepting to offer at a higher price than the bid of the preferred bidder.

From the preliminary investigation has been noted that the documents handed over by the Contracting Authorities on the bids presented by Classik Sh.p.k, Ultramotors Sh.p.k, Noti Sh.p.k and Hyundai Sh.p.k, tand which have been evalluated on the basis of the methodology "On mitigation of coordination of offers in public procurement" display the same orthographic errors, which may constitute a potential element for the coordination of behaviour.

It has been observed that the companies increase the value of the winning bid from 95%-99%, therefore close to the limit fund, which maybe a result of coordination. In the tenders where participation is greater than these four companies, the wining bids result at 83% - 86% of the limit fund.

The results of the preliminary investigation show the possibility of the existence of a coordinated behaviour in the meaning of Article 3, paragraph 4 and Article 4 of the Law No. 9121, dated 28.07.2003, titled "On the protection of competition", between the companies "Hyundai" Shpk, "Utra Motors" Shpk, "Classic" Shpk, and "Noti" Shpk in the relevant market of new vehicles procured through public funds.

#### FOR THE ABOVE REASONS:

The Competition Commission, pursuant to Law No. 9121, dated 28.07.2003, titled "On the protection of competition", Article 24, letter 'd', and Article 43, paragraph 1, and the Regulation on the Functioning of the Competition Authority, Article 12 and Article 21, paragraph 4, and upon proposal of the Secretariat,

#### **DECIDED:**

- I. To launch the in-depth investigation procedure in the market of procurement of new vehicles into the following companies:
  - 1. Classic Sh.p.k;
  - 2. Ultramotors Sh.p.k;
  - 3. Noti shpk;
  - 4. Hyundai Auto Albania shpk,

With object the verification of the existence of agreements containing offers that restrict competition on the market of procurement of new vehicles.

- II. The in-depth investigation procedure should include the time period 01.01.2007 to 31.12.2009.
- I. The Secretary General is in charge to ensure the implementation of this decision and the notification of the parties involved.

This decision enters into effect immediately.

## THE COMPETITION COMMISSION

Servete Gruda	Koço Broka	Rezana Konomi
()	()	()
Member	Member	Member

Lindita Milo (Lati)

**CHAIRWOMAN**