



REPUBLIC OF ALBANIA
-COMPETITION AUTHORITY-
Competition Commission

D E C I S I O N

No. 21, Dated 11.10. 2005

The Competition Commission, at the meeting held on 11.10.2005, reviewed the report presented by the Secretary of the Competition Authority, as well as some explanations provided by the representatives of Albanian Mobile Communication sh.a. and Vodafone sh.a. in relation to the fact-finding investigation launched into the Mobile Telecommunication Sector. The fact-finding investigation was opened in order to establish whether the companies abuse with dominant position in the market, as well as to investigate on the existence of secret agreements between the two companies, which own the market.

The Competition Commission, after hearing the representatives of the two companies during a closed hearing session held on 03.10.2005, upon reviewing the documentation submitted by the parties on 07.10.2005, and upon reviewing all the documentation related to this fact-finding investigation,

NOTED THAT:

In the mobile communication market operate two companies, which share the market, in the following way: approx. 60% of the market share belongs to Albanian Mobile Communication (AMC) and approx. 40% to Vodafone. (These data have been drawn from public pronouncements of different subjects, both public and private). These two companies have dominant positions in this duopolistic market. Such position can easily shift them towards abuse with the dominant position, in particular with regard to the price of services offered. The explanations provided by the representatives of both companies did not show evidence that the current sharing of the market was the result of competition among the two companies.

The prices for the services, applied by both companies are almost the same, and there is no competitive flexibility.

The companies, based on the explanations provided, could not prove the link between the cost of the services they offer and the prices they apply for the same. The tariffs for their services in the Albanian market are considered as being high.

The operators (in particular Albanian Mobile Communication sh.a.) did not provide any documentation [material proofs] to support their reserves in relation to the report prepared by the Secretariat.

The Competition Commission, upon review of the documented facts and proofs in its possession, established that in the mobile communication market there is limitation of competition. Therefore, pursuant to Article 24, letter "d", and Article 43 of Law No. 9121, dated 28.07.2003, titled "On Protection of Competition", and Article 19, paragraph 1 of the Regulation "On the Organization and Functioning of the Competition Authority", the Competition Commission,

DECIDED

1. To approve the proposal of the Secretariat of the Competition to launch an in-depth investigation into the Mobile Telecommunication Sector, in general, and into companies Albanian Mobile Communication sh.a. and Vodafone sh.a., in particular. The investigation is to establish whether the companies abuse with dominant position in the market, as well as any other breach of competition in the market.
2. The Secretary General within 5 days of the proclamation of this decision, shall create, the Working Group that shall proceed with the in-depth investigation.
3. This decision enters into effect immediately.

THE COMPETITION COMMISSION

Franc Zhupa
(_____) **Member**

Raimond Cimbi
(_____) **Member**

Teuta Shkenza
(_____) **Member**

Lush PËRPALI

DEPUTY CHAIRMAN