

ANNUAL REPORT 2017

Main Priorities for 2018



**ALBANIAN
COMPETITION
AUTHORITY**

CONTENTS

INTRODUCTION	1
ASPECTS OF ECONOMIC DEVELOPMENT FOR 2017	1
SPEECH OF THE CHAIRWOMAN OF THE COMPETITION AUTHORITY	3
PART ONE	5
MAJOR POLICY DIRECTIONS OF COMPETITION AUTHORITY FOR THE YEAR 2017	5
1.1 Implementation of the recommendations of the Resolution of the Assembly of the Republic of Albania	5
1.2 Secondary Legislation - Regulations and Documents Approved by the Competition Authority during 2017	7
PART TWO	9
IMPLEMENTING THE COMPETITION LAW	9
2.1 Monitored markets	9
2.2 Control of concentrations	12
2.2.1 Transactions in the domestic market	13
2.2.2 External market transactions	18
2.3 Service / Non-Productive Markets	19
2.3.1 Prohibited Agreements	19
2.3.2. Abuse of dominant position	23
2.4 Production Markets	31
2.4.1. Forbidden Agreements	32
2.4.2. Abuse of dominant position	34

GLOSSARY

ACA / CA	Albanian Competition Authority
AKEP	Electronic and Postal Communications Authority
AMA	Audiovisual Media Authority
AMF	Financial Supervisory Authority
APP	Public Procurement Agency
BE	European Union
BERZH	European Bank for Reconstruction and Development
BSH	Banka of Albania
DPT	General Directorate of Taxation
DPP	General Directorate of Executing
EBITDA	Earnings before interest, taxes, depreciation, and amortization
ERE	Energy Regulation Entity
FSDKSH	The Compulsory Health Care Insurance Fund
HHI	Herfindahl-Hirschman Index
ICN	International Competition Network
IPA	The Instrument for Pre-Accession of the EU
KE	European Commission
KMK	Consumer Protection Commission
Law no. 9121/2003	Law no. 9121, dated 28.07.2003 “On the Protection of Competition”, as amended
MEPJ	Ministry for Europe and Foreign Affairs
MFE	Ministry of Finances and Economy
MIE	Ministry of Infrastructure and Energy
MSA	Stabilisation and Association Agreement
MZHETS	Ministry of Economic Development, Trade and Entrepreneurship
OECD	Organisation for Economic Co-operation and Development
PLATZ	International Fuel Exchange
RSH	Republic of Albania
SHSHB	Albanian Association of Banks
TAIEX	The Technical Assistance and Information Exchange instrument of the EC
UNCTAD	United Nations Conference on Trade and Development

INTRODUCTION

ASPECTS OF ECONOMIC DEVELOPMENT FOR 2017

The Albanian economy during 2017 showed accelerated growth rates, reaching 3.8% of the GDP. According to the World Bank, significant progress has been made in the area of strengthening business confidence and demand in the domestic market through increased investment and export recovery.

Consumption as a factor that accounts for the largest share in the economy, increased by 2.92% compared with 2016 while inflation remained at average levels with a downward trend in the level of 2%. Investments increased significantly to around 9.7% in real annual terms during the nine months of 2017, contributing about 1.36 percentage points in the respective GDP growth.

Economic sectors that brought significant contribution to the GDP are: the **construction** sector, which recorded an annual increase of about 14.88% over the nine months of 2017, giving the highest contribution to GDP growth of about 1.24 percentage points, in line with the total investment dynamics; **financial and insurance activities** with a real annual growth of about 10.81% and a contribution of 0.3 percentage points to GDP; **industry** with an annual growth of about 2.8% and a contribution of 0.37 percentage points to GDP; **wholesale and retail sales** with a real annual growth of about 4.12% and a contribution of 0.65 percentage points to GDP.

The Competition Authority pursuant to Law no. 9121/2003 "On the Protection of Competition" considers that the good functioning of markets is very important, including its actors and factors to make them more competitive, more efficient, more open to the benefit of the country's economy and consumer welfare.

Competition as a key force makes free and useful markets, by imposing a "ruthless competition" between all actors participating in it. Moreover, free competition is what enables more effective use of capital, labor, manufacturing capacity and resources available to the society at a given moment.

The Competition Authority during its activity for 2017, through monitoring, appraisal of complaints and investigations, has intervened continuously in markets with repeated problems such as: the fuel market, the financial and insurance market, the mobile phone market, the energy market, the tobacco collection market, etc.

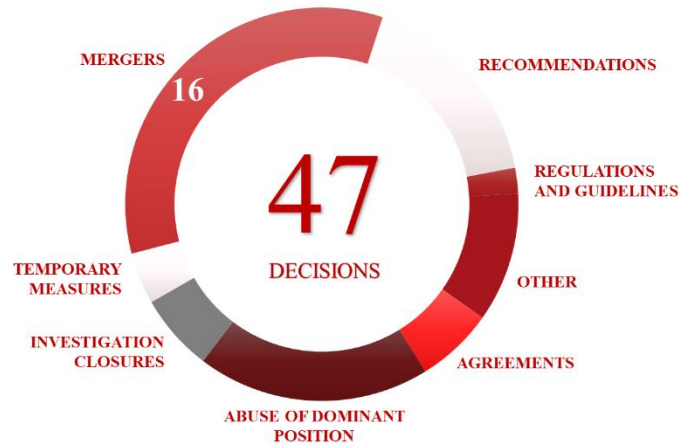
During this year were made:

- 6 (six) monitoring procedures respectively in the movie screening market in the cinemas of Tirana, the liquid gas market, the mobile phone market, the international shipping market, the import and packaging of coffee and the import and sale of cigarettes market;
- 11 (eleven) investigative procedures respectively in the mobile phone market, banking sector, the loading / unloading market in the port of Durres, movie distribution market, the trading market for raw material for the production of bread dough, the maintenance of

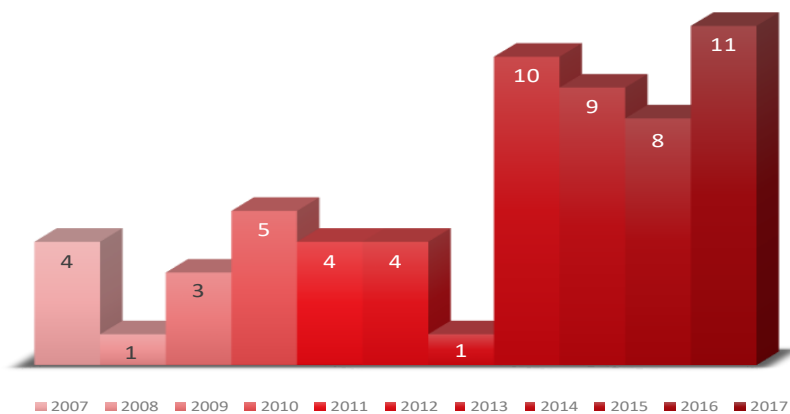
fiscal cash registers market, the fuel supply market for aircraft, the air transport market, the international shipping market, the tobacco collection market and the liquid gas market;

- 47 (forty seven) Competition Commission decisions respectively in the liquid gas market, shipping and air transport, telecommunication, financial sector, the loading / unloading market in the port of Durres, of which 16 (sixteen) are authorizations of concentrations in the financial market, telecommunication and retail market.
- Over 35 (thirty five) legal assessments in the electricity market, rail transport, audiovisual media market etc.

CC Decisions for 2017



Investigative procedures in years



SPEECH OF THE CHAIRWOMAN OF THE COMPETITION AUTHORITY

During 2017, the Competition Authority intended that its mission for a free and effective competition in the market was in function of the economic development of the country and for the benefit of all consumers. We believe that free competition is one of the important pillars in the economy, which increases the efficiency of markets and consequently increases the welfare in the long run.

Year 2017 is considered as the year of consolidation of the country's economic and financial balances. The Albanian economy, in 2017, was ranked 75th in the Global Competitiveness Index (GCI) rankings, from the 80th position that was classified for 2016, leaving behind regional countries such as Serbia, Montenegro and Bosnia-Herzegovina referred to the latest report of competitiveness, Global Economic Forum.

It is estimated that the economy is recovering the gaps created in its productive capacity, giving clear signals for a further revival in 2018. Beyond reasonable optimism, these developments carry a potential risk of creating situations of abuse of dominant position in the market, these phenomena may appear in the form of a monopolistic position, of a large concentration or any other kind with a material effect on the weakening of competition in the market.

From this point of view, in our activity we tried to be pro-active players, aiming to identify and prevent possible cases of abuse of dominant position, regardless of their nature or specifics. This has been made possible by a large number of monitoring and investigation throughout the past year. Beyond our preventive mission, a special priority in our activity has been the continuous analysis of the situation in markets with recurrent problems, where I would like to mention the fuel market, mobile phone market and insurance market.

The entire activity of the Authority is reflected in the decision-making of the Competition Commission, which in total counts 47 decisions, out of which 16 are for granting concentration authorizations. The authority has been vocal about the need for a number of legal and normative acts, aiming to limit the granting by law of exclusive rights or restriction of competition.

As I mentioned above, during 2018 and in the period that follows it, the economy will face many challenges and ambitious goals. From this point of view, the Authority has its share of contributions and responsibilities. We are determined to apply the entire legal and sub legal framework in power to guarantee consumer protection against all abuses that may arise from the deliberate deformation of free competition. While we will continue to be loyal and transparent partners, we will be very rigorous and persistent in objectively materializing all our decision-making and findings in the activity of the subjects affected by it. We are aware that the steps we have taken are a good start, but our path is long and with many challenges facing an emerging economy.

What I want is to guarantee the public that the established foundations are solid and that the Authority has been able to make progress over the course of the years. Consequently, we are confident that in the future we will make safer steps. The Authority will continue to be an institution based on integrity, respecting the basic principles of ethics, transparency and

impartiality. The main objective remains the installation and spread of comprehensive competition culture. Therefore, we will promote all cases and economic agents who respect the law.

In conclusion, I would like to make a special thanks to the Commission, including the Commissioners who have completed their mandate, for their dedication and seriousness in fulfilling their obligations according to law.

Inviting you to get acquainted in more detail with the institution's activity throughout this Report,

Thank you,

Prof.Dr. Juliana Latifi

PART ONE

MAJOR POLICY DIRECTIONS OF COMPETITION AUTHORITY FOR THE YEAR 2017

The Assembly of the Republic of Albania assessed the role of the Competition Authority in ensuring a free and effective competition in the market as well as the cooperation with central and regulatory institutions on acts that may affect the functioning of market competition through the Resolution "On Evaluating the Activity of the Competition Authority for 2016", dated 27.04.2017, pursuant to Law no. 9121, dated 28.07.2003 "On Competition Protection", as amended.

1.1 Implementation of the recommendations of the Resolution of the Assembly of the Republic of Albania.

In accordance with the recommendations, CA has continued its activity in these directions:

1. Following up of the monitoring process and the implementation of recommendations in sensitive markets in the Republic of Albania, ensuring that the behavior of undertakings with significant market power, do not conflict with the law and competition policy.

In the market for fuel, gas and supply of aircraft with fuel, has conducted investigative procedures and at the conclusion of these it expressed with the following decisions:

- with decision no. 476, dated 05.10.2017 "On the implementation of the decision of the Competition Commission no. 390, dated 22.12.2015 and closure of in-depth investigation into all segments of the loading, unloading, import, storage and wholesale market of liquid gas for household and business consumption";
- with decision no. 470, dated 11.07.2017 "On the closure of the in-depth investigation into the fuel supply market in the geographical area of "Tirana International Airport".

Regarding the aircraft fuel market, it turns out that Air BP Albania Sha has not received any formal or informal requests for access to its equipment at Tirana International Airport.

CA has been monitoring the liquid petroleum gas market and estimates that for the period March-October 2017 there are no signs of limiting or distorting competition.

Both markets are in the process of monitoring.

Mandatory Vehicle Insurance Market for Third Party Liability. CC has issued 2 (two) decisions regarding this market as follows:

- decision no. 443, dated 30.11.2016 "On Measures and Obligations for Insurance Companies and Some Recommendations for FSA on Restoring Competitiveness in the Mandatory Vehicle Insurance Market for Third Party Liability";
- decision no. 448, dated 23.01.2017 "On Measures and Obligations for Insurance Companies and Some Recommendations for AFSA on Restoring Competitiveness in the Mandatory Vehicle Insurance Market for Third Party Liability", where the decision no. 443, dated 30.11.2016 of the CC was left in force.

The Mandatory Vehicle Insurance Market for Third Party Liabilities in the process of monitoring by CA, resulting in:

- the undertakings Intersig V.I.G. Sha; Sigal Uniqa Group Austria Sha; Atlantic-Insurance Company Sha; Sigma InterAlbanian V.I.G Sha, operating in the insurance market, have carried out the commitments under the CC's decision;
- the undertakings have signed cooperation agreements with more than one broker;
- AFSA has completed the drafting of the legal basis for the implementation of the Bonus / Malus system;
- CA has completed the ex-ante evaluation of the legal basis for the implementation of the Bonus / Malus system.

In the pharmaceutical market, CC has issued the decision no. 418, dated 30.05.2016 “On some recommendations on the decision of the Compulsory Health Care Fund Administration Council (FSDKSH)”, regarding the problems identified in the regulations adopted by the Council;

CA has been cooperating with the FSDKSH during 2017 and in result the Management Board has not adopted new sub-legal acts for the implementation of the recommendations.

Regarding the public procurement market, CC has issued the decision no. 441, dated 22.11.2016 “On some recommendations for increasing competition in the public procurement market of the consultancy service”.

ACA continues to monitor the enforceability of this decision, while there is no information from the Public Procurement Agency on legal changes initiatives.

2. **Regarding the banking sector**, ACA has conducted a general investigation and at its end the CC has expressed its decision no. 453, dated 07.03.2017 "On issuing some recommendations to the Bank of Albania, the Albanian Association of Banks and Second-tier Banks".

ACA has monitored the implementation of the CC recommendations, which have been received considerably by the Bank of Albania, the Banking Association and the second tier banks, and the market continues to be under monitoring.

3. ACA has implemented the **competition advocacy** through the promotion and recognition of the fines relief program, aiming at raising the awareness of businesses about the benefits of this program. In the direction of public awareness and increase of the competitive environment and the benefits of the competition, roundtables were organized with business communities in the cities of Fier, Elbasan and Durrës during the months of October - November 2017.
4. ACA has continued cooperation **with public institutions**, pursuant to Article 69 of Law no. 9121/2003, from which the legal assessment of normative drafts having as their object or consequence the granting of exclusive rights or quantitative or qualitative restrictions on competition in different markets or sectors of the economy, in particular this co-operation has been carried out with the entities regulatory, such as ERE, AMA, AMF, AKEP. This co-

operation has not been to the desired level with other institutions, despite the ongoing demands of the CA against them.

5. CA is in the process of **reviewing the law no. 9121/2003**. Currently, an analysis of the legal framework is being carried out, based on comparing with the legislation of some EU countries, as well as identifying the issues that the law has implemented in practice. With the approval of a co-operation project between CA and EBRD "Technical Assistance to the Competition Authority - Capacity Building, Support to Legislation and Advocacy", the aim is to support with a specialized expertise to enable the law to be revised in terms of concrete proposals, for additions and changes to it.
6. Regarding the **secondary legal framework**, CA during 2017, in fulfilling the obligations deriving from the integration process, also approved the regulation "On the categories of technology transfer agreements", by decision no. 489, dated 20.12.2017, and provided the business community with the "The Compliance Program with Competition Rules" brochure.
7. During 2017, **further strengthening of administrative capacities** was made possible. Through the organizational restructuring of the CA, with the decision no.43 / 2017 of the Assembly of the Republic of Albania "On Approval of the Structure and Organ of the Competition Authority", a restructuring of the CA was carried out with the aim of better adapting the diversity of markets, needs of the country's own economic development, in view of the integration processes that Albania is progressing, adapting its current structure to that of the EU countries.

On the other hand, an active CA activity has been carried out with regard to protecting the Competition Commission's decisions in court proceedings, which results that during 2017, any issue that concerns the decision-making of the MA has been left in force by the courts.

1.2 Secondary Legislation - Regulations and Documents Approved by the Competition Authority during 2017

In the framework of the process of approximation of legislation and the National Plan of European Integration, during 2017, the CA adopted the following legal initiatives:

1. **Regulation "On the Categories of Technology Transfer Agreements"**, approved by Decision no. 489, dated 20.12.2017 of MA.

This Regulation has been fully aligned with the European Commission Regulation (EU) no. 316/2014, dated 21 March 2014 "On the implementation of Article 101 (3) of the Treaty on the Functioning of the European Union on the Categories of Technology Transfer Agreements".

The new regulation complements the legal framework in the field of competition, by providing for the manner in which the evaluation process for the categories of technology transfer agreements is carried out. Through this Regulation, it is explicitly stipulated that technology transfer agreements, concluded between two companies that allow the production of contracted products, are entitled to exclusion from the category of prohibited agreements, provided that the combined share of the parties to the market do not exceed 20% of the relevant affected market. In relation to undertakings, parties to an agreement

which are not undertakings in the same relevant market, the exemption shall apply provided the market share of each party does not exceed 30% of the relevant market concerned.

2. **Information booklet "The Compliance Program with Competition Rules"**

This document is based on the same document that the European Commission has prepared for the business community and is based on the best practices and the same programs drafted by counterpart authorities or other EU member states.

Through this document, the CA intends to encourage enterprises to invest the necessary human resources, which will help them (enterprises) understand how compliance with competition rules can be a lucrative investment for them and how to prevent them violation of competition rules, acting in accordance with legal and ethical standards in the field of competition.

This document, within the framework of "Competition Advocacy", became the subject of discussion at the roundtables organized with business communities in the cities of Fier, Elbasan and Durrës during the months of October - November 2017.

PART TWO

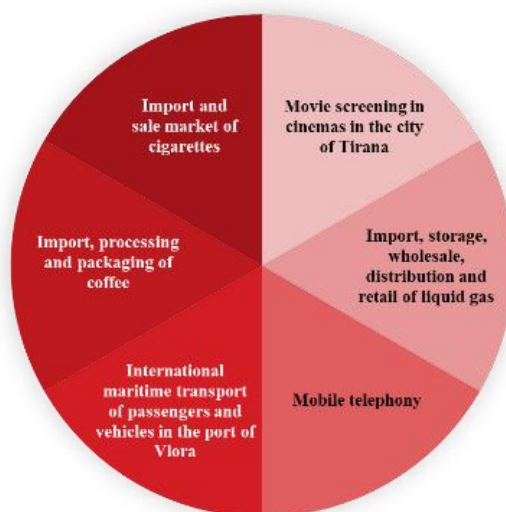
IMPLEMENTING THE COMPETITION LAW

2.1 Monitored markets

CA, pursuant to Article 28 of Law no. 9121/2003 has conducted monitoring and analysis of markets for the development of free and effective competition.

Competitive elements such as: market structures and dynamics of its development, market behavior in relation to other competitors, consumers, as well as legal and economic barriers to new market entrants are evaluated through monitoring.

Monitored markets during 2017



During 2017, monitoring was carried out as follows:

The market of movie screening in cinemas in the city of Tirana

The CA Secretariat carried out a monitoring on the market of movie screening in cinemas in the city of Tirana. The monitoring found that the market is not a legal barrier, but it has high economic barriers, which have to do with the initial investment in room infrastructure and broadcasting technology.

The market of movie screening in cinemas is centered on the characteristics of an oligopolistic market, where three companies operate at the same time distributing and displaying movies in the cinema. From the carried out monitoring, it was found that the companies operating in the market respectively: "Empire" Ltd (Empire), "Millenium" Ltd (Millenium) and "Cineplexx" Ltd (Cineplexx) had the same conduct regarding the ticket sales price, the days of the events and the manner of organizing the bids. For these reasons, it was judged that in the market of movie screening in cinemas there could be signs of a coordinated behavior of enterprises in the distribution and securing rights of broadcasting, mainly for foreign films, conduct which could constitute a violation of Article 4 of Law no. 9121/2003.

For these reasons, CC with decision no. 466, dated 20.06.2017 "On the opening of the preliminary investigation procedure in the distribution and screening market in the cinema networks in Tirana", decided to initiate the preliminary investigation procedure.

The market of import, storage, wholesale, distribution and retail of liquid gas for household and business consumption

On 1 January 2017, amendments to Law no. 61/2012 "On Excise in the Republic of Albania", amended, whereby the excise tax for the category of liquefied natural gas (LNG) was foreseen only for vehicles, in the value of 8 leke / liter without VAT. Given the above, a monitoring of the sales market of liquid liqueur gas for household consumption and business was conducted, where it was found that the companies "Kast & Gas", "Gas Group", "Koka Gas", traded with the same price. This conduct could constitute a restriction of competition within the meaning of Articles 4 and 9 of Law no. 9121/2003.

For the aforementioned, CC with Decision no. 446, dated 16.01.2017, "On the opening of the preliminary investigation procedure in all segments of the market of import, storage, wholesale, distribution and retail of liquid gas product for household and business consumption".

Retail market of mobile services

Monitoring in the retail market of mobile services began with the filing of some complaints (the "Albanian Consumer Center" as well as 3 individual complainants) on the tariff plans offered by Vodafone Albania, Telekom Albania and Albtelcom. From the monitoring, it was found that the three companies had changed standard packages in the period 27 March 2017 - 4 April 2017 for prepaid customers, which could constitute a coordinated practice under Article 4 of Law no. 9121/2003.

For these reasons, CC, by decision no. 461, dated 23.05.2017, decided "On opening a preliminary investigation procedure in the retail market for mobile services".

The international maritime transport market of passengers and vehicles in the Port of Vlora

Near CA, "A.Bus" Shpk company, which carries out activities in the field of international transport of passengers by bus, filed a Type Complaint Form against the agency "G Travel" Shpk, representative of the ferry company "NTM Lda" operates on the line Vlorë - Brindisi and vice versa, for differentiation in the price of passenger tickets.

From the monitoring carried out, it resulted that the complaining company "A.Bus" Shpk was refused service to travel by ferry company "N.T.M Lda", placing unfair commercial conditions regarding:

- increase of ticket price for passengers and vehicles (buses);
- Its obligation to travel round-trip only with the ferry of this company;
- Signing a contract with unfair trading conditions and obligations (draft contract versus a financial guarantee).

For the aforementioned, MA, with Decision no. 455, dated 28.03.2017 "On the opening of the preliminary investigation procedure in the international maritime transport market of passengers and vehicles in the Harbour of Vlora", decided to initiate investigative procedures.

The import, processing and packaging of coffee

During 2017, was carried out the monitoring of the import, processing and packaging of coffee and analysis of market conditions for the development of free and effective competition.

From the monitoring it resulted that:

- The coffee import market is a market with a large number of competitors, which own relatively small parts, and therefore we value that the coffee import market of all kinds is a non-concentrated market;
- From the data analysis it turned out that baked coffee, imported in Albania, accounts for about 26% of the total imported quantity. While unripe grain coffee occupies the largest market share of around 74%, which is processed and packed in the country;
- Referring to the market share of the enterprises according to the imported quantity, it was found that none of the undertakings active in the coffee import market does not hold a dominant position in the market within the meaning of Article 8 of Law no. 9121/2003;

In the end, it was concluded that there are no signs of restricting, distorting or inhibiting competition in the import, processing and packaging of coffee under Articles 4 and 9 of Law no. 9121/2003.

The import and sale market of cigarettes

From monitoring in the import and sale market of packaged cigarettes, to find out if there was any unjustified increase in retail prices for packaged cigarettes, it was concluded that:

- In the cigarette market in Albania, there are several types of branded packaged cigarettes (packages), which are traded by different importers and distributors.
- Cigarettes are excise goods, which are paid on the basis of the tax rate in effect at the moment when the tax becomes obligatory.
- The tobacco import market has an oligopolistic structure, as there are 7 companies operating in the market. Based on the market share of the imports of these enterprises, the countervailing power of buyers, we consider that none of the companies operating in the relevant market do not meet the criteria of Article 8 of Law no. 9121/2003 and do not have a dominant position in the relevant market.
- From market monitoring at points of sale, there were no signs of rising retail prices for packaged cigarettes.

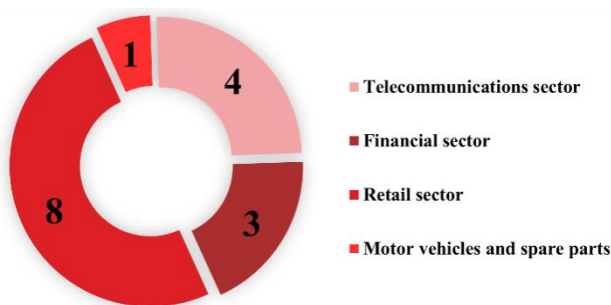
In order to assess the behavior of enterprises in the import market, wholesale and retail of packaged cigarettes and to assess the effects of changes in cigarette excise duty, in 2018, this market will be held in monitoring.

2.2 Control of concentrations

During 2017 ACA, based on Articles 10 and 12, of Law no. 9121/2003 carried out an 22 cases of concentration, out of which 16 of them went through the evaluation procedure and were authorized by the CC and 6 of them did not meet the criteria of law no. 9121/2003.

All authorized cases have undergone preliminary assessment procedures under the provisions of Article 56 of Law no. 9121/2003 and the average time for conducting the procedure for 2017 was 24 days, significantly lower than the 2-month deadline provided by law no. 9121/2003, for the authorizing of a concentration. The procedures have been implemented in accordance with the guideline "On simplified procedures for dealing with certain concentrations", fully aligned with the "Commission Notice on simplified procedures for dealing with certain concentrations" according to Council Regulation (EC) No 139/2004.

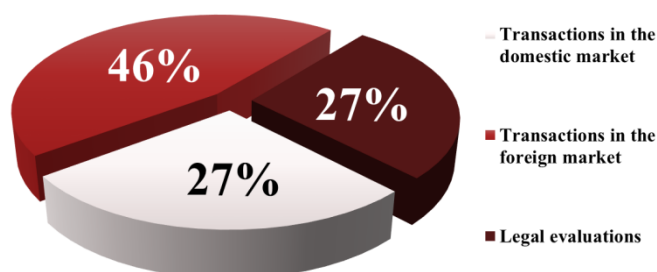
Sectors of the economy with the largest number of control change transactions for 2017 are as follows:



- the retail trade sector with 8 authorized cases;
- telecommunication sector with 4 cases of change of control;
- financial sector with 3 cases;
- motor vehicle 1 case

From the assessment of the concentrations, it turns out that:

- 46% of notified cases are transactions that occurred in the overseas market, 10 authorization decisions;
- 27% of notified cases are transactions that occurred in the Albanian market, 6 authorization decisions;
- 27% are notifications that did not meet the criteria to be authorized by CC.



2.2.1 Transactions in the domestic market

Mobile phone market

Of the cases notified in the Albanian market, ACA has evaluated as important the authorizations of concentrations realized in the mobile phone market.

In July 2017, ACA notified through a letter sent by Plus Communication Sha, on the commencement of frequency transferring procedure of 50% to Vodafone Albania Sha and 50% to Telekom Albania Sha and official communications of this operator with AKEP.

ACA requested cooperation with AKEP to evaluate the targeted transaction, as the mobile phone market is a regulated and supervised market.

In October 2017, the acquiring parties, pursuant to Article 53 of Law no. 9121/2003, initiated the transaction notification procedures for the assessment of which were deposited with ACA for the Spectrum Transfer Agreement and the Settlement Agreement.

Pursuant to Article 74 of Law no. 9918/2008 "On Electronic Communications in the Republic of Albania", "Plus Communication" Sha, submitted a request to AKEP for the preliminary approval of the frequency spectrum transfer. AKEP in Decision no. 20, dated 13.11.2017 "On granting advance approval to transfer the right to use the frequencies of the entrepreneur" Plus Communication "Sha, to Telekom Albania Sha and Vodafone Albania Sha", concluded:

- The spectrum that the three operators currently own, the mode of exploitation, the services provided, the technologies applied, the number of subscribers, etc., allows the spectrum transfer from "Plus Communication" Sha not to affect market competition;
- This additional spectrum we think will be used by the two operators to increase transmission capacity, due to the demand for greater data traffic (greater number of subscribers);
- Undertakings, who are required to pass the right to use radio frequency, Vodafone Albania Sha and Telekom Albania Sha meet all the requirements of Law no. 9918/2008 and relevant rules, applicable by AKEP, according to the applicable regulatory framework.

For the above mentioned AKEP decided:

- Provide prior approval for the transfer of Freedom of Use rights of Plus Communication Sha entrepreneurs to Vodafone Albania Sha and Telekom Albania Sha.
- Parties in process, for the period until the end of the transition period set forth in the respective individual authorizations after obtaining the approval by ACA, comply with the legal definitions and regulatory framework of the field, including the financial and individual obligations of the respective Individual Authorizations.

- The undertaking Plus Communication Sha has the obligation to inform the public service users of the electronic communications provided by this undertaking that after the term of the transfer of the right to use the frequencies under the individual authorizations expires, they will no longer have the opportunity to maintain and use the numbers available under SIM cards, issued and provided by the entrepreneur Plus Communication Sha.

Referring to the scope of the Agreement, the relevant market was considered the frequency market provided by the operator Plus Communication Sha from AKEP (GSM 900MHz, 1800MHz and 2100MHz frequencies). The transaction featured showed affected markets and related to the relevant market, namely the retail market for mobile phones.

From the assessment of the frequency market structure, it was found that after the transfer, the Vodafone Albania Sha operator would strengthen the dominant position by increasing the market share between 38% -42% depending on the frequency type, while operator Telekom Albania Sha, would increase market share but without exceeding the level of dominant undertaking.

As the mobile phone market is a market constantly evaluated by ACA and referring to statistics, it was noted that the Plus Communication Sha represented low indicators of financial and technical performance. From the documentation submitted by the Plus Communication Sha operator, it was stated that "Throughout the years of operation in the market, since 2010, the company has resulted in considerable losses. The accumulated losses over the years take on significant figures and for this reason the shareholders of the company have twice taken measures of capital restructuring to cover the losses."

Article 13, point 3 of law no. 9121/2003 provides that a concentration may not be prohibited, in cases where the merging party is seriously in danger of bankruptcy and has no opportunity to reorganize its activity or the enterprise must leave the market in the near future, irrespective of strengthening the market share of the parties to the agreement. In the course of the analysis, ACA assessed the impact of the transaction on the retail market and the end-consumer, where it resulted that the retail market (mobile phone market) is a barrier-based marketplace due to the number of retailers limited licenses. This market requires very high initial investment that can bring barriers to entry / exit from the market and is characterized by the market oligopoly structure.

Due to the number portability and the market share held by Plus Communication Sha, the exit from the market of this operator will not bring significant changes to market structures.

Referring to similar cases addressed by homologue authorities in the EU, the mobile phone industry since 2010 has been affected by the reduction in the number of operators in the market that have been subject to constant evaluation and monitoring.

For the aforementioned, the KK on the basis of Article 24, letter d and Article 56, point 1 of Law no. 9121/2003 expressed:

- the decision no. 484, dated 23.11.2017 "On the Authorization of the concentration obtained through the transfer of ½ of the spectrum of the Plus Communication Sha to Vodafone Albania Sha; and

- the decision no. 485, dated 23.11.2017 "On Authorization of Concentration obtained through the transfer of ½ of the spectrum of the Plus Communication Sha to Telekom Albania Sha"
- Decided:
- To authorize the concentration obtained through the transfer of ½ of the spectrum of Plus Communication Sha, to Vodafone Albania Sha and PLUS Communication Sha to Telekom Albania Sha
- AKEP's obligation to provide free frequencies for any new entry in the market.
- Upon completion of the spectrum transfer, AKEP shall conduct a mobile market analysis by specifying operators with significant market power according to the requirements of Chapter VI of Law no. 9918, dated 19.05.2008 "On Electronic Communications in the Republic of Albania", as amended. AKEP, to promote competition in the market, establish special conditions and obligations according to the provisions of law no. 9918/2008 to OFNT and in case of non-enforcement, submit the case to the Competition Authority.
- The Competition Authority, to carry out the market assessment after concentration, based on the AKEP analysis.

Life insurance market

Near AK, in April 2017, a contract was signed for the sale of 90% of the shares of Insig Jeta Sha company, to two natural persons, Mr. S. M. and Mr. Sh. K.

Pursuant to Article 6, point 2 of Law no. 52/2014 "For the activities of the insurance / reinsurance company", the company Eurosig Sha, owner of 100% of the shares of Insig Sha, with the shareholder's decision approved in principle the separation of Insig Sha company in two newly established host companies, Insig Sha and Insig Jete Sha.

After the sale, the Target company, Insig Jeta Sha, will be owned 10% by the company Eurosig Sha; 45% by S.M and 45% by SH. K.

Pursuant to Article 13 of Law no. 9121/2003, the assessment of concentrations was based on the analysis of economic efficiency and consumer benefits, which expressed in real terms has to do with price cuts and increased service quality.

From the assessment of market structures, it was found that the life insurance market is a small market, which accounts for about 6.3% of the insurance market, with the main product being "Debtor's Life", a mandatory product for individuals with borrowing obligations in banks.

The life insurance market is an oligopolistic structure with high concentration indicators (HHI = 4536) due to the limited number of enterprises in the market.

Based on the analysis of the macroeconomic indicators Global Insurance Statistics (GIS), which measured the performance and competitiveness of the insurance market in the domestic market and the comparison of indicators with the external market, it was found that the penetration index and the density index in the Albanian market, are at very low levels compared to OECD countries, which indicates that the life insurance market is rigid, with no interest and demand

from consumers. Since some of the products are voluntary insurance, it is very important to use marketing mechanisms, to foster interest and increase the culture for the benefits of the scheme.

After the transaction, there is no expected change in the life insurance market structure, where the undertaking Insig Jete Sha operates, as this transaction will not cause horizontal overlap of the parties' activities as well as the affected markets.

However, both before and after the transaction, none of the parties to the agreement possesses a dominant position in the relevant life insurance market.

From the financial documentation submitted by the purchasing parties, it was estimated that the two natural persons have financial guarantees to ensure better performance of the Insig Jete Sha company.

For the above mentioned, the KK determines that this concentration does not show any signs of restriction of competition in the market or part of it in particular as a result of the creation or strengthening of the dominant position and through decision no. 478, dated 26.10.2017 "On the authorization of concentration obtained through the acquisition of control over the sale and transfer of quota of 90% of Insig Jete Sha, from Eurosig Sha to Mr. SH. K. and Mr. S. M. "decided to authorize the concentration".

Banking sector

In July 2017, ACA received notice regarding the financial transaction, which carried out the sale and transfer of certain assets, liabilities and legal relations of the Veneto Banca S.p.A to Intesa Sanpaolo S.p.A.

This transaction, prior to the review and authorization by ACA, was authorized by the Competition Authority in Italy. In order to safeguard financial stability, the Italian Government, the Italian Ministry of Finance, the Bank of Italy and the European Central Bank and the EU Commission envisaged a series of measures aimed at avoiding the serious social consequences that would result from liquidation proceedings binding administrative charge for Banca Popolare di Venezia SpA and Veneto Banca in Italy.

This transaction was reviewed by ACA due to the turnover of the branches of these banks in the Albanian market. From the assessment of the banking market structure and the market shares occupied by Veneto Banka Sha and Intesa Sanpaolo Bank Albania Sha, the banking market is presented with an unchanged structure in recent years. This market consists of 16 private equity banks. Most of them are controlled by subsidiaries of foreign banking groups of EU origin and exercise their activity, based on Albanian legislation and the applicable regulatory framework.

The Albanian banking market is estimated as an average market focused on asset terms, deposit and credit services.

Following the concentration, the combined market share that will be owned by the bank's subsidiaries in the transaction, Veneto Banka Sha and Intesa Sanpaolo Bank Albania Sha, is expected to have no significant changes, remaining at about 13%, and consequently the transaction will not bring changes in the banking market.

This concentration showed no signs of competition restriction on the market or part of it in particular since after the transaction in the market did not create or strengthen the dominant positions of the acquirer. For these reasons, the KK, by decision no. 474, dated 14.09.2017 "On the authorization of the concentration obtained through the acquisition of certain assets, liabilities and legal relations of the Veneto Banca S.p.A company by Intesa Sanpaolo S.p.A", authorized this concentration.

The retail market

In this market, during the year 2017, 8 concentration procedures were carried out, from which in two cases the transaction occurred between undertakings in the Albanian market.

Near ACA was announced the transaction between an Albanian Marketing & Distribution Ltd and an international undertaking, JT International Holding B.V. The undertaking being sold JT International Tirana Ltd is a subsidiary of JT International Holding B.V. and the parties to the agreement, since they met the criteria of law no. 9121/2003, subjected to the concentration control procedure.

From the assessment of the structure of the cigarette market, it was found that the purchasing party, owns 12% of the market and the seller, has not realized imports for the pre-concentration period (2015-2016). The estimated transaction will not affect the structure of the cigarette market, which will be unchanged after the concentration.

For this reason, KK by decision no. 452, dated 07.03.2017 "On the authorization of the concentration obtained through the acquisition of control of JT International Tirana Ltd by Marketing & Distribution Ltd through JT International Holding B.V", authorized the concentration.

The retail of software and hardware computer market.

Near AK was announced the sale and transfer of 49% of ITD Shpk capital from the investor Joti - Infosoft Group Shpk to the buyer Balfin Shpk.

From the relevant market assessment, which was defined as the import and trading market for computer software and hardware, there are 671 undertaking operating in the market and the Hirschman-Herfindahl (HHI) market share indicator is at level 746 indicating a competitive market structure.

The parties to the transaction operate in different markets, the undertaking sold in the upstream market (wholesale and import) and the buyer, in the downstream market (retail), consequently this concentration does not bring any change in the relevant market.

For these reasons, KK, by decision no. 465, dated 20.06.2017 "On the authorization of the concentration obtained through the acquisition of control over the sale and transfer of quota of 49% of ITD Shpk, from Investment Joti-Infosoft Group Ltd to Balfin Ltd", authorized the concentration.

2.2.2 External market transactions

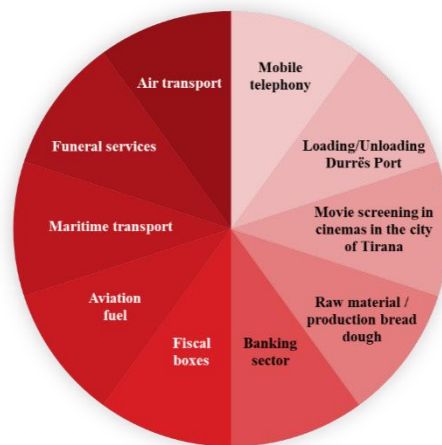
Pursuant to Article 12 of Law No.9121 / 2003, subject to concentration assessment are cases occurring on the external market but which generate income in the Albanian market, directly or indirectly. The Competition Commission, for 2017, has authorized several such cases by means of the decisions listed below:

1. Decision no. 456, dated 28.03.2017 "On the authorization of concentration obtained through the acquisition of control of Tobacco Press d.o.o. Mostar and Tobacco Asset Factory Duhana Sarajevo d.d. by British American Tobacco Investments Limited". The relevant market in this transaction was considered the market for the import and trading of tobacco produced by machinery (FMC).
2. Decision no. 457, dated 11.04.2017 "On the authorization of concentration obtained through the acquisition of control of Reynolds American Inc. from Batus Holding Inc.". The relevant market in this transaction was considered the market for the import and trading of tobacco produced by machinery (FMC).
3. Decision no. 459, dated 25.04.2017 "On Authorization of Concentration obtained through the acquisition of control of Fannie May Confections Brands Inc. from the undertaking Ferrero International SA". The relevant market in this transaction was considered the market for the production and sale of chocolate sweets; the market for the production and sale of creamy confectionery; the market for the production and sale of confectionery with milk content and sweet snacks; and the market for the production and sale of sugar confectionery.
4. Decision no. 463, dated 06.06.2017 "On Authorization of Concentration obtained through the creation of a new, independent company with full functions between the undertakings BMW AG / Daimler AG / Ford Motor Company / Dr.Ing. h.c.F. Porsche Aktiengesellschaft". The relevant market in this transaction was considered a market for the installation, operation and maintenance of an accessible public charging infrastructure for battery electric vehicles (BEVs).
5. Decision no. 464, dated 06.06.2017 "On the authorization of the concentration obtained through the acquisition of the distribution network of the undertaking Duhana AD Banja Luka and the acquisition of 100% of the shares of Express Logistic and Distribution EOOD by British American Tobacco West Europe Commercial Trading Limited". The relevant market in this transaction was considered the market for the import and trading of tobacco produced by machinery (FMC).
6. Decision no. 468, dated 04.07.2017 "On the authorization of the concentration obtained through the acquisition of control over the sale and transfer of 100% of the undertaking Compal Electronics Europe spz.o.o. from Compal Electronics B.V. at Vestel Ticaret A.S". The relevant market in this transaction was considered the market for the production and sale of LCD TVs. As there are no undertakings operating in the Albanian market, which operate in the market for the production of LCD TVs, the relevant product market will only consider the sale market of LCD TVs.
7. Decision no. 473, dated 14.09.2017 "On the authorization of the concentration obtained through the acquisition of the assets of the undertaking Izi Mobil Telekomunikacije d.d.

from Telekom Slovenije d.d.". The relevant market in this transaction was the market for mobile telecommunication services for end customers and the wholesale access market and the origin of calls in public mobile networks.

8. Decision no. 480, dated 09.11.2017 "On the authorization of the concentration obtained through the sale and transfer of shares of Jordan d.o.o. to Telekom Slovenije d.d.". The relevant market in this transaction was considered the roaming market and wholesale fixed telephony services for inter-operators.
9. Decision no. 486, dated 05.12.2017 "On the authorization of concentration obtained through the merger of the Fitzroy Merger CO, controlled by CTH Invest S.A. with Ferrara Candy Company Holdings Inc.". The relevant market in this transaction was considered: the market for the production and sale of chocolate confectionery; the market for the production and sale of creamy confectionery; the market for the production and sale of confectionery with milk content such as fresh snacks and cold cakes; the market for the production and sale of sugar confectionery.
10. Decision no. 487, dated 05.12.2017 "On the authorization of the concentration obtained through the acquisition of control over the Credit Portfolio of Procredit Bank AD Beograd by Banca Intesa AD Belgrade". The relevant market in this transaction was considered the banking services market.

2.3 Service / Non-Productive Markets



2.3.1 Prohibited Agreements

Retail market of mobile services

KK, by decision no. 461, dated 23.05.2017 "On opening a preliminary investigation procedure in the retail market for mobile services", decided to initiate the preliminary investigation procedure to see if there are signs of restriction of competition under Article 4 "Prohibited Agreements" and Article 9 "Abuse of Dominant Position" of Law no. 9121/2003.

After assessing the behavior of the enterprises in the market and the role of the state bodies in the market regulation, respectively AKEP and KMK, CC by decision no. 475, dated 21.09.2017 "On

closing the preliminary investigation into the retail market of mobile services and making some recommendations", decided:

To recommend AKEP as follows:

1. To notify ACA for any standard package / bid notified by undertakings operating in the mobile telephony market that has anticompetitive effects on the market in fulfillment of the legal obligations set out in Articles 12, 38 and 61 of Law no. 9918/2008;
2. To seek the opinion of ACA on any change in the market structure that may have consequences for competition;
3. Within 90 days from the date of entry into force of this decision, pursuant to Article 70 of Law no. 9121/2003, take the following measures:
 - Evaluate the 28-day and 30-day packages to assess whether there are any negative effects to the consumer by expressing the decision of the Steering Council of AKEP;
 - The amendment to Article 8 of Regulation no. 27/2012 "On the publication of information on tariffs and conditions of access to and use of public electronic communications services", providing for the obligation of the undertakings to notify AKEP prior to the effective adoption of tariffs / changes;
 - Determine to operators of mobile service, the obligation that besides the price of the standard bundle by the undertakings, be published and the unit price for each service (lek / min, lek / sms, lekë / MB etc.) that these bundles contain;
 - Submit to ACA, requesting the initiation of appropriate legal proceedings for any case for which it finds anticompetitive behavior by undertakings operating in the electronic communications market;
 - Carry out cost-orientation analysis and cost orientation guidelines for pre-paid users using standard off-bid tariffs for sensitive power operators in this market.

To recommend KMK, as follows:

1. To require the operators of mobile telephony to meet the obligation for each change or withdrawal of new bundles in the market that has a direct effect on the consumer to require unit price transparency for each offered service (ALL / min, lek / sms, lek / MB, etc.);
2. Undertakings operating in the mobile telephony market, within 90 days of the entry into force of this decision, shall take measures for applying and publishing the unit price for each service (lek / min, lekë / sms, lek / MB etc.) containing standard bundles, informing CA;
3. Monitoring by ACA of the retail market for mobile services for a period of one (one) year, starting from 1 October 2017.
4. During the monitoring period, undertakings operating in this market should notify in advance to ACA any changes made to the standard bundles, promotional offers, standard tariffs, etc., to be placed on the market;
5. Closing the preliminary investigation procedure in the retail market of mobile services.

ACA is monitoring the implementation of this decision by undertakings operating in the retail market of mobile services and implementing recommendations from AKEP and CMC.

Banking sector

CC, after reviewing the monitoring report in the banking market, by decision no. 373, dated 16.09.2015, pursuant to Article 41 of Law no. 9121/2003 opened the "General Investigation in the Banking" procedure to assess whether competition in this sector is limited or distorted as a result of the behavior of one or several banks. The purpose of this investigation was to assess competition in the banking sector, identify problems that could lead to competitive constraints and provide recommendations for improving the competitive environment in this vital market for the Albanian economy.

ACA has requested comments and suggestions from BoA and UAA on the report "General Investigation in the Banking Sector". In response to the request of ACA, BoA and ADR, have submitted their opinions and comments regarding the report of ACA "General Investigation in the banking sector".

Also, pursuant to Article 70 of Law No. 9121/2003, on 09.02.2017 a roundtable was held with representatives of BoA, SHSHB and MZHETTS.

CC with decision no. 453, dated 07.03.2017 "On issuing some recommendations to the Bank of Albania, the Albanian Association of Banks and Second tier Banks", decided:

To recommend BoA:

1. Review of the Memorandum of Understanding between BoA and ACA, including: A separate chapter on regulating competition in the banking markets, which defines the way of cooperation between the two institutions regarding competition issues in the banking market.
2. The rewording of paragraph 4 of Article 9 of the Bank of Albania Regulation "On transparency of banking and financial products and services" as follows: "The Bank shall provide in the account and deposit contract, the manner of notifying the customer of the change Before applying the change, under the terms of a contract renewal, the bank obtains the consent of the client".
3. Identifying and adopting possible measures to reduce start-up and arrival transfer costs in foreign currency, mainly the euro and the US dollar, from one bank to another bank within the country. This will lead to the promotion of foreign currency circulation in banking channels and will help reduce the use of cash in the economy.
4. Stimulation and promotion of the e-banking service by BoA and banks in order to promote the competitiveness of smaller competitors and new entrants into the banking system and increase the benefits of this service from customers.
5. Identify and take initiatives to further regulate the legal / regulatory framework, in cooperation with other responsible institutions, in order to reduce future use of cash transactions in the economy.

To recommend AAB:

Starting the initiative for the creation of the "Code of Conduct" by second tier banks that do not yet have a Code of Conduct / Code of Ethics and its prominent publication on the official website and bank premises in order to increase the transparency of banks on the services and products they offer to customers.

To recommend second-tier banks:

1. To enable the client to select the evaluator and notary on a selected list of the bank, in order to increase the competition between the providers of these services.
2. Encouraging local cards that do not have high costs like cards issued by international schemes (MasterCard or Visa etc.) that would make more use and acceptance of payments as costs would be lower for banks too consequently, also for customers.
3. Create customer mobility facilities, lowering "blocking costs" (costs that force a client to stay close to a bank as an account closure commissions, administrative cost for the client as time, replenishment of forms, documentation preparation, use of new technologies to bring more convenience to clients) and to increase transparency, making these costs more understandable to the client, including the loan amortization file, which should be in Albanian language, in all banks and to all cases.
4. Banks must cooperate with the State Police and the Physical Security Conservation Companies, to increase the security of transport of monetary values to and from abroad.

ACA monitored the implementation of the CC decision, where it resulted that:

- By BoA through decision no. 25, dated 03.05.2017 "On some amendments to the Regulation" On Transparency for Banking and Financial Products and Services "has reflected the recommendation given by the CC, concretely with the amendment of paragraph 4 of Article 9 of the above Regulation, which provides that "Banks shall, when changing the terms of delivery of banking and financial products and services, notify each client individually that is subject to these changes, post notices or brochures at the bank's premises, on the official website or by means of the assets of mass communication. This notice must be completed at least 15 days before the changes become applicable. "
- Second-tier banks (FiBank, Procredit Bank, Credins Bank, United Bank, Union Bank, Raiffeissen Bank and Intesa Sanpaolo Bank) in pursuance of the recommendations given by ACA have undertaken the fulfillment of these recommendations in accordance with the legal framework regulating their activity in the Republic of Albania. The above banks have stated that they do not have exclusivity clauses in relation to this customer service. Clients are free to choose from a list of appraisers and notaries that banks make available to them.
- For promotion of local cards, Procredit Bank, Credins Bank, Tirana Bank, United Bank, Raiffeissen Bank, Intesa San Paolo Bank have expressed their readiness to be part of the infrastructure that will receive local cards. While Union Bank says it applies local cards.
- In relation to the third recommendation, to create facilities for customer mobility by lowering the "blocking" costs, Procredit Bank, Credins Bank, Tirana Bank, United Bank, Raiffeissen Bank, Intesa San Paolo Bank, Union Bank have said they respect the

regulation transparency of the BoA and contracts of credit or banking services, have been drafted in a transparent way.

- Banks have expressed their cooperation with the State Police, within the competencies that allow the legal and regulatory framework, and cooperate with the companies of physical preservation and security related to the transport of monetary values.
- Regarding the recommendation made to the SHSHB for the creation of the "Code of Conduct" by second-tier banks that do not yet have a Code of Conduct / Code of Ethics and its apparent publication on the official website and bank premises, transparency of banks in the services and products they offer to clients, it was concluded that this initiative was undertaken by the SHSHB and currently 11 (eleven) banks have published the Code of Ethics, the official website and bank premises, and 5 (five) other banks are under review for publication.

ACA continues to monitor the applicability of this decision.

2.3.2. Abuse of dominant position

The loading and unloading service market and related activities for bulk goods at the Eastern Port of Durres Terminal

The undertaking Albanian Stevedoring Ltd (ASC) filed by ACA a Complaint Form through which this undertaking complains against the undertakings: "EMS-Albanian Port Operator (EMS APO)", "German Albanian Logistic Agency" Shpk ") As well as the undertaking" EMS Shipping & Trading "GmbH (" EMS ").

CC, after reviewing the complaint evaluation report of ASC Company prepared by the Secretariat of ACA, pursuant to Article 42, point 1, article 9 and article 24 (letter d) of the law no. 9121/2003 by decision no. 450, dated 28.02.2017 decided: the opening of the preliminary investigation procedure in the loading and unloading service market and related activities for the bulk of goods at the Durres Port East Terminal for the period from the day after tomorrow of the signing of the Concession Contract, dated 6 May 2013, with the object "Management, Operation and Maintenance of the Eastern Terminal at the Port of Durres", with the party "EMS Shipping & Trading GmbH" and the Ministry of Public Works and Transport until 28.02.2017.

Also, in accordance with the obligations deriving from the contracts / licenses, linked between the STP and APD operators, the principle of the "common user port" port, according to which every port user should be guaranteed the right to select the operator; the obligations of the Concessionaire pursuant to the law no. 9121/2003, the CC assessed that we may be faced with an emergency situation, provided for in Article 44 of Law no. 9121/2003, because of the risk of serious and irreparable damage to competition, since it is likely to be in violation of Article 9 (abuse of dominant position) of this law.

Based on the above, CC, by decision no. 451, dated 28.02.2017 "On taking temporary measures to restore competition in the loading and unloading market and related activities for bulk cargoes at the Eastern Port of Durres Port", decided to take temporary measures against company "EMS APO", as follows:

- Immediately apply the legal obligation to provide loading and unloading services and related services to all licensed steward operators who work under their license;
- Allow access to licensed operators in the Eastern Terminal to provide services to customers;
- "EMS APO" puts in use cranes for all crawler companies.
- Temporary measures are taken for a certain period of time until the conclusion of the investigation.

At the conclusion of the preliminary investigation, the CC concluded that: the conduct of the EMS APO dominant undertaking by setting unfair trading conditions and refusing access to the infrastructure facilities available to the stevedore undertakings pursuant to Article 9, point 2, letters a) and c) of Law no. 9121/2003, may constitute abuse of a dominant position, with serious consequences for competition in the market.

CC, by decision no. 477, dated 12.10.2017, decided to initiate a procedure of in-depth investigation into the undertaking "EMS-Albanian Port Operator" Shpk, in the loading and unloading service market and related activities, for the bulk goods at the Durres Port Eastern Terminal.

Upon completion of the in-depth investigation report by the Secretariat, a copy was sent to EMS APO. Upon consultation with the investigative file, this undertaking filed its written objections in relation to the conclusions of the report and was presented at a hearing pursuant to Article 39 of Law no. 9121/2003.

Also a copy of the In-depth Investigation Report was sent to MEI and APD to express their views on the conclusions of the report. The APD submitted its written assessment and was presented at the hearing session conducted by the CC, while MEI, despite the constant requests, did not cooperate with ACA and did not attend the hearing.

For this reason, ACA with document prot. no.64., Dated 30.01.2018, addressed to the Commission of Economy and Finance and the Commission on Production, Trade and Environment in the Parliament of Albania, submitting the Investigative Report made on this issue, for conducting a hearing with MEI as the regulatory body in the relevant market. At the end of this procedure, the CC will express a final decision regarding the reestablishment of competition and the regulation of this market.

The market for the screening of films in the cinema in the city of Tirana

CC, after reviewing the monitoring report on the distribution and film market for Empire, Millenium and Cineplexx, pursuant to Article 42, paragraph 1, , of Law no. 9121/2003 by decision no. 466, dated 20.06.2017 "On the opening of the preliminary investigation procedure in the distribution market and the screening of films in the cinema networks in Tirana", decided to open an investigation to see if there are or not signs of restriction of competition for the period from 01.01.2015 to 30.06.2017.

Taking into account: the relevant market share of the undertakings; barriers to entry into the relevant market; financial economic power; other characteristics of the relevant market such as

homogeneity of products; market transparency; free capacities and innovations; based on Article 8 of Law no. 9121/2003, it turned out that Cineplexx has a dominant position in the market for film-screening in the city of Tirana.

From the comparison of the average price of movie tickets to the cinema (regional benchmark), it turned out that compared to the countries of the region such as Podgorica, Skopje, Belgrade and Zagreb, Albania has the ticket price lower than the average ticket price of the region and a bit lower than the Cineplexx network ticket price in the region, what shows that in Albania Cineplexx does not operate by setting high prices under the conditions when we have a dominant position.

From the analysis of the behavior of a dominant undertaking, Cineplexx, to the film market in Tirana, based on the undertaking's financial result, comparison with regional prices (regional benchmark) and Cineplexx network pricing in the region, such as and prices with other competitors in the country, resulted that there were no signs of abuse of the dominant position of Cineplexx, in terms of Article 9 of Law no. 9121/2003.

From the analysis of the behavior of the undertakings in the market, such as market shares, sales volumes, comparison of ticket sales prices between competitors and negative financial result, no signs of behavioral coordination between the undertakings operating in the market of film-screening in the cinema in the city of Tirana, in the sense of Article 4 of Law no. 9121/2003. So, we can say that we are not in the case of a limitation of competition for a concerted agreement or practice.

Although no signs of restriction of competition were observed, in the relevant market there is an activity with a substantial and growing market power, Cineplexx, so it is necessary to supervise its conduct consistently to analyze market conditions for development of free and effective competition in the market, within the meaning of Article 28 of Law no. 9121/2003.

CCby decision no. 479, dated 26.10.2017 "On the closure of the preliminary investigation into the film market in the cinema of Tirana," decided:

- In order to analyze market conditions for the development of free and effective competition in the market, the dominant undertaking "Cineplexx" Shpk, every 6 months, respectively within the dates 10 April and 10 October of each year, should send ACA price information of the ticket sales and related costs and by April 10, to send a copy of the financial statements of the previous year, together with the explanatory notes to the financial analytical statements;
- Closure of the preliminary investigation procedure in the film market in Tirana, as there are no signs of competition restriction, pursuant to Article 4 and Article 9 of Law no. 9121/2003.

Regarding the above decision of the CC, undertakings that are active in the respective market have been notified and the company "Cineplexx" Shpk should send information to ACA every 6 (six) months respectively on 10 April and 10 October. After submitting information from the

dominant undertaking "Cineplexx" Shpk, the assessment of market conditions for the development of competition will be carried out.

The market of raw materials for the production of bread dough and its byproducts

ACA, based on articles 8, 9 and 29, point 1 of law no. 9121/2003 examined the complaint of Mr. H. C. and Mrs. L. C. to the undertaking "Nelly" Ltd for not supplying the products "Zrnopan T", "Zrnopan S" and "Zrnopan Plus".

CC, after the evaluation of the complaint, pursuant to Article 42, paragraph 1 of the Law no. 9121/2003, by decision no. 462, dated 23.05.2017 "On the opening of the preliminary investigation procedure in the market for the sale of raw materials for the production of bread dough and its byproducts, namely to the undertaking "Nelly" Shpk, decided to open an investigation to see if whether or not, signs of restriction of competition, for the period from 01.01.2017 to 15.05.2017.

From the evaluation of the data, based on Article 8 of Law no. 9121/2003, it turned out that the main criteria of the dominant position on the market share was not met. Based on this criteria and other criteria, as the undertaking's economic and financial strength, potential competition, it turned out that the undertaking "Nelly" Ltd does not possess a dominant position in the relevant market. As a result, we are not in the forefront of possible abuse of the dominant position in the yeast market and the market for seeds, Zrnopan T, S and Plus bread production.

After evaluating all the documentation submitted during the investigative procedure such as: documentation submitted during the inspections, the documentation submitted by the under investigation, the documentation provided by the DPD and the AKU, did not find elements of abuse of dominant position in the market of the blend with seeds for the production of loaves and sauces, divided into three sub regions and on the market of products used for the arrival of dough, leaven divided into two sub regions, as provided for in Article 9 of Law no. 9121/2003.

CC by decision no. 472, dated 14.09.2017 "On the closure of the preliminary investigation into the market for the sale of raw materials for the production of bread dough and its byproducts, namely to the undertaking "Nelly" Shpk", decided:

- The closure of the preliminary investigation procedure in the market for the sale of raw materials for the production of bread dough and its byproducts, namely to Nelly Ltd, since there are no signs of restriction of competition under Article 9 law no. 9121/2003.

The passenger air transport market to Austrian Airlines

Near ACA, through the complaint form no. 423 Prot., Dated 20.10.2017, several passengers filed for complaints about the conduct of Austrian Airlines.

According to the complainants, this undertaking had changed the travel itinerary and its schedule at the last minute when the passengers were presented at the airport without any prior warning. Likewise, despite the fact that the ticket booking and ticket flight had been made to fly by the Austrian Airlines, this company forced passengers to fly on other itineraries by other scheduled airplanes without receiving the paid service.

Having regard to the complaint filed at ACA, the position of Austrian Airlines, which is the only one who operates on the direct line between Tirana and Vienna and vice versa, as well as the power that this undertaking has to establish trading conditions, there may be a limitation of possible competition of this undertaking in the market, within the meaning of Article 9 of Law no. 9121/2003.

With reference to the above, CC by Decision no. 490, dated 20.12.2017 "On the opening of a preliminary investigation into the passenger air transport market to Austrian Airlines", decided:

- Opening of the preliminary investigation procedure into the passenger air transport market to Austrian Airlines;
- The preliminary investigation shall include the period from 1 January 2017 to 31 December 2017.

The market for the maintenance of fiscal equipment for fuel trading

Near ACA, the undertaking "Skenderi G" Shpk filed a complaint regarding the maintenance service of fuel tax stamps for which it has a contract with the undertaking "AED" Shpk. At the same time, this undertaking related to the problem with the authorized AED fiscal undertakings and Daisy & ETM, which have undertaken to provide all services of "CKV Noki Albania" shpk, because this undertaking was not renewed Authorization by MFE.

According to the complainant, AED unilaterally was informed that due to a backlog obligation, referred to as a fiscal sale contract, in 2010 no service required for assistance and maintenance will be provided, which has damaged the process of fuel sales, as fiscal boxes and distributors are in automatic mode based on the principle "No coupon no fuel".

Taking into account the complaint submitted in the ACA and the position of the undertakings providing the maintenance service of the fuel trade, which are the only ones for the provision of this market service, the CC has estimated that we may be facing a possible restriction of competition of these undertakings in the market, within the meaning of Article 9 of Law no. 9121/2003.

With reference to the above, CC by decision no. 491, dated 28.12.2017 "On opening a preliminary investigation into the market for the maintenance service of fiscal equipment for fuel trading", decided to open a preliminary investigation procedure in the market for the maintenance of fiscal equipment for fuel trading for the period from 1 April 2017 to 31 December 2017.

From the investigation, it turned out that the conditions of refusal to provide the service in the relevant market were not fulfilled, according to Article 9 of Law no. 9121/2003.

In conclusion, CC by decision no. 493, dated 23.01.2018 "On the closure of the preliminary investigation procedure in the market for the maintenance service of fiscal equipment for the trading of fuels", decided:

- Closure of the preliminary investigation procedure into the market of the maintenance service of fiscal equipment for fuel trading, as there are no signs of restriction of competition, pursuant to Article 9 of Law no. 9121/2003.

The fuel supply market in the geographical area of the international airport "Tirana International Airport"

CC, pursuant to Article 42, point 1, of Law no. 9121/2003 by decision no. 417, dated 18.05.2016 "On the opening of the preliminary investigation procedure in the fuel supply market in the geographical area of the international airport" Tirana International Airport ", decided to open a preliminary investigation for the period from 01.01.2015 to 18.05.2016.

Upon completion of the preliminary investigation procedure, CC by decision no. 432, dated 14.09.2016 "On the opening of the in-depth investigation procedure into the fuel supply market in the geographical area of Tirana International Airport, decided the opening of the in-depth investigation procedure.

The In-depth Investigation Report was communicated to AIR BP Albania Sha and pursuant to Article 39 of Law no. 9121/2003 and Article 18 of the Regulation "On Investigation Procedures of the Competition Authority", the party under investigation, submitted its allegations on the report of the in-depth investigation in writing, which were taken into consideration by CC.

CC, after assessing the behavior of the dominant undertaking in the relevant market ABP Albania SA, on granting access to other interested parties, to exercise activity at TIA within the meaning of Article 9, points 1 and 2 of the Law no.9121/2003, it was found that this enterprise, for the period under investigation, did not restrict any undertaking to carry out activities in the relevant market.

CC, by decision no. 116, dated 29.05.2009 "On the exemption from banning the agreement between Tirana International Airport Ltd and" AIR BP Albania "Sha" On the provision of fuel storage and trading for aircraft and the supply of aircraft to the International Airport of Tirana "Mother Teresa" has decided:

- To exclude from the restriction (provided for in Article 4 of the Law "On Protection of Competition"), the agreement of 24.02.2009 between "Tirana International Airport" Shpk and "Air BP Albania" Sha "On the Provision of Deposit and Trading of Fuel for aircraft and airplane supply service at Tirana International Airport "Mother Theresa".

For the aforementioned, CC by decision no. 470, dated 11.07.2017 "On the closure of the in-depth investigation into the fuel supply market in the geographical area of Tirana International Airport", decided:

- Closure of the in-depth investigation procedure into the fuel supply market in the geographical area of the international airport "Tirana International Airport".
- Market Monitoring for 1 (one) year from the date of this decision to assess the behavior of "Air BP Albania" SA, regarding the potential requirements of the interested parties to enter and exercise activity in the relevant market.

- The ACA's Secretariat, following the monitoring of the CC decision with letter no. 367 Prot. Dated 19.09.2017 requested from the Air BP Albania Company to be informed if there are requests from interested parties to enter and to exercise activity in the fuel supply market in the geographical area of International Airport "Tirana International Airport".

The undertaking "Air BP Albania", with its memo dated 03.10.2017, has deposited at ACA the requested information. According to the company "Air BP Albania" Sha, from the date of the decision, did not receive a formal or informal request for access to its equipment at Tirana International Airport.

The international maritime transport market of passengers and vehicles in the Port of Vlora

Near ACA, the undertaking "Arkleand Bus" Shpk, which carries out activities in the field of international transport of passengers by bus, submitted a Type Complaint Form against the agencies "Gerveni Travel" Shpk and "Euroferries" Shpk, representative of the ferry company "Northbay Transportes Marittimos Lda ", operating in the line Vlorë - Brindisi and vice versa.

Based on the appeal submitted, CC, pursuant to Article 42, paragraph 1, of Law no. 9121/2003 by decision no. 455, dated 28.03.2017 "On the opening of the preliminary investigation procedure in the international maritime transport market of passengers and vehicles in the Port of Vlora", decided to open a preliminary investigation into the international maritime transport market of passengers and vehicles.

The international maritime transport service of passengers and vehicles in the Port of Vlora for the period under investigation was provided by the undertaking "Northbay Transportes Marittimos" LDA, represented by the maritime agency "G Travel" Ltd, as well as by the undertaking "EUROPEAN SEAWAYS" INC. from the marine agency "RUCI LINE" Shpk, for the year 2016 and "EUROPEAN SEAWAYS" Shpk, for the year 2017. The international maritime transport service of passengers and vehicles in the Port of Vlora is carried out by means of vessels / ferries owned or used by undertakings above, operating in the Navy Port of Vlora on the line Vlorë - Brindisi and vice versa.

Starting from 22.02.2017 and following, the Navy Port has only operated the undertaking "NTM Lda" with the ferry "St.Damian", represented by the maritime agency "G TRAVEL" Shpk, which carries out the international maritime transport of passengers and single vehicles, having no competitors in this geographic area and thus owning 100% of the relevant market.

The complainant, prior to the completion of the preliminary investigation, on 15.05.2017, requested the withdrawal of the complaint of 27.02.2017, because the situation has changed and is charged the same way as other companies. Contractual relations have been restored at will and the draft contract has not been concluded with its signature and that the conduct of the under investigation is corrected by providing the service of transport of vehicles and passengers from / to Brindisi - Italy, under the same conditions trading for all interested undertakings.

After withdrawing the complaint from the complainant, in order to evaluate the market conditions, on 15.06.2017 an inspection was carried out at the Port of Vlora, where it resulted

that the situation was normalized and the only ferry operator offered service to all undertakings interested in the same trading conditions by placing the market in conditions of free and effective competition and without discrimination in the provision of services between operators using the Vlora - Brindisi shipping line.

The market of the international maritime transport service of vehicles and / or passengers has been the subject of monitoring, investigation and decision-making by the Competition Authority, even earlier, where recommendations have been given to the respective institutions, with the decision of the CC, no. 349, dated 19.02.2015 "On Regulatory Measures and Recommendations in the International Maritime Transport of Passengers and Vehicles".

With reference to the above, CC by decision no. 467, dated 04.07.2017 "On taking some measures to regulate competition in the international maritime transport market of passengers and vehicles in the Port of Vlora and the closure of the preliminary investigation procedure", decided:

- The obligation of "Northbay Transportes Marittimos Lda", represented by "Gerverni Travel" Shpk, to apply equal conditions for similar commercial transactions with the parties (road transport companies using shipping from the Port of Vlora) to establish in a favorable competitive situation;
- In the event of non-implementation of point 1 of the enacting clause of this decision, undertakings shall be fined up to 10% of the annual turnover for serious breach of competition pursuant to Article 74, paragraph 1, letter c) of Law no. 9121 "On Protection of Competition" (as amended);
- Monitoring the International Maritime Transport of Passengers and Vehicles in the Port of Vlora for the period from 04.07.2017 to 04.01.2018, with the purpose of verifying the behavior of the company "Northbay Transportes Marittimos Lda" for the enforcement of the obligation imposed by point 1 of the enacting clause of this decision;
- To recommend to the Ministry of Transport and Infrastructure, based on the Decision of the Competition Commission, no. 349, dated 19/02/2015 "On Regulatory Measures and Recommendations in the International Maritime Transport of Passengers and Vehicles", carry out:
 - Monitoring the implementation of tariffs according to MTI announcements and approval for each ferry / line, mainly during the high season;
 - Provide detailed data on all real costs for the service provided by the operators;
 - Monitor daily data holdings for applicable tariffs for each ticket sold, as well as record sales of ticket sales by companies operating in the market.
- Closure of the preliminary investigation procedure into the international maritime transport market of passengers and vehicles in the Port of Vlora.

The recommendations given to the Ministry of Transport and Infrastructure (MEI today) have not been implemented in practice, as in the contract of port operators there are no relevant provisions regarding the obligation of operators to:

- depositing real costs for the service they provide;

- keeping daily data on the fees applied to each ticket sold;
- keeping record sales of tickets by companies operating in the market.

In conclusion it turns out that these data are not monitored by MEI, by not implementing the recommendations given in the MA decision.

Funeral service market in Berat Municipality

The request-complaint lodged on 12.12.2016 by ACA, from the complainant Mr. E.K. natural person who addresses the Municipality of Berat and ACA; Berat Municipal Council; and the undertaking Soliar Shpk, with the object of malfunctioning of the development of funeral activity, as a consequence of a prohibited agreement, which has as its object the prevention of competition.

From the review of the complaint it resulted that as a result of an electronic procurement procedure, the contracting authority "Berat Municipality" has entered into service contract no. 6150 prot., Dated 10.11.2016, with the subject "Maintenance of public cemeteries and cemeteries Dëshmorët e Kombit Berat", with the winning economic operator "AB.Zoga" Shpk & "Pienvis" Shpk.

Referring to service contract no. 6150 prot., Dated 10.11.2016, the maintenance service of the public cemetery and the Berat Municipal Brigades, consists of: preservation of the cemetery; shearing grass; decorative plant irrigation; existing parcel maintenance; street cleaning and squares; updating of the letters of the martyrs' graves; cleaning the marble tomb in the martyr's cemetery and in this facility, does not result in including funeral service administration and collection of fees for this service.

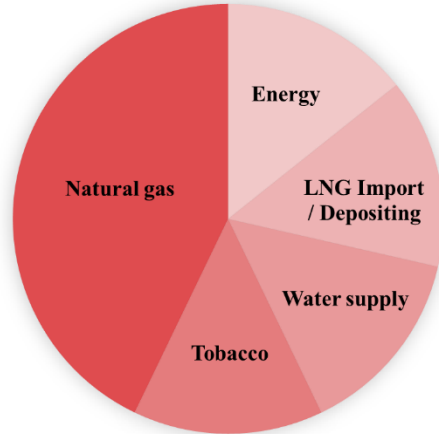
For the above, the Municipality of Berat has given to the economic operator "AB.Zoga" Shpk & "Pienvis" Shpk the right and obligation to conclude contracts for the funeral service with the licensed entities that provide this service and to apply the tariffs established by the City Council Decision for this service, which is outside the scope of the contract. The Draft-Arbitration Agreement, subject to appeal, obliges the parties to this agreement, SOLIAR Shpk and EK (the Complainant) to conclude an agreement with the subject "AB ZOGA" Shpk, subject which also operates in the same relevant market as the other two entities.

CC by decision no. 447, dated 16.01.2017 "On issuing some recommendations to the Municipality of Berat for increasing the competition in the funeral service market", decided:

- To recommend to Berat Municipality: "Opening the market for free competition in the funeral service, setting the same criteria for all operators that provide this service."

We have been notified by the Administrative Court of Vlora through a phone call to participate in the process, as a third interested party.

2.4 Production Markets



2.4.1. Forbidden Agreements

The import, storage, wholesale, distribution and retail market of liquid gas for household and business consumption

On 1 January 2017, entered into force the amendments to Law no. 61/2012 "On Excise in the Republic of Albania", amended, whereby the excise tax for the GLN category is foreseen only for vehicles of 8 lek / liter without VAT. From the monitoring it was found that there are subjects that trade at the same price. This behavior can be signs of a restriction of competition in violation of Articles 4 and 9 of Law no. 9121/2003.

For the above, CCby decision no. 446, dated 16.01.2017 "On the opening of the preliminary investigation procedure in all segments of the import, storage, wholesale, distribution and retail market of liquid gas product for household and business consumption", decided:

- Opening of the preliminary investigation procedure in all segments of the import, storage, wholesale, distribution and retail market of liquid gas for household and business consumption, to see whether or not there are signs of restriction of competition, for the period from 01.07.2016 until the end of the investigation period.

After conducting the preliminary investigation procedures and after evaluating all the documentation submitted during the investigative procedures in the market it was ascertained that:

- "A & V Gas" Sha and "Kevin Gaz" Sha's importing and selling undertakings have a coordinated behavior in terms of GLN wholesale price and geographic allocation of supply sources, which may be a coordinated practice / prohibited agreements, in violation of article 4, point 1 of law no. 9121/2003.
- The average purchase price difference - the sale price for the period under investigation is very narrow and almost symmetric, showing the same behavior as the "A & V Gas" Sha and "Kevin Gaz" Sha, which, in terms of Article 4 of the Law no. 9121/2003, may

constitute a coordinated practice / prohibited agreement between these 2 (two) undertakings.

- Throughout the structure of the functioning of the loading / unloading, import, storage and wholesale market of GLNs from the Porto Romano area, we have vertically integrated enterprises which increase the power of these enterprises and may lead to restrictions on competition implementation of law no. 9121/2003.

For the aforementioned, CC by decision no. 454, dated 21.03.2017 "On the opening of the in-depth investigation procedure in all segments of the loading, unloading, import, storage and wholesale market of liquid petroleum gas for household and business consumption for the following undertakings: "Romano Port" Sha, "Ib Gas Ag", "Inter-Gaz" Sha, "A & V Gas" Sha, "Av Distribution" Sha; "La Petrolifera Italo Albanese" Sha, "Fam Gas", "Kevin Gaz" Sha and "Emanuel Gas" Shpk., For the period May 2015 through February 2017.

After evaluating all the documentation submitted during the investigation procedures in all segments of the loading, unloading, importing, storage and wholesale market of liquid gas for household and business consumption, it results that:

- No direct evidence was found to establish the existence of a prohibited agreement between undertakings under Article 4 of Law no. 9121/2013. Also, the conduct of the undertakings towards the selling price, applying different prices with significant differences to this market, does not constitute signs of restriction of competition within the meaning of Article 3, point 4 and Article 4 of Law no. 9121/2003 as well as the OECD Methodology "On Disclosure of Indirect Cartels" in the form of a prohibited / concerted agreement between these undertakings;
- Referring to the financial statements, EBITDA (income before interest, tax, depreciation and amortization) for the period 2013-2015 and the gross income margins for the period under investigation, indicate that we are not in the forefront of the abnormal or excessive profit rates that are indicative of a market that suffers from lack of competition;
- At the level of wholesale trading, we are confused that we are not pre-fixed selling prices at this level of trading. Sales prices range from one company to another, but following the trajectory of increased sales prices, transferred from the prices of the international fuel market to PLATZ to importers later on, into this trading category.

In conclusion, the investigation revealed that there were no violations of law no. 9121/2013, as well as the recommendations given by the decision of CC no. 390, dated 22.12.2015 "On closing the preliminary investigation procedure in the import market, wholesale and retail of liquid gas and issuing recommendations to the Ministry of Energy and Industry" were not put into operation by the Ministry.

For these reasons, CC by decision no. 476, dated 05.10.2017 "On the implementation of the decision of the Competition Commission no. 390, dated 22.12.2015 and closure of the in-depth investigation into all segments of the loading, unloading, import, storage and wholesale market of liquid gas for household consumption and business ", decided:

To recommend to the Authorized State Operator, the Ministry of Infrastructure and Energy and the Ministry of Finance:

- Adopting a market regulation methodology that clearly defines the role, functions of any operator operating in the field of import, loading, unloading, storage, wholesale, retail and distribution of natural liquid gas;
- Implementation of the decision of CC no. 390, dated 22.12.2015 and recommendations given as follows:
 - Take the necessary actions for the proper functioning of the market segments of import, wholesale and retail of GLN in accordance with Articles 14, 15 and 16 of Law no. 8450, dated 24.02.1999 "On the processing, transport and marketing of petroleum, gas and their by-products", as amended.
 - To prohibit LNG wholesale undertakings from selling retail to end-customers who are not included in Article 14 of Law no. 8450, dated 24.02.1999.
 - To prohibit LPG retailers to market a product for other units that are subject to resale of this product as provided for in Article 16 of Law no. 8450, dated 24.02.1999. LPG Retail Units should only trade for end-users.

The undertakings under investigation, the State Authorized Operator and the Ministry of Infrastructure and Energy shall notify ACA on the implementation of the above recommendations within 90 days of the entry into force of this Decision.

Monitoring by ACA, to all segments of unloading market, import, storage and wholesale product sales of liquid gas for household consumption and business, for a period of 1 year, which starts from October 16, 2017.

Closure of the in-depth investigation procedure into all market segments of the discharge, import, storage and wholesale liquid gas for household and business consumption.

ACA monitored the relevant market in the field and estimated that for the period March-October 2017 there were no signs of restriction or distortion of competition as provided in articles 4 and 9 of Law no. 9121/2003. The situation in the market is the same as that found during the period of in-depth investigation and there is no response from state bodies regarding the implementation of the recommendations.

Following the monitoring will be required by the Ministry of Infrastructure and Energy and the Ministry of Finance and Economy, implementation of recommendations given under point I of decision no. 476, dated 05.10.2017 of the Competition Commission, as the 90-day deadline from the entry into force of this Decision has not been respected.

2.4.2. Abuse of dominant position

The water supply and waste water treatment sector

Decision no. 47/2017 of ERRU on the approval of tariffs for the period 01.01.2018 and onwards was evaluated by ACA in the framework of its role in regulating and regulatory reform under Article 70 of Law no. 9121/2003. CC by decision no. 492, dated 28.12.2017 "On issuing some

recommendations to the Water Regulatory Authority and the UKT regarding the change of the tariffs of the water supply service and removal and treatment of wastewater," decided:

To recommend the Water Regulatory Authority:

- The obligation to implement Articles 69 and 70 of Law no. 9121/2003 "On Protection of Competition" (amended), requiring the Competition Authority's legal assessment of any normative draft act that could potentially bring about competition restrictions in the relevant market;
- For each case of reviewing new tariffs for water supply and sewerage enterprises, clearly define the cost structure on the basis of which the tariffs are approved, based on the methodology "On establishing tariffs for water supply service and removal and processing of wastewater", which includes the costs of:
 - Water fee for sale by customer categories;
 - Fee for collection, removal and treatment of wastewater;
 - Service fee.
- Tariff increases should be gradual and in accordance with performance criteria, in particular the water supply schedule;
- Revise the costs in terms of increasing the performance of the administration and reallocate the revenue sources required for investments, also by reducing operating and maintenance costs, as according to the decision, revenues will come to 96% of the tariff increase and only 4% of the increase in the billing level;
- Publish and make transparent, within 30 days of the issuance of this decision, all the information regarding the tariff change applications, the respective costs on which these changes are based, as well as the 2018 and 2019 published forecasts for "non-revenue water", "duration of supply" and "staff efficiency".

To recommend UKT that:

- UKT shareholders, in order to make the market more efficient, should evaluate alternative ways of financing the UKT's financial needs through soft loans facilitated or through local government bonds under Law no. 10 158, dated 15.10.2009 "On bonds of joint stock companies and local government".

The market for the production, collection, processing and export of tobacco.

Based on some articles published in the media on 22-24 November 2017, it was ascertained again that the company "Mika Korça" Sha, as the main collector in the country, has not paid the tobacco growers in the Belsh / Dumre area. Belsh Cultivators complain that they have large sums of money weren't paid even though they have a contract with this company. The same situation is for the cultivators of Shkodra and Korça.

ACA has conducted a monitoring and investigation processes in this market, and with decision no. 438, dated 05.10.2016, has decided to recommend to the Ministry of Agriculture:

- To take measures to open the tobacco-producing market in the country, to promote the development of free and effective competition in this market;

- Assistance of specialists of the Ministry of Agriculture during the process of categorizing tobacco by quality and the establishment of the respective prices set out in the contracts between the parties during the collection at certain stations in the country;
- Monitoring the payment execution by the company "Mika Korça" Sha, within the deadlines provided for in the contract concluded by this enterprise with the farmers.

However, referring to media reports, the market situation remains the same, the undertaking has still not paid off growers for the last two years 2015-2017 in the Belsh / Dumre area, which is the largest tobacco production area in place.

The position that Mika Korça Sha has in the market for the production, collection, processing and export of manufactured tobacco in the country, as the main enterprise that collects tobacco for the export of this product, the power that this enterprise has to set prices of tobacco purchase, as well as its continuous behavior towards farmers, is an indication that we could be facing a possible abuse of the dominant position of this undertaking in the market, within the meaning of Article 9 of Law no. 9121/2003.

For these reasons, CC by decision no. 488, dated 05.12.2017 "On opening a preliminary investigation into the tobacco production, collection, processing and export market", decided to open a preliminary investigation for the period from 01.06.2016 to 30.11.2017.

This procedure is in the process phase of the information submitted and drafting the report with the findings of the investigation.

The natural gas market

During 2017, ERE has sent sub-legal acts to ACA for opinion, pursuant to the Law no.102 / 2015 "On the Natural Gas Sector". From the review of draft-acts and pursuant to Articles 9, 69 and 70 of Law no. 9121/2003, CC was expressed with the decisions listed below:

1. Decision no. 469, dated 11.07.2017 "On Recommendations Concerning the Certification of the Combined undertaking between Natural Gas Operator and Albgaz Sha" by which it was decided to recommend to the Energy Regulatory Body:
 - Design and lead to approval by the Council of Ministers the Model and Rules of the Natural Gas Market in Albania, where to prescribe the manner of organization, functioning and interaction between the Combined Natural Gas Operator Albgaz Sha with OST, OSSH, Manufacturing, Processing, Supply, Depositing and other operators;
 - In the prior approval of the Combined Natural Gas Operator Albgaz Sha, provide for the allocation of accounts for each of its activities.
2. Decision no. 481, dated 16.11.2017 "On issuing some recommendations to the Energy Regulatory Entity, regarding the conditions of the natural gas distribution license", by which it was decided: to recommend to the ERE:

In the draft license of the natural gas distribution operator, provision should be made for continuous reporting by the licensee and ongoing monitoring on the realization of the planned investments, providing sanctions in case of non-realization.

- In the provisions of point 4.10 of the draft license, regarding vertically integrated companies, be included in the draft license all legal provisions of article 51 of law no. 102/2015 "On Natural Gas Sector", as well as the provisions of Article 26 "Unbundling of Distribution System Operators" of Directive 73/2009 / EC of 13.07.2009 "On the Common Rules for the Internal Market for Natural Gas".
 - Determine in the draft license the obligation of the Natural Gas Distribution System Operator to publish all data related to the distribution market, which assist market operators and network users to have all the necessary information for the network of the distribution on the natural gas market.
 - On item 4 of the draft-license, provision should be made for the division of ownership, if the operator is a vertically integrated enterprise.
3. Decision no. 482, dated 16.11.2017 "On issuing some recommendations to the Energy Regulatory Entity, regarding the terms of the natural gas supply activity license," by which it was decided: to recommend to the ERE:
- Licensing for natural gas supply activity to be carried out after / or in parallel with the approval of the Natural Gas Market Model, also provided for in Article 88 of the Law "On the Natural Gas Sector", in order to clearly state the conditions of operation, the role and function of the operator or supply operators;
 - In point 3 (2) (a) of the draft-license, determine the supplier's changeover deadline "their right to choose and change the supplier free of charge, no more than 3 weeks from the beginning of the change procedure suppliers "and according to the legal provisions of Article 3 (6) (a) of Directive 73/2009 / EC of 13.07.2009" On common rules for the internal market for natural gas ";
 - In point 3.4 of the draft-license, add a paragraph to specify: "The licensee, charged under the law with the obligation to provide the natural gas supply service, provides customers and gas companies with data on the gas market natural gas consumption, while simultaneously publishing these data, which are valid for market operators "according to the legal provisions of Article 3 (12) of Directive 73/2009 / EC of 13.07.2009" Relating to common rules for the domestic natural gas market".
 - In point 4.1 add the paragraph: "Expenditure bills for each activity of a licensee should be easy to distinguish from which activity belongs, so the bills have clear distinctive signs according to the type of licensed activity they have been used, avoid overlapping of expenses or duplicate registrations, for the activities of the licensee."
4. Decision no. 483, dated 16.11.2017 "On issuing some recommendations to the Energy Regulatory Body regarding the terms of the natural gas trading license", by which it was decided: to recommend ERE:
- Licensing of the trading activity is carried out after / or in parallel with the approval of the Natural Gas Market Model, provided for in Article 88 of Law No.102 / 2015 "On the Natural Gas Sector", on the basis of which will be determined natural gas trading levels;
 - The role and function of the primary and secondary market, the wholesale market and the retail market should be clearly defined in the draft license, in accordance with the provisions of Article 4 (109) (110) and Article 84 (1) (2) (3) (4) of the Law no. 102/2015

"On the Natural Gas Sector", as well as the role and function of the presenter who will perform the trading activity in the Natural Gas Market Model;

- In the draft-license should be determined the validity period of the license stipulated in article 23, point 1 (a) of Law no.102 / 2015 "On the Natural Gas Sector";