

ANNUAL REPORT 2019

Institution Priorities for 2020



**ALBANIAN
COMPETITION
AUTHORITY**

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WRITING

AAC	Civil Aviation Authority
ACA	Albanian Competition Authority
AKEP	Authority of Electronic and Postal Communications
AMA	Audiovisual Media Authority
AFSA	Financial Supervision Authority
APP	Public Procurement Agency
APD	Durrës Port Authority
EU	European Union
EBRD	European Bank for Reconstruction and Development
BoA	The Bank of Albania
CRESSE	Competition and Regulation Summer School and Conference
DPT	General Directorate of Taxes
ECS	Energy Community Secretariat
ERE	The energy regulator
ERRU/WRA	Water Regulatory Authority
FNT	Sensitive market power
FSDKSH	Mandatory Health Insurance Fund
FSHF	Football federation of Albania
GLN	Liquefied Petroleum Gas
HEI	Higher Education Institutions
ICN	International Competition Network
IPA	EU Pre-Expansion Instrument
IDP	Commissioner for Personal Data Protection and Public Information
EC	European Commission
KESH	Albanian Electroenergetic Corporation
KMK	Consumer Protection Commission
Ligji nr. 9121/2003	Law no. 9121, dated 28.7.2003 “On Protection of Competition”, as amended
MEPJ	Ministry for Europe and Foreign Affairs
MFE	Ministry of Finance and Economy
MIE	Ministry of Infrastructure and Energy
MSHMS	Ministry of Health and Social Protection
MSA/SAA	Stabilization and Association Agreement

OECD	Organization for Economic Cooperation and Development
OECD-GVH/RCC	Organization for Economic Co-operation and Development for Southeast Europe
OSSHE	Electricity Distribution Operator
OST	Transmission System Operator
PLATZ	International Fuel Exchange
PKIE	National Plan for European Integration
TCC	Technical Control Center
MTCC	Mobile Technical Control Center
RSH	Republic of Albania
SFJB	Non-Bank Financial Entity
TAIEX	EU Technical Assistance and Information Exchange
TIA	Tirana International Airport
UK	Water and sanitation
UNCTAD	United Nations Conference on Trade and Development
VKK	Decisions of the Competition Commission
VKM	Decision of the Council of Ministers

INTRODUCTION

ASPECTS OF ECONOMIC DEVELOPMENT FOR 2019

The year 2019 was characterized by a series of events and situations inside and outside the country, which, with their intensity and time of occurrence, affected the overall macro-financial situation of the country.

At the international level, the world economy is estimated to have entered a recovery phase after a slowdown in the first half of the year. However, economic activity still faces a challenging environment, present in both developed and developing economies. Commercial barriers, Brexit and structural problems in the manufacturing sector in some countries are among the most important factors in last year's developments as well as in the uncertainties that characterize the future.

At the national level, according to INSTAT data, in the third quarter of 2019, the Albanian economy accelerated its activity, recording an annual growth of 3.8%. From a sectoral point of view, the acceleration reflected the favorable tourist season, while in terms of aggregate demand, it reflected an increase in consumption and exports.

However, referring to 2019 as a whole, it can be said that the uncertainty rate to reach the projected value of 4% is relatively high. In addition to a slowdown in the first half of the year, the earthquake last November was seen as an added risk to the economy.

Inflationary pressures on the economy were low throughout the year, continuously reflecting the performance below the potential of the economy as well as the declining performance of imported prices and goods. As a result, monetary policy has continued to be on the easing side while financial markets are calm, with declining interest rates, a stable exchange rate and increased lending to the economy.

Fiscal policy has continued to follow the consolidating trajectory in the first 11 months of 2019. However, of interest is the impact of the emergency situation created by the November 26 earthquake, for 2019 and beyond. Positive developments are expected to be verified in the labor market, in the performance of wages and in the external sector of the economy.

However, from the point of view of the Competition Authority, the World Bank report is being carefully evaluated "Doing Business 2020"¹ and the publication of the Global Economic Forum², "Global Competitiveness Report 2019". Both indices coincide with a decline in Albania's ranking, both in terms of business environment and competitiveness index. Based on these developments, the Authority is carefully analyzing each component of each of the two reports so that in our 2020 activity we must carry out monitorings, inspections, legal assessments and recommendations in order to improve the business climate and increase competition in various sectors of the Albanian economy.

¹ <https://openknowledge.worldbank.org/bitstream/handle/10986/32436/9781464814402.pdf>

² http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf

The year 2019 brought a lot of challenges and confronted our economy with some unpleasant surprises. Despite this, the country's overall macroeconomic and financial balance remained intact. There are all the premises for earthquake-induced costs to be fully absorbed with a little extra care, turning the reconstruction program into a new opportunity for more growth and well-being.

INTRODUCTORY REMARKS BY THE CHAIRWOMAN OF ACA

2019 represents another challenging year for the economy, markets, authorities and institutions in Albania. From this perspective, complex developments impacted and guided the activity of the Albanian Competition Authority to put efforts to successfully fulfill its legal responsibilities. As before, the focus of its activity has been the functioning of free, open markets, where participants respect competition principles to benefit economic growth and population welfare.

Free competition is one of the main pillars which guarantees the superiority of the market economy. Figuratively speaking, if the market is free and competitive, the competition between the players is fair. But not only that, it guarantees maximum effectiveness in the use of capital, manpower, productive capacities and natural resources.

The ACA has continuously monitored and investigated certain market segments during 2019, based on its activities principles, priorities, specific issues of the moment, raised alerts in the media or other means of communication, as well as complaints from citizens and businesses.

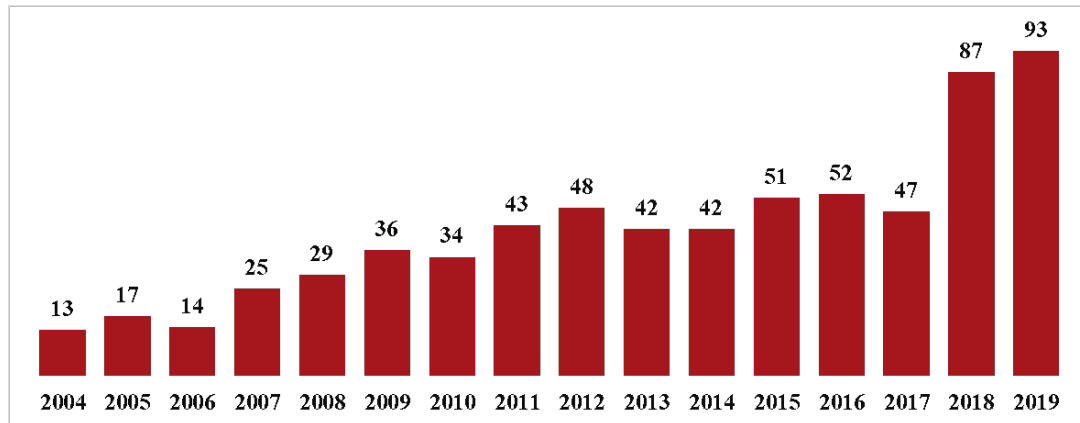
- More specifically, during 2019, ACA has accomplished:
- **15 (fifteen) monitoring procedures**, where we highlight the electricity market of storage and diversion, air transport market, the physical security procurement market, the insurance market, the banking market and the market of mobile services.
- **11 (eleven) investigative procedures**, where we highlight the market of banking services, the market of loading and unloading in the Port of Durres, the market of dental services, the crude oil market, the flour market, the taxi market and the energy market.

All the monitoring and investigative activity of the ACA has been carried out in compliance with the Competition Commission decisions, which is the decision-making body of the institution. Specifically, 93 (ninety-three) decisions were taken by the CC, of which:

- 24 (twenty-four) are authorizations of concentrations, of which, 8 in the internal market and 16 in the external market;
- 45 (forty-five) legal assessments related to the electricity, water, telephony, financial sector and many other segments.

During 2019, the ACA poured 12,583,318 ALL into the state budget, which derives from the concentrations (notification and authorization of concentrations), and constitutes 17% of the Institution's budget.

CC Decisions through 2004 - 2019



The year 2020 coincides with another complex period. The Albanian economy will face another challenging year where among other things, it will have to recover from the damages caused by last year's earthquake. From this point of view, ACA possesses enough human potential to meet all challenges and its legal objectives. As in the past, during this year our activity will aim at protecting competition in all three pillars defined in the law:

- Avoiding prohibited agreements (cartels);
- Avoiding abuse of dominant position;
- Controlling mergers or concentrations of undertakings.

In addition, ACA will not only be a promoter but also an advocate of competition and consumer interests.

Thank you,

Prof. Dr. Juliana Latifi

PART ONE

MAIN FOCUS OF THE COMPETITION AUTHORITY FOR 2019

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

Pursuant to the recommendations given in the Resolution “On the evaluation of the activity of the Competition Authority for 2018”, no. 213/4, dated 04.04.2019, ACA has carried out its activity in these directions:

To monitor the fulfillment of the recommendations given in the markets investigated during 2018 and especially for the concession contracts in force, which bring distortions of competition in the market, identifying and calculating the real damage or benefit of the public consumer.

ACA has implemented this recommendation of the Resolution.

During 2019, ACA continued to monitor the fulfillment of recommendations given in the markets investigated during 2018, and especially 2 (two) concession contracts:

a. “SGS Automotive Albania” SHPK (concession)

During 2019, ACA monitored the implementation of the decision of the CC no. 562, dated 25.10.2018, “On imposing fines and obligations on the undertaking “SGS Automotive Albania” SHPK in the market of mandatory technical control service of motor vehicles and their trailers in the Republic of Albania and giving some recommendations, to the undertaking SGS and MIE”.

From the monitoring, results that the first 3 points of the enacting clause of the CC decision no. 562, dated 25.10.2018 were fulfilled by the undertaking SGS Albania SHPK.

Also, MIE has notified ACA that with the approval of VKM no. 880, dated 24.12.2019 “On the approval of the regulation for the implementation of the Road Code of the Republic of Albania”, has made the necessary legal changes for the fulfillment of the recommendation, for the liberalization of the market of mandatory technical control service of motor vehicles and their trailers in the Republic of Albania.

Estimated economic damage, as a result of violation of competition rules pursuant to Article 9, point 2, letters (a) and (ç), of law no. 9121/200, is the fine imposed on the undertaking SGS by 5.69% of the total turnover of the enterprise for the previous financial year (2017), respectively in the amount of 51,091,005 (fifty-one million ninety-one thousand five) Lek, which has been collected and poured in the State Budget.

b. “EMS Albanian Port Operator” SHPK (concession)

During 2019, ACA monitored the implementation of the CC decision no. 567, dated 07.11.2018 “On the closure of the in-depth investigation procedure against the undertaking “EMS-Albanian Port Operator” SHPK, in the market of loading-unloading service and related activities, for bulk goods in the East Terminal of the Port of Durres and giving some recommendations for promoting competition in this market for MIE, APD and the undertaking “EMS- Albanian Port Operator”.

From the monitoring carried out during 2019, it results that by the concessionaire EMS the decisions of CC have been moderately implemented.

It turns out that the recommendations given by ACA to MIE and APD have not been implemented by these two institutions, despite the official letters that have been sent to these two institutions, continuously.

From the monitoring, it turns out that: **in compliance with the Concession Contract, according to which the Concessionaire EMS APO cannot transfer its obligations without the prior approval of the Contracting Authority (MIE) with which the concession contract has been concluded, we consider important the cooperation between the EMS APO Concessionaire and the Contracting Authority (MIE) for the issuance of a joint draft, which reflects the interests of all stakeholders.**

Regarding the markets investigated during 2018, and monitored during 2019, below we have:

a. Passenger air transport market “Austrian Airlines”

Pursuant to the CC decision no. 525, dated 14.06.2018 “On the closure of the preliminary investigation in the passenger air transport market against the undertaking Austrian Airlines and the issuance of some recommendations”, ACA has continued to monitor the passenger air transport market against Austrian Airlines. The monitoring was carried out every 4 months regarding the prices applied by Austrian Airlines, the number of complaints it has had, cases of overbooking, for a period of 1 year.

From the monitoring it results that the CC decision no. 525, dated 14.06.2018 was implemented in a moderate manner and ACA again addressed the undertaking Austrian Airlines requesting information, to continue monitoring the implementation of the recommendations.

b. Supermarket chain market “Conad”

CC, by decision no. 560, dated 15.10.2018 decided to close the preliminary investigation procedure against the undertaking “Conad Albania” SHPK in the market of food products which carry the brand “Conad” in the Republic of Albania and to impose certain obligations on the undertaking “Conad Albania” SHPK, to avoid any restriction of competition from the application of determining the resale prices. **In this market, during the monitoring, the implementation of the recommendations left by the CC was ascertained.**

c. “EKMA Albania” SHPK

ACA, during 2019 monitored the implementation of the CC decision no. 572, dated 22.11.2018 “On imposing fines and obligations on the undertaking “EKMA Albania” SHPK, in the market of renting premises for storage and trade of Agro - Food products in the city of Tirana” where he found the abuse of the dominant position of the undertaking “EKMA Albania” SHPK, in the market of renting premises for storage and trade of Agro-Food products in the city of Tirana. From the monitoring it results that the undertaking has not fulfilled the conditions and obligations defined according to point II of the CC decision.

Calculated economic damage, as a result of violation of competition rules pursuant to Article 9, point 2, letters (a), (c) and (d) of Law no. 9121/2003, is 9.99% of the turnover of the undertaking of the previous financial year (2017), respectively in the amount of 43,168,617 Lek.

This decision is in court proceedings before the Court of Administrative Appeals. The Administrative Court of First Instance has upheld the Decision of the Council of Ministers no. 572, dated 22.11.2018.

Also, the request of the company EKMA SHPK for securing the lawsuit was rejected in both stages of the trial.

d. Mandatory motor insurance market TPL

CC by decision no. 561, dated 15.10.2018 “On some recommendations and closing the preliminary investigation in the market of mandatory motor insurance for third party liability for the domestic TPL product”, during 2019 has carried out monitoring of this market, to implement the given recommendations.

At the end of the monitoring period, the CC decided: to request the AFSA (AMF) to implement CC’s decision no. 561, dated 15.10.2018, within a period of 6 months.

Recommendations given by CC decision no. 561, dated 15.10.2018, were fulfilled by AFSA (AMF).

ACA welcomes in the future, cases for which AFSA finds anti-competitive behavior by undertakings operating in the market of mandatory motor insurance for liability to third parties.

e. Public procurement market

CC by decision no. 535, dated 17.07.2018 “On imposing fines on the undertakings “Tea-D” SHPK and “A.E.K. & CO” SHPK for prohibited agreements in the public procurement market”.

CC has also calculated the economic damage related to this prohibited agreement. **The fine imposed by CC with the above mentioned decision was fully executed and the decision was sent to the PPA (APP), which has informed ACA that by decision no. 2 and 3, dated 14.01.2019, PPA has excluded from the public procurement procedures the two undertakings participating in this prohibited agreement by implementing the recommendation of CC.**

To supervise with priority and come up with concrete recommendations for markets with high public sensitivity and social impact such as: banking sector, hospital services market and pharmaceutical market, as well as the public and private higher education sector.

ACA is in the process of implementing the recommendation according to the Resolution.

During 2019, ACA has conducted investigative procedures, prioritizing the markets with high public sensitivity and social impact as follows:

a. Banking Sector

CC by decision no. 592, dated 31.01.2019 decided on the opening of the in-depth investigation procedure in the banking sector for Raiffeisen Bank, National Commercial Bank, Credins Bank and Intesa SanPaolo Bank to see if there are any signs of competition restriction, for the period 01.01.2016 until 31.12.2018, due to the fact that this market shows: stability of market segments related to deposits and loans, high degree of concentration in product segments, very low and solid interest rates on deposits, high interest rates on loans, *spread* several times higher compared to interest rates on deposits, high bank transaction fees and penalties (bank switching

cost), high commissions for bank transfers in foreign currency and high profit rates, etc.

The investigative procedure has been completed and the CC decision is expected after the hearing sessions with the undertakings under investigation and the regulatory institutions of the respective market.

b. Hospital Services Market

CC by decision no. 552, dated 04.10.2018 “On the opening of the General Investigation procedure in the Hospital Service”, decided to initiate the procedure of competition evaluation in the hospital service which includes public and private hospital services.

CC, who concluded that the evaluation of the hospital service market requires additional analysis, by decision no. 669, dated 24.12.2019 decided to continue the investigation in this market to carry out a more in-depth assessment of the legislation in force in the private and public hospital service, including special rights granted through concession contracts or PPPs; pricing policies for services / examinations and investments in equipment and technology; cooperation between hospital service institutions with insurance companies and reimbursement schemes, etc.

c. Pharmaceutical market

During 2019, ACA has started monitoring the pharmaceutical market, which has consisted of the assessment of the legal and sub-legal basis on which the market function of import, production, wholesale trade and the network of drug pharmacies in the Republic of Albania. For a comprehensive assessment and realization of a complete competition analysis in the market, ACA has drafted an action plan that also consists on evaluating market structures according to three levels of trade. (import, production; Wholesale trade through a network of pharmaceutical warehouses and retail trade, the pharmacy network); market entry of imported medicines through special and exclusive rights; operation of the reimbursement scheme through the Mandatory Health Insurance Fund; public procurement to cover the needs for medicines of health institutions; the way of importing and trading the most expensive drugs and the most consumed drugs, etc.

The pharmaceutical market will be one of the **main priorities** of ACA's work during 2020.

d. Higher Education Sector

CC by decision no. 573, dated 26.11.2018, decided to open the general investigation procedure in the Higher Education Sector in order to perform a complete analysis regarding the quality of service provided, both by public and private HEIs, as well as compliance with competition rules in this market. During the investigation procedure, there was a need for additional information and CC by decision no. 620, dated 13.05.2019, decided to postpone this investigation in order to obtain information on the sources of income of HEIs; internal rules of financing, distribution and use of income; what is the part of the budget for teaching, research, staff development, salaries; methodology of calculating the cost of studies, the tuition fee; the cost of the study program; scholarship policy and procedure; the wage policy of HEIs and the structure of employees, etc.

To start the revision of law no. 9121/2003, “On the Protection of Competition”, as amended, focusing on full compliance with EU legislation in the field of competition, in preparation for EU membership, adapted to the new conditions of economic development of the country.

ACA has implemented this recommendation of the Resolution.

As part of the European Union's IPA II project, the IPA Twinning project “Further Strengthening the Competition Authority’s capacities to protect the free and effective competition in the market” is being implemented in the premises of ACA, where ACA is the beneficiary and the Spanish Competition Authority CNMC is the implementer.

The project has started with the development of relevant activities according to the components defined in it, where the component (1) is: Improving and approximating the legal framework with EU legislation. Within this component, on October 14-18, 2019, was held the first meeting, where was performed the legal analysis and were identified the problems during the implementation of the law.

Contribute to the further raising of awareness of the public about the role of the Authority in guaranteeing free and effective competition in the market and more accurate recognition of the public with the field of activity of the Authority.

ACA has implemented this recommendation of the Resolution.

ACA in fulfillment of this obligation in the period October-December 2019 has carried out these activities:

1. Conference “Competition and Entrepreneurship”, on the occasion of the 15th anniversary of law no. 9121/2003 “On the Protection of Competition” as amended, held on 14 November 2019. In this activity was presented the IPA twinning project entitled “Further strengthening of the capacity of the Competition Authority to protect free and effective competition in the market”, which is being implemented by CNMC and FIIAP.
2. Round table in the city of Vlora, on 25.11.2019, at the University “Ismael Qemali”, on the topic: “To recognize competition and its challenges”.
3. Round table in the city of Shkodra, on 11.11.2019, at the University “Luigj Gurakuqi”, on the topic: “To recognize competition and its challenges”.

ACA, during 2019, as a beneficiary of the EBRD Project “Technical assistance for ACA, capacity building, drafting of legislation and advocacy”, pursuant to component 1 of the project “Strategy for Competition Advocacy” has begun drafting the Strategy of Advocacy for ACA.

To continue the implementation of the obligations deriving from the National Plan for European Integration (PKIE) in terms of approximation of legislation with European directives in the field of competition.

ACA has implemented this recommendation of the Resolution.

Pursuant to the National Plan for European Integration 2019-2022, ACA has continued the process of approximation of legislation with European directives in the field of competition as follows:

- a. CC by decision no. 633, dated 26.06.2019 approved the instruction no. 3, dated 26.06.2019 “On the damages that are caused and the actions that are taken when

the provisions of law no. 9121/2003 are being violated”.³

Focus on training ACA staff regarding the assessment of exclusive and special rights and especially on the assessment of public procurement procedures for bid riggings.

ACA has implemented this recommendation of the Resolution.

In the framework of the project funded by the European Union, IPA 2015 during 2019, ACA has conducted staff trainings according to the component (2) “Organization of training and study visits”, focusing on: assessment of exclusive and special rights and especially in the assessment of public procurement procedures for bid riggings.

To be more proactive in the ex-ante evaluation of draft laws, as well as to inform the Assembly about the decision-making of the Competition Commission regarding any legal act that affects the competition parameters, at the stage of their review by the responsible parliamentary committees.

ACA has implemented this recommendation of the Resolution.

At the request of the proposing institutions during 2019, pursuant to Articles 69 and 70 of Law no. 9121/2003, ACA has evaluated the draft laws as follows:

- i. Draft Law “On Collective Investment Undertakings”;
- ii. Draft law “On payment services”;
- iii. Draft law “On capital markets”;
- iv. Draft law “On mandatory insurance in the transport sector”.

CC by decision no. 645 dated 31.07.2019 “On monitoring the implementation of the recommendations of decision no. 562 dated 25.10.2018 of the Competition Commission in the market of mandatory technical control service of motor vehicles and their trailers in the Republic of Albania”, has decided:

1. Pursuant to Article 69 of Law no. 9121/2003 “On the Protection of Competition”, to request MIE market liberalization, since the Concession Contract dated 03.09.2009 “On the service of mandatory technical control of motor vehicles and their trailers in the Republic of Albania” ends on 03.09.2019.
2. To notify the Assembly of the Republic of Albania for the non-implementation of the Competition Commission’s decision no. 562, dated 25.10.2018 by MIE.

1.2 Regulations approved by the Competition Authority during 2019

In the framework of the process of approximation of legislation and PKIE, during 2019 ACA has approved the bylaws as follows:

1. Instruction no. 3, dated 26.06.2019 “On the damages that are caused and the actions that are taken when the provisions of law no. 9121/2003” are violated, in accordance with Directive 2014/104 / EU of the European Parliament and of the Council of 26 November 2014 “On certain rules governing actions for damages under national law for infringements of the

³ Në përputhje me Direktivën 2014/104/EU të Parlamentit Evropian dhe të Këshillit e datës 26 nëntor 2014 “Mbi disa rregulla që rregullojnë veprimet për dëmet e ligjit kombëtar për shkelje të dispozitave të ligjit të konkurrencës të Shteteve Anëtare dhe të Bashkimit Evropian” (32014L0104/ OJ L 349, 5.12.2014).

competition law provisions of the Member States and of the European Union”⁴

Pursuant to law no. 9121/2003, the following bylaws have been adopted:

1. CC by decision no. 636, dated 04.07.2019 has approved “On the approval of the Competition Agency Procedures (CAP) within the framework of the International Competition Network (ICN)”.
2. CC by decision no. 665, dated 16.12.2019 has approved the Regulation “On the prevention of conflicts of interest and on the declaration of assets in the exercise of public functions in the CA”.
3. CC by decision no. 584, dated 24.01.2019 has approved the Regulation “On setting the expenses for following the procedures at the ACA”.

⁴ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.349.01.0001.01.ENG

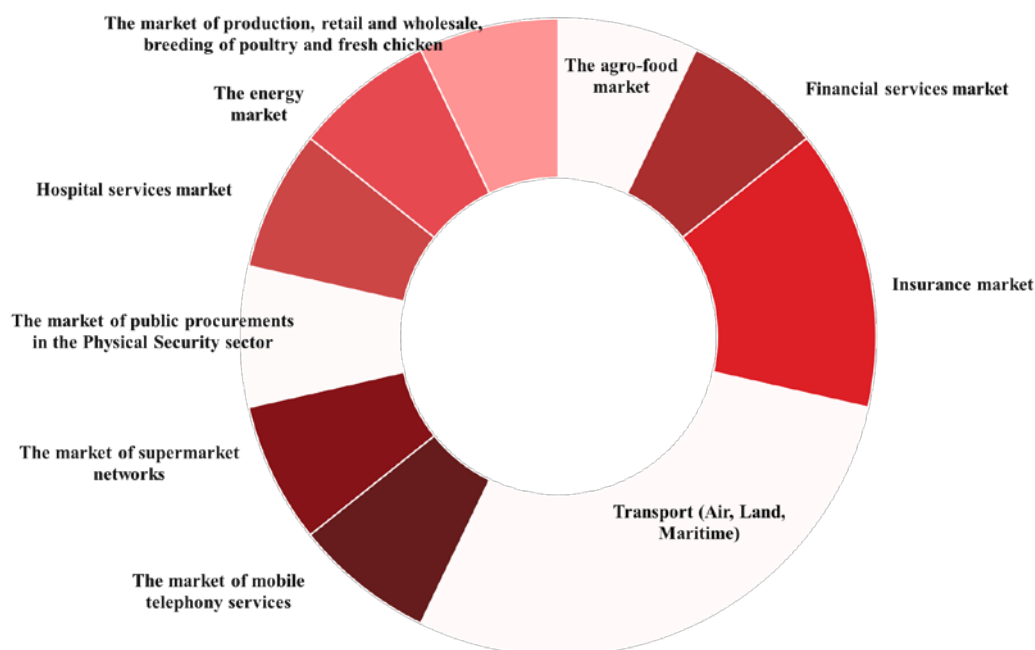
PART TWO

COMPETITION LAW ENFORCEMENT

2.1 Monitored markets

ACA pursuant to Article 28 of Law 9121/2003 has conducted monitoring, analysis and market studies for the development of free and effective competition.

15 monitorings were carried out during 2019. The monitored markets have been:



3 (three) markets have not gone through investigative procedures:

Production market, wholesale and retail trade and breeding of poultry for meat and fresh chicken product

Based on a complaint filed at ACA, which raised concerns about the way the product “Fresh chicken” is traded by an undertaking operating in this market. Pursuant to Article 28 of Law no. 9121/2003, was carried out a monitoring in the relevant market to see if there are elements that limit or distort competition in this market.

At the conclusion of the monitoring from the analysis of data administered by the General Directorate of Customs, the National Food Authority and the Ministry of Agriculture and Rural Development, it was concluded that in the market of production, wholesale and retail trade and poultry breeding for meat and the “Fresh chicken” product has no signs of restriction, distortion or obstruction of competition under Articles 8 and 9 of Law no. 9121/2003.

Public procurement market for the provision of Physical Security services

Based on a complaint filed by the private company of security and physical security “H. Security” regarding the presentation in groups with the same values of bids in the procurement procedures of the security and physical security service, pursuant to articles 28 and 29/1 of law no. 9121/2003 was carried out a monitoring in the respective market.

The monitoring showed that submitting bids with the same values would not allow any party to agree on a predetermined victory. The selection of the winning bid in these cases is based on the lottery with balls, making the winner unpredictable and cannot be predetermined. Identical offers are a consequence of the behavior of enterprises oriented towards the minimum price calculated according to legal and sub-legal acts pursuant to the joint recommendation of PPA and KPP (VKK no. 407, dated 08.03.2016). At the end of the monitoring it turned out that there are no signs of a bid rigging in the public procurement procedures in the sense of article 4 of law no. 9121/2003.

CC by decision no. 640, dated 25.07.2019 “On giving some recommendations regarding the exercise of the activity of the undertaking “Illyrian Guard” SHA” has decided to recommend to the undertaking “Illyrian Guard” SHA, that during the exercise of its activity to respect the principles of competition and legal provisions deriving from law no. 9121, dated 28.07.2003 “On the protection of competition”, as amended and especially the observance of Article 9 of this law. This case was reviewed after filing a complaint at ACA.

Regarding this market, ACA held a hearing on 4.07.2019 with the head of the Public Procurement Agency, where were discussed the problems of this market.

Loading and unloading of Hydrocarbon shipping market

Based on a complaint filed at ACA by the undertaking RPSHA, regarding the tariffs for the service of loading and unloading of hydrocarbon ships applied by the undertaking Porti MBM (Multi Buoy Mooring), in Porto-Romano, Durrës, pursuant to Article 28 and 29/1 of law no. 9121/2003, was carried out the monitoring and evaluation of this complaint, regarding the tariffs for the service of loading and unloading of hydrocarbon ships applied by the undertaking Porti MBM.

From the evaluation of the complaint it resulted that:

- The undertaking Romano Port SHA has the exclusivity of providing loading and unloading service in the area of “Porto Romano”, with limited processing capacity of ships transporting hydrocarbons, up to 20,000 tons for oil and 3,000 tons for liquefied petroleum gas. Tariffs for services provided by this undertaking are approved in advance by the Authorized State Body (OSHA) and cannot be changed unilaterally by the undertaking Romano Port SHA.
- The undertaking Porta MBM, based on the concession contract has gained the exclusive right to provide the service of loading and unloading of vessels that transport hydrocarbons of sizes over 20,000 tons and diving over 8 (eight) meters, in Porto Romano Durrës, for a period of 35 years. Tariffs for MBM port services have been approved by the Joint Instruction of MEI and MFE no. 5749/5, dated 10.09.2019 “On determining the tariffs of

port services of the port type MBM in Porto Romano, Durrës” and are the same for all users of the port.

- CC by decision no. 383, dated 17.11.2015 “On some recommendations regarding the concession contract in the form of “BOT” (construction, use and transfer) of an MBM type port in Porto Romano, Durrës, between the Ministry of Transport and Infrastructure and the concession undertaking “Porti MBM (Multy Buoy Mooring)” has given the relevant recommendations on determining the methodology of tariffs for port services provided by the concessionary undertaking Port MBM”.
- Following this decision of the CC by the MEI as the Authorized State Body, by decision no. 1, dated 03.05.2019, was approved the “Regulation of the operation of the fuel processing port for the concession undertaking MBM”, based on which the MBM Port functions as an open port for international maritime traffic, according to the standards defined in the International Maritime Conventions. , in which the Republic of Albania is a party, as well as in the implementation of legal and sub-legal acts in force.
- Also MIE and MFE with Joint Instruction no. 5749/5, dated 10.09.2019 “On determining the tariffs of port services of the port type MBM in Porto Romano, Durrës” have approved the tariffs for port services provided by the concession undertaking Port MBM.

It results that: fees for port services provided by the concession undertaking Port MBM, have been approved by the Joint Instruction of MEI and MFE no. 5749/5, dated 10.09.2019 “On determining the tariffs of port services of the port type MBM in Porto Romano, Durrës”. In these case, both concession undertakings are placed on equal terms, as their fees are approved in advance by the relevant state bodies.

1 (one) market which will go through the investigative procedure for 2020

“Tirana Airport Partners SH.P.K”(concession)

CC by decision no. 538, dated 20.07.2018 “On some recommendations for increasing competition in the air transport service market in the Republic of Albania”, decided:

1. To recommend to the Council of Ministers to request the Authorized State Body (OSHA):
 - Pursuant to point 19.4, letter (a) of the Concession Agreement of the International Airport, in the capacity of the Authorized State Body and in cooperation with the concessionaire undertaking, to review the Payments for Airport Services as provided every three years.
 - Due to the position of the concessionaire undertaking, as the only provider of international passenger transport services, OSHA has to design and approve a methodology / regulation for the establishment of airport fees, as well as fees to be cost-oriented.
2. To request from the Committee on Economy and Finance and the Commission for Production Activity, Trade and Environment of the Assembly of the Republic of Albania the support to enable the implementation of the recommendations of this decision.

In order to implement the monitoring of the recommendations given in the services market offered by the concessionaire of “Tirana International Airport” during 2019, ACA has addressed the Civil Aviation Authority by letter no. 294 prot., Dated 26.04.2019 “Request for information”, where it requests the availability of the Audit Report for the Concessionaire of “Tirana International Airport”.

The Civil Aviation Authority responded by letter no. 881/3 Prot., Dated 06.06.2019 by sending to ACA a copy of the Final Report of the Independent Economic Review of the TIA Concession Contract.

From the monitoring it was ascertained that:

1. The fees set out in the contract annexes are the same for all the undertakings who receive service from TIA;
2. From the contract annexes it is not possible to identify whether the tariffs that define these annexes are based on any methodology of determining these tariffs for operators; based on the cost of providing these services, details of the constituent elements of the cost which are then reflected in the setting of these fees;
3. We need to have information about the tariffs offered by airports in the region, or the fees paid by the same operators who receive the service here in Albania with the fees they pay at other airports where they offer the same service;
4. According to the report of the Independent Economic Review of the TIA Concession Contract, there is a gap or difference between the reported and audited tariffs for the security fee, which according to TIAs explanations is related to the payment of the “security tax” of 25 % paid to the General Directorate of Civil Aviation under the concession agreement.
5. Also, according to the report of the Independent Economic Review of the TIA Concession Contract, it is noticed that the fees for land services and those for landing and take-off of the aircraft are significantly higher than the norms presented in the undertaking's business plan.
6. During the years of activity, TIA has had a significant increase in the number of passengers. The average increase in passenger volume from 2005 to 2017 was 14.8%.
7. Consequently, at the end of the evaluation period it appears that TIA has seen an increase in profits as a result of revenues provided by the increase in passenger volume and an increase in the rate of air traffic management, compared to other countries. As a result of the Independent Economic Review of the TIA Concession Contract, TIA's profit margins are higher than those of the neighboring countries.

This market will be one of the priorities of ACA's activity for 2020.

1 (one) monitored market, for which the CC decided to open a preliminary investigation:

The market of road transport of taxi passengers (4+1 places) in the city of Tirana

Monitoring of the passenger transport market by taxi (4 + 1 seats) in the city of Tirana began after the filing of several complaints. The monitoring showed that this market has problems with pricing. Regarding the above, in order to assess the behavior of the undertakings operating in

the market of road transport of taxi passengers (4+1 places) in the city of Tirana, to see if there are, or not, signs of limited competition in the sense of article 4, point 1 and article 9 of law no. 9121/2003, CC by decision no. 609, dated 10.04.2019 decided to open a preliminary investigation in the market of road transport of taxi passengers (4+1 places) in the city of Tirana for the period January 1, 2018 - March 31, 2019.

At the end of the investigation, the CC by decision no. 667, dated 24.12.2019 “On the closure of the preliminary investigation procedure in the market of road transport of taxi passengers (4+1 places) in the city of Tirana and the provision of some recommendations”, decided to:

1. Recommend MIE and MFE:

a. To review and update the Joint Instruction of the Ministry of Public Works, Transport and Telecommunications and the Ministry of Finance (today MEI and MFE), no. 1726/3, dated 21.04.2008 “On setting prices and fees in the taxi service” and unifying all acts that are implemented in accordance with this instruction;

2. Recommend the Municipality of Tirana the observance of the hierarchy of normative acts, after reviewing and updating the instruction by MEI and MFE, given that the Municipal Council determines the differentiated levels of prices and fees within its jurisdiction, in accordance with the joint instruction of the Ministry of Public Works, Transport and Telecommunications and the Ministry of Finance;

b. to verify the licensed transport subjects in the taxi service, making transparent on the official website the list of licensed and registered persons at the General Directorate of Metrology and Calibration (DPMK) and the General Directorate of Taxes;

3. Recommend DPMK to carry out the firing of the taximeter according to the tariff determined by the Decision of the Municipal Council for all licensed undertakings operating in the taxi market accompanied by the serial number for each license and their periodic verification (within the year).

10 (ten) markets monitored pursuant to VKK 2018-2019:

Insurance market for green cardboard product

ACA has continued the monitoring in the insurance market for the Green Card product pursuant to VKK no. 623, dated 23.05.2019 “On monitoring the implementation of VKK no. 499, dated 15.02.2018 for the green card”.

In order to carry out this monitoring, which is still in process, it has been ascertained that during this period, the insurance companies have implemented all the conditions and obligations defined in VKK no. 499, dated 15.02.2018, and this decision has had positive effects on the market. During this period there has been no increase in the price of green card by insurers, nor has there been an increase in the risk price, which is approved by AFSA. To eliminate counterfeit police, now the green card insurance policy is the only insurance policy that is printed with QR Code.

ACA has cooperated with AFSA, the BoA and insurance companies, seeking information on the implementation of this decision and increasing competition in the sector, for the entire period of exclusion from the prohibition of the agreement.

Insurance market for TPL product

CC by decision no. 637, dated 09.07.2019 “On monitoring the implementation of the decision no. 561, dated 15.10.2018 for the domestic TPL product”, which was implemented by VKK no. 561, dated 15.10.2018 “On some recommendations and the closure of the preliminary investigation in the market of mandatory motor insurance for liability to third parties for the domestic TPL product”, has carried out the monitoring of this market for the implementation of the given recommendations.

At the end of the monitoring period, CC decided: to request the AFSA to implement VKK no. 561, dated 15.10.2018, within a period of 6 months: to report to ACA for the fulfillment of the recommendations; monitoring the behavior of insurance companies in the TPL market, after determining the risk premiums from AFSA for each insurance company, reporting to ACA about monthly sales for each company for a period of 1 year, starting from March 2019; monitoring the behavior of brokerage undertakings and the undertaking “Star Broker”, licensed by AFSA as an insurance broker, reporting to ACA monthly sales for each undertaking for a period of 1 year, starting from March 2019.

On 25.07.2019, the CC held a consultative session with the Executive Director Mr. E. Koci, and other representatives of the AFSA, regarding the implementation of the decisions of the CC, the observations of the AFSA against these decisions, as well as finding opportunities to provide solutions to problems in the insurance market.

ACA has held two consultative meetings with AFSA, on the dates: 10.09.2019 and 11.09.2019 where were discussed the fulfillment of the recommendations of VKK no. 561, dated 15.10.2018 and VKK no. 637, dated 09.07.2019 as follows:

- a. To approve the risk premium for each insurance company based on the report prepared by the company's actuarial, not approving and orienting the same risk premium for the entire MTPL market;
- b. To verify whether the trading of TPL in their sales systems is in accordance with the rules of market behavior approved by AFSA, in order to avoid unwanted consequences for the competition in the market;
- c. To take measures to stop the trade of mandatory insurance policies contrary to the provisions of law no. 52/2014 “On insurance and reinsurance activity”;
- d. To take measures to allow display in trading systems used only by agents of the insurance company on whose behalf it operates;
- e. Prohibit agents from trading on behalf of other unlicensed insurance companies;
- f. In the trading systems of mandatory insurance policies, interventions that are not in accordance with the bylaws and the rules established by AFSA should be avoided, in order

to avoid a possible coordination of behavior between competing undertakings;

- g. To submit before the Competition Authority requesting the initiation of relevant legal procedures for each case for which it finds anti-competitive behavior by undertakings that exercise activities in the market of mandatory motor insurance for liability to third parties.

For the implementation of these recommendations, ACA has completed the correspondence with AFSA as follows:

- ACA, by letter no. 222/14 prot., Dated 08.10.2019 “Request for information” has requested the implementation of the recommendations of VKK no. 561, dated 15.10.2018;
- AFSA, by letter no. 3602/11 prot., Dated 09.10.2019 informs us about the implementation of the recommendations of ACA.

Monitoring shows that:

- i. point “a” of the VKK provision no. 561, dated 15.10.2018: “To approve the risk premium for each insurance company based on the report prepared by the company's actuarial, by not approving and orienting the same risk premium for the entire TPL market”.

AFSA, with Decisions no. 54, dated 27.03.2019 “Albsig”; no. 55, dated 27.03.2019 “Ansig”; no. 56, dated 27.03.2019 “Atlantik”; no. 57, dated 27.03.2019 “Eurosieg”; no. 58, dated 27.03.2019 “Insig”; no. 59, dated 27.03.2019 “Intersig VIG”; no. 60, dated 27.03.2019 “Sigal Uniqa Group Austria”; no. 61, dated 27.03.2019 “Sigma Interlbanian Vienna Insurance Group”, “For the approval of the risk premium table for the calculation of technical provisions for the mandatory insurance of the liability of the motor vehicle owner for damages caused to third parties by the use of this vehicle”, approved the risk premium tables for each undertaking for TPL product.

By decision no. 62, dated 27.03.2019 “On the approval of the risk premium table for calculating the level of technical provisions for mandatory insurance of liability of the owner of the motor vehicle for damages caused to third parties by the use of this vehicle”, for contracts TPL insurance; for border insurance contracts; and for green card contracts.

Regarding the above, point “a” of the VKK provision no. 561, dated 15.10.2018 was implemented by AFSA approving the premium individual risk for each undertaking.

- ii. point “b” of the VKK provision no. 561, dated 15.10.2018: “To verify whether the trading of TPL in the sales systems of insurance companies is in accordance with the rules of market behavior approved by AFSA, in order to avoid unwanted consequences for competition in the market”.

AFSA, by letter no. 3602/11, dated 09.10.2019 “Response to your letter Request for Information”, informs us that it has conducted inspections at insurance intermediaries, where it has been ascertained cases of sale of mandatory insurance policies contrary to the requirements of Article 38, of law no. 10076, dated 12.02.2009, “On mandatory insurance in the transport sector”.

AFSA has also proposed relevant amendments to Regulation no. 23, dated 26.02.2018 “On the

electronic register of sales of mandatory motor insurance contracts”, which were approved by the decision of the Board no. 188, dated 18.09.2018. The last inspection for sales systems at insurance companies was conducted during July and September 2019. During this period, the working group proposed further technical documentation for information security and further provision of system transparency, which were met by IT representatives of insurance companies, according to their report.

Regarding the above, point “b” of the VKK provision no. 561, dated 15.10.2018 has been implemented by AFSA by making the relevant verifications if the trading of TPL in the sales systems of insurance companies is in accordance with the rules of market behavior approved by AFSA.

- iii. point “c” of the VKK provision no. 561, dated 15.10.2018: “Take measures to prohibit the trade of mandatory insurance policies contrary to the provisions of Law no. 52/2014 “On insurance and reinsurance activity””

AFSA, by letter no. 3602/11, dated 09.10.2019 “Response to your letter “Request for Information””, informs us that during 2019 have been taken measures against agents/employees of insurance companies, for violations found during the trading of insurance policies contrary to the requirements legal specifically:

- Board Decision no. 5, dated 31.01.2019 “On taking administrative measures against the insurance agent at the insurance company “Ansig” SHA, Mr. Astrit Puci”.
- Board Decision no. 23, dated 04.03.2019 “On taking administrative measures, against the insurance agent at the insurance company “Sigal Uniqa Group Austria” SHA, Mrs. Makbule Hoxha”.
- Board Decision no. 24, dated 04.03.2019 “On taking the administrative measure, against the insurance agent at the insurance company “Eurosig” SHA, Mrs. Rudina Skonja”.

Regarding the above, point “c” of the VKK provision no. 561, dated 15.10.2018 was implemented by AFSA taking measures against agents/employees of insurance companies for violations found during the trading of insurance policies contrary to legal requirements.

- iv. point “e” of the VKK provision no. 561, dated 15.10.2018: “*To stop agents from trading on behalf of other insurance companies for which they are not licensed*”

AFSA by letter no. 3602/11, dated 09.10.2019 “Response to your letter “Request for Information””, informs us that during the last inspection of sales systems conducted during July and September 2019 it was noted that certain agents have made available the relevant agreements concluded between the insurance companies, according to the requirements of article 194, point 2 of law no. 52/2014, provision which allows certain agents of an insurance company to operate as agents for other insurance companies: “the agent's activity may also be performed on behalf of certain insurance companies, if the insurance companies have agreed to a written agreement between them.” 23, dated 26.02.2018, article 5, point 2.1.c, it is foreseen that: “Any agent who has access to police sales, of more than one insurance company, must have a copy of the agreement in his premises, which allows access to them”.

Regarding the above, point “e” of the VKK provision no. 561, dated 15.10.2018 was implemented by AFSA, after inspections which have identified the relevant agreements concluded between insurance companies which allows certain agents of an insurance company to operate as agents for other insurance companies.

- v. point “f” of the VKK provision no. 561, dated 15.10.2018: “In the trading systems of mandatory insurance policies to avoid interventions that are not in accordance with bylaws and rules set by AFSA, in order to avoid a possible coordination of behavior between competing undertakings”

AFSA by letter no. 3602/11, dated 09.10.2019 “Response to your letter “Request for Information””, informs us that the sales reporting system has been created as part of the information center, based on Article 38 of Law no. 10076, dated 12.02.2009, and the purpose of this system is to provide reliable statistics, standardize practices, avoid fraud cases, and compensate the injured party in due time and measure. The insurance policy sales system is administered by any insurance company, which supplies the data reporting system. AFSA has improved regulations and continues to monitor the reporting system.

Regarding the above, point “f” of the VKK provision no. 561, dated 15.10.2018 was implemented by AFSA, ascertaining that the purpose of the system is to provide reliable statistics, standardization of practices, avoidance of fraud cases and compensation of the injured party in due time and measure.

- vi. point “g” of the VKK provision no. 561, dated 15.10.2018: “To submit to the Competition Authority requesting the initiation of relevant legal procedures for each case for which it finds anti-competitive behavior by undertakings that exercise activities in the market of mandatory motor insurance for third party liability”.

Recommendations given in point II, letters: “a”, “b”, “c”, “d”, “e”, and “f” of the enacting clause of the CC decision no. 561, dated 15.10.2018, were implemented by AFSA. Regarding the letter “g” of this decision, ACA welcomes the cases that will be presented in the future by AFSA for which it finds anti-competitive behavior by undertakings that exercise activities in the market of mandatory motor insurance for third party liability.

Mandatory technical control service market of motor vehicles and their trailers in the Republic of Albania

CC by decision no. 562, dated 25.10.2018, “On imposing fines and obligations on the undertaking “SGS Automotive Albania” SHPK in the market of mandatory technical control service of motor vehicles and their trailers in the Republic of Albania and providing some recommendations”, has decided that for violation of competition, specifically Article 9, point 2, letters (a) and (ç), of law no. 9121/2003 to impose a fine in the amount of 5.69% of the total turnover of the undertaking for the previous financial year (2017), respectively in the amount of 51,091,005 (fifty one million ninety one thousand five) Lek, which was collected and deposited in the Budget of state.

Also, CC has decided:

The obligation of the undertaking “SGS Automotive Albania” SHPK to stop the violation of competition and within 45 days to take the necessary measures, as follows:

1. Immediately implement the legal obligation to provide quality, satisfactory service, using Mobile Technical Control Centers (MTCC) at the Technical Control Centers (TCC) with the largest influx of customers;
2. To put into operation 100% of the capacity of all MTCCs and TCCs.
3. Removal of point three from the Declaration-Type signed by the clients before the submission of the required documentation;
4. Drafting a plan to review the redistribution of service delivery posts, in order to increase efficiency and increase the level of service, in the sense that in those TCCs where posts are unused, or at a low level of use, can be brought towards TCCs where there is a higher flow.
5. Develop a plan of measures for the provision and improvement of service in the market of mandatory technical control for vehicles, with better trading conditions in accordance with the contract, and notify the Competition Authority;

By letter no. 377/7 Prot., Dated 25.10.2018 “Sending a decision”, this decision was notified to MEI and SGS.

Monitoring shows that point “1”; “2” and “3” of the enacting clause of the decision no. 562, dated 25.10.2018 were fulfilled by the undertaking SGS Albania SHPK. Regarding the above, it results that points “4” and “5” of the enacting clause of the decision have not been implemented by the undertaking SGS.

By decision no. 562, dated 25.10.2018 CC, has also recommended MIE:

1. Market liberalization in terms of providing this service, including the provision of technical service, as offered by most EU countries.
2. For the duration of the continuation of this concessionaire, within a period of 90 days:
 - a) to adopt a regulation for the functioning and monitoring of the SGS Concessionaire, where all the procedures and services provided by Him have been defined in detail, b)
 - approval of the annual investment plan, in order for the service to be of high quality and to respond to development trends, to increase the flow of funds every year as well as the distribution of the population.
3. Review of the technical manual and especially the deadline for testing the vehicles to be provided with the technical control certificate.
4. Fulfillment of legal and sub-legal acts by clearly defining the role of state bodies regarding the relations between the Concessionaire undertaking, which manages and administers the infrastructure of TCCs and the manner of resolving disputes between them by the regulatory bodies.

ACA addressed MIE by letter no. 85 prot., dated 30.01.2019, and the repeated letter with no. 85/1 Prot, dated 12.03.2019, requesting information regarding the implementation of this decision within 90 days from the clarification of the decision. As follows, for these two letters, ACA did not receive a response from MEI. ACA has again addressed MIE by letter no. 66/2 prot., dated 19.06.2019, which was answered by letter no. 6119/1 prot., dated 17.07.2019,

internally recorded with our no. 66/3 prot., Dated 18.07.2019. Through this letter, MEI informs that pursuant to point 3.3.1 of the Concession Agreement, there has been no request for extension of the concession period by SGS.

Regarding the above, CC by decision no. 645 dated 31.07.2019 “On monitoring the implementation of the recommendations of the decision no. 562 dated 25.10.2018 of the Competition Commission in the market of mandatory technical control service of motor vehicles and their trailers in the Republic of Albania”, has decided:

1. Pursuant to Article 69 of Law no. 9121/2003 “On the Protection of Competition”, to request MIE market liberalization, since the Concession Contract dated 03.09.2009 “On the service of mandatory technical control of road vehicles and their trailers in the Republic of Albania” ends on 03.09.2019.
2. To notify the Assembly of the Republic of Albania for the non-implementation of the decision of the Competition Commission with no. 562, dated 25.10.2018 by MIE.

MEI by letter no. 7283/7 prot., Dated 23.08.2019 “Return Answer”, recorded with our no. 66/6 prot, dated 26.08.2019, has indicated that SGS Albania SH.P. K, has requested MIE with letter no. 1154 prot, on 31.07.2019, extension of the Concession Contract pursuant to point 3.3.1 of the Concession Contract, because:

- a. The concession delivery process will have well-prepared reception facilities which require financial and human resources;
- b. The Contracting Authority must recognize the technological capacities, advantages and problems in order for the service to continue to be provided with the standards required by the legal framework.

ACA by letter no. 66/8, dated 06.09.2019, has requested from MIE the notification of the additional concession contract for the extension of the term, pursuant to article 69, point 1, letter b, of law no. 9121/2003 “On the Protection of Competition” for legal assessment, where ACA will evaluate the regulatory barriers of competition, included in the economic and administrative regulation, in order to have the opportunity to make the relevant recommendations regarding the change of the conclusion of the contract within new extension of the contract until 31.12.2020.

In response to the above, MEI has notified ACA that with the approval of VKM no. 880, dated 24.12.2019 “On the approval of the regulation for the implementation of the Road Code of the Republic of Albania”, has made the necessary legal changes for the implementation of the recommendation, for the liberalization of the market of mandatory technical control service of motor vehicles and their trailers in the Republic of Albania.

Recommendations given in point 1 of the provision of VKK no. 645 dated 31.07.2019, have been taken into consideration by the MEI and the market of the mandatory technical control service of motor vehicles and their trailers in the Republic of Albania has been liberalized.

Mobile services market

CC by decision no. 635, dated 04.07.2019 “On giving some recommendations to AKEP in the mobile services market”, has decided to monitor the mobile phone market for a period of 6 (six) months, monitoring which ends in January 2020.

Also CC by decision no. 661, dated 21.11.2019 “On giving some recommendations to AKEP before making the final decision on the document for public consultation “Market analysis of mobile services market - wholesale market of access and origin in mobile networks”, decided to give some recommendations to AKEP as follows:

1. Before making the final decision on the document for public consultation “Market analysis of mobile services market - wholesale market of access and origin in mobile networks”, to evaluate:

- Comments of Vodafone Albania, submitted to AKEP dated 18.06.2019 regarding the Market Analysis of mobile services in general.
- To take into account the recommendations of the European Commission for market analysis and evaluation of FNT (2018 / C 159/01) according to the regulatory framework for electronic communications, networks and electronic communication services.

ACA after receiving the final decision on the document for public consultation “Market analysis of mobile services market - wholesale market of access and origin in mobile networks” by AKEP, will evaluate the fulfillment of the recommendations given by decision no. 635, dated 04.07.2019.

AKEP Council by decision no. 10, dated 17.04.2019, approved the issuance for public consultation of the document “Market analysis of mobile services market - wholesale market of access and origin in mobile networks, including termination of international incoming calls”. Regarding this document, CC by decision no. 634, dated 04.07.2019 “On giving some recommendations to AKEP regarding the document for public consultation “Market analysis of mobile services market - wholesale market of access and origin in mobile networks, including termination of international incoming calls”, decided to recommend AKEP as follows:

- i. Carry out the analysis of the retail market of the mobile phone market to take the necessary regulatory measures for the regulation of this market, for the determination of the undertaking with FNT in the retail market of mobile services.
- ii. Establishment of relevant regulatory measures by establishing the regulatory measure of non-discrimination of calls within and outside the network (on-net / off-net rule) for the operator that has a dominant position and removal of the regulatory measure of non-discrimination in on-net tariffs / off-net for operators that do not have FNT in the retail market.
- iii. Avoiding subsidies from revenues obtained in the market of termination of international

calls by operators with FNT in the retail market, for the application of tariffs below cost.

Financial market

Pursuant to the CC decisions, the financial services market has been subject to monitoring during 2019, specifically in the services market provided by non banks Financial Subjects and banks.

- CC by decision no. 537, dated 20.07.2018 “On the authorization of the concentration obtained through the sale and transfer of shares of BFSE HOLDING BV to the undertaking AMRYTA CAPITAL LLP”, decided that the financial services market from SFJB, to be subject to monitoring for a period of one year from the authorization of this concentration.

The monitoring aims to assess the behavior of entities in relation to the interest on loans offered, in all forms, commissions applied to services, as well as the flexibility of customer mobility among service providers. From the preliminary analysis in this market it was ascertained a high level of market concentration, high interest rates and commissions applied for the services provided. The market of financial services from SFJB requires a more in-depth and timely analysis and for these reasons, this market will be a priority of the work of CA during 2020.

- CC, by decision no. 580, dated 17.01.2019 “On the acquisition of control through the sale of 98.83% of Tirana Bank JSC shares from Piraeus Bank SA to Balfin LLC and Komercijalna Banka AD Skopje” decided to approve the merger with conditions and monitoring the behavior of Tirana Bank for a period of 1 year.

For the evaluation of the implementation of the given conditions and obligations, Banka Tirana by letter no. 484/21 prot., Dated 31.01.2020 “Sending information according to your letter no. 484/20 prot., Dated 15.11.2019”, has submitted to ACA the required documentation. The conduct of the Tirana Bank is in the process of evaluation.

Hospital services market

CC by decision no. 539, dated 24.7.2018 “On the change of control of the undertaking Hygeia Hospital Tirana SHA from the Diagnostic and Therapeutic Center of Athens, Hygeia S.A to American Hospital SHA” decided to monitor the undertaking American Hospital SHA for a period of 1 year.

Through the written correspondence addressed to the American Hospital and International Hospital (Hygeia Hospital), the behavior of the two hospitals was monitored, which consisted of the analysis of the price of services, the variety of services and the evaluation of economic indicators of both entities. The assessment revealed that after the concentration of the two hospitals, they have reviewed the prices of services with a decreasing trend. Hospitals offer services at different prices.

The behavior evaluation of both hospitals is part of the general investigation procedure in the hospital service, according to the CC decision no. 552, dated 04.10.2018 “On the opening of the general investigation procedure in the hospital service”.

“Conad” supermarket chain market

CC pursuant to decision no. 560, dated 15.10.2018 “On the closure of the preliminary investigation procedure against the undertaking “Conad Albania” SHPK in the market of food trade products which carry the brand “Conad” in the Republic of Albania and the imposition of certain obligations on the undertaking “Conad Albania” SHPK, carried out a monitoring of this decision.

From the evaluation of the information reported by Conad Albania, it resulted as follows:

- i. point “2 / a” of the provision VKK no. 560/2018, the undertaking “Conad Albania” SHPK has removed from the sales invoices, the recommended price and the calculation of the theoretical margin;
- ii. point “2 / b” of the VKK provision no. 560/2018, in order to ensure that the computer system both inside and outside does not issue invoices with recommended prices and theoretical margins, monitoring was carried out in the country, which shows that the computer system both inside and outside “Conad Albania” SHPK issues invoices without selling prices and theoretical margin;
- iii. point “2 / c” of the provision VKK no. 560/2018, “Conad Albania” with letter no. 65/1 prot., Dated 15.02.2019 has responded by making available to ACA the information on the measures taken in accordance with the decision of ACA.

Recommendations given in point 2, letters: “a”, “b”, “c”, of the enacting clause of decision no. 560, dated 15.10.2018, were fully implemented by “Conad Albania” SHPK.

Air transport market, Austrian Airlines

Pursuant to the CC decision no. 525, dated 14.06.2018 “On the closure of the preliminary investigation in the market of passenger air transport to the undertaking Austrian Airlines and the issuance of some recommendations”, ACA has continued monitoring the passenger air transport market of Austrian Airlines. The monitoring was carried out every 4 months regarding the prices applied by Austrian Airlines, the number of complaints it has had, cases of overbooking, for a period of 1 year.

During the monitoring of this market Austrian Airlines:

- From October 5, 2018, it has placed on the ticket control stands as well as on the boarding gate a clear and easily readable version of the passenger rights which comes in Albanian, English and German.
- In cases of refusal to board the plane or cancel the flight, each damaged passenger is given a business card with all the contact details of the relevant department handling the complaints; the e-mail address / phone number where the complaint should be addressed is notified; a leaflet is delivered to him with all the procedure he has to follow to carry out the complaint and its follow-up until finalization.

- Any passenger affected by the delay of at least 2 hours shall be notified of the rights of the passenger by the supervisory staff at the airport, together with the damaged passenger's rights form.
- Each passenger is provided with the document with the route to be followed for the complaint of the case and also published on the website of the undertaking where it is published in a special section the entire procedure that is followed for each damaged case.
- Regarding the minimization of as much as possible for the trading of tickets on the capacity of the aircraft, Austrian Airlines has not submitted a clear information on concrete figures, but states that it has minimized the reservations on capacity to the maximum.

From the monitoring regarding the recommendations for the Civil Aviation Authority (CAA) pursuant to the CC decision no. 525, dated 14.06.2018, he states that:

- CAAs in terms of price analysis applied by air carriers with a dominant position in the market, they are easily placed by the market and not through a regulated methodology.
- From the monitoring carried out by the CAA itself, it was noticed that the general information on the rights of the passengers appears clearly and visibly inside the airport, in order to ensure that the passengers present at the airport are informed about the cancellation of their flight and for their rights.

From the monitoring it results that ACAs decision no. 525, dated 14.06.2018 was implemented in moderation and ACA again addressed the undertaking Austrian Airlines requesting information, to continue monitoring the implementation of the recommendations.

Electricity storage and diversion market

The Energy Community Secretariat (ECS) submitted the Letter on 19.10.2018, recorded with ACA with no. 601 Prot., With object “Notification of potential anti-competitive conduct and request for investigation”, regarding two public procurement procedures conducted by KESH, referred to: “Deposit Agreement” concluded between KESH SHA and EFT AG and “Deviation Contract” concluded between KESH SHA and GSA SHPK.

CC by decision no. 588, dated 28.01. 2019 “On the opening of the preliminary investigation procedure in the electricity storage and diversion market”, has decided to open the preliminary investigation procedure in the electricity storage and diversion market, to see if there are any signs of restriction or distortion of the provisions of law no. 9121/2003.

CC by decision no. 644, dated 31.07.2019 “On the closure of the preliminary investigation in the market of storage and deviation of electric energy, giving obligations for KESH SHA as well as the implementation of articles 69 and 70 of Law no. 9121/2003”, decided:

1. Determining the violation of competition rules arising from the dominant position of KESH, in terms of procedures for the connection and implementation of:
 - a. Electricity diversion contract between the undertakings KESH SHA and GSA SHPK.

- b. Electricity deposit contract between KESH SHA and EFT AG.
- 2. Giving obligations to the undertaking KESH SHA:
 - a. The obligation of the undertaking KESH SHA pursuant to decision no. 93/2019 of ERE to stop the continuation of these two contracts.
 - b. The obligation of the undertaking KESH SHA to notify the Energy Secretariat in Vienna regarding the progress of the implementation of decision no. 93/2019 of ERE.
 - c. The obligation of the undertaking KESH SHA to notify the Competition Authority regarding the progress of the implementation of decision no. 93/2019 of ERE.
 - d. The obligation of the undertaking KESH SHA, as operator with a dominant position, that for every future contract, which sets special or exclusive rights for undertakings (companies) or for specific products, is to request a preliminary evaluation by the CC..

KESH pursuant to point 3, letter (d) of the enacting clause of the CC decision no. 644, dated 31.07.2019, addresses ACA and ERE for the evaluation of some contracts sent to the undertaking KESH for the purpose of establishing contractual relations, such as:

1. *Contract “On energy exchange between KESH and NOA ENERGY TRADE SHPK”*, with the object of supplying electricity from KESH to NOA when, for any reason, there will be power outages for contractors and customers from NOA and / or when NOA cannot provide interconnection and transmission services from OST SHA and other OSTs where the imported energy passes to meet the energy supply conditions to the customer.

The parties to this contract agree that KESH will cooperate with NOA on the energy that KESH can supply/absorb for/from NOA (diversion energy) when, for whatever reason, there will be deviations between the import program and the supply program, for the purpose of supplying energy to its contractors and customers.

2. *Contract for the exchange of electricity between KESH SHA and the electricity undertaking “ENERGY TO ENERGY” SHPK*, with the object of creating conditions for the optimization of generating capacities; improving the supply of electricity and work quality of the two undertakings in this contract; the exchange of electricity for the purpose of fulfilling the obligations of the parties in this contract to the electricity market and the emergency hydropower situation in case of large inflows in the Drin cascade; emergency supply in case of major droughts. The parties to this contract agree that KESH will supply electricity to the undertaking ETE as agreed between them.

ACA in cooperation with ERE, has informed KESH SHA that: from the evaluation of draft - contracts submitted, it was found that they are the same in content with the previous contracts for diversion and storage of electricity for which the CC has expressed by decision no. 644, dated 31.07.2019 “On the closure of the preliminary investigation in the market of electricity storage and diversion, to provide obligations for the undertaking KESH SHA and the implementation of Articles 69 and 70 of Law no. 9121/2003”, and as such restrict competition.

Monitoring the behavior of KESH SHA continues until July 2020.

The leasing market for storage and selling of Agro-food products in the city of Tirana

CC by decision no. 572, dated 22.11.2018, “On imposing fines and obligations to the undertaking “EKMA Albania” SHPK, in the leasing market for storage and selling of Agro-food products in the city of Tirana” decided:

- I. The ascertainment of the abuse of the dominant position of the undertaking “EKMA Albania” SHPK, in the leasing market for storage and selling of Agro-food products in the city of Tirana.
- II. The imposition of a fine for the undertaking “EKMA Albania” SHPK for serious violation of competition, specifically Article 9, point 2, letters (a), (c) and (ç) of Law no. 9121/2003, in the amount of 9.99% of the turnover of the undertaking of the previous financial year (2017), respectively in the amount of 43,168,617 Lek.
- III. The obligation of the undertaking “EKMA Albania” SHPK to stop the violation of competition and within 30 days and to take the necessary measures, as follows:
 1. Drafting lease contracts based on the provisions of the Civil Code (for the lease contract) to place its parties, lessee and lessor on equal contractual terms pursuant to good commercial law and customs.
 2. The lessor must apply reasonable cost-oriented prices and the average rental price of the geographical area.
 3. The lessor should be transparent in detailing the relevant items and values included in the environmental lease invoice.
 4. The undertaking EKMA Albania SHPK must immediately stop billing over the legal price approved by the competent institutions (OSHEE and UKT).
- IV. In case of non-fulfillment of the conditions and obligations defined in point III of this decision, the undertaking “EKMA Albania” SHPK will be punished with a fine of up to 10% of the annual turnover for serious violation of competition pursuant to Article 74, point 1, letter (c) of law no. 9121/2003.
- V. In case the undertaking “EKMA Albania” SHPK does not stop the violation of article 9 of law no. 9121/2003 and does not comply with the obligations and within the deadlines set in this decision, the CC will impose periodic fines of up to 5% of the average daily turnover of the previous financial year, until the undertaking EKMA Albania SHPK acts in accordance with this decision, in application of Article 76, point 1, letter (a) and (c) of law no. 9121/2003.

For the implementation of this decision regarding point II, ACA during 2019 has participated in court proceedings before the Administrative Court of First Instance, Tirana, which by decision no. 523, dated 19.02.2019 upheld the decision of ACA. The undertaking “EKMA Albania” has requested the insurance of the lawsuit against the decision of ACA but has been rejected by the Administrative Court of Appeal with decision no. 97, dated 18.06.2019.

From the monitoring carried out in the premises of the undertaking EKMA SHPK, it results that the conditions and obligations defined by point II of this decision have not been met by the undertaking.

For this reason, CC by letter no. 365/50, dated 23.10.2019 invited the undertaking “EKMA Albania” to a hearing session with ACA to submit the measures taken regarding the implementation of VKK no. 572, dated 22.11.2018.

Given that, in this scheduled hearing session, no representative of the undertaking EKMA Albania SHPK appeared, ACA by letter no. 365/51 prot., Dated 13.11.2019 requested information from the undertaking regarding the measures for fulfilling the obligations according to VKK no. 572, dated 22.11.2018, letter for which no response was ever returned.

ACA by letter no. 365/52, dated 18.12.2019, reiterated the request addressed to the undertaking EKMA Albania SHPK, setting a deadline of January 10, 2020 for its implementation.

ACA is continuously monitoring the fulfillment of legal obligations pursuant to law no. 9121/2003.

The loading and unloading service market and related activities for bulked goods in the East Terminal of the Port of Durres

CC by decision no. 567, dated 07.11.2018, decided “On the closure of the in-depth investigation procedure against the undertaking “EMS-Albanian Port Operator” SHPK, in the loading and unloading service market and related activities, for the goods bulked in the East Terminal Port of Durres and giving some recommendations”, has set some obligations for the undertaking EMS APO, monitoring the behavior of this undertaking for a period of 1 (one) year, as well as its obligation to submit data on the progress of implementation of this decision and relations with third parties every 3 (three) months to ACA.

Regarding the implementation by the undertaking EMS APO of the given recommendations, regarding the first three months of monitoring, CC by decision no. 608, dated 10.04.2019, “On the obligation to implement the CC decision no. 567, dated 07.11.2018 by the undertaking “EMS-Albanian Port Operator” SHPK”, has decided:

1. Not to accept the draft contract for the provision of loading and unloading services at the eastern terminal at the port of Durres, submitted by EMS OR.
2. The EMS APO Concessionaire in any case of subcontracting of the stevedoring undertakings to operate the terminal, in application of the concessionary contract, shall apply the same terms of cooperation to the subcontractors as set out in proportion to the nature and size of the contract.
3. EMS APO for the drafting of the contract, in compliance with point I / b of VKK 567/2018, to cooperate with the Ministry of Infrastructure and Energy, as the Contracting Authority, with the purpose of issuing a joint draft.
4. EMS APO, in any reporting to the ACA, must submit documents, evidence, facts to corroborate the statements made by it regarding the implementation of the recommendations given under point III of VKK 567/2018.
5. The undertaking “EMS-Albanian Port Operator” SHPK in the event of failure to fulfill the obligations set forth in point (III) of VKK 567/2018, shall be fined up to 10% of the annual turnover for serious violations of competition pursuant to Article 74, of law no. 9121/2003.

Regarding the implementation by EMS APO of the given recommendations, regarding the second three months of monitoring, CC by decision no. 641, dated 25.07.2019 “On the periodic implementation of the Competition Commissions Decision no. 567, dated 07.11.2018 by the undertaking “EMS-Albanian Port Operator” SHPK”, decided:

1. The undertaking “EMS-Albanian Port Operator” LLC in compliance with VKK no. 567/2018, item I / b), as well as VKK no. 608/2019, point 3, to forward the revised draft contract for on-site services to the Ministry of Infrastructure and Energy, with the aim of collaborating on the issuance of a joint draft, reflecting the interests of all stakeholders.
2. Notify the Competition Authority of the EMS-s joint draft contract.

In the following, EMS APO has reported on the third and fourth month of the period under monitoring (May 15-August 15, 2019; August 15-November 15, 2019) regarding the progress of the implementation of the recommendations given according to the CC decision no. 567/2018. From the evaluation of the reported information, it resulted that: EMS APO in respect of VKK no. 567/2018, point I / b), VKK no. 608/2019, point 3, as well as the CC decision no. 641/2019 (point 1), has forwarded for review and amendment to the MEI in the capacity of the Contracting Authority, the draft contract revised for the stewardship services in the Eastern Terminal of the Port of Durres, in order to agree on a final draft which reflects the interests of all interested parties. But until the last report EMS APO states that there is still no response or invitation for consultations from MIE.

Based on the above, in compliance with point 2 of the CC decision no. 641/2019, ACA remains awaiting the final version of the draft contract for staggered services in the Eastern Terminal of the Port of Durres, a variant which will reflect the position of MEI and the interests of all parties operating in the relevant market.

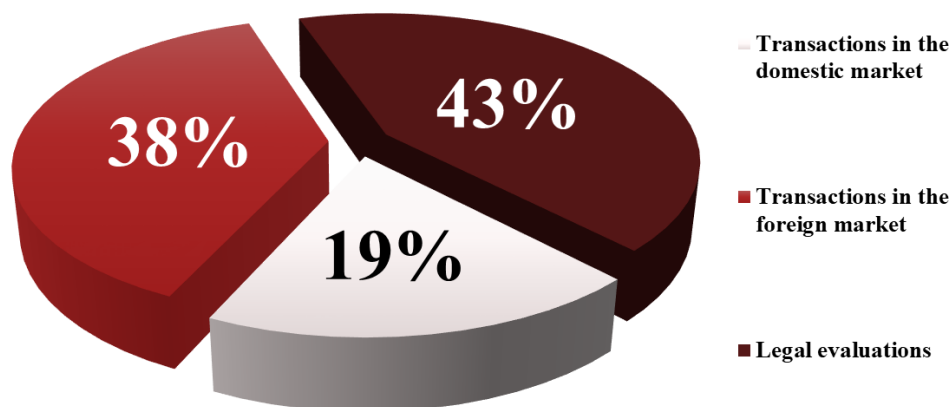
2.2 Concentration Control

ACA, pursuant to Articles 10 and 12, of Law no. 9121/2003, during 2019 has carried out the evaluation of 42 reported cases of concentrations, of which 24 have been authorized by the CC and 18 of them have not met the criteria of law no. 9121/2003.

The sectors of the economy with the largest number of transactions for 2019:



From the evaluation of the concentrations it results that:



- 38% of reported cases are transactions that have occurred in the external market, 16 authorization decisions;
- 19% of the reported cases are transactions that have occurred in the Albanian market, 8 authorization decisions;
- 43% are notifications that do not meet the criteria to be authorized by the CC, 18 legal assessments.

2.2.1 Internal market transactions

ACA has authorized 8 transactions announced in the Albanian market which, detailed according to the markets, are as follows:

Financial Market

In this market, during 2019, have been assessed 7 transactions, of which 3 of them have passed to the concentration assessment procedures, where 1 transaction has occurred in the Albanian market.

- Obtaining control of Tirana Bank by Balfin SHPK

CC by decision no. 580, dated 17.01.2019 “On obtaining control through the sale and purchase of 98.83% of the shares of Tirana Bank SHA from Piraeus Bank SHA to Balfin SHPK and Komercijalna Bank AD Skopje”, decided to authorize the concentration with conditions and obligations for Tirana Bank and recommendations for the Bank of Albania. The transaction was classified as conglomerate concentration which showed no signs of limited competition in the banking services market or in a particular part of it as a result of the creation or strengthening of the dominant position.

After evaluating the respective market, the CC authorized the concentration announced with conditions and obligations for Tirana Bank as follows:

- a) To not apply uneven conditions for the same trading actions with parties, thus placing them in unfavorable competing situation;
- b) b. To not set conditions regarding contract signing with other parties, such that the latter are forced to accept additional obligations, which, due to their own nature or according to trade practices, are not related to the object of the respective contracts;
- c) c. To not undertake banking or financial activities with, and profiting, persons related to it;
- d) d. To ensure, through this transaction, economic efficiency and give assurance on the stability of job contracts of existing staff of Tirana Bank SHA.

It was also decided to recommend to the Central Bank of Albania that:

- a. For matters of financial stability, all trade undertakings controlled by Balfin SHPK which possess a dominant position, or which will acquire this position in the future, should be monitored and be treated as activities related to the banking system, regardless of the object of their activity
- b. To submit to the Competition Authority any change in the structure of the monitored undertakings, where dominant position in the market may be created or strengthened

The market is in the process of monitoring the implementation of the conditions and obligations for Tirana Bank and is evaluating the implementation of the recommendations given to the Bank of Albania on this issue.

Tele-marketing / tele-sales service market

- Grid SHPK with BConnect SHPK

CC by decision no. 582, dated 17.01.2019 “On the authorization of the concentration obtained through the acquisition of control of Grid SHPK by BConnect SHPK”, decided to authorize the announced concentration. This transaction was classified as a horizontal concentration and the combined market share of tele-marketing/tele-sales services (call center) after the concentration reached 4.71%, not creating concerns about competition in the market or in a part of it in particular, as a result of the creation or strengthening of the dominant position.

Air transport services market

- ALH Group SHPK with Lufthansa Industry Solutions AS GmbH KK

CC by decision no. 598, dated 17.05.2018 “On the authorization of the concentration obtained through the acquisition of control of the undertaking ALH Group SHPK by the undertaking Lufthansa Industry Solutions AS GmbH”, authorized the notified concentration. The target undertaking provides services in the software market and is contracted by the purchasing undertaking. This transaction did not show any signs of limited competition in the market or in any part of it in particular, as a result of the creation or strengthening of the dominant position and will not bring any change in the structure of the respective market in Albania.

Hydrocarbon market

- Skysea B.V. with the undertaking Tosk Energy SHA

CC by decision no. 601, dated 21.03.2019 “On the authorization of the concentration obtained through the acquisition of control over the purchase of 50% of the shares by the undertaking Skysea B.V. to Tosk Energji SHA”, authorized the announced concentration. The relevant market in this transaction was considered the market of supply and wholesale of fuels. This transaction showed no signs of limited competition in the market or in any part of it in particular, as a result of the creation or strengthening of the dominant position. The purchasing party did not operate in the Albanian market and the transaction would not bring any change in the structure of the respective market in Albania.

Mobile Phone Market and Internet Service

- Telekom Albania SHA from the undertaking Albania Telecom Invest AD

CC by decision no. 610, dated 10.04.2019 “On the authorization of the concentration obtained through the acquisition of control of the undertaking Telekom Albania SHA by the undertaking Albania Telecom Invest AD”, decided to authorize this concentration, as it was found that this concentration does not show signs of competition restriction in market or part of it in particular, as a result of the creation or strengthening of the dominant position. The relevant market in this transaction was considered the market of mobile telephony, fixed telephony and from the analysis it was concluded that the transaction will not bring any change in the structure of the respective market in Albania.

In order to assess the effects that the change of control of the undertaking Telekom Albania SHA would bring to the market, CC decided to monitor the activity of the undertaking Telekom Albania SHA for a period of 1 year from the decision and the obligation of the undertaking Telekom Albania SHA, to notify in advance the Competition Authority for all changes made to the standard bundles, promotional offers, standard fees that will be put on the market during

the monitoring period.

Pursuant to the CC decision, the undertaking has notified of any change in the bundles provided and the market continues to be monitored.

- Digicom SHPK with Albanian Telecommunications Union SHPK

CC by decision no. 621, dated 13.05.2019 “On the authorization of the concentration obtained through the acquisition of control of the undertaking Digicom SHPK by the undertaking Albanian Telecommunications Union SHPK”, decided to authorize the announced concentration. The relevant product market in this transaction was considered the retail market of electronic communications services, namely the retail market of internet services, fixed telephony and IP TV. This transaction is the case of a vertical concentration, where the participating undertakings operate at different levels of the product chain. After the transaction, it is expected that there will be an increase in the effectiveness and quality of the service, the possibility of transmission and distribution of professional capacities from the use of FTTH technology in Albania.

This transaction does not show signs of limited competition in the market or in a particular part of it, as a result of the creation or strengthening of the dominant position.

Audiovisual broadcast market

- ABC News SHA by Mr. A F and Mrs. A G

CC by decision no. 653, dated 17.10.2019, authorized the concentration obtained through acquisition of control of the undertaking ABC News SHA by Mr. Aleksandër Frangaj and Ms. Alba Ginaj. The market of audiovisual broadcasts has been considered as the relevant market in this transaction. This transaction shows no signs of competition restriction in the market, or in part of it in particular, as a result of the creation or strengthening of a dominant position.

Wheat and flour market

- Atlas Mills SHPK / Besniku SHPK

CC by decision no. 622, dated 13.05. “On the authorization of the concentration obtained through the purchase of 100% of the shares of the undertaking Atlas Mills LLC by the undertaking Besniku SHPK”, decided the authorization of the announced transaction. The relevant market in this transaction was considered the wheat import market, the flour import market and the flour processing and trading market. This transaction does not show signs of limited competition in the market or in a particular part of it, as a result of the creation or strengthening of the dominant position.

It will not bring significant changes in the Albanian market, as the combined market share after the concentration did not create concerns for competition in the market.

2.2.2 Transactions in the foreign market

Pursuant to Article 12 of Law no. 9121/2003, the object of the concentration assessment are the cases, which occur in the foreign market, but which realize income in the Albanian market directly or indirectly. The CC, for 2019, has authorized 16 such cases, through the decisions listed below:

1. The Competition Commission, by **Decision No. 581, dated 17.01.2019**, authorized the concentration obtained through acquisition of control of Adria TopCo B.V. by Summer BidCo B.V. The relevant market in this transaction has been left open.
2. The Competition Commission, by **Decision No. 590, dated 31.01.2019**, authorized the concentration obtained through acquisition of control of the undertaking Magneti Marelli S.p.A. by the undertaking CK Holdings Co., LTD. The relevant market in this transaction has been left open.
3. The Competition Commission, by **Decision No. 591, dated 31.01.2019**, authorized the concentration obtained through creation of a Joint Venture of three new undertakings with full functions and joint control by LG Electronics Inc. and Lufthansa Technik AG. The relevant market in this transaction has been left open.
4. The Competition Commission, by **Decision No. 596, dated 19.02.2019**, authorized the concentration obtained through acquisition of control of the undertaking Wellcomm Engineering S.p.A by the undertaking Sirti S.p.A. The relevant market in this transaction has been left open.
5. The Competition Commission, by **Decision No. 606, dated 19.02.2019**, authorized the concentration obtained through acquisition of control of several BRF companies / subsidiaries in Europe and Thailand by Tyson Foods. The market of supply and sale of meat for human consumption has been considered as the relevant market in this transaction.
6. The Competition Commission, by **Decision No. 614, dated 02.05.2019**, authorized the concentration obtained through creation of a full-function Joint Venture with joint control by Volkswagen Financial Luksemburg SA, Mobileye Vision Technologies Ltd and Champion Motors Ltd. The market of supply of private transportation service through self-driving automotive vehicles has been considered as the relevant market in this transaction.
7. The Competition Commission, by **Decision No. 615, dated 02.05.2019**, authorized the concentration obtained through acquisition of control of the undertaking LogPay Financial Services GmbH by the undertaking Volkswagen Financial Services Aktiengesellschaft. The relevant market in this transaction has been left open.

8. The Competition Commission, by **Decision No. 616, dated 02.05.2019**, authorized the concentration obtained through creation of a full-function Joint Venture by the undertakings Rockwell Automation Diamond Holdings Inc., Rockwell Automation Diamond Foreign Holdings Inc., Schlumberger Technology Corporation, Cameron International Corporation and Schlumberger B.V. The relevant market in this transaction has been left open.
9. The Competition Commission, by **Decision No. 619, dated 09.05.2019**, authorized the concentration obtained through creation of a full-function Joint Venture by Daimler AG and Zhejiang Geely Holding Group Co.,Ltd. The market of automotive sales and automotive part sales shall be considered as the relevant product market in this transaction; however, taking the nature of the transaction into account, as well as referring to the best practices of the European Commission in similar cases, the relevant market may be left open.
10. The Competition Commission, by **Decision No. 624, dated 31.05.2019**, authorized the concentration obtained through acquisition of control of the undertaking Saudi Basic Industries Corporation by the undertaking Saudi Arabian Oil Company. The relevant market in this transaction has been left open.
11. The Competition Commission, by **Decision No. 625, dated 31.05.2019**, authorized the concentration obtained through purchase of 100% of shares of the undertakings Aurora Kunststoffe GmbH, Aurora Kunststoffe Walldürn GmbH and Aurora Kunststoffe VS GmbH by the undertaking Mol Germany GmbH. The relevant market in this transaction has been left open.
12. The Competition Commission, by **Decision No. 631, dated 20.06.2019**, authorized the concentration obtained through acquisition of control of the undertaking ProQuest Holdings LLC by the undertaking A-PQ Holdings LLC. The relevant market in this transaction has been left open.
13. The Competition Commission, by **Decision No. 654, dated 23.10.2019**, authorized the concentration obtained through acquisition of control of the undertaking SKB Banka d.d. Ljubljana by the undertaking OTP Bank. The market of banking services has been considered as the relevant market in this transaction.
14. The Competition Commission by **Decision no. 663, dated 03.12.2019** authorized “On authorizing the concentration obtained through the acquisition of control of Avon Products, Inc. by Natura Cosméticos S.A.” decided to authorize the concentration obtained through the acquisition of control of Avon Products, Inc. by Natura Cosméticos S.A.
15. The Competition Commission by **Decision no. 664, dated 03.12.2019** authorized “On authorizing the concentration obtained through the acquisition of joint control by Hyundai and Kia Motors Corporation, over Ionity Holding GmbH & Co.KG” decided to authorize the concentration obtained through the acquisition of joint control by Hyundai and Kia Motors Corporation, over Ionity Holding GmbH & Co.KG.

16. The Competition Commission by **Decision no. 671, dated 24.12.2019** authorized “On the authorization of the concentration obtained through the acquisition of indirect control by the undertaking EXOR N.V at GEDI Grupoo Editoriale S.p.A”.

2.3 Non-Production/Services Markets

2.3.1 Prohibited Agreements

Banking services market

Based on the findings during the monitoring procedure, CC by decision no. 516, dated 22.05.2018, decided to open the preliminary investigation procedure in the banking sector for Raiffeisen Bank, National Commercial Bank, Credins Bank and Intesa SanPaolo Bank, to assess whether there are elements of violations provided in Articles 4 and 9 of Law no. 9121/2003 in the banking services market.

At the end of the preliminary investigation, the CC concluded the stability of market segments related to deposits and loans, high concentration in some product segments, very low and solid interest rates on deposits, high interest rates on loans, spread several times higher compared to interest rates on deposits, high bank commissions and penalties for switching costs, high commissions for foreign currency bank transfers and high profit rates, which raised the suspicion that there could be a restriction of competition in the respective market within the meaning of Article 4 and 9 of law no. 9121/2003.

For these reasons, CC by decision no. 592, dated 31.01.2019 decided to open an in-depth investigation procedure in the banking sector for Raiffeisen Bank, National Commercial Bank, Credins Bank and Intesa SanPaolo Bank to see if there are or not, signs of competition restriction, for the period 01.01 .2016 to 31.12.2018.

The investigative procedure has been completed and the CC decision is expected after the hearing sessions with the undertakings under investigation and the regulatory institutions of the respective market.

Life and nonlife mediation market of second tier banks

CC, based on the complaint of one of the insurance companies and the information forwarded by AFSA, by decision no. 526, dated 14.06.2018, decided to open the preliminary investigation procedure in the market of life and non-life mediation market of second tier banks.

After analyzing the submitted documentation, at the end of the investigation procedure it was concluded that:

- Raiffeisen Bank and Bank Alpha have not entered into agreements with all insurance companies, thus limiting the possibility of consumer choice for the provision of mediation service property insurance from fire and damages and life insurance of the debtor.

- Credins Bank has limits in offering intermediation of life insurance for other insurance companies in the market (Insig Life and Sigal Life) due to the agent's license. The shareholder relationship between the bank and the insurance company Sicred SHA has influenced the bank's position as an insurance broker by orienting customers towards this insurance company. Credins Bank, despite having agreements with all non-life insurance companies, all premiums mediated by it are insured with Ansig SHA.
- The National Commercial Bank carries out the mediation for the product of fire insurance and property damages by not being licensed for this activity.
- The calculation of the premium value is obtained on the basis of a coefficient, which differs very little from one company to another. Insurance companies do not have a method of calculating the insurance premium in accordance with Articles 87 and 88 of Law no. 52/2014, "On insurance and reinsurance activity".
- Brokerage coefficients vary from 20% - 62.5% of the signed premiums and if we compare them with the brokerage commissions evidenced in previous procedures in the insurance market for TPL or green card products (which range from 5% - 10%), these commissions are very high.
- The lack of a methodology for calculating the insurance premium (police price) makes it economically unjustifiable to apply such commissions, while the insurance risk is totally borne by insurance companies.

In conclusion, it was decided that no elements of a prohibited agreement were found within the meaning of Article 4 of Law no. 9121/2003 and the CC, by decision no. 585, dated 24.01.2019 "On closing of the preliminary investigation procedure in the intermediary market of insurance by second tier banks, the imposition of certain obligations and recommendations", decided to close the preliminary investigation procedure in this market by second tier banks.

1. For the well-functioning of the market, the CC decided the obligation of second tier banks:
 - a) Raiffeisen Bank - should provide brokerage services to non-life insurance companies, without limiting the customer's choice.
 - b) Alpha Bank - should provide brokerage services for life and non-life insurance companies, without limiting the customer's choice.
 - c) National Commercial Bank - must apply in the FSA for a license as an intermediary in non-life insurance, for property insurance product from fire and nature damages.
 - d) Credins Bank - must apply for licensing as a broker for life insurance brokerage services and target clients to all life insurance and non-life insurance companies.
2. Recommend to the Financial Supervisory Authority:
 - a) Ensure that commercial banks that provide insurance broker services to their clients must be provided with relevant insurance broker licenses.

- b) Determine the methodology for the calculation of property and life insurance premiums by insurance companies in accordance with applicable legislation and require insurance companies to orientate their insurance premiums towards costs.
3. The Financial Supervisory Authority shall, within six months of making this decision, inform the Competition Authority of the implementation of the recommendations set out in paragraphs 1 and 2 of the decision.
4. The intermediary market of insurance by second tier banks will be monitored for a period of one year from the decision making.

Pursuant to point 2 of the CC decision, AFSA, through the written correspondence, requested the review of the CC decision. After evaluating the arguments raised by AFSA, the CC by decision no. 605 dated 21.03.2019 “On the rejection of AFSA's request for revision the Competition Commission’s Decision no. 585, dated 24.01.2019 “On the closure of the preliminary investigation procedure in the intermediary market of insurance by second tier banks, the imposition of certain obligations and recommendations””, imposed the obligation of AFSA to implement the recommendations given by the CC decision no. 585 dated 21.01.2019.

Following the process of implementing the recommendations and based on the written correspondence with AFSA, it is concluded that, in relation to point 2 / a of the decision, AFSA is cooperating with the BoA regarding the licensing of banks seeking to exercise brokerage activity. AFSA has conducted inspections with insurance companies regarding the agreements that the latter have with second level banks, as insurance intermediaries, and has taken some decisions on the problems identified.

With the recommendation given in point 2/b regarding the determination of the methodology for calculating the property and life insurance premium by the insurance companies, AFSA states that the risk premium should be left to the discretion of the insurance companies. The lack of this methodology makes it impossible to assess the behavior of banks or insurance companies and to analyze the value of the “fair premium”.

Dental services market

CC by decision no. 586, dated 28.01.2019 “On opening of the preliminary investigation procedure in the market of the dental services”, decided to open the preliminary market investigation procedure for the provision of dentist services to see if there is any sign of limitation or distortion of the provisions of law no. 9121/2003 “On Protection of Competition”, as amended.

CC by decision no. 587, dated 28.01.2019 “On taking temporary measures in the market of dental services”, decided:

1. Taking provisional measures in the dentist services market against the Dentist Order of Albania as follows:
 - a. Immediate suspension of the implementation of the Decision of the National Assembly of the Dentist Order, Decision no. 12, dated 14.12.2018 “On the approval of the floor price list for the dental service”, as it is contrary to the provisions of Law no. 9121, dated 28.07.2003 “On Protection of Competition”, as amended;

2. Deposition of all practices followed until this decision is made, to carry out its legal assessment, based on Articles 4 and 69 of Law 9121/2003 “On Protection of Competition”, as amended;
3. Interim measures are taken for a period of time until the investigation procedure is completed;
4. In the event of non-enforcement of the decision on interim measures referred to in point (I) of this decision, the undertaking of the Albanian Dentist Order shall be fined up to 10% of the annual turnover for serious breach of competition pursuant to Article 74, paragraph 1, letter b) of Law no. 9121/2003;
5. In case of non-enforcement of the decision on interim measures referred to in point (I) of this decision, pursuant to Article 78 “Individual Sanctions”, it is foreseen to impose individual fines of up to ALL 5 million on individuals who willfully or negligently commit or cooperate in the actions sanctioned in Articles 73 1 1 and 74 1 1 of Law 9121/2003.

During the investigation process, ACA cooperated with the Ministry of Health and Social Protection for the implementation of the above CC decision regarding the temporary measures and the abrogation of the Dentist Order act, a procedure which was being followed in court at the request of the ministry.

ACA was notified by the Order of the Dentist for the implementation of decision no. 587, dated 28.01.2019.

CC by decision no. 599, dated 15.03.2019 “On the closure of the preliminary investigation procedure in the dental services market and giving some recommendations”, decided to recommend to the Ministry of Health and Social Protection:

- i. In compliance with sections 69 and 70 of the law, request the Competition Authority's assessment of any draft normative act which may impose quantitative restrictions on market entry and marketing; aimed at establishing exclusive or special rights in certain areas, for undertakings or for certain products; or draft normative acts which impose similar practices on prices and conditions of sale;
- ii. Request the opinion of the Competition Authority in advance where tariff setting methodologies or tariff reviews are predicted;
- iii. The fees offered to the customers in the dental service must be cost-oriented.

Also recommended to the Dentist's Order that in cases of decisions taken by the governing bodies of the Dentist Order, concerning the various aspects affecting competition in the market, in order to protect free and effective competition, the provisions of Law 9121/2003 “On Protection of Competition” shall be respected”.

2.3.2 Abuse of dominant position

The economic market activities developed by the Albanian Football Federation

CC by decision no. 564, dated 10.25.2018 decided “The opening of the preliminary investigation against the Albanian Football Federation regarding the economic activities that it conducts”. At the end of the preliminary investigation by the analysis of the behavior of the FSHF in the respective markets, the CC concluded that: the sale of audiovisual rights to a single operator for a long period of 7 years, including in a single package all exclusive rights, becoming

exclusive to other operators, high ticket sales prices compared to the region may limit competition within the meaning of Articles 4 and 9 of Law no. 9121/2003.

After the ending of the preliminary investigation, the CC by decision no. 607, dated 01.04.2019 decided on the opening of the in-depth investigation procedure against the Albanian Football Federation to see if there are any, signs of restriction of competition, for the period 01.01.2015 to 31.12.2018. At the end of the investigation, from the analysis of the competition, the CC found that the FSHF in the respective markets has abused its dominant position and pursuant to Article 39 of Law no. 9121, dated 28.7.2003 “On the Protection of Competition”, as amended, the FSHF was invited for a hearing before the final decision by the CC, a session which took place during December 2019.

FSHF has asked for time to comment on the findings of the investigation report. CC has asked FSHF to make commitments to regulate this market. CC is in the process of making a decision during 2020.

Passenger service market with taxi (4 + 1 seats) in the city of Tirana

CC by decision no. 690, dated 10.04.2019 decided to approve “Opening of the preliminary investigation procedure in the market of road transport service of taxi passengers (4 + 1 seats) in the city of Tirana”, for the period January 1, 2018 - March 31, 2019. At the end of the investigation, the CC by decision no. 667, dated 24.12.2019 “On the closure of the preliminary investigation procedure in the Market for the carriage of passengers by taxi (4 + 1 seats) in the city of Tirana and giving some recommendations” decided:

1. To recommend the Ministry of Infrastructure and Energy and the Ministry of Finance:
 - a. Review and update the Joint Instruction of the Ministry of Public Works, Transport and Telecommunications and the Ministry of Finance (today the Ministry of Infrastructure and Energy and the Ministry of Finance), no. 1726/3, dated 21.04.2008 “On the fixing of prices and tariffs in the taxi service” and the unification of all acts arising from the implementation of this instruction.
2. To recommend the Municipality of Tirana:
 - a. Adherence to the hierarchy of normative acts, after revising and updating the guidance by MEI and MoF, as the Municipality Council determines the differentiated price and tariff levels within its jurisdiction, in accordance with the joint instruction of the Ministry of Public Works, Transport and Telecommunications and the Ministry of Finance
 - b. carry out the verification of licensed transport operators in the taxi service by making transparent the list of licensees and registrants at the General Directorate of Metrology and Calibration (GDDM) and the General Directorate of Taxes.
3. Recommend to the General Directorate of Metrology and Calibration (GDMC) to conduct taximeter sealing at the rate set by the City Council Decision for all licensed enterprises operating in the taxi market associated with the serial number of each licensee and their periodic verification (within the year).

The market of container ship loading and unloading service and related activities in Durres Container Terminal

From the evaluation of a complaint filed against the Concessionaire of the Durrës Container Terminal “Durres Container Terminal” SHA (DCT SHA) regarding the unfair billing of the container loading and unloading service by the Concessionaire, CC by decision no. 627, dated 13.06.2019 “On the opening of the preliminary investigation procedure in the market of container ship loading and unloading service and related activities in Durres Container Terminal”, decided to open the preliminary investigation procedure in this market for the period from 01.01.2019 to 30.05.2019.

At the end of the preliminary investigation, the CC concluded that: The concessionaire undertaking DCT SHA provides the loading and unloading service of containers with an additional fee unfairly and unapprovedly self-determined. This behavior may constitute an abuse of the dominant position held by this concessionaire in providing the loading and unloading service of containers at the Durrës Container Terminal. Creating reasonable suspicion that we may be in violation of Article 9, point 2, letter (a), of law no. 9121/2003.

CC by decision no. 649, dated 03.10.2019 “On the opening of an in-depth investigation procedure against the undertaking “Durres Container Terminal” SHA in the market of container loading and unloading service in Durres Container Terminal”, decided the opening of the In-depth Investigation Procedure against the undertaking “Durres Container Terminal” SHA, for the period from 01.01.2018 to 30.09.2019.

CC by decision no. 650, dated 03.10.2019 “On taking temporary measures against the undertaking “Durres Container Terminal” SHA in the market of container loading and unloading service in Durres Container Terminal”, decided:

1. Taking interim measures against the company “Durres Container Terminal” SHA, in the market of container loading and unloading service in Durres Container Terminal, as follows:
 - a. Enterprise “Durres Container Terminal” SHA should stop applying unfair tariffs for providing container loading and unloading service in Durres Container Terminal.
2. Interim measures are taken for a period of time until the conclusion of the investigative procedure.
3. In case of non-enforcement of the decision on interim measures referred to in point (I) of this Decision, Durres Container Terminal shall be fined up to 10% of the annual turnover for serious violations of competition pursuant to Article 74, point 1, letter b) of law no. 9121/2003.
4. In case of non-enforcement of interim measures within the time limits specified in this Decision, the Competition Commission shall impose periodic fines of up to 5% of the average daily turnover, until Durres Container Terminal SHA operates in accordance with the interim measures decision, pursuant to Article 76, paragraph 1, letter b) of law no. 9121/2003.

The investigative procedure has been completed and the CC decision is expected, regarding the behavior of the undertaking DCT SHA, in the market of loading and unloading the containers service in the Durrës Container Terminal, for the period from 01.01.2018 to 30.09.2019.

2.4 Production Markets

2.4.1 Prohibited Agreements

The import, production and trading of flour market

CC by decision no. 551, dated 04.10.2018

“On the opening of the preliminary investigation procedure in the market for import, production and marketing of flour”, has decided to open a preliminary investigation in this market. During the investigation procedure there was a need for further investigation, evidence and additional data from manufacturing and importing undertakings.

CC by decision no. 612, dated 19.04.2019 “For a change in the Competition Commission’s Decision no. 551, dated 04.10.2018 “On the opening of a preliminary investigation in the market of import, production and trading of flour”” decided to extend the investigation period for data management for the period September 2018-March 2019 for the import of wheat and flour. Preliminary investigation revealed that wheat importers and flour producers are vertically integrated; the sustainability of market segments during the investigative period enables undertakings to become a determining factor in the supply of wheat and flour, excluding other non-integrated undertakings; the behavior of the undertaking in relation to the selling price of flour product does not represent the trend of the CIF price and the trend of change of this price is the same for all enterprises.

CC by decision no. 643, dated 25.07.2019 “On the opening of an in-depth investigation procedure in the market of wheat import and flour production towards the undertakings “Agroblend”, “Miell Tirana”, “Bloja” and “Atlas””, as there may be elements which may constitute a breach of competition or coordinated conduct referred to in Articles 4 and 9 of Law no. 9121/2003 from the undertakings that occupy the dominant position in the market, “Agroblend”, “Miell Tirana”, “Bloja” and “Atlas”. This investigation will complete the procedures during 2020.

2.4.2 Abuse of dominant position

Crude oil production and trade market

CC, by decision no.575, dated 03.12.2018 “For the opening of the preliminary investigation Procedure against the undertaking “Bankers Petroleum Albania” LTD in the market of production and trading of crude oil”, decided to open the investigation into this market, for the period from 1 January 2016 to 30 November 2018.

CC by decision no. 578, dated 20.12.2018, decided to “Take temporary measures in the market for the production and trading of crude oil to Bankers Petroleum Albania LTD”, decided to take temporary measures in the market of production and trade of crude oil against the undertaking Bankers Petroleum Albania LTD, a decision which was notified to the undertaking Bankers Petroleum Albania LTD, through letter no. 607/12 prot, dated 20.12.2018.

Regarding the implementation of the above decision by the undertaking Bankers Petroleum Albania LTD, CC has expressed its decision no. 603, dated 21.03.2019 “On the implementation

of the CC decision no. 578, dated 20.12.2018 “On taking temporary measures in the market of production and trade of crude oil to the undertaking Bankers Petroleum Albania LTD”.

CC by decision no. 652, dated 10.10.2019 “On the opening of the in-depth investigation procedure against the undertaking Bankers Petroleum Albania Ltd in the market of production and trade of crude oil”, decided to open the procedure of in-depth investigation against the undertaking Bankers Petroleum Albania LTD in the production market and crude oil trading, for the period from January 1, 2016 to October 31, 2019.

During the in-depth investigation, information was requested from the undertaking under investigation “Bankers Petroleum Albania” LTD, the National Agency of Natural Resources and the undertaking Albpetrol SHA, and an inspection was conducted at the undertaking under investigation “Bankers Petroleum Albania” LTD. This investigation will complete the procedures during 2020.

Electricity storage and diversion market

The Secretariat of the Energy Community (ECS) submitted the Letter on 19.10.2018, recorded at the ACA by no. 601 prot., with object “Notification of potential anti-competitive conduct and request for investigation”, regarding the two tendering procedures that KESH has developed referring to: “Deposit contract” concluded between KESH SHA and the undertaking EFT AG and “Deviation contract” concluded between KESH SHA and the undertaking GSA SHPK.

CC by decision no. 588, dated 28.01.2019 “On the opening of the preliminary investigation procedure in the market of deposit and electricity diversion”, decided: to open the preliminary investigation procedure in the market of deposit and electricity in order to determine if there are or not signs of restriction or distortion of the provisions of law no. 9121/2003 “On Competition Protection”, as amended.

CC by decision no. 644, dated 31.07.2019 “On the closure of the preliminary investigation in the market of storage and deviation of electric energy, giving obligations for KESH SHA as well as the implementation of articles 69 and 70 of Law no. 9121/2003 “On competition protection”, as amended”, decided:

1. Finding of breach of competition rules which derive from the dominant position of KESH, in terms of procedures for signing and the implementation of:
 - a. The contract for the deviation of electric energy between the companies KESH SHA and GSA SHPK.
 - b. The contract for the storage of electric energy between the companies KESH SHA and EFT AG.
2. Giving obligations to KESH SHA:
 - a. The obligation of KESH SHA pursuant to ERE’s Decision no. 93/2019, to interrupt the continuation of these two contracts.
 - b. The obligation of the undertaking KESH SHA to notify the Energy Secretariat in Vienna on the progress of the implementation of ERE’s decision no. 93/2019.
 - c. The obligation of the undertaking KESH SHA to notify the Competition Authority on the progress of the implementation of ERE’s decision no. 93/2019.
 - d. The obligation of the undertaking KESH SHA, as an operator with dominant position for

any future contract which establishes special or exclusive rights, for undertakings (companies) or for certain products, to request a preliminary assessment from the Competition Commission.

This market is under monitoring until July 2020.

2.4.3 General investigations

Hospital services market

CC by decision no. 552, dated 04.10.2018 “On the opening of the General Investigation procedure in the Hospital Service”, decided to initiate the procedure of competition evaluation in the hospital service which includes public and private hospital services.

During the investigation procedure, information was requested from public and private hospital institutions, the Ministry of Health and Social Protection, as well as from the Mandatory Health Insurance Fund. The investigative analysis aimed to assess the competition in the two services according to the indicators of quality/diagnostic professionalism and financial performance.

On the data administered and at the end of the analysis, the report was submitted to the CC, which concluded that the market assessment of the hospital service requires additional analysis and by decision no. 669, dated 24.12.2019 “On the continuation of the open investigation with the Decision of the Competition Commission no. 552, dated 04.10.2018 “On the opening of the General Investigation procedure in the Hospital Service, as amended”, the Commission decided to continue the investigation in this market.

In order to carry out a more in-depth assessment of the hospital services market, it is required to administer additional data from service providers and extend the analysis for a longer period of time. The continuation of the investigation will focus on the evaluation of the legislation that operates in the private and public hospital service, including the special rights granted through concession contracts or PPP’s; assessing social policies and improving the professional level of medical staff; pricing policies for services/examinations and investments in equipment and technology; comparison of the hospital system in Albania with the models of the countries of the region and further as well as the cooperation between the institutions of the hospital service with the insurance companies and the reimbursement schemes.

Higher education sector

CC by decision no. 573, dated 26.11.2018, decided to open the general investigation procedure in the Higher Education Sector in order to perform a complete analysis regarding the quality of service provided, both by public and private HEIs, as well as compliance with competition rules in this market.

During the general investigation procedure, information was requested from the Ministry of Education, Sports and Youth, the Agency for Quality Assurance in Higher Education, as well as from public and private universities regarding the sources of income of HEIs; internal rules of financing, distribution and use of income; what is the part of the budget for teaching, research, staff development, salaries; methodology for calculating study costs, tuition fees; the

cost of the study program; scholarship policy and procedure; the wage policy of HEIs and the structure of employees, etc..

CC by decision no. 672, dated 24.12.2019 “On a change in the decision of the Competition Commission no. 573, dated 26.11.2018 “On the opening of the General Investigation procedure in the Higher Education Sector””, extended the investigation period by 6 months, in terms of the large volume of information to be processed and the volume of economic data as a result of the wide range of programs offered by public and private HEIs, in order to assess and perform a comprehensive competition analysis in the Higher Education sector.

Freelance sector

CC by decision no. 668, dated 24.12.2019 “On giving some recommendations regarding the exercise of the profession of lawyer, notary and real estate evaluators” decided:

- Recommend to the Ministry of Justice and the Chamber of Advocates regarding the profession of lawyer:
 1. Completion of the relevant sub-legal framework in the field of advocacy based on the provisions of Law 55/2018 “On the Law Profession in the Republic of Albania”;
 2. Submitting for opinion and evaluation of the bylaws drafted by the relevant bodies to the Competition Authority, accompanied by the relevant reports and in the case of drafting bylaws setting tariffs, this draft act shall also be accompanied by the methodology of calculation of the tariffs for the purpose of their assessment in accordance with the law 9121/2003.
 3. Compliance with legal provisions by providing transparency regarding the services and prices offered by the lawyer profession. Access to all necessary information from all customers.
 4. Making necessary amendments to the Statute of the Chamber of Advocates and the Code of Ethics;
 5. The Chamber of Advocates official website should reflect all the necessary information including information about the training that the Chamber has to offer.
- Recommend to the Ministry of Justice and the National Chamber of Notaries regarding the profession of notary:
 1. Completion of the relevant sub-legal framework in the field of Notary based on the provisions of Law 110/2018 “On Notary”
 2. Submitting for opinion and evaluation of the bylaws drafted by the relevant bodies to the Competition Authority, accompanied by the relevant reports and in the case of drafting bylaws setting tariffs, this draft act shall also be accompanied by the methodology of tariffs calculation, with a view to their assessment in accordance with Law 9121/2003.
 3. The Chamber of Notaries should provide appropriate assistance to notaries regarding continuing training and qualifications;
 4. When drafting the new order “On the minimum requirements that a notary office must meet to enable the normal exercise of the activity of a notary”, consider the possibility of unifying the size of the tables, the type of writing, the color of the table itself offering the same perception to consumers and without manipulating consumer choice

5. Involvement of ACA in identifying various problems that may exist and affect the field of competition. Organizing and participating in seminars / conferences regarding the competition in the market for the provision of freelance services.
- Recommend to the Ministry of Infrastructure and Energy and the Association of Evaluators of Asset (AEA)s:
 1. Reviewing the existing legal framework providing for legal provisions on the organization and functioning of the AEA.
 2. In case of revision of Instruction no. 4, dated 12.12.2012 “On the determination of the amount of expert expenses in court”, to obtain the opinion of the Competition Authority before approving the changes. The determination of expert fees and charges should in each case be geared to the costs of providing the service, coupled with their calculation methodologies and explanatory relationships.
 3. Submitting for opinion to the ACA of any draft act which aims to set tariffs, establish barriers to market entry, together with the relevant links and accompanying documents.
 4. Training courses and exams must be qualitative to produce quality diplomas / certificates with standard.
 5. Develop Albanian standards of assessment and set up an independent body of professional members licensed to control and monitor standards and expert ethics.
 6. In case of revision of DCM no. 712, dated 12.10.2016 “On the approval of the regulation on the criteria and licensing procedures of entities for the exercise of activity in the field of real estate valuation”, to consider the possibility of removing restrictions that impede market entry, easing conditions and criteria to obtain the Real Estate Evaluator license facilitating the entry into the market of young professionals.
 7. Strengthen the role of the association of assessors, as a condition for enhancing the quality of assessment services, establishing contacts with organizations and associations of the same nature and exchanging experience with them; developing and implementing policies aimed at professional development.
 - To recommend to the banks of the second level:
 - a. Distribution of assessments should be done to all selected evaluators. The process of selecting evaluators should be transparent and to some extent apply the principles of public procurement where evaluators compete with each other through the well-known principles on which this profession operates and regulates

CC by decision no. 660, dated 21.11.2019 “On giving some recommendations regarding the procedures for the appointment of experts for the assessment of insurance damages in court proceedings” decided to recommend to the Ministry of Justice the establishment, administration and publication of the Electronic Register of Insurance Damage Experts within 90 days of the entry into force of this decision, with the creation of the Electronic Register of Experts, the Ministry of Justice also notifies the Competition Authority. This case was reviewed after a complaint was filed at the ACA.

Based on a complaint filed by the Tirana Notary Chamber, regarding the provision of motor vehicle ownership change service, ACA has evaluated this complaint following the necessary

procedures. CC has organized hearings with representatives of the Chamber of Notaries Tirana, MEI and the General Directorate of Road Transport Service on May 9, 2019.

CC by decision no. 638, dated 18.07.2019 “On issuing some recommendations on offering the service of changing the ownership of motor vehicles”, decided:

Recommend to the Ministry of Justice:

- a) To review the Order of the Minister of Justice Nr.279, dated 14.06.2012 “For Approval of Notary Services Tariffs”, as amended Law 110/2018 “On Notary”, setting notarial fees competitiveness, regarding the provision of ownership change service of motor vehicles.
- b) Fees for notarial services shall be cost-oriented and based on a methodology of their calculation.
- c) To submit the draft acts to the Competition Authority for consideration bylaws related to tariff setting or setting of various restrictions pursuant to Article 69 of Law 9121/2003 “On Protection of Competition”, as amended.

PART THREE

THE COMPETITION AUTHORITY AGAINST LEGAL PROCEEDINGS

During 2019, the judicial processes of ACA have continued as follows:

3.1 Cases tried in the Administrative Court of First Instance Tirana (2019)

In the Administrative Court of First Instance Tirana during 2019, 1 (one) case was reviewed:

Judicial case with plaintiff: the undertaking “Conad”, defendants ACA regarding the decision no. 560, dated 15.10.2018, “On closure of the preliminary investigation procedure against Conad Albania SHPK in the market of the food products holding the Conad brand in the Republic of Albania and the imposition of certain obligations”. The Administrative Court of First Instance rejected the lawsuit of the undertaking “Conad”.

3.2 Cases tried in the Administrative Court of Appeal (2019)

In the Administrative Court of Appeal, 1 (one) case was tried:

The Administrative Court of Appeal, on 18.06.2019, in the deliberation room, decided to reject the request for securing the lawsuit by the undertaking “EKMA Albania” SHPK, regarding the decision no. 572, dated 22.11.2018 “On imposing fines and obligations on the undertaking “Ekma Albania” SHPK, in the market of renting premises for storage and trade of Agro-Food products in the city of Tirana” and the acceptance of the Competition Authority Complaint, thus creating the opportunity for the execution of fines and regulatory measures.

There are 8 (eight) court cases left to be tried by the Administrative Court of Appeals, for which we are waiting for the respective dates to be set.

PART FOUR

ACA's ROLE IN THE FORMULATION AND IMPLEMENTATION OF OTHER POLITICS - COMPETITION ADVOCACY

4.1 Evaluation of acts and draft normative acts

During 2019, the Competition Authority has evaluated the normative draft acts:

4 (four) draft laws:

- Draft law “On collective investment undertakings”, which lays down provisions regarding the establishment, licensing, registration and operation of collective investment undertakings, depositories and management of collective investment undertakings.
- The Draft Law on “Payment Services”, which regulates payment services, the creation, licensing, organization, operation and supervision of payment institutions, as well as the respective rights and obligations of payment service users and providers regarding the payment service.
- The Draft Law on “Capital Markets”, which regulates the capital markets by defining the manner and conditions for the offering, buying and selling of financial instruments, sets out the procedures for regulating and supervising the financial instrument markets to ensure their efficiency and transparency.
- Draft law “On mandatory insurance in the transport sector”, which laid down the rules and procedures for this market.

2 (two) normative drafts:

- Draft-Regulation “On Provision of Audio Broadcasting Licenses for Temporary Purposes and Institutional Needs”, which sets out the rules, criteria and procedures for granting audio broadcasting licenses for temporary purposes and institutional needs.
- Draft-regulation “On the Criteria and Procedures for Granting the Audiovisual Program Service License”, which sets out the criteria, rules and procedures for granting the audiovisual program license.

22 (twenty-two) draft normative acts in the energy market:

ERE, during 2019, has sent for draft opinion to ACA, the bylaws pursuant to Law no. 43/2015 “On the electricity sector”, Law no. 102/2015 “On the Natural Gas Sector” and Law no. 138/2013 “On renewable sources”.

17 (seventeen) draft normative acts in the sector of water supply and water treatment:

- WRA during 2019 brought to the public opinion the application for change of tariff level for Gjirokastra Water and Sewerage JSC; Poliçan SHA; Delvine JSC; Tropoja JSC; Lushnje JSC; Malesi e Madhe AD; Berat-Kuçovë JSC; Himara JSC; Vlora JSC; Kruja JSC; Berat - Kuçovë JSC; Malesi e Madhe AD; Lushnje Water Supply and Sewerage JSC; Tropoja JSC; Delvine JSC; Poliçan SHA; Gjirokastra JSC.

4.2 Competition Advocacy

During 2019, in the function of advocacy, ACA has carried out a series of activities as follows:

ACA, during 2019, as a beneficiary of the EBRD Project “*Technical Assistance for ACA, Capacity Building, Legislation Drafting and Advocacy - Strengthening ACA Administrative Capacity*”, pursuant to component 1 of the project “Strategy for Competition Advocacy” has started drafting the Strategy of Advocacy for ACA.

ACA, through the European Union project, IPA 2015, IPA Twinning “*ACA’s Capacity Building in order to protect free and Effective Competition in the market*”, twinning project with the Spanish Competition Authority (CNMC), pursuant to component 3. “The role of ACA in order to cooperate with different stakeholders”, will hold seminars and meetings with regulatory entities, various market actors, in different sectors of the economy.

4.2.1 Conferences and Round Tables

In the annual and budgetary plan of ACA, activities for the sensitization of the public for the role of the Authority in guaranteeing free and effective competition in the market, as well as the more accurate acquaintance with the field of activity of the Authority, are foreseen every year.

In the period October-December 2019, these following activities were carried out:

1. Conference on the occasion of the 15th anniversary of law no. 9121/2003 “On the protection of competition” as amended, entitled “Competition and Entrepreneurship” on November 14, 2019. The event was attended by the Deputy Speaker of the Assembly of the Republic of Albania, the Minister of State for Entrepreneurship Protection, as well as the First Secretary of the Section for Economic and Social Development of the European Union Delegation to Albania. It was also attended by representatives of regulatory bodies or organizations, both domestic and foreign, such as the Water Regulatory Authority, the Financial Supervisory Authority, the Chamber of Commerce and Industry, and the Ibero-American and International Foundation for Administration and Public Works. Through this activity was also launched the IPA twinning project entitled “Further strengthening the capacity of the Competition Authority to protect free and effective competition in the market.”
2. Round table in the city of Vlora, on 25.11.2019, at the University “Ismael Qemali”, on the topic: “Knowing competition and its challenges”
3. Round table in the city of Shkodra, on 11.11.2019, at the University “Luigj Gurakuqi”, on the topic: “Knowing competition and its challenges”

PART FIVE

EUROPIAN INTEGRATION AND INTERNATIONAL COOPERATION

3.1 Contribution in the framework of the European Integration

Pursuant to the National Plan for European Integration 2019-2022, ACA has continued the process of approximation of legislation with European directives in the field of competition as follows:

CC by decision no. 633, dated 20.06.2019 has approved the Guideline no. 3, dated 26.06.2019 “On damages caused and actions taken when the provisions of Law no. 9121/2003 are violated”⁵.

ACA as the leading institution of Chapter 8 of SAA “Competition Policy”, during the pre-screening process which took place during the “Explanatory Meeting” in the European Commission on 4-6 November 2019, where representatives of DG Competition presented the European legal framework in the field of competition. The Albanian side were represented by the members of the Inter-Institutional Working Group for European Integration for Chapter 8 “Competition Policy”, which includes competition, state aid and liberalization.

Also, ACA following the start of the preparation process for the National Plan for European Integration 2020-2022, notified by the Ministry of Europe and Foreign Affairs, has initiated the work in cooperation with other institutions part of the Inter-Institutional Working Group on European Integration part of Chapter 8 “Competition Policy” in order to identify relevant acts to be approximated in the period 2020-2022 in the field of competition and taking into account the areas of expertise of other institutions part of GNPIE.

3.2 International Cooperation

During its 2019 activity, ACA has aimed to strengthen international relations with counterpart institutions, forums and competition training centers in the region and beyond by participating in the following activities:

Memorandums of Understanding

- On 10-11 June 2019 was organized a meeting with the Croatian Competition Authority and was signed a Memorandum of Understanding between the ACA and this counterpart Authority. This Memorandum of Understanding aims the promotion of the cooperation in the field of competition policy and the application of the competition law of the parties, creates favorable conditions for the promotion of bilateral relations and regional cooperation, based on the principles of equality and mutual benefit, qualifying the role of competition as an effective mechanism for a developed market economy. Also this Memorandum of Understanding aims to exchange information on

⁵ In compliance with the Directive 2014/104/EU of the European Parliament and of the Council of 26 November 2014 on certain rules governing actions for damages under national law for infringements of the competition law provisions of the Member States and of the European Union” (32014L0104/ OJ L 349, 5.12.2014).

legislative developments; exchange of experience in the field of investigations concerning the breach of competition rules; exchange of experience between the competition authorities and national regulatory bodies.

- In the framework of the “Memorandum of Understanding” between the Albanian Competition Authority and the Maltese Competition Authority and Consumer Affairs, on September 26 - 27, representatives of the Competition Authority held a meeting in Malta. In this meeting with the Competition Directorate, representatives of the Albanian Competition Authority were closely acquainted with the experience of an EU Member State in relation to the application of competition law, cooperation between member states within the European Competition Network (ECN), harmonization of national legislation with European legislation and in particular the ECN Directive.

Activities:

During 2019, ACA participated in the following events:

- ACA participated in the 18th meeting of the Intergovernmental Panel of Experts (IGE) on UNCTAD Law and Competition Policy, which took place on 10-12 July 2019, in Geneva, Switzerland.
- On 27 February 2019, ACA participated in the OECD conference, “Open Competition Day” which took place in Paris, France.
- On 5-6 December 2019, ACA participated in the Global Competition Forum at the OECD in Paris, where ACA contributed to the “Competition for the Market” session.
- ACA participated in the 67th Annual Spring Meeting Session for the Antitrust Law Session on 26-29 March 2019 in Washington DC, USA, organized by the American Bar Association.

During 2019, ACA continued the cooperation with OECD-GVH/RCC through ongoing trainings that this center offers to Central, Eastern and Southeastern European countries. ACA participated in the following activities:

- On March 11-13, 2019, participated in a seminar on “Restrictions on Vertical Sales and E-commerce” which took place in Budapest, Hungary.
- On September 10-12, 2019, participated in a seminar on “Competition Law Enforcement and Pharmaceutical Sector Advocacy” held in Kiev, Ukraine.
- On 22-24 October 2019, participated in the seminar on “Regulatory Measures in Competition Cases” which was held in Budapest, Hungary.
- On December 10-12, 2019, participated in a seminar on “Competition in the Energy Sector”, which took place in Budapest, Hungary.
- On 18-20 February 2020 a seminar on “Competition law enforcement and advocacy in the banking and insurance sector” was held, Budapest, Hungary.
- ACA participated in the 24th Community Forum of the Energy Secretariat (ECS), held in Athens, Greece.

- ACA also continued its cooperation with Joint Vienna Institute. On February 25 - March 1, 2019 participated in the seminar on “Competitiveness, Growth and Crisis” held in Vienna.
- ACA in cooperation with JICA participated in a two-week training which took place in Japan on “Competition Law and Policy - Competition Promotion” on July 20 - August 10, 2019, Tokyo and Kobe.

Other activities - relations with counterpart authorities:

- ACA participated at the 19th International Competition Conference on 13-15 March 2019, which was held by the German Competition Authority, Bundeskartellamt, in Berlin.
- ACA participated on April 4, 2019 in the Conference on “European Consumer and Competition Day”, organized by the Romanian Competition Authority in Bucharest.
- ACA participated in the Competition Day Conference on April 12, 2019, which was organized by the Serbian Commission for Protection of Competition in Belgrade.
- ACA participated on May 14-18, 2019 at the International Forum on Law in St. Petersburg, which was organized by the Russian Federation in cooperation with the Russian Competition Authority.
- ACA participated in the 12th annual Eastern European Competition Seminar on 11-12 September, organized by the Hungarian Competition Authority in Budapest.
- ACA, in cooperation with the Florence Competition Program, participated in the meeting on the topic: “Antitrust Trend, the European Way”, which took place on October 25 in Florence, Italy.

PART SIX

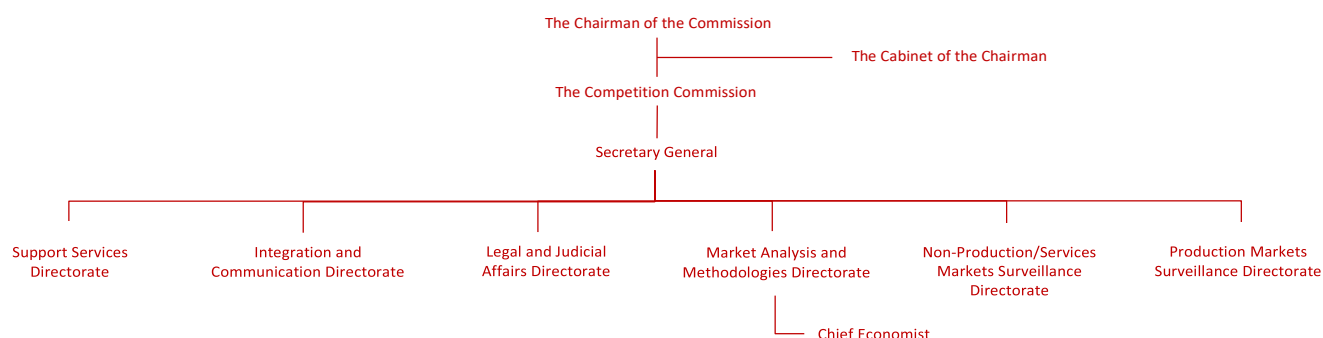
ABOUT THE AUTHORITY

6.1 The Organization of the Competition Authority

For 2019, the Competition Authority, in order to fulfill the obligations pursuant to law no. 9121/2003 aims to strengthen its capacity and adapt to the model of counterpart institutions of EU countries.

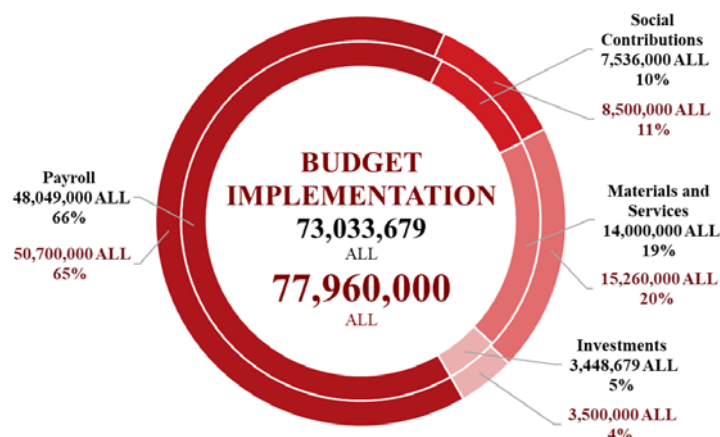
The structure approved by the decision of the Assembly no. 128/2018 “On some amendments to the decision of the Assembly no. 43/2017 “On the Approval of the Competition Authority Structure and Organization” aimed mainly at increasing by three the number of employees in the technical directorates, to cover the increased activity, for all markets in the territory of the Republic of Albania, in order to ensure a free and effective competition, in the production and non-production markets. Increasing the number of employees will ensure that the analysis, studies, inspections and all investigative procedures will be carried out more quickly within the legal deadlines.

The organizational structure of ACA is presented as follows:



6.2 Incomes entered into the budget and implementation of approved budget for ACA for 2019

During 2019, ACA has deposited in the state budget the total amount of 12,583,318 ALL, which has been paid as income from concentrations (notice and authorization of concentration).

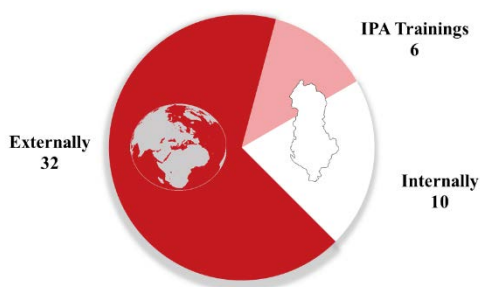


ACA expenses table for 2019

Code	Name	Plan (with changes)	Fact	/
		ALL		
600	Salaries, bonuses, etc..	50,700,000	48,049,000	94.8%
601	Social Security contributions	8,500,000	7,536,000	88.7%
602	Materials and Services	15,260,000	14,000,000	91.7%
231	Investments	3,500,000	3,448,679	98.5%
Total		77,960,000	73,033,679	94%

6.3 Recruitments

During 2019, in the framework of meeting the needs of technical directorates, have been carried out 8 recruitment procedures with parallel movements, promotion and admission to the civil service. All procedures were carried out in accordance with the requirements of law no. 152/2013 “On the civil servant” as amended, as well as taking into account the career system in the civil service. The purpose of these procedures has been and will remain the acceptance of staff with professional and efficient integrity.



During 2019, were conducted 32 trainings abroad and 10 within the country, where were trained a considerable number of 55 employees of the institution. A part of the employees turned out to have been trained more than once. All trainings were conducted in the framework of the international cooperation ACA with OECD-GVH/RCC, and within the country, by the School of Public Administration and by:

European Union Project, IPA 2015, IPA Twinning

“ACA’s Capacity Building in order to Protect Free and Effective Competition in the market” Twinning Project with the Spanish Competition Authority (CNMC), under Component 2. “Organizing trainings and study visits”, trainings are being conducted for ACA staff on various topics on competition issues (respectively 6 trainings and a study visit was conducted).

EBRD Project “Technical Assistance for ACA, Capacity Building, Legislation Drafting and Advocacy - Strengthening ACA Administrative Capacity”, which provides for 2020 staff training on STATA and econometric analysis, training on European Court of Justice legislation, ongoing training in various areas of competition and 4 study visits.





PART SEVEN

ACA's PRIORITIES FOR 2020

7.1 ACAs Priorities for 2020

For 2020, ACA, in accordance with the purpose of law no. 9121/2003, for free and effective competition in the market, will continue to monitor and investigate mainly the markets with direct impact on consumer interests and well-being:

- *TIA airport air transport service market;*
- *pharmaceutical market;*
- *dental service market;*
- *liquefied petroleum gas (LPG) market;*
- *the Non-Bank Financial Entities market.*

as well as will continue to monitor and complete investigations in the markets:

- *mobile phone market;*
- *hospital service market;*
- *banking sector;*
- *higher education sector;*
- *the market of economic activities of FSHF;*
- *oil extraction and processing market.*

7.2 Institutional Approximation to EU standards and practices

During 2020, ACA will:

- In the framework of the implementation of the IPA Twinning project “Strengthening capacity for ACA to protect free and effective competition in the market” to carry out legal amendments (additions and changes) of law no. 9121/2003 in accordance with the *acquis* of the European Union, and the issues raised during the implementation of the law, as well as the review of the secondary legal framework.
- In the framework of the implementation of the project of the European Bank for Reconstruction and Development (EBRD) “Technical assistance for ACA, capacity building, drafting of legislation and advocacy”, to draft a “5-year strategy of competition advocacy”.
- Ensure the implementation of the Competition Agency Procedures CAP within the International Competition Network (ICN).
- Strengthen administrative capacity, through training of new and existing staff in order to increase the quality of monitoring, inspection, drafting of reports, analysis, as the quality of defense of CC decisions in court proceedings, at all levels of the judiciary.

- Continue to implement PKIE 2019-2022, for 2020, and the tasks arising from the SAA, as the leader of Chapter 8 “Competition Policy”, where he will work to approximate the following acts:
 - ✓ Commission guidelines on market analysis and the assessment of significant market power under the Community regulatory framework for electronic communications networks and services (2002/C 165/03).
 - ✓ Directive (EU) 2019/1 of the European Parliament and of the Council of 11 December 2018 to empower the competition authorities of the Member States to be more effective enforcers and to ensure the proper functioning of the internal market.
- It is committed to increase cooperation with other counterpart institutions and regulatory bodies, by signing Memoranda of Understanding (MOU).