

Press Release

"on interim measures for stopping the agreement of bread producers and sellers in the City of Vlora"

Tirana, 12 April 2011 – the Albanian Competition Commission has decided to issue a temporary measures decision in order to stop the agreement between the undertakings in the market of production and sale of bread in the city of Vlora, after media reports of 25 March 2011 which informed that the price of bread in the city Vlora has a rapid growth and almost by all providers.

These measures were taken after the inspections conducted by the Competition Authority in this market, in order to stop potential violations of Law 9121, "On Protection of Competition." After these prompt inspections it was found that the rising price of bread in the city of Vlora has come after a meeting of 42 producers and traders of bread dated 21.3.2011. At this meeting was agreed that as from 23.03.2011 the price of bread 900gr will be 120 LEK and the price of bread 450 gr will be 60 LEK.

This notice is posted in all commercial and manufacturing units and the new price of bread, according to preliminary inspections, results to be implemented by all participants in the meeting on 21.03.2011. The fixing of sale price of bread in the city of Vlora is likely to be a violation of Article 4, paragraph 1, letter a) of Law No. 9121, dated 28.07.2003 "On Protection of Competition" (as amended). This possible violation brings serious damage to market competition and consumers.

For these reasons, the Competition Commission, pursuant to article 24, d), 44, 1 and 2 of Law no. 9121, dated 28.07.2003 "On protection of competition" (as amended). Having in mind the damage that may be caused to customers of the city of Vlora by the anti-competitive behaviour of 42 producers and traders of bread, and since this behaviour is likely be a violation of Article 4 of Law, the Commission decided to take interim measures based on Article 44, paragraph 1, as follows:

- Participants in the prohibited agreement for the raising and fixing the price of bread in the city of Vlora, must end immediately coordinated behaviour for fixing the price of bread within three days upon notification of the decision.
- These Interim measures must be in place until the ending of the investigation.
 - Non-compliance with the decision on interim measures may be fined up to 10%

of annual turnover as a serious violation of competition law pursuant to Article 74, paragraph 1, letter b of Law

 In case of non-enforcement of interim measures within the time limit, specified in this decision, pursuant to Article 76, paragraph b of the 9121 Law "On Protection of Competition", the Competition Commission may impose periodic fines of up to 5% of the average daily turnover of the previous financial year.

Following these events, the Competition Commission, pursuant to the National Competition Policy and Law "On Protection of Competition", urges business organizations, formal or informal, that in their activities to protect the interests of their members must not take any measure that may constitute concerted/coordinated practices and agreements for, price fixing/increase, market division etc.

These behaviours are considered as prohibited agreements by the law on protection of competition and are considered as the most anti-competitive behaviour. Therefore it is a serious violation for the law and the Commission of Competition may impose fines up to 10% of the annual turnover of all undertakings involved.

The Competition Authority once again invites business associations to increase cooperation with the Authority in realizing its mission to establish and maintain free and effective competition in the market.

For any complaint, request for information or request for cooperation in the detection of any violations of competition law, please visit our website www.caa.gov.al, or contact us via email competition@caa.gov.al, fax: +355 4 2234497, tel +355 4 2234504 or at our premises at Sami Frashëri street, No. 4, 4-th Floor, Tirana.