

**OECD-GVH REGIONAL CENTRE FOR COMPETITION IN BUDAPEST (HUNGARY)**

**Annual Activity Report, 2011**

## I. INTRODUCTION AND ORGANISATIONAL SETUP



The OECD-GVH Regional Centre for Competition in Budapest (Hungary) ("RCC") was established by the Gazdasági Versenyhivatal (GVH, Hungarian Competition Authority) and the Organisation for Economic Co-operation and Development (OECD) on 16 February 2005 when a Memorandum of Understanding was signed by the parties. The main objective of the RCC is to foster the development of competition policy, competition law and competition culture in the South-East, East and Central European regions and to thereby contribute to economic growth and prosperity in the involved regions.

The RCC provides capacity building assistance and policy advice through workshops, seminars and training programmes on competition law and policy for officials in competition enforcement agencies and other parts of government, sector regulators, and judges. The RCC also works to strengthen competition law and policy in Hungary and in the GVH itself.

The RCC's work focuses on four main target groups. The first group of beneficiaries are the competition authorities of South-East Europe and the majority of the CIS countries, namely Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kosovo, Kyrgyzstan, FYR of Macedonia, Moldova, Montenegro, Romania, the Russian Federation, Serbia and Ukraine. The work targeting these economies is regarded as the core activity of the RCC. These countries share a history of centrally planned economies and the RCC aims to assist them as they develop their market economies. These economies have all progressed with the development of their competition laws and policies, but are at different stages in this process. As a consequence, the needs for capacity building differ among the involved non-OECD member economies and this necessitates a broad approach to competition outreach work. Major capacity building needs in these regions include (a) enhancing analytical skills in competition law enforcement, (b) raising the awareness of the judiciary regarding the specific characteristics of competition law adjudication, (c) pro-competitive reform in infrastructure sectors, (d) competition advocacy, (e) relations between competition authorities and sector regulatory agencies, (f) legal and institutional reform in the area of competition, and (g) building international co-operation and networking.

The second group of beneficiaries of the work of the RCC are the competition authorities which belong to the Central European Competition Initiative (CECI). This Initiative aims to provide a forum for co-operation on competition matters and was established by the Central European competition authorities in 2003. It is a network of agencies and operates via workshops and informal meetings. Involved are the competition authorities of Austria, the Czech Republic, Poland, Slovakia, Slovenia and Hungary. These countries all belong to the same geographic region, share fundamentally similar cultural traditions and historical experiences and are, more or less, at the same stage of development. As a result, their competition authorities face several common challenges and difficulties. Moreover, from time to time these authorities deal with markets which are regional, overlapping or which are connected to each other, and they may also on occasion deal with the same parties (the same companies within the region).

The third beneficiary of the RCC's work is the GVH itself. The agendas of the RCC workshops that are organised for the staff of the GVH are related to ongoing projects or "hot" topics and provide an excellent opportunity for staff to learn about state-of-the-art antitrust theory and enforcement practices.



European Judges Seminar on Quantification of Damages in Competition Cases – 4-5 February 2011, Budapest, Hungary

Judges represent the fourth target group of the RCC's activities. The judges seminars provide judges with an opportunity to improve their understanding of competition law and economics, to exchange views on the latest developments in EU competition law, and to discuss the key challenges arising in competition law cases. These GVH programmes are supported by the OECD, the European Commission and the Association of European Competition Law Judges (AECLJ).

Concerning the functioning of the RCC, the Memorandum of Understanding of the RCC provides that the GVH and the OECD are to make major decisions on their activities and work jointly. For this purpose, the parties meet on an annual basis to review the operation and performance of the RCC and to prepare the annual workplan.

Regarding the financing of the RCC, the GVH is responsible for providing most of the necessary funding for the functioning of the RCC, including an annual voluntary contribution to the OECD for the costs associated with the staff position in Paris. The OECD helps to co-finance the RCC's operation and activities. In addition to this, both the GVH and the OECD co-operate in efforts to raise additional financial support for the RCC from third parties.

## II. OVERVIEW OF THE ACTIVITIES OF THE YEAR 2011

2011 was the seventh year of the RCC's activity. In 2011 the RCC organised a total of nine events, which focused on some of the most important core competences of competition authorities as well as on best practices in the area of competition law. In addition to its regular seminars, the RCC continued with its special initiatives: (i) seminars on competition law for European judges, of which two were organised in 2011 and (ii) a seminar organised in one of the beneficiary economies. The RCC also introduced a new type of seminar focusing on how competition authorities litigate their cases before courts.

Table N°1: Total number of speakers per country or institution

Country / Institution	Speakers	
	Number	Person-days
Belgium	3	6
Bulgaria	3	9
EU Commission	3	9
France	3	7
Germany	5	12
Israel	2	7
Ireland	1	3
Lithuania	1	3
Portugal	2	4
Sweden	2	5
United Kingdom	3	8
United States	3	9
GVH	10	23
OECD	9	25
Aggregate	50	130

Altogether, over the course of the year, the RCC invited 253 participants and 50 speakers to its events. Through the RCC's core events it delivered 527 person-days of capacity building.<sup>1</sup> All in all, participants from 34 economies or institutions attended the RCC's programmes, coming from Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Kazakhstan, Kosovo, Kyrgyzstan, Latvia, Lithuania, Luxembourg, Macedonia, Moldova, Montenegro, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Slovenia, Sweden, Ukraine and the GVH. Meanwhile, experts from 14 countries and institutions attended as panel members: Belgium, Bulgaria, EU Commission, France, Germany, Israel, Ireland, Lithuania, Portugal, Sweden, United Kingdom, United States, the GVH and the OECD.



European Judges Seminar on Quantification of Damages in Competition Cases – 4-5 February 2011, Budapest, Hungary

<sup>1</sup> Person-days are defined as the number of days a person attended a RCC seminar. Thus, if 10 people attended a course for 5 days and 4 people attended a course for 3 days the number of person days delivered is 62 ( $10 \times 5 + 4 \times 3 = 62$ ).





Advanced Level Seminar: Workshop on Quantitative Techniques of Horizontal Merger Analysis – 1-4 March 2011, Budapest, Hungary

### III. DETAILED REVIEW OF THE ACTIVITIES IN THE YEAR 2011

Table N°2 provides a brief overview of the topics of the seminars held in 2011 as well as the participating economies and institutions.

**Table N°2: Summary of activities 2011**

Event Topic	Date	Total Number of Participants and Speakers	Attending Economies/Institutions
European Judges Seminar on Quantification of Damages in Competition Cases	4-5 February	28 + 5	Croatia, Czech Republic, Estonia, France, Greece, Hungary, Lithuania, Macedonia, Poland, Portugal, Romania, Slovenia, Sweden Speakers: Belgium, Germany, GVH, OECD
<b>Advanced Level Seminar: Workshop on Quantitative Techniques of Horizontal Merger Analysis</b>	1-4 March	20 + 6	Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kosovo, Macedonia, Moldova, Montenegro, Romania, Russia, Serbia, Ukraine Speakers: EU Commission, GVH, Israel, OECD, United Kingdom, United States
<b>Heads' Meeting and Presentations on the Use of Market Studies by Competition Agencies</b>	5 April	16 + 3	Albania, Armenia, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kosovo, Macedonia, Moldova, Romania, Russia, Serbia, Ukraine Speakers: France, GVH, Portugal

Event Topic	Date	Total Number of Participants and Speakers	Attending Economies/Institutions
<b>Intermediate Level Seminar: Seminar on Legitimate Business Practices or Cartels</b>	2-6 May	19 + 5	Albania, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kosovo, Kyrgyzstan, Macedonia, Moldova, Montenegro, Romania, Russia, Serbia, Ukraine Speakers: France, Germany, GVH, Israel, OECD
<b>Seminar on Collusion and Information Sharing Among Competitors and the Role of Associations</b> Sofia, Bulgaria	7-9 June	42 + 9	Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kosovo, Macedonia, Moldova, Romania, Russia, Serbia, Ukraine Speakers: Belgium, Bulgaria, EU Commission, France, GVH, OECD, United Kingdom
<b>Workshop on Collusion Theory and Evidence</b>	20-22 September	32 + 5	Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Kazakhstan, Kosovo, Kyrgyzstan, Macedonia, Moldova, Romania, Russia, Serbia, Ukraine Speakers: GVH, Ireland, OECD, Portugal, Sweden
<b>Seminar on the Litigation of Competition Cases Before Courts</b>	8-10 November	19 + 8	Albania, Bosnia and Herzegovina, Bulgaria, Croatia, GVH, Kosovo, Macedonia, Romania, Serbia Speakers: EU Commission, Germany, GVH, Lithuania, OECD, United Kingdom, United States
<b>European Judges Seminar on Recent Developments in European Competition Law</b>	25-26 November	45 + 5	Bulgaria, Croatia, Estonia, Finland, France, Germany, Greece, Hungary, Latvia, Lithuania, Luxembourg, Macedonia, Poland, Portugal, Romania, Slovakia, Slovenia Speakers: Germany, GVH, OECD, Sweden
<b>Advanced Level Seminar: Hypothetical Case Study on Abuse of Dominance</b>	13-15 December	32 + 4	Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kyrgyzstan, Macedonia, Moldova, Romania, Russia, Serbia, Ukraine Speakers: GVH, OECD, United States

In addition to the seminars themselves, the RCC usually offers additional opportunities to encourage networking and the sharing of experiences among the participants. Table N°3 provides an overview of the number of workdays per regular seminar and the additional days the participants spend in the host city.

**Table N°3: Number of seminar workdays in 2011**

Topic	Date	Number of workdays	Additional days
European Judges Seminar on Quantification of Damages in Competition Cases	4-5 February	2	0
<b>Advanced Level Seminar: Workshop on Quantitative Techniques of Horizontal Merger Analysis</b>	1-4 March	3	1
<b>Heads' Meeting and Presentations on the Use of Market Studies by Competition Agencies</b>	5 April	1	0
<b>Intermediate Level Seminar: Seminar on Legitimate Business Practices or Cartels</b>	2-6 May	4	1
<b>Seminar on Collusion and Information Sharing Among Competitors and the Role of Associations</b> Sofia, Bulgaria	7-9 June	3	0
<b>Workshop on Collusion Theory and Evidence</b>	20-22 September	3	0
<b>Seminar on the Litigation of Competition Cases Before Courts</b>	8-10 November	3	0
European Judges Seminar on Recent Developments in European Competition Law	25-26 November	2	0
<b>Advanced Level Seminar: Hypothetical Case Study on Abuse of Dominance</b>	13-15 December	3	0
<b>Total number of seminar workdays in 2011</b>		<b>24</b>	<b>2</b>

## A) 1. Standard programmes in the framework of the core activity

### a) 1-4 March, Workshop on Quantitative Techniques of Horizontal Merger Analysis

The RCC conducted a workshop on merger analysis for twenty competition law enforcers and regulators from seventeen SEE and CIS countries.

The aim of this seminar was to familiarise front-line competition enforcers with the fundamental economic underpinnings and quantitative techniques of horizontal merger analysis. It dealt specifically with the basic economic theories underlying merger policy and how simple quantitative tools can help competition enforcers to delineate markets. It involved discussions on the development and use of quantitative evidence, and included several case studies which illustrated the use of quantitative methods in actual cases. It also focused on the statistical concepts and techniques that are used to demonstrate harm in merger settings, focusing on the more sophisticated econometric approaches that are used in competition enforcement when appropriate data is available.

Finally, the objective of the seminar was to provide participants with a basic level of understanding of the use of, and limitations of simple economic tools in merger analysis. The topics were addressed and discussed in lectures and case studies by competition experts from OECD countries, as well as in case studies presented by six participant authorities. A roundtable discussion followed each presentation.

The experts gave ten presentations during the seminar. The topics ranged from an introduction to the basic concepts of economic theory, such as the principles of perfect competition and market definition, to the more complex models of imperfect competition and econometric modelling of demand. During the course of the seminar, several case studies which illustrated the advantages and difficulties of applying advanced quantitative techniques to merger analysis were presented by the experts and discussed with the participants.

On the first day of the workshop, João Pearce Azevedo from the RCC introduced the topic of the use of quantitative techniques in merger analysis, where he highlighted the use of economics in the enforcement process and listed some empirical methods of market definition and merger assessment. He was followed by Keith Brand from the US Federal Trade Commission, who gave an introduction to the economic principles of competition assessment and market definition. In his talk he presented the principles of perfect competition and detailed the models of imperfect competition that guide the economic analysis of competitive assessment.

In the afternoon, Alena Kozakova from the UK Competition Commission detailed several models of competition where firms alternatively set prices, quantities or engage in spatial competition. This was followed by a case study presented by Surd Kováts from the GVH, which detailed the analysis done for the Magyar Telecom/Vidanet case that centred on the analysis of substitution and price effects.

The second day began with a presentation from Keith Brand. In his presentation he explained the use of critical loss analysis and the Upward Pricing Pressure Index (UPPI) in merger cases. He detailed the most common errors in the application of these techniques, such as the failure to recognise the margin/elasticity relationship and the failure to recognise the role of diversion ratios. He also presented the Staples/Office Depot case study, where the application of event studies and econometric techniques to merger analysis could be illustrated. Alena Kozakova detailed the UPPI technique and explained the role of its variants: the Gross UPPI (GUPPI) and the Indicative Price Rise (IPR). She then presented two cases which concerned the proposed mergers of Zipcar/Streetcar and Sports Direct/JJB Sports, where these variants of the technique were used.

In the afternoon, Szabolcs Lőrincz from DG-Comp explained the EU approach to the use of economic evidence in competition policy by detailing the Best Practices guidelines of the European Commission on the submission of economic evidence. The day ended with Shlomi Parizat from the Israel Antitrust Authority giving an introductory presentation about the basic econometric theory – the Ordinary Least Squares (OLS) – of regression analysis. He illustrated the mistakes that can be made in the application of this technique with the Dor-Alon/Sonol case.



Advanced Level Seminar: Workshop on Quantitative Techniques of Horizontal Merger Analysis – 1-4 March 2011, Budapest, Hungary





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On the last day, Shlomi Parizat talked about how to deal with endogeneity in demand estimation. He illustrated the biased results of estimation where endogeneity is not accounted for with a reference to the Dead Sea Hotels Case, where corrective techniques had to be applied in order to obtain an unbiased demand estimation. Szabolcs Lőrincz finalised the workshop by talking about the use of merger simulation to directly estimate the expected price increase resulting from a proposed merger. He also detailed a few examples of the application of this technique.

As a general comment, João Pearce Azevedo concluded that the workshop had demonstrated that the application of empirical techniques can add depth to the economic analysis of complex mergers. He found, however, that the role of such techniques should not be to replace the traditional structural competition assessment that agencies employ but rather to complement that assessment with another set of tools.

## **b) 2-6 May, Intermediate Level Seminar: Seminar on Legitimate Business Practices or Cartels**

The RCC conducted a workshop on legitimate business practices or cartels in disguise for nineteen competition law enforcers and regulators from seventeen SEE and CIS countries.

The workshop covered various types of legitimate practices that can be engaged in together by competitors including joint ventures, cross-supply agreements, information sharing, lobbying government and standards setting.

The point of the workshop, however, was to identify and address what may lie 'below the surface' of such arrangements: parties may pretend to be engaged in legitimate practices to cover up a cartel; parties may be involved in a legitimate practice and in the process succumb to the temptation to also enter into a cartel; or finally, the legitimate business practice itself may have both pro- and anti-competitive effects and the challenge is to determine which is the predominant effect.

The topics were addressed and discussed in lectures and case studies by competition experts from OECD countries. In addition, case studies on standard cartel enforcement matters (ie. matters that were simply cartels without any legitimate business practice involved) were presented by eight of the seventeen participant authorities. Other participants acted as cases discussants. A roundtable discussion followed each presentation.

This event was organised and facilitated by Nick Taylor of the OECD-Korea Policy Centre, in exchange for João Pearce Azevedo of the OECD-GVH Regional Centre for Competition in Budapest (Hungary), organising and facilitat-

ing an event at the Korean centre. This is the second time that this exchange has taken place. These exchanges enable the two centres to benefit from each other's experience and to also draw upon a more diverse range of competition law enforcement experiences across the fields of economics and law.

The experts drawn from the OECD and its members gave eleven presentations during the seminar and there was an interactive game concerning a hypothetical collaboration between competitors.

On the first day of the workshop, Nick Taylor of the OECD-Korea Policy Centre introduced the topic of legitimate business practices or cartels in disguise by surveying the different types of legitimate practices that competitors can be involved in and also the different ways in which such practices risk having anticompetitive effects. Holger Dubberstein of the Bundeskartellamt presented a case study on a joint venture car rental agency set up by car insurance companies that, upon investigation, was found to be anticompetitive. Ori Schwartz of the Israeli Antitrust Authority gave a presentation on his authority's experience with business associations; both the positive and negative experiences. György Antalóczy of the GVH presented on an auto-paint horizontal and vertical collaboration, again in the context also of goods and services supplied to victims of car accidents where the work is paid for not by the immediate recipient but by competing insurance companies.

On the second day Nick Taylor gave a presentation on supply agreements between competitors and, in particular, the anticompetitive effects that can arise when a supply agreement comprises a substantial proportion of the costs of the purchaser. Thibaud Vergé of the Autorité de la Concurrence gave a presentation on his authority's experience with a series of cases involving supply agreements between competitors; both those with pro- and anti-competitive consequences. Finally, the participants played a competitive game involving a hypothetical in which the two teams (the French and German competition authorities) had to investigate a joint venture collaboration between two major international airline competitors for the supply of parts for an A380 aircraft.

On the third day, György Antalóczy presented on an information cartel case currently under investigation and the participants were able to brain storm as to what the potential risks to competition were and what approaches the authority could take in its investigation to test the possible theories of harm. Holger Dubberstein presented a case in which the two principal German free-to-air television stations had each simultaneously proposed to change their business model to begin collecting revenue via the satellite operator from viewers. Ori Schwartz gave a presentation on the experiences



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of the Israeli Authority in addressing circumstances where competitors come together to share detailed information in the context of seeking to persuade a government regulatory authority to adopt, or not adopt, a proposed policy.

On the last day, Thibaud Vergé presented on a recent case in which the principal French banks had jointly agreed to charge each other an inflated price for processing cheques and Nick Taylor gave a presentation on standards setting and standardisation agreements.

Throughout the seminar, delegates from participant countries had the opportunity to present case studies and exchange views on the particular challenges that arise for newer agencies in unearthing or properly enforcing the law in relation to cartels. The case studies covered a very diverse range of industries from petrol to superannuation administration services. Also discussed were the strengths and weaknesses of the different substantive and procedural provisions that exist concerning cartels in the different legal regimes represented at the event.

### **c) 20-22 September, Workshop on Collusion Theory and Evidence**

The RCC conducted a workshop on merger analysis and procedures for thirty-two competition law enforcers from sixteen SEE and CIS countries.

The workshop consisted of a series of presentations on key issues concerning competition authorities regarding the application of competition law in collusive agreements cases. The speakers and participants discussed the procedures of cartel cases, the kind of evidence that is relied upon and the economic theory that underpins them. The programme focused on the use of different types of evidence – from direct proof of communication between companies to indirect, economic evidence of cartel behaviour and outcome – in proving the existence of a cartel or indicating grounds for further investigation.

The topics were addressed and discussed in lectures and case studies by competition experts from OECD countries, as well as in case studies presented by eight of the sixteen participant authorities. A roundtable discussion followed each presentation.



The experts gave eight presentations and they ranged from general discussions about collusion theory and evidence to the presentation of specific cartel cases and the evidence used in prosecuting these cases.

On the first day of the workshop, João Pearce Azevedo from the RCC gave an introductory presentation on the growing importance of anti-cartel enforcement around the world. He described the growth in fines and other sanctions in several jurisdictions and the importance of the recent leniency programmes. He was followed by David McFadden, who explained the way in which cartel investigations are conducted by the Irish Competition Authority. He detailed the investigative toolkit of his agency, which relies mainly on direct evidence of communication and agreements, and exemplified its use by talking about a couple of cartel cases on the heating oil and motor dealers markets.

In the afternoon, João Pearce Azevedo gave a talk on the economic foundations of cartel creation and stability, where he detailed the several types of evidence that can be used in cartel cases, from the economic, circumstantial evidence of market characteristics and price movements to the hard, direct evidence of communication and agreements between parties.

On the second day László Bak talked about how the GVH classifies evidence and proof in cartel cases. He detailed his agency's holistic approach to evidence in cartel investigations, where economic evidence can find its role next to the more traditional form of direct evidence of agreements. At the end of the morning, João Pearce Azevedo presented the OECD guidelines for bid-rigging, highlighting the OECD's checklist for detecting bid-rigging and for designing tenders and the link with the use of circumstantial evidence in starting cartel investigations.

In the afternoon, Hanna Witt, from the Swedish Competition Authority gave a talk on the use of economic evidence in cartel detection and investigation. She focused her presentation on public procurement market cases and presented a checklist developed by her agency on the use of circumstantial evidence in starting investigations into bid-rigging cartels. She also talked about the statistical models employed by her agency to look for suspicious patterns in bids in order to detect potential bid-rigging in procurement auctions.

The last day of the seminar began with Miguel Moura e Silva giving a talk about the experience of the Portuguese Competition Authority in the use of economic evidence in cartel investigations. He detailed cases in the markets of



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catering services, hospital tenders, and salt and flour mills, where he highlighted the use and limitations of economic evidence in arguing cartel cases before the Court. The workshop was concluded with David McFadden detailing the need for direct evidence in criminal cartel proceedings in the Irish system. He used several cases that had been investigated by his authority to illustrate how this evidence can be obtained.

#### **d) 12-15 December, Advanced Level Seminar: Hypothetical Case Study on Abuse of Dominance**

The RCC conducted a workshop on the analysis of dominance and abuse for thirty-two competition law enforcers from sixteen SEE and CIS countries.

The programme aimed to provide advanced training on abuse of dominance through lectures and through participation in a hypothetical exercise. Participants were introduced to the analysis of a wide range of classic issues such as defining the relevant market, barriers to entry, determining whether market power exists, and efficiency considerations. Remedies and sanctions for abuse of dominance cases were also discussed.

In the hypothetical exercise, participants conducted interviews with market participants and analysed documents as they examined the facts of the case. At the end of the hypothetical case study, the authority prepared its determination of the case in the form of a group exercise.

There were four experts during the seminar that acted as speakers and trainers. They were: Nick Franczyk from the US FTC, Anna Miks and Gergely Dobos from the GVH and João Pearce Azevedo from the RCC.

On the first day of the workshop, João Pearce Azevedo from the RCC introduced the seminar by detailing how the agenda would proceed over the next two and a half days and how the participants would be asked to review the documents presented. He also explained how the participants would be organised into separate investigative teams in order to gather evidence through interviews and how they would then discuss the results of their investigation during the last morning of the seminar. He proceeded with a talk on the theory of dominance, its relationship with market power and how to assess it. He then detailed in a short overview the facts for the hypothetical case study.

Nick Franczyk, from the US Federal Trade Commission gave a presentation on how to distinguish abuse of dominance from robust competition. In his presentation he described and compared the US and EU approaches to dealing with

dominance and assessing abuse. He proceeded to detail some forms of abuse, such as exclusive dealing arrangements, refusal to deal, predatory pricing and tying, while referring to the key US cases and the EU Guidance Paper on this topic.

During the afternoon, Nick Franczyk, explained how an agency should proceed in investigating abuse of dominance cases. He detailed the several steps that need to be undertaken when conducting an investigation. These steps are: developing a theory of the case, identifying sources of information, interviewing witnesses, requesting documents and data, organising and assessing the evidence and determining whether there was a violation of the law. Anna Miks, from the GVH then gave a talk on how to interview witnesses in the context of an abuse investigation. She detailed how to set up the pre-interview preparation, how to conduct the interview - taking into consideration the role of the interview in the investigation process, the type of witness and the questioning techniques employed. She finalised her speech by explaining the role of the post-interview process, where the investigative team has to review the notes transcribed in order to evaluate the interview.

On the second day, the participants were asked to evaluate the complaint on the basis of the documents previously distributed. They were then asked to establish an investigative plan. They were given the task of interviewing the complainant, the defendant and several witnesses to the case. This included competitors, customers and an industry specialist, who were played by the panel members. Each interview was conducted by one of six groups that combined the delegates of two-three countries. At the end of each interview, the relevant questions and answers from the witnesses were compiled into a “fact-sheet” that was being put together by the expert panellists in a spreadsheet.

On the third day, the participants were asked to review the materials presented, the interviews conducted, and to reach a conclusion regarding the case. The participants were then asked to reach a recommendation regarding the present case. They split into three groups: (i) a group that concluded that the defendant was guilty of abusing his dominant position (ii) a group that did not think there was enough evidence to conclude that there was a violation of competition law and (iii) a third group that concluded that the abuse of dominance could be resolved with the appropriate set of remedies. Each group was asked to present a summary of their conclusions and to reason their case in front of the panel.

Gergely Dobos of the GVH then gave a presentation on remedies that can be employed in abuse cases, detailing the types of remedies (structural and behavioural), and their respective advantages and disadvantages. Finally, the whole group was asked to discuss the type of remedies that could be applied to this particular case and to recommend a solution to the “board” of the agency, which was played by the panel.



Seminar on Collusion and Information Sharing Among Competitors and the Role of Associations – 7-9 June 2011, Sofia, Bulgaria



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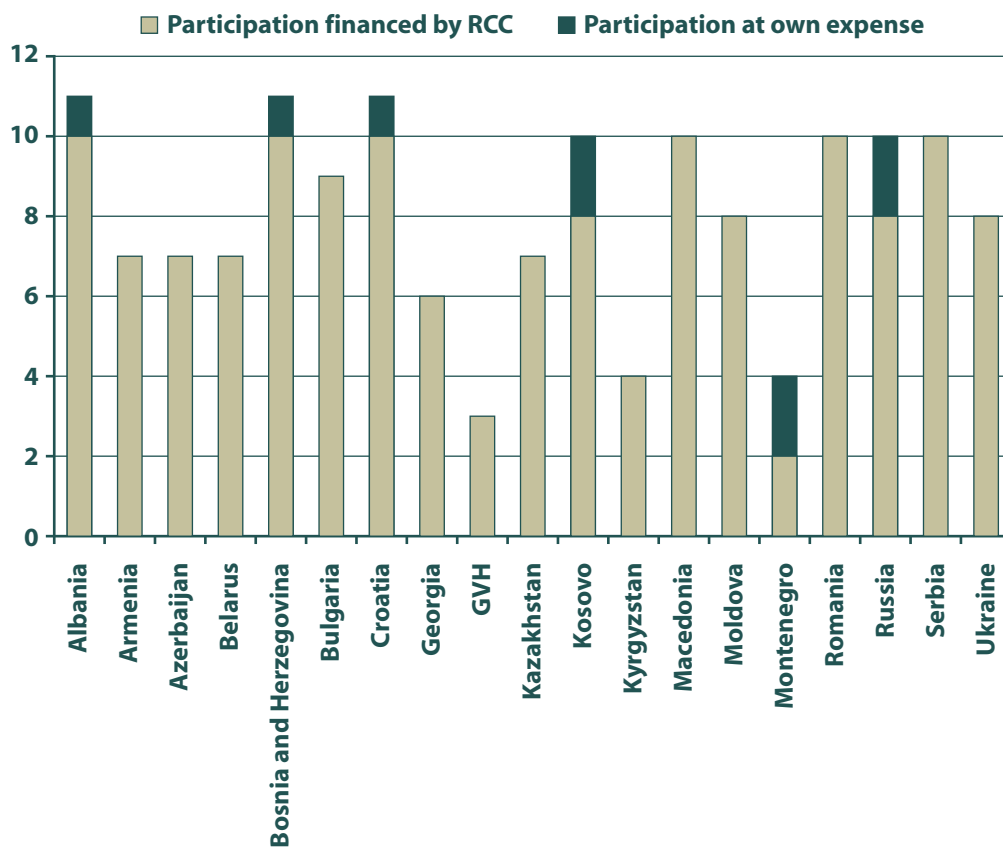
**Table N°4: Number of participants and events attended**

Table N°4 gives an overview of the number of participants at the seminars. This summary focuses on the participants of the seminars organised as part of the core activity of the RCC.

Economy / Organisation	Number of participants	Person-days	Events attended
Albania	11	33	7
Armenia	7	19	5
Azerbaijan	7	22	5
Belarus	7	22	5
Bosnia and Herzegovina	11	30	7
Bulgaria	36	107	7
Croatia	11	30	7
Georgia	6	17	5
GVH	3	9	1
Kazakhstan	7	22	5
Kosovo	10	27	6
Kyrgyzstan	4	13	3
Macedonia	10	29	7
Moldova	8	23	6
Montenegro	4	14	2
Romania	10	29	7
Russia	10	29	6
Serbia	10	29	7
Ukraine	8	23	6
<b>TOTAL</b>	<b>180</b>	<b>527</b>	

**Chart N°1: Total number of participants per economy in seminars organised as part of the core activity of the RCC**

Chart N°1 gives an overview of the number of participants per economy and to what extent participants were financed by the RCC or their institutions.



Workshop on Collusion Theory and Evidence – 20-22 September 2011, Budapest, Hungary





Seminar on the Litigation of Competition Cases Before Courts – 8-10 November 2011, Budapest, Hungary

## **A) 2. Special events in the framework of the core activity**

### **a) 5 April, Heads' Meeting and Presentations on the Use of Market Studies by Competition Agencies**

16 participants from thirteen countries attended 2011's annual meeting of the Heads of the involved authorities. The meeting consisted of two sessions. In the morning there was a professional session on the topic of market studies. This topic was selected because market studies, as part of the portfolio of tools employed by competition agencies, can play a very important role as both a prelude to litigation and as a foundation for competition advocacy. Market studies can involve a wide variety of practices and institutional environments, from very formal and exacting hypothesis testing with advanced quantitative methods, to quite informal inquiries about the existence of specific business practices. They are also a good way of linking the use of competition policy and consumer policy. The invited speakers and participants discussed this topic in detail.

Three invited speakers gave presentations during the morning session. Manuel Sebastião, President of the Autoridade da Concorrência spoke about the role of market studies in competition law enforcement. Anne Perrot, Vice President of the Autorité de la Concurrence discussed in her presentation the sectorial inquiries in France, with special emphasis on the retail and railway sector. Finally, Surd Kováts of the GVH presented the Hungarian experience.

In the afternoon programme the participants discussed some RCC related questions and plans for the future.

### **b) 7-9 June, Sofia, Bulgaria, Seminar on Collusion and Information Sharing Among Competitors and the Role of Associations**

The RCC conducted a workshop on collusion, information exchanges and the role of associations for forty-five competition law enforcers from seventeen SEE and CIS countries.

The workshop consisted of a series of presentations on key issues concerning competition authorities regarding the application of competition law to horizontal restraints cases. It dealt with the role of facilitating practices - like information sharing among competitors - on the likelihood of anticompetitive horizontal conduct. The revised EU Horizontal Guidelines were discussed with a particular focus on the chapter on information sharing. The role of associations in facilitating the collusive behaviour of their members was also examined as were the general conditions under which collusion is more likely to occur.

The topics were addressed and discussed in lectures and case studies by competition experts from OECD countries, as well as in case studies presented by the Bulgarian Commission on Protection of Competition (CPC). A roundtable discussion followed each presentation.

The experts gave eleven presentations during the seminar. The topics ranged from an introduction to the basic concepts of consumer welfare, market power and restriction of competition, to the theory of cartels and the role of associations and information exchanges in the creation and stability of cartels. The revised Commission Guidelines on information exchanges were also the object of discussions among the speakers and the participants. During the course of the seminar, several case studies were presented by both experts and representatives of the Bulgarian Commission on Protection of Competition that illustrated the impact of information exchanges and the role of associations in the functioning of cartels.

On the first day of the workshop, Angelina Mileva of the Bulgarian Commission on Protection of Competition gave an introductory talk on the challenges faced by young competition authorities. João Pearce Azevedo of the RCC then presented an introduction to restrictive agreements, where he defined the concept of restriction of competition in the terms of Article 101 and spoke about how it links with social welfare loss. Andreas Reindl, from the Leuphana University Lüneburg talked about the application of Article 101 to agreements between competitors. He distinguished between the restriction of competition by object and by effect and how these distinctions affect the antitrust analysis of agreements. This talk was followed by a discussion of a hypothetical case study exercise about a restrictive agreement case in the marketing and promotion of classical recording and this led to a general discussion among the participants and the panel. João Pearce Azevedo then gave a presentation about the economics of cartel stability, where he introduced the basic theory of cartels and the relationship between information exchanges and the formation and stability of collusive outcomes.

In the afternoon, Aleksandra Boutin from DG-Comp detailed the chapter on information exchanges contained in the European Commission's Guidelines on the applicability of Art 101 of the TFEU. He proceeded to explain when they can be considered a restriction by object and also when pro-competitive information sharing can lead to efficiencies. Andreas Reindl followed by highlighting some selected issues from the Guidelines, namely the contrast between information exchanges as a restriction by object or by effect.



Seminar on the Litigation of Competition Cases Before Courts – 8-10 November 2011, Budapest, Hungary



European Judges Seminar on Recent Developments in European Competition Law – 25-26 November 2011, Budapest, Hungary

The second day began with a presentation from Laure Durand-Viel from the Autorité de la Concurrence about two French cases in the mobile telephone industry and the market for Parisian luxury hotels. In both cases, the French competition authority fined companies for engaging in information exchanges which led to a distortion of competition in the market. This was followed by Matthew Bennett from the UK Office of Fair Trade, who talked about the law and economics of indirect information exchanges by linking these to the “hub and spoke” model. The morning ended with Andreas Reindl presenting some case examples which illustrated how unilateral disclosures can lead to anti-competitive outcomes.

In the afternoon, João Pearce Azevedo started by talking about the role of trade associations and how, although they can play positive roles in benefiting their members and the whole industry, they can facilitate collusive outcomes. László Bak from the Hungarian Competition Authority then described the historical development of trade associations in Hungary and a few cases in Hungary’s jurisdiction that illustrated the anti-competitive implications of some of the activities of associations.

On the last day, Matthew Bennett talked about a case of information exchange in the UK car insurance industry, where he detailed the methodology used to estimate the smallest number of firms in an industry where information disclosures can raise competition issues.

### **c) 8-10 November, Seminar on the Litigation of Competition Cases Before Courts**

The year 2011 introduced a novelty in the programme’s structure of the RCC. The RCC organised its first seminar with a consultant on a specialised topic: competition litigation. The seminar was highly successful, mainly because the topic has never before been the subject of a competition law seminar. The goal of the event was to give competition authority staff who are responsible for representing their authorities before court, an opportunity to discuss the practical aspects that arise in the litigation of competition cases and to learn from more experienced authorities what steps they could consider in order to improve their chances of succeeding in court cases, which are almost certain to become more frequent in the future.

The programme was very intense as the topics were addressed and discussed in lectures and case studies by competition experts from OECD countries. The number of speakers was quite large, but it fulfilled its purpose of providing a broad range of different experiences, both from larger, well resourced agencies with long experience in litigating cases, and smaller agencies.



The seminar was devoted to the practical issues that are faced in the litigation of competition cases and the related responsibilities of a competition authority's legal department. The seminar was chaired by Andreas Reindl from the Leuphana University Lüneburg. The presentations were divided among seven speakers, including João Pearce Azevedo, RCC, Viktor Bottka, European Commission, Clare Exell, Office of Fair Trading, Árpád Hargita, GVH, William Kovacic, GWU Law School, Washington, DC, Jörg Nothdurft, Bundeskartellamt and Elonas Satas, Lithuania Competition Council.

The first morning focused on issues related to the investigation of a case and the gathering of evidence. William Kovacic from the GWU Law School, Washington gave an introductory speech on litigating competition cases and this was followed by a detailed presentation by Clare Exell from the Office of Fair Trading, who provided an ample overview of one of her authority's bid-rigging cases from a litigation point of view. In the afternoon, Árpád Hargita from the GVH explained the role of the GVH's legal department during case investigations and litigation, and Elonas Satas, from the Lithuania Competition Council gave a speech on how to present complex economic issues to judges.

The second day focused on the challenges that are faced in cartel cases and in the setting of fines. After William Kovacic's presentation on the FTC's Wholefoods case, Jörg Nothdurft from the Bundeskartellamt detailed the German competition litigation system, and Viktor Bottka from the European Commission Legal Service talked about setting and defending fines. A roundtable discussion was featured in the afternoon on a range of topics, from developing relationships with judges to the role of a legal department within a competition authority.

The last day focused on institutional issues and the role of the European Human Rights Convention in litigated competition cases.

The agenda provided for a mix of different presentations and for opportunities for discussion. Set pieces were held to a minimum, and comments and questions were encouraged, including discussions among speakers. Throughout the programme speakers and participants presented cases that had been litigated before courts and spoke of the lessons that been learnt from them.



European Judges Seminar on Recent Developments in European Competition Law – 25-26 November 2011, Budapest, Hungary





Advanced Level Seminar: Hypothetical Case Study on Abuse of Dominance – 13-15 December 2011, Budapest, Hungary

## **B) Events for the RCC's special audience**

### **a) 4-5 February, European Judges Seminar on Quantification of Damages in Competition Cases**

The GVH and the RCC organised a two-day seminar for European competition law judges on 4 and 5 February 2011. The seminar focused on the quantification of damages in competition cases, both in Article 101 cases (cartels) and single firm conduct cases under Article 102. In addition to providing information on economic and econometric methods that can be used to quantify damages, the seminar focused also on the practical application of these methods in trials before national judges. The seminar offered ample opportunity to discuss concepts and problems during breakout sessions and during the plenary session.

The seminar was very successful. The participants were selected to ensure a good mix of jurisdictions and a high level of experience in competition and commercial law cases, which led to good discussion and questions in plenary sessions. The topic of the seminar was very technical and the programme was very intense, but the feedback by participants was very positive.

Twenty-eight judges participated in the event. The careful selection of applicants ensured that there was a good mix of judges from countries with a longer tradition in competition law enforcement and countries with newer competition regimes. Participants commented positively on the smaller group of judges, which made it easier to establish contacts with all participants.

The seminar was chaired by Andreas Reindl from the Leuphana University Lüneburg. The presentations were divided among five speakers, including João Pearce Azevedo, RCC, Gergely Csorba, GVH, Benoit Durand, RBB Economics, Belgium, Hans Friederiszick, ESMT Competition Analysis, Germany (all economists with practical experience in competition cases, but also with strong academic backgrounds) and Andreas Reindl who provided comments on damages estimation from a legal/procedural perspective. Speakers also led the discussion during the breakout sessions.

The seminar was exclusively devoted to the quantification of damages in competition cases. For both hard-core cartels and single firm conduct cases, the discussion of damage estimation was preceded by a refresher session on general legal and economics concepts. The seminar covered the methodologies that are applied in damage estimation, but also focused on the problems and questions that arise in the application of these methodologies, as well as on procedural aspects in trials before national courts.

On the first day the programme focused on damages in hard-core cartel cases. After the introductory session, which was used to remind participants of some economic concepts and the legal issues in cartel cases, Hans Friederiszick explained the methodologies that are used in damage estimation, illustrated by the German cement cartel case in which he participated as an economic expert. A breakout session provided participants with an opportunity to discuss problems in damages cases in light of a hypothetical fact pattern.

The afternoon session was used to discuss practical problems, including approaches judges can take to ensure the use of workable and reasonably accurate models to estimate damages and the usefulness of factual findings in infringement decisions for the quantification of damages in follow-on suits, as well as procedural issues in damages cases, such as the standard of proof, use of experts, and allocation of damages in cases involving multiple defendants and/or plaintiffs. A breakout session towards the end of the day provided participants with an opportunity to exchange views and information on rules and practices in their national jurisdictions. Some breakout group discussions were moderated by participating judges, which worked well.

The second day's session was used to explain the estimation of damages in abuse of dominance cases. Again great emphasis was placed on illustrating general economic principles with case examples. The interface between public enforcement cases and private follow-on suits for damages was again part of the discussion.

#### **b) 25-26 November, European Judges Seminar on Recent Developments in European Competition Law**

The GVH and the RCC organised a competition law seminar for judges on 25-26 November 2011. The seminar focused on recent case law in EU competition law. This reflects a suggestion that has been repeatedly made in the evaluations of previous judges seminars. The goal of the seminar was to provide participants with an overview of the major developments that have taken place in the case law, including some judgments from national courts, and to place these cases in the context of previous case law and recent policy developments. The selected judgments were organised into three areas, including restrictive agreements, abuse of dominant position, and procedural issues.

45 judges from 17 countries participated in the event. The seminar was to some degree an experiment, as the RCC had never before had a programme which focused exclusively on recent case law. Nevertheless, the event was highly successful. The feedback which was received during the seminar indicated a high degree of satisfaction among participants.



Advanced Level Seminar: Hypothetical Case Study on Abuse of Dominance – 13-15 December 2011, Budapest, Hungary

The seminar was chaired by Andreas Reindl. The presentations were divided among the chair and an additional four speakers, including João Azevedo, OECD-GVH RCC, Antonio Capobianco, OECD, Gergely Csorba, GVH, and Ingeborg Simonsson, Stockholm City Court.

The seminar was devoted to a detailed discussion of recent cases and policy developments. Discussions in breakout groups on both days ensured that participants were actively involved in debating the implications of some recent Court judgments. Considerable time was also put aside for the discussion of fact patterns during the general sessions.

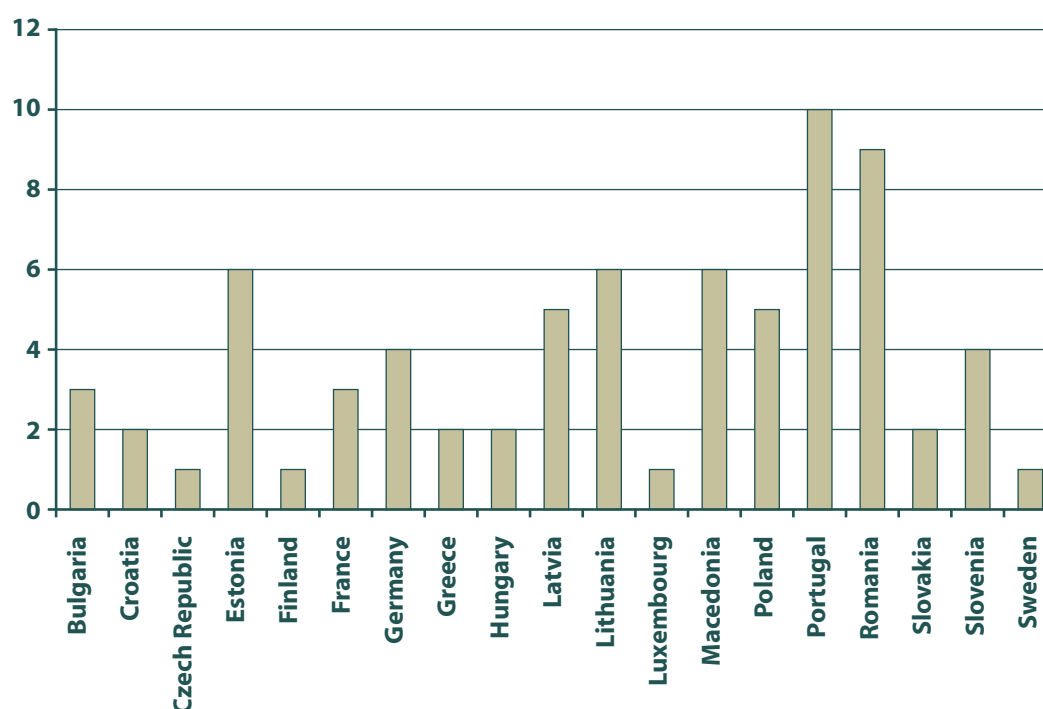
The first morning focused on important judgments concerning horizontal agreements, in particular on information exchange cases and the relevant parts of the Commission's horizontal agreements guidelines. The morning concluded with a breakout session, which gave participants an opportunity to consider the implications of previously discussed judgments with the help of a hypothetical fact pattern.

Friday afternoon was used to discuss recent abuse of dominance cases and focused on both "horizontal" exclusionary abuse and on margin squeeze. Both national and European cases and Opinions of Advocates Generals were used to illustrate recent developments in this area and to highlight certain tensions between court cases and policy directions in the Commission's guidance paper which can become particularly relevant for national courts in private litigation.

Saturday morning began with an overview of recent cases involving vertical agreements. The goal here was to inform participants of major new cases. The day concluded with a discussion of the procedural issues that are relevant in private litigation, such as access to leniency documents for plaintiffs in private litigation. Some recent developments concerning procedural rights with reference to the ECHR were also discussed, where one of the participants also presented a recent decision from a national court.

The agenda provided for a mix of different presentations and for opportunities for discussion. Comment and questions were encouraged, as well as discussions among speakers and with participants. Throughout the seminar participants used the opportunity to raise questions and comment on cases from a practical, judicial perspective.

**Chart N°2: Total number of participants per country for the two European Judges Seminars**



### III. Other issues

#### a) Signature of the modification of the MoU

Representatives from the OECD and the GVH signed an amended Memorandum of Understanding with regard to the RCC updating the terms of the agreement in light of the 6 years' experience with its operation. For the signing the OECD was represented by Richard Boucher, Deputy Secretary-General; Caroly Ervin, Director of the Financial and Enterprise Affairs Directorate; Patricia Heriard-Dubreuil, Deputy-Head of the Competition Division; Hillary Jennings, Head of Outreach of the Competition Division and João Azevedo from the OECD-GVH RCC. Representing the GVH were Miklós Juhász, the President of the GVH; András Tóth, the Vice-President of the GVH and Sándor Simon, the Attorney Ambassador from the Permanent Delegation of Hungary to the OECD.

Miklós Juhász, President of the GVH emphasised that one of the most important aims of the RCC is to disseminate the understanding of competition culture in East-, and Central European countries. Therefore, the management of the GVH strongly supports the operation of the RCC. According to Richard Boucher, Deputy Secretary-General of the OECD, the RCC pursues a highly valuable activity from the perspective of the OECD, since it significantly contributes to the dissemination of the OECD best practices focusing on non-member states.

#### b) Contribution to events organised by other institutions

On the occasion of its tenth anniversary, the State Commission for the Protection of Economic Competition of the Republic of Armenia (SCPEC) organised a high-level international conference in March 2011. The event was devoted to the topic of "Dissemination of UNCTAD Voluntary Peer Review of Competition Law and Policy: Armenia". In the framework of the presentation of the Peer Review Recommendations and suggested technical assistance, development partners had the opportunity to comment on their joint work with the SCPEC. As one of the development partners, the RCC was invited to the conference. João Pearce Azevedo gave a speech on the technical support provided by the RCC, explaining that the SCPEC has been a major partner and recipient of the programme since the set up of the RCC, either through participating in the regular workshops or by successfully hosting a country-specific event in 2010.

In the framework of the 10<sup>th</sup> ICN Annual Conference, the Mexican Federal Competition Commission arranged an optional session which focused on "Regional Platform and Regional Issues" in May 2011. The OECD along with the GVH and the Korean Competition Authority delivered a joint presentation demonstrating the effectiveness of their



Signature of the modification of the MoU – 16 February 2011, Paris, France





partnership. László Bak, Chief of Staff at the GVH presented the RCC and its achievements, pointing out its added-value both at the level of the government and the competition agency. The significance of the RCC for the region was also highlighted in his speech. Hilary Jennings, Head of the Outreach Activity at the OECD, highlighted in her presentation the values and commonalities of the “OECD model” by explaining that the two centres are efficient and effective hubs for channelling the capacity building of the OECD. The experiences and lessons learnt from the joint ventures in Budapest and in Seoul proved that targeted and regional specific issues facilitated dialogue with target countries. Moreover, target countries have “ownership” of the programmes delivered by the centres.

The Bulgarian Commission on Protection of Competition celebrated its 20<sup>th</sup> anniversary by organising a Competition Day and jubilee conference in November 2011. In the framework of the event renowned international experts had the opportunity to exchange their views and experiences with each other and the audience on the topic of “Current Trends and Priorities of Competition Policy”. Miklós Juhász, President of the GVH was one of the members of the panel on “Cooperation among competition enforcers – the way forward”, and he gave a speech on the “RCC and its role in disseminating best practices”. Miklós Juhász emphasised in his speech that the RCC has developed into a leading institution for the dissemination of sound competition principles and best practices across the region and that its work has led to improved networks between competition authorities, and has provided an avenue for the sharing of experiences in a region where competition has not always been a core objective.

#### IV. EVALUATION OF RCC SEMINARS

Participants are always asked to provide feedback on RCC seminars in order to maintain and potentially increase the standard of the events. According to the feedback, participants found that the seminars provided theoretical and practical information that was highly relevant to their day-to-day work and that the seminars also provided a good opportunity for the exchange of opinions between participants and experts. The average value of all of the answers for the entire year was 4,2 out of a maximum of 5.

Participants considered the quality and the relevance of the programmes to their work to be either: very high or high – 93 per cent of respondents rated the seminars on this basis. In the seventh year of its operation, the RCC offered various topics to representatives of the participating economies to the high standard that they have now come to expect from the RCC. Based on the feedback, the current distribution of the topics is well received. As usual participants request more presentations on practical issues and in-depth case analyses, rather than theoretical discussions.

**Table N°5: Participants' evaluation of events organised by the RCC in the year 2011**

	Distribution of answers				
	Very high	High	Moderate	Low	Very low
Workshop preparations	38%	47%	14%	1%	1%
Quality of conference facilities	43%	46%	11%	0%	0%
Usefulness and quality of materials	40%	52%	8%	0%	0%
Usefulness of hypothetical cases/country contributions/case studies/tour de table	27%	47%	24%	2%	1%
Quality of presentations	35%	57%	7%	1%	0%
Overall usefulness of the topics	35%	52%	13%	1%	0%
Overall usefulness of the event	44%	49%	7%	0%	0%

**Table N°6: Detailed participants' evaluation by events and by categories**

Workshop preparations	Average rating	Number of chosen ratings				
		Very high	High	Moderate	Low	Very low
<b>Total:</b>	<b>4,2</b>	<b>75</b>	<b>93</b>	<b>27</b>	<b>1</b>	<b>1</b>
European Judges Seminar on Quantification of Damages in Competition Cases	4,3	11	11	4	0	0
Advanced Level Seminar: Workshop on Quantitative Techniques of Horizontal Merger Analysis	4,2	8	6	4	0	0
Intermediate Level Seminar: Seminar on Legitimate Business Practices or Cartels	4,4	9	7	2	0	0
Seminar on Collusion and Information Sharing Among Competitors and the Role of Associations	4,5	14	9	1	0	0
Workshop on Collusion Theory and Evidence	4,1	7	12	2	1	0
Seminar on the Litigation of Competition Cases Before Courts	3,8	3	11	4	0	1
European Judges Seminar on Recent Developments in European Competition Law	4,2	16	24	7	0	0
Advanced Level Seminar: Hypothetical Case Study on Abuse of Dominance	4,2	7	13	3	0	0

Quality of conference facilities	Average rating	Number of chosen ratings				
		Very high	High	Moderate	Low	Very low
<b>Total:</b>	<b>4,3</b>	<b>85</b>	<b>92</b>	<b>22</b>	<b>0</b>	<b>0</b>
European Judges Seminar on Quantification of Damages in Competition Cases	4,4	13	11	2	0	0
Advanced Level Seminar: Workshop on Quantitative Techniques of Horizontal Merger Analysis	4,5	10	8	1	0	0
Intermediate Level Seminar: Seminar on Legitimate Business Practices or Cartels	4,4	9	7	2	0	0
Seminar on Collusion and Information Sharing Among Competitors and the Role of Associations	4,6	16	7	2	0	0
Workshop on Collusion Theory and Evidence	4,0	4	15	3	0	0
Seminar on the Litigation of Competition Cases Before Courts	4,0	5	9	5	0	0
European Judges Seminar on Recent Developments in European Competition Law	4,4	22	21	4	0	0
Advanced Level Seminar: Hypothetical Case Study on Abuse of Dominance	4,1	6	14	3	0	0

Usefulness and quality of materials	Average rating	Number of chosen ratings				
		Very high	High	Moderate	Low	Very low
<b>Total:</b>	<b>4,3</b>	<b>80</b>	<b>102</b>	<b>16</b>	<b>0</b>	<b>0</b>
European Judges Seminar on Quantification of Damages in Competition Cases	4,3	12	10	4	0	0
Advanced Level Seminar: Workshop on Quantitative Techniques of Horizontal Merger Analysis	4,6	11	8	0	0	0
Intermediate Level Seminar: Seminar on Legitimate Business Practices or Cartels	4,4	8	10	0	0	0
Seminar on Collusion and Information Sharing Among Competitors and the Role of Associations	4,5	13	11	1	0	0
Workshop on Collusion Theory and Evidence	4,3	9	11	2	0	0
Seminar on the Litigation of Competition Cases Before Courts	3,9	3	11	4	0	0
European Judges Seminar on Recent Developments in European Competition Law	4,4	18	28	1	0	0
Advanced Level Seminar: Hypothetical Case Study on Abuse of Dominance	4,1	6	13	4	0	0

Usefulness of hypothetical cases / country contributions / breakout sessions	Average rating	Number of chosen ratings				
		Very high	High	Moderate	Low	Very low
<b>Total:</b>	<b>4,0</b>	<b>51</b>	<b>87</b>	<b>44</b>	<b>4</b>	<b>1</b>
European Judges Seminar on Quantification of Damages in Competition Cases	3,9	3	19	3	1	0
Advanced Level Seminar: Workshop on Quantitative Techniques of Horizontal Merger Analysis	3,9	9	3	3	2	1
Intermediate Level Seminar: Seminar on Legitimate Business Practices or Cartels	4,1	6	4	5	0	0
Seminar on Collusion and Information Sharing Among Competitors and the Role of Associations	4,2	7	12	3	0	0
Workshop on Collusion Theory and Evidence	3,9	6	5	9	0	0
Seminar on the Litigation of Competition Cases Before Courts	3,8	2	10	5	0	0
European Judges Seminar on Recent Developments in European Competition Law	3,9	7	26	14	0	0
Advanced Level Seminar: Hypothetical Case Study on Abuse of Dominance	4,3	11	8	2	1	0

Quality of presentations	Average rating	Number of chosen ratings				
		Very high	High	Moderate	Low	Very low
<b>Total:</b>	<b>4,3</b>	<b>70</b>	<b>113</b>	<b>14</b>	<b>1</b>	<b>0</b>
European Judges Seminar on Quantification of Damages in Competition Cases	4,4	12	15	0	0	0
Advanced Level Seminar: Workshop on Quantitative Techniques of Horizontal Merger Analysis	4,3	7	11	1	0	0
Intermediate Level Seminar: Seminar on Legitimate Business Practices or Cartels	4,1	3	12	2	0	0
Seminar on Collusion and Information Sharing Among Competitors and the Role of Associations	4,5	13	11	1	0	0
Workshop on Collusion Theory and Evidence	4,1	6	12	4	0	0
Seminar on the Litigation of Competition Cases Before Courts	4,3	7	9	2	0	0
European Judges Seminar on Recent Developments in European Competition Law	4,3	18	27	2	0	0
Advanced Level Seminar: Hypothetical Case Study on Abuse of Dominance	4,0	4	16	2	1	0



Overall usefulness of the topics	Average rating	Number of chosen ratings				
		Very high	High	Moderate	Low	Very low
<b>Total:</b>	<b>4,2</b>	<b>68</b>	<b>102</b>	<b>26</b>	<b>1</b>	<b>0</b>
European Judges Seminar on Quantification of Damages in Competition Cases	4,0	8	12	5	1	0
Advanced Level Seminar: Workshop on Quantitative Techniques of Horizontal Merger Analysis	4,1	4	13	2	0	0
Intermediate Level Seminar: Seminar on Legitimate Business Practices or Cartels	4,4	6	11	0	0	0
Seminar on Collusion and Information Sharing Among Competitors and the Role of Associations	4,5	14	9	2	0	0
Workshop on Collusion Theory and Evidence	4,2	6	14	2	0	0
Seminar on the Litigation of Competition Cases Before Courts	4,2	7	7	4	0	0
European Judges Seminar on Recent Developments in European Competition Law	4,2	17	22	8	0	0
Advanced Level Seminar: Hypothetical Case Study on Abuse of Dominance	4,1	6	14	3	0	0

Overall usefulness of the event	Average rating	Number of chosen ratings				
		Very high	High	Moderate	Low	Very low
<b>Total:</b>	<b>4,4</b>	<b>87</b>	<b>98</b>	<b>13</b>	<b>0</b>	<b>0</b>
European Judges Seminar on Quantification of Damages in Competition Cases	4,3	10	16	1	0	0
Advanced Level Seminar: Workshop on Quantitative Techniques of Horizontal Merger Analysis	4,4	8	10	1	0	0
Intermediate Level Seminar: Seminar on Legitimate Business Practices or Cartels	4,4	7	9	1	0	0
Seminar on Collusion and Information Sharing Among Competitors and the Role of Associations	4,6	16	8	1	0	0
Workshop on Collusion Theory and Evidence	4,2	8	10	4	0	0
Seminar on the Litigation of Competition Cases Before Courts	4,2	7	8	3	0	0
European Judges Seminar on Recent Developments in European Competition Law	4,5	24	23	0	0	0
Advanced Level Seminar: Hypothetical Case Study on Abuse of Dominance	4,2	7	14	2	0	0

## V. FINANCIAL AND INTELLECTUAL CONTRIBUTIONS

Ensuring that the RCC operates at the highest level is the task of the founding parties, the GVH and the OECD. This is set out in the Memorandum of Understanding signed by the parties in 2005, when the RCC was established. Both institutions provide financial and intellectual contributions towards the operation of the RCC. The accumulated experience and expertise of the OECD members also contributes to the training programmes offered by the RCC.

The dedicated funding for the operation of the RCC appears completely separate in the annual budget of the GVH. The source of this dedicated funding is set forth in Hungary's Competition Act.

The RCC had a budget of EUR 491 816 for 2011. This includes funds provided by the GVH and the OECD, as well as grants received from the European Commission, the latter for the judges training.

The following tables provide details on the total costs of the operation of the RCC in 2011 by sources of funds, by events and by major categories of costs.

**Table №7: The sources of funds**

Sources of funds (EUR)	
GVH (Hungarian Competition Authority)	416 816
OECD	30 000
European Commission (estimated, grants for the judges seminars)	45 000
<b>Total funds</b>	<b>491 816</b>

**Table №8: Breakdown of total expenses by items**

Breakdown of total expenses (EUR)	
<b>A) Direct organisational costs</b>	
European Judges Seminar on Quantification of Damages in Competition Cases	26 916
Advanced Level Seminar: Workshop on Quantitative Techniques of Horizontal Merger Analysis	34 310
Heads' Meeting and Presentations on the Use of Market Studies by Competition Agencies	14 828
Intermediate Level Seminar: Seminar on Legitimate Business Practices or Cartels	30 506
Seminar on Collusion and Information Sharing Among Competitors and the Role of Associations, Sofia, Bulgaria	46 015
Workshop on Collusion Theory and Evidence	40 108
Seminar on the Litigation of Competition Cases Before Courts	24 099
European Judges Seminar on Recent Developments in European Competition Law	38 937
Advanced Level Seminar: Hypothetical Case Study on Abuse of Dominance	35 156
<b>Total direct organisational costs</b>	<b>290 875</b>
<b>B) Overhead and operational costs of the RCC</b>	<b>20 941</b>
<b>C) Staff costs transferred by the GVH to the OECD (see comment 1)</b>	<b>180 000</b>
<b>TOTAL EXPENSES 2011</b>	<b>491 816</b>

Comment 1: On the basis of the Memorandum of Understanding, the GVH made a voluntary contribution to the OECD for staff-related purposes.

## VI. RCC DEDICATED STAFF

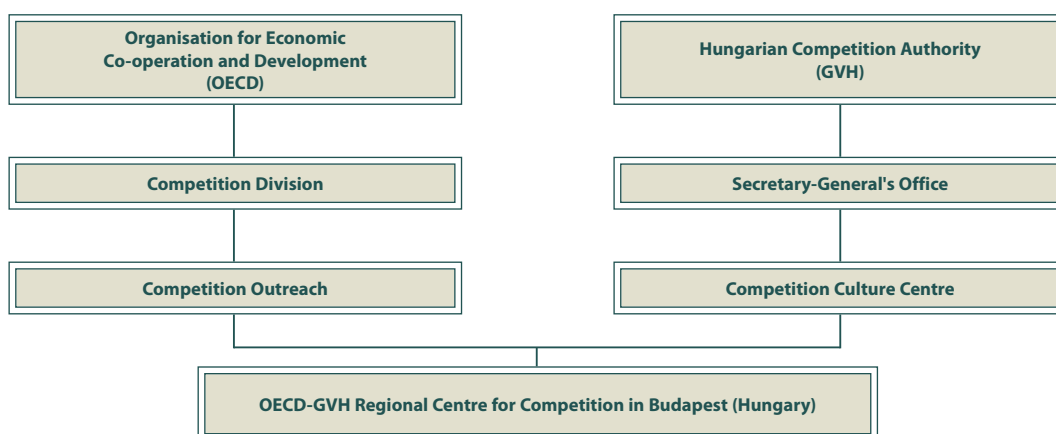
The RCC is a “virtual” centre, thus it does not have a central office but it is accommodated in the headquarters of the GVH. The RCC is run by a full-time senior consultant and an assistant who are at the same time employees of the GVH in Budapest and by a full-time senior competition expert at the OECD headquarters in Paris. The virtual existence of the RCC allows it to concentrate funds on the real purpose of its establishment, that is, organising seminars, inviting and training participants. The virtual structure also facilitates adaptation to changing situations.

The work of the RCC is based on the expertise of both the GVH and the OECD. The GVH is responsible for organising all of the practical arrangements for the RCC’s programmes. The expert at the OECD sets up the content of the programmes and invites speakers to the seminars. The GVH provides speakers or panellists for each seminar. Other speakers are invited from different OECD member states.

Structurally, the RCC is located in the Competition Culture Centre of the GVH. Within the GVH, Andrea Dalmay is responsible for the organisational aspects of the events and is supported by one full time assistant. Other members of staff at the GVH also assist with the work of the RCC on a part-time basis.

João Pearce Azevedo, based in Paris, is responsible for the development and delivery of the RCC programme and for chairing the events.

**Chart N°3: Organisational diagram of the RCC**



## SEMINARS' SPEAKERS OF THE YEAR 2011



**Alexander ALEXANDROV**  
Commission on Protection  
of Competition  
Bulgaria



**György ANTALÓCZY**  
Hungarian Competition Authority  
Hungary



**Vessela ANTONOVA**  
Commission on Protection  
of Competition  
Bulgaria



**László BAK**  
Hungarian Competition Authority  
Hungary



**Matthew BENNETT**  
Office of Fair Trading  
United Kingdom



**Viktor BOTTKA**  
European Commission  
Belgium



**Aleksandra BOUTIN**  
DG Competition  
European Commission



**Keith J. BRAND**  
Federal Trade Commission  
United States



**Antonio CAPOBIANCO**  
DAF/COMP  
OECD



**Boriana CHOTEKOVA**  
Commission on Protection  
of Competition  
Bulgaria



**Gergely CSORBA**  
Hungarian Competition Authority  
Hungary



**Elena DIMOVA**  
Commission on Protection  
of Competition  
Bulgaria





**Gergely DOBOS**  
Hungarian Competition Authority  
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