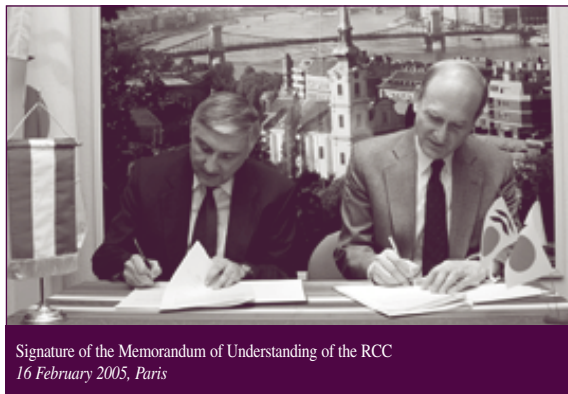


**OECD-HUNGARY REGIONAL CENTRE FOR COMPETITION IN BUDAPEST**

**Annual Activity Report, 2008**

## I. INTRODUCTION AND ORGANISATIONAL SETUP



The OECD-Hungary Regional Centre for Competition in Budapest (RCC) was established by the Gazdasági Versenyhivatal (GVH, Hungarian Competition Authority) and the Organisation for Economic Co-operation and Development (OECD) on 16th 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 East, South-East and Central European region and thereby to contribute to economic growth and prosperity in the region.

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 the GVH itself.

The RCC's work focuses on four main target groups. The first set of countries involved in the framework of the RCC are the Eastern European countries and that of the region of South-East Europe, namely Albania, Armenia, Azerbaijan, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Georgia, Macedonia, Moldova, Montenegro, Romania, the Russian Federation, Serbia and Ukraine. These countries share the history of having a centrally planned economy and the RCC aims to help them in their pursuit of building a market economy where markets work well for consumers. Countries in Eastern and Central Europe are all engaged in the development of their competition laws and policies, but have reached very different stages along this path. As a consequence, the needs for capacity building among European non-member countries differ, which calls for a broad approach in the competition outreach work. Major capacity building needs in Eastern and Central Europe include (a) enhancing the analytical skills in competition law enforcement, (b) raising the awareness of the judiciary of the specific characteristics of competition law adjudication, (c) approaches in pro-competitive reform of infrastructure sectors, (d) competition advocacy, (e) relations between competition authorities and sector regulatory agencies, (f) legal and institutional reform in the competition area, and (e) building international co-operation and networking.

The second group of beneficiaries in the work of the RCC are the countries, which belong to the Central European Competition Initiative (CECI). The Initiative is a forum for co-operation in competition matters established by Central European competition authorities in 2003. It is a network type inter-agency (not inter-state) co-operation existing especially via workshops and informal meetings. Founding countries of this project are Poland, Czech Republic, Slovak Republic, Slovenia and Hungary. Austria is a permanent participant of CECI events. The countries involved all belong to the same geographic region, share fundamentally similar cultural traditions and historical experience and more or less are in the same stage of development. As a result, their competition authorities are facing several common challenges and difficulties. Another consequence is that from time to time these authorities have to deal with markets which are regional, overlapping or are connected to each other, as well as having to deal sometimes with the same set of clients (the same companies within the region).

The third beneficiary of the RCC's work is the GVH itself. The RCC organises training for the GVH's staff on a yearly basis in different topics of competition policy and competition law. The agenda of these workshops are related to ongoing projects or hot issues, and provide an excellent opportunity for staff to learn about state-of-the-art antitrust theory and enforcement practice.





*“Estonian judges believe that the seminars organised by the Hungarian Competition Authority and the OECD-Hungary Regional Centre for Competition in Budapest are exactly what we need: continuous and professional training in competition law. We very much appreciate the personal enthusiasm and professionalism of both the lecturers and organisers. Trainings and contacts like these will undoubtedly have a significant contribution to uniform and correct application of art 81 and 82 in the courts of the member states.”*

Mr. Villem LAPIMAA

President | Tallinn Administrative Court | Estonia

Judges represent the fourth target group of the RCC’s framework. Seminars offered to judges give judiciaries an opportunity to improve their understanding of competition law and economics, exchange views on the latest developments in EU competition law, and discuss key challenges from the judicial perspective arising in competition law cases. These seminars are organised jointly by the RCC and the Competition Division of the OECD, in co-operation with the Association of European Competition Law Judges (AECLJ).

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

Regarding the financing of the RCC, the GVH is responsible for providing most of the necessary funding for the functioning of the RCC and also for making an annual voluntary contribution to the OECD for costs associated with the staff positions in Paris. The OECD helps itself 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 2008

2008 was the fourth year of activity for the RCC. As in previous years, the RCC offered a wide variety of topics across its numerous programmes during the course of 2008. The RCC organised a total of seven events, which focused on some of the most important core competences of competition authorities as well as best practices in the area of competition law. In 2008, the RCC continued with its two successful initiatives: the seminar on competition law and economics for European judges and the workshop with special focus on the interface between competition policy and sector regulation. Altogether, over the course of the year the RCC invited 201 participants and 42 speakers to its events.

Moreover, through the RCC’s core events, it delivered over 785 person-days of capacity building.<sup>1</sup> All in all, participants from 34 countries or international institutions attended the RCC’s programmes, coming from Albania, Armenia, Austria, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Finland, France,

<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 of support delivered is 62 (10\*5 + 4\*3 = 62).

Georgia, Germany, Hungary, Israel, Italy, Kyrgyzstan, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Sweden, The Netherlands, Ukraine, United Kingdom, Uzbekistan, GVH and OECD. Experts from 11 countries and international institutions attended as panel members: Canada, EU Commission, France, Germany, Hungary, Italy, Portugal, Sweden, United Kingdom, United States, GVH and OECD.

### III. DETAILED REVIEW OF THE ACTIVITIES OF THE YEAR 2008

The RCC applies a two-speed seminar structure for the competition authorities of participating countries, which involves intermediate and upper-level courses. Among the four such events, one dealt with the essentials of merger control at an intermediate level. The other intermediate level seminar focused on abuse of dominance and used a hypothetical case, which gave the seminar a distinct perspective. One of the upper-level courses dealt with exclusionary and discriminatory practices, while this year's upper level workshop on competition policy and enforcement in regulated sectors focused on financial sector.

The ten day-long "Topics in Competition Policy" seminar was organised for a similar group of experts, with participants from additional countries. Judges from countries all over Europe participated in this year's European Judges seminar. Another key event was the annual programme planning meeting of the Heads of the competition authorities involved in the RCC's work.

Table N°1 provides a brief overview of the topics of the seminars held in 2008 as well as the participating countries.

**Table N°1 Summary of Activities 2008**

| Event Topic                                                                                                                     | Date        | Total Number of Panel Members and Participants | Attending Countries/Institutions                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Workshop on merger analysis and procedures: The essentials of merger control (intermediate level)                               | 10-14 March | 21                                             | Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Romania, Russia, Serbia, Ukraine<br>Panel members: EU Commission, France, GVH, OECD, Portugal, UK                                                 |
| Topics in competition policy                                                                                                    | 14-25 April | 44                                             | Albania, Armenia, Azerbaijan, Belarus, Bosnia Herzegovina, Bulgaria, Croatia, Estonia, Georgia, Kyrgyzstan, Latvia, Lithuania, Macedonia, Romania, Russia, Serbia, Ukraine, Uzbekistan<br>Panel members: Germany, GVH, OECD, UK, USA |
| Third programme planning meeting and conference on European competition policy, with a special focus on electricity and banking | 9-10 May    | 25                                             | Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, GVH, Macedonia, Moldova, OECD, Romania, Russia, Serbia, Ukraine<br>Panel members: GVH, OECD, UK                                           |

| Event Topic                                                                                                                | Date           | Total Number of Panel Members and Participants | Attending Countries/Institutions                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------|----------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Workshop on exclusionary and discriminatory practices: refusal to supply, tying/bundling and loyalty rebates (upper level) | 19-22 May      | 29                                             | Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Macedonia, Moldova, Russia, Ukraine<br>Panel members: Canada, EU Commission, GVH, Italy, OECD                                                                 |
| Workshop on abuse of dominance: essential facilities and refusal to deal (intermediate level)                              | 1-5 September  | 27                                             | Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Macedonia, Moldova, Romania, Russia, Serbia, Ukraine<br>Panel members: GVH, OECD, USA                                                                         |
| European judges seminar                                                                                                    | 21-22 November | 62                                             | Austria, Bulgaria, Croatia, Czech Republic, Estonia, Finland, France, Germany, Hungary, Israel, Italy, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia, Sweden, The Netherlands, UK<br>Panel members: GVH, OECD, Sweden, USA |
| Workshop on competition policy and enforcement in regulated sectors: the financial sector (upper level)                    | 8-11 December  | 35                                             | Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Macedonia, Moldova, OECD, Romania, Russia, Serbia, Ukraine<br>Panel members: EU Commission, GVH, Hungary, OECD, Portugal, UK                                  |

In addition to the seminars themselves, the RCC usually offers additional programmes to encourage networking and the sharing of experiences among the participants and the speakers. Besides sightseeing tours, these programmes always involve a visit to the GVH headquarters, where the activity of the GVH and the RCC is introduced in detail. Table N°2 provides an overview of the number of the workdays per regular seminar and the additional days the participants spend in Budapest.



Seminar on Topics in Competition Policy  
14-25 April, 2008, Budapest

*“The RCC continues to provide high quality seminars with excellent support to participants and experts. From the feedback I received from participants I know the quality of the seminars and support given for the seminars is highly appreciated.”*

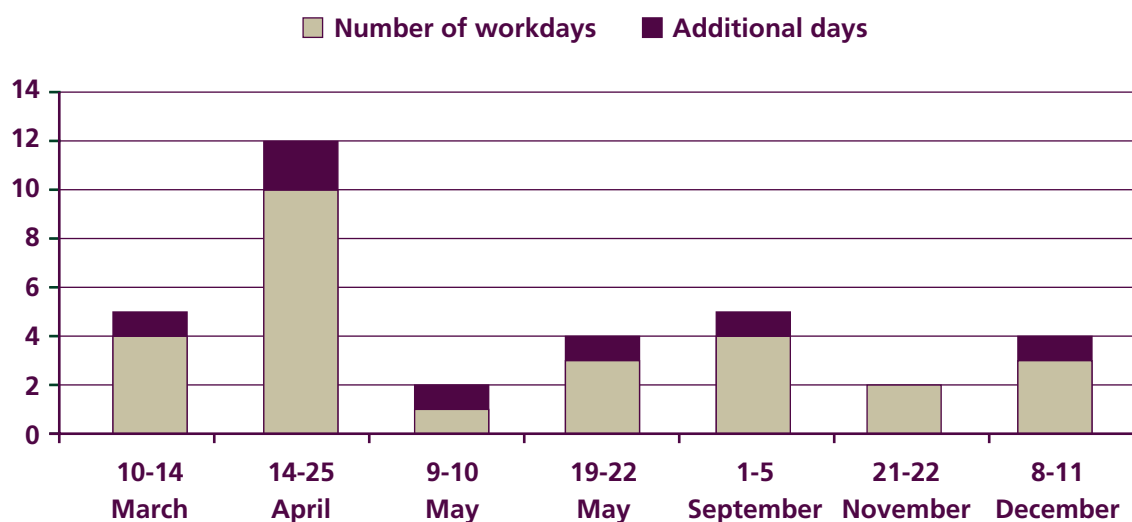
Mr. David ELLIOTT

Director | Valuation & Strategy | PricewaterhouseCoopers

Table N°2 Number of seminar workdays in 2008

| Topic                                                   | Date           | Number of workdays | Additional days |
|---------------------------------------------------------|----------------|--------------------|-----------------|
| Workshop on merger analysis and procedures              | 10-14 March    | 4                  | 1               |
| Topics in competition policy                            | 14-25 April    | 10                 | 2               |
| Heads' Meeting                                          | 9-10 May       | 1                  | 1               |
| Workshop on exclusionary and discriminatory practices   | 19-22 May      | 3                  | 1               |
| Workshop on abuse of dominance                          | 1-5 September  | 4                  | 1               |
| European judges seminar                                 | 21-22 November | 2                  | 0               |
| Competition policy and enforcement in regulated sectors | 8-11 December  | 3                  | 1               |
| <b>Total number of seminar workdays in 2008</b>         |                |                    | <b>27</b>       |

Chart N°1 Number of seminar workdays in 2008



*"I participated as an instructor for the Workshop on Abuse of Dominance: Essential Facilities and Refusal to Deal, held September 1-5, 2008 at the RCC in Budapest. The students from some 15 different Competition Commissions in Central Europe were exceptionally engaged in the subject matter and several shared with me their views that the program was of great value to them. The Hungarian Judicial Academy proved to be an excellent and convenient facility for the program, and our hosts and fellow instructors from the Hungarian Competition Authority could not have been more accommodating."*

Mrs. Melanie SABO

Assistant Director | Anticompetitive Practices Division  
United States Federal Trade Commission



Seminar on Topics in Competition Policy  
14-25 April, 2008, Budapest



*“Programmes and activities of the seminars organised by RCC in Budapest are comprehensive, well organised and well presented. The courses provide good networking and social opportunities.”*

Gordana BAJCETIC KARTAREVIC  
Head of International Cooperation Department  
Commission for Protection of Competition | Serbia

## 1. Events and Capacity Building Seminars for Eastern- and South-Eastern European Countries

### a) 10-14 March: Workshop on merger analysis and procedures: the essentials of merger control

In March the RCC conducted an intermediate level workshop on merger control for fifteen competition law enforcers from eleven Eastern and South-Eastern European countries.

The workshop covered all relevant issues related to merger control enforcement. It dealt both with horizontal and with non-horizontal merger scenarios. The workshop consisted of a series of presentations on these issues as well as case studies presented by each participant country. A roundtable discussion followed each presentation.

The experts gave eight presentations during the seminar and they were organised around three major topics: the essentials of merger control, the assessment of horizontal merger cases and the assessment of non-horizontal merger cases.

The first part of the workshop dealt with the essentials of merger control enforcement. Several cases were then presented to illustrate the appropriate methodology to assess horizontal merger cases. During the first day, Mr. João Pearce Azevedo from the OECD, gave a presentation on the essentials of merger control including such fundamental steps like defining the relevant market, analysing the market structure, assessing any harm to competition and imposing remedies. Mr. António Gomes from the Autoridade da Concorrência presented a case of a merger between highway concession companies that was blocked by the Portuguese agency.

During the second day, Mr. Tibor Szántó from the GVH presented several cases to illustrate the Hungarian Competition Authority's approach to horizontal merger cases. Mr. Azevedo then organised a hypothetical merger analysis session where the participants were split into two groups. Each group was then asked to analyse the case and to present their conclusions in another session. Mr. Azevedo concluded that session by presenting the real merger case on which the hypothetical case was based.

During the third day, Mr. Azevedo gave a presentation on the essentials of empirical analysis of mergers including such methodologies as price correlation, shock analysis and merger simulation. Mr. Vincent Verouden (DG-Comp) gave a talk about the control of non-horizontal mergers in the EU, with a particular focus on the 2007 EU Non-horizontal Merger Guidelines.

Finally, Mr. Ioannis Kokkoris from the OFT talked about the existence of a “gap” in the application of the dominance test to mergers that lead to non-coordinated effects in oligopolistic markets and how this lead to the introduction of the new merger test, the *Significant Impediment to Competition Test (SIEC)* to replace the dominance test at the EU



level. Mr. Thomas Piquereau from the DGCCRF ended the workshop with a session on the Vivendi Universal/Canal+/TPS merger, a complex non-horizontal merger case in the French pay-TV industry.

**b) 19-22 May: Workshop on exclusionary and discriminatory practices: refusal to supply, tying/bundling and loyalty rebates**

The RCC conducted an upper level workshop on exclusionary practices for twenty-four competition law enforcers from twelve Eastern and South-Eastern European countries.

The workshop consisted of a series of presentations on key issues concerning competition authorities regarding the application of competition law in exclusionary and discriminatory practices cases with a general focus on the basic methodology to assess dominance and abuse as well as case studies presented by six of the participating countries. Participants from the remaining six countries acted as case discussants. This new system of the country presentations was introduced during this seminar and due to its clear success it will be applied in future events as well. A roundtable discussion followed each presentation.

The experts gave seven presentations during the seminar, which were organised around two major topics: the assessment of dominance and the assessment of the competitive impact of a series of potential abuses (tying/bundling, refusal to deal, exclusive dealing, discriminatory behaviour, loyalty rebates).

In the first day of the workshop, Mr. João Pearce Azevedo from the OECD, gave a presentation on the methodology of assessing dominance including the importance of correctly defining the relevant market, the relationship between dominance and market power and looking at structural and direct evidence of dominance. Mr. Gianluca Sepe from the Autorità Garante della Concorrenza e del Mercato presented the Merck case, an Italian case where refusal to deal in the pharmaceutical industry was contrasted with the impact of competition regulation on IPRS, competition and innovation in the market.

During the second day, Mr. Azevedo presented the topic of exclusionary abuses, with a particular focus on assessing the competition merits of such practices as bundling/tying and refusal to deal. Mr. Stephan Simon of the DG-Comp gave a talk about the EU perspective on exclusionary abuses, highlighting the forthcoming EU guidance paper on exclusionary abuses under Art. 82. A hypothetical case study session was organised on a refusal to deal where the participant countries were split into two groups. Each group was then asked to analyse the case and to present their conclusions.

*I found all information varied and was very new in their field and I was very pleased to find that during the seminars the very recent decisions of CJCE were analysed in the field of competition. I also noticed that the participants were selected to assure that the audience was homogeneous and interested in the topics discussed during the seminar. That's why the seminar was interactive and participants had a good level of understanding. Another observation was that the OECD-Hungary Regional Centre for Competition in Budapest tried to hand out good written materials as a support to all the information provided by speakers.*

Mrs. Veronica Magdalena DANAILA  
Judge | Bucharest Court of Appeal | Romania



Seminar on Topics in Competition Policy  
14-25 April, 2008, Budapest





Seminar on Topics in Competition Policy  
14-25 April, 2008, Budapest

*“The RCC course which I attended on 21st/22nd November 2008 was of excellent depth and quality. It entailed detailed and stimulating lectures, discussions and exercises. All of the speakers were of a high calibre. The written materials were helpful and well presented. The prevailing atmosphere was both congenial and businesslike.”*

Mr. Bernard McCLOSKEY

Judge | Supreme Court of Northern Ireland | United Kingdom

During the third day, Mr. Gergely Dobos from the GVH presented several cases to illustrate the Hungarian Competition Authority's approach to exclusionary and discriminatory abuse cases in such industries as railways, mobile phones and internet access. Finally, Mrs. Lilla Csorgo of the Competition Bureau of Canada presented a case on loyalty rebates in the Canadian cast iron pipe industry. This case illustrated the importance of the competition agency correctly identifying the theory of harm in an abuse case so as not to lose credibility in presenting the case.

### **c) 1-5 September: Workshop on abuse of dominance: essential facilities and refusal to deal**

The RCC's third seminar in 2008 for competition law enforcers from Eastern and South-Eastern European countries was attended by twenty-two participants from fourteen countries.

There were five expert speakers participating in this seminar: Mr. João Pearce Azevedo from the OECD as the chairman of the panel, Ms. Melanie Sabo from the US FTC, Ms. Patty Brink from the US DOJ and Ms. Anita Kovács and Mr. Attila Dudra from the GVH.

The programme covered all relevant issues concerning the application of competition law in cases of abuse of dominance and dealt particularly with essential facilities and refusal to deal abuses. Issues such as defining the relevant market, barriers to entry, competitive effects analysis, determining whether market power exists, efficiency considerations as well as remedies and sanctions were discussed.

Participants examined these issues through a series of lectures and through the hypothetical case involving a unilateral refusal to deal. Participants from previous seminars often highlighted that more time should be devoted to practical issues in form of hypothetical case studies. This seminar was the first in the RCC's practice which was based completely on a single, well-prepared and during the seminar throughout discussed hypothetical case. Participants conducted hypothetical interviews with market participants and analysed documents as they examined the facts of the case. There was no obvious right or wrong answer to the case, many conclusions were theoretically possible.

During the first day of the seminar, Ms. Brink initiated discussions with a presentation that detailed the basic principles of the essential facilities doctrine. In that presentation, Ms. Brink established the basic elements of an essential facilities and refusal to deal offence and detailed the general framework for an analysis of such a case. Ms. Sabo defined the standard investigational plan of an abuse complaint. She gave particular relevance to investigational techniques like sorting out reliable sources of information, interviewing witnesses, requesting documents, collecting and analysing the evidence with the ultimate goal of testing the strength of the evidence against the elements of an offence. Finally, Ms. Brink gave a presentation on interview techniques where the preparation for interviews, the setting up of an outline and the use of documents during interviews were debated.

During the second day, Ms. Kovács presented the Hungarian Competition Authority's approach to abuse of dominance cases from the point of view of resources allocation and risk management. Mr. Azevedo gave two presentations that dealt, first with the methodology for defining the relevant market, and then with the task of assessing dominance including the relationship between dominance and market power and looking at structural and direct evidence of dominance.

During the third day, Mr. Azevedo made a lecture on the one-monopoly rent critique of the refusal to deal doctrine while highlighting the significant shortcomings of that same critique. Ms. Sabo then talked about the importance of deciding on the right remedies for refusal to deal/essential facilities cases while focussing on what are the types of remedies available to a competition authority in these cases, how to design the appropriate remedy and how to monitor it afterwards.

Throughout these three days, participants were presented with documentary evidence and were given the opportunity to interview the plaintiff, the defendant and several witnesses to the case. Four break-out groups were formed in order to separately analyse documents as they examined the facts and to reach a conclusion.

During the fourth day, the expert speakers conducted a courtroom simulation where both sides of the case were presented to a tribunal, mainly constituted by participants. This was followed by a session where each break-out group presented its conclusions about the case. The seminar was closed with a general discussion of the decision between the break-out groups and the panel.

#### **d) 8-11 December: Workshop on competition policy and enforcement in regulated sectors: the EC MasterCard decision, the implementation of SEPA and other recent developments in the financial sector**

The RCC conducted a workshop on competition policy and enforcement in regulated sectors for twenty-six competition law enforcers and regulators from fourteen Eastern and South-Eastern European countries.

This workshop consisted of a series of presentations on joint issues concerning regulators and competition authorities alike regarding the application of competition policy to financial markets. Half of the fourteen participating countries contributed to the event with case studies, while the remaining seven participating countries acted as cases discussants. A roundtable discussion followed each presentation. Finally, participants also discussed and debated one hypothetical merger case in the banking industry.

*"Many thanks again for the organisation of the very successful and enjoyable seminar "Topics in Competition Policy" in Budapest in April 2008. The perfect organisation of the seminar by the RCC and the excellent moderation of the discussions created an atmosphere which encouraged broad participation by all country representatives, very interesting contributions and inspiring discussions on competition issues. Overall, I think, the seminar proved to be highly useful for practical work concerning a wide scope of different competition issues. Please, go on like this!"*

Mrs. Katharina KRAUSS  
Case Handler of the 7th decision division  
Bundeskartellamt | Germany



Seminar on Topics in Competition Policy  
14-25 April, 2008, Budapest



Seminar for Competition Judges, Article 82 and Abusive Pricing Strategies: Cases, Trends, Economics  
21-22 November, 2008, Budapest

*“On behalf of our agency I would like to thank you for the great work which was done during last year. The seminars were very well organised. We consider our participation at the RCC events extremely important for the development of professional capacities of our staff. We highly appreciate the activity of the RCC and the organisational efforts.”*

Mrs. Viorica CARARE

General Director

National Agency for the Protection of Competition | Moldova

The experts gave six lectures during the seminar. The topics ranged from the EC MasterCard decision, the competition implications of the implementation of Single euro Payments Area (SEPA) across Europe, the regulatory role in the financial market of the OFT and the GVH and the Hungarian Financial Supervisory Authority and the importance of market investigations in this sector.

In the first day of the workshop, Mrs. Dovile Vaigauskaite from the DG-Comp, presented the European Commission’s decision in the MasterCard case. She focused her presentation on the Commission’s analysis of the alleged abuse, the remedies imposed and the implications of the decision for the present situation. Mr. Manuel Cabugueira of the Autoridade da Concorrência detailed the implementation of the SEPA highlighting in particular the competition issues surrounding this new system in the payment cards area and the self-regulation process. Finally, Mrs. Ágnes Borda and Anna Horváth from the Hungarian Financial Supervisory Authority detailed in their presentation the role of their agency in the regulation of the financial market and its cooperation with the GVH.

During the second day, Mr. João Pearce Azevedo from the OECD organised a hypothetical case study session on a banking merger. Mr. Azevedo and Mr. Cabugueira closed the session by presenting the outcome of the real case on which the hypothetical case was based. In the afternoon, Mr. Haris Irshad from the Office of Fair Trading presented the work of the OFT in the financial sector where he detailed the regulatory role of the agency, its collaboration with the Financial Services Authority in the regulatory oversight of the financial market and the role of competition and consumer policy in the context of extreme financial turbulence.

During the third day, Mr. Patrick Greene focused his presentation on the market investigation of personal current accounts in the UK done by the OFT, how it was linked to the agency’s investigation into the fairness of bank charges and how its findings highlighted the lack of transparency of prices and costs and the low switching of customers. Mrs. Andrea Máger of the GVH introduced the Hungarian experience in the field of financial services with a particular focus on the market inquiry into current accounts, personal loans and housing mortgage loans.

Reviews of feedback forms distributed on the final day of the workshop indicated overwhelmingly positive evaluation of the event by the participants. The mini-lectures were considered to be excellent and the work of the panellists was highly appreciated, as was the first-rate organisation of the workshop. The discussions around the country case studies were found to be useful and the hypothetical case study was found to be interesting and enabling a fruitful discussion.



**Table N°3: Number of participants and events attended**

Table N°3 gives an overview of the number of participants at the seminars. This summary focuses on participants of seminars organised especially for Eastern and South-Eastern European countries.

| Country                | Number of Participants | Person-Days | Events Attended |
|------------------------|------------------------|-------------|-----------------|
| Albania                | 8                      | 28          | 4               |
| Armenia                | 6                      | 20          | 4               |
| Azerbaijan             | 5                      | 17          | 4               |
| Belarus                | 4                      | 13          | 3               |
| Bosnia and Herzegovina | 6                      | 21          | 4               |
| Bulgaria               | 6                      | 20          | 3               |
| Croatia                | 8                      | 28          | 4               |
| FYR of Macedonia       | 6                      | 20          | 3               |
| Georgia                | 5                      | 17          | 4               |
| Moldova                | 6                      | 20          | 4               |
| Montenegro             | 0                      | 0           | 0               |
| Romania                | 6                      | 22          | 3               |
| Russia                 | 8                      | 27          | 4               |
| Serbia                 | 6                      | 21          | 3               |
| Ukraine                | 7                      | 24          | 4               |
| <b>TOTAL</b>           | <b>87</b>              | <b>298</b>  |                 |

*“Thank you for your partnership in providing assistance to the Commission’s specialists. Analyses and exchange of views all serve to facilitate gradual convergence of the approaches followed by competition authorities and also help us to benefit from the valuable experience of other authorities. We hope for further cooperation and strengthening in relations and we therefore suggest focusing on the real benefits to achieve from such events, to be able to benefit from this type of consultation and cooperation opportunities, which have become standard practice among OECD countries.”*

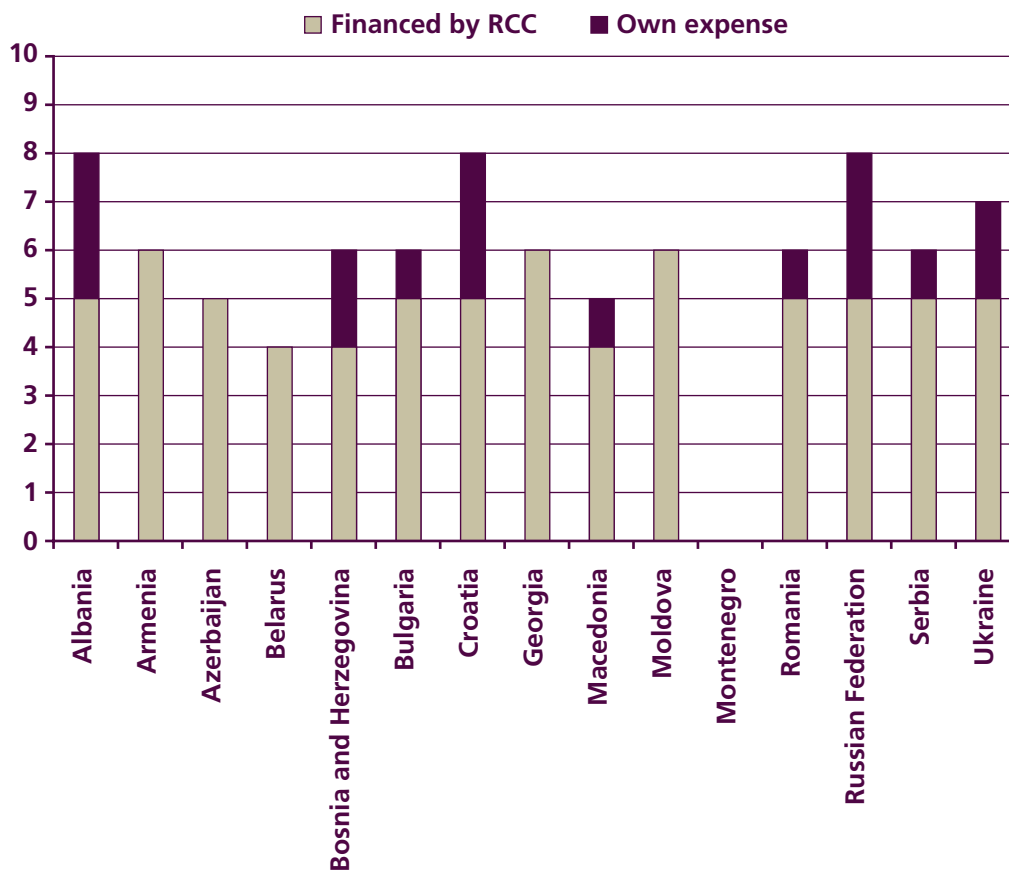
Mr. Ashot SHAHNAZARIAN  
Chairman | State Commission for the Protection  
of Economic Competition | Armenia



Seminar for Competition Judges, Article 82 and Abusive Pricing Strategies: Cases, Trends, Economics  
21-22 November, 2008, Budapest

**Chart №2: Total number of participants per country at the seminars for Eastern and South-Eastern European countries**

Chart №2 gives an overview of the number of participants per country and to what extent participants were financed by the RCC or their home country.



*“As former participant of the OECD/RCC Seminar for Competition Judges (November 21 and 22, 2008), I truly recommend the seminars organised by OECD-Hungary Regional Centre for Competition in Budapest*

*as a very useful method for competition judges to achieve a specified knowledge. The conference in Budapest gave me a possibility to exchange ideas and views of the European competition law. I also considered this event as the chance to meet all those distinguished foreign judges and to get the feeling that Budapest is a really exciting place. For sure I would like to go back to Hungary!”*



Seminar for Competition Judges, Article 82 and Abusive Pricing Strategies: Cases, Trends, Economics  
21-22 November, 2008, Budapest

Mr. Lukasz PIEBIAK

Judge | Court of Appeal in Warsaw | Poland

*“In the name of the Agency for Free Trade and Competition of Georgia I would like to state, that all events provided by the RCC are of great importance, not only because of our good relationship, but also because of the transmitted broad knowledge, analyses and views, which are very important for our Agency.*

*Our Agency’s cooperation with the RCC is highlighted in our annual reports. I believe our collaboration with the RCC and each partner country – whose number I hope will increase – is getting more intense over time. “*

Mr. Giorgi TSERETELI

Head | Free Trade and Competition Agency | Georgia



Seminar for Competition Judges, Article 82 and Abusive Pricing Strategies: Cases, Trends, Economics  
21-22 November, 2008, Budapest

## 2. Other Events

### a) 14-25 April: Topics in Competition Policy

2008 was the second year when the RCC organised the remarkably successful ten-days-long seminar on Topics in Competition Policy. Over the course of two weeks, 33 cases were presented by 35 people from eighteen countries (Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Estonia, Georgia, Kyrgyzstan, Latvia, Lithuania, FYR Macedonia, Romania, Russia, Serbia, Ukraine and Uzbekistan). The majority of the participants (67%) found the seminar to be very highly useful to their work. The seminar was well attended by senior competition staff including a deputy chairman from Georgia and 14 heads of territorial offices or directors/heads of department. The seminar covered the three classic issues that competition authorities typically focus upon: cartels, mergers and abuse of dominance. Following the historical focus of the seminar, the workshop examined actual cases investigated by competition authorities from transition countries. Abuse of dominance cases accounted for slightly less than half of the 33 cases (fifteen), cartels accounted for eleven cases and merger related work was featured in seven cases.

**Table № 4: Participating Countries and Types of Cases Presented**

| Country                | Total Cases | Abuse | Cartel | Merger |
|------------------------|-------------|-------|--------|--------|
| Albania                | 3           | 1     | 1      | 1      |
| Armenia                | 2           | 1     | 1      |        |
| Azerbaijan             | 2           |       | 1      | 1      |
| Belarus                | 1           |       | 1      | 1      |
| Bosnia and Herzegovina | 1           | 1     |        |        |
| Bulgaria               | 1           |       | 1      |        |
| Croatia                | 2           |       | 2      |        |
| Estonia                | 2           | 2     |        |        |
| Georgia                | 2           | 1     |        | 1      |
| Kyrgyzstan             | 1           | 1     |        |        |
| Latvia                 | 2           | 1     |        | 1      |
| Lithuania              | 2           |       | 2      |        |
| FYR of Macedonia       | 2           | 1     |        | 1      |



| Country      | Total Cases | Abuse     | Cartel    | Merger   |
|--------------|-------------|-----------|-----------|----------|
| Romania      | 2           | 1         |           |          |
| Russia       | 4           | 4         |           |          |
| Serbia       | 1           | 1         |           |          |
| Ukraine      | 4           | 1         | 2         | 1        |
| <b>Total</b> | <b>33</b>   | <b>15</b> | <b>11</b> | <b>7</b> |

Participants gave the seminar an excellent rating. The case discussions, lectures and background information as well as the accommodations all received high scores. One way of assessing the value of the seminar is to assess demand. As in previous years, there was excess demand for places in the seminar. Additionally, agencies paid for the full cost of the airfare of their officials to attend the seminar, just as in prior years. Thus, the ratings by participants and the fact that agencies are willing to bear a portion of the cost of the seminar both indicate that competition agencies place a high value upon sending officials to this seminar. For example, in the evaluating the seminar, participants made the following comments: “the programme should be expanded” and “the hypothetical cases were particularly useful.” Indeed, many respondents called for more time devoted toward hypothetical case studies.

The expert panel during both the first and second week was comprised of either current or former officials from competition authorities of OECD member countries. The first week’s panel was comprised of Mr. Balázs Csépai from the GVH, Mr. Kenneth Danger from the OECD, Mr. David Elliott from Price Waterhouse Coopers, Ms. Katharina Krauss from the Bundeskartellamt and Mr. Niall Lynch from the United States Department of Justice. The second week’s panel was comprised of Ms. Juliet Young and Mr. David Ruck from the United Kingdom, Office of Fair Trade, Mr. Joel Schrag from the United States Federal Trade Commission, and Mr. László Szakadát from the GVH. Participants found the panellists from both the first and second week to be highly competent in competition and transition economy issues as well as having good presentation skills.

The lectures and hypothetical case studies focused on issues ranging from basic antitrust economics to issues considerably more advanced such as fidelity rebates. Because of the complexity of abuse of dominance cases, that

*“The seminars on competition policy and enforcement topics, organised by the OECD-Hungary Regional Centre for Competition in Budapest, are always in utmost degree useful to any competition law enforcement official. Amongst the reasons for this statement should be mentioned the most up-to-date topics of the seminars, as well as the high selections of speakers from the leading competition authorities and the interactive forms of holding the seminars’ sessions. It is important to notice also the friendly environment for holding the seminars, as well as the interesting social events programme, accompanying each of them, which also contributes strongly to the establishment of close relations amongst the participants. As a result of the above described features of the seminars they should be pointed as an unique tool for raising the competition law enforcement knowledge and expertise and for reinforcing the cooperation between the competition authorities.”*



Third Programme Planning Meeting  
10 May 2008, Budapest

Mrs. Lyudmila YORDANOVA  
Director | Competition Policy Directorate | Commission on  
Protection of Competition | Bulgaria

*“We participated in the seminar of 21-22.11.2008 organised for national judges and are happy to send our feedback notes. The frontal lectures were excellent, mainly because they were given by experts in their field. The group discussions, where we solved cases, were very helpful and gave us an opportunity to share ideas with our colleagues from other countries. We hope the seminars will continue in the same pattern.”*

*All the best,*

Dr. Daphna AVNIELI and Zila ZFAT  
Judges | District Court, Beer-Sheva | Israel



Workshop on competition policy and enforcement in regulated sectors: the EC Mastercard decision, the implementation of SEPA and other recent developments in the financial sector 8-11 December 2008, Budapest

portion of the seminar featured three mini hypotheticals and only one presentation. This was done so that participants could focus on narrow selected issues and actively think about them during the seminar. Ms. Young gave a presentation on Excessive Pricing. Mr. Danger’s mini hypothetical explored excessive pricing and consumer protection issues. Mr. Szakadát’s mini hypothetical examined issues related to assessing dominance and Mr. Schrag’s examined issues related to fidelity rebates and exclusive dealing. Each hypothetical case study was accompanied by a brief lecture introducing the case and pointing out various antitrust issues. In general, participants found the expert materials in this portion of the seminar to be highly useful.

During the cartel portion of the seminar, two presentations were given and participants worked through one mini hypothetical. Mr. Elliott gave a presentation on How Economics Can Help in Cartel Cases. His presentation focused on alternative hypotheses when no direct evidence of collusion is found as well as the type of evidence that tends to support the hypothesis of collusion. Mr. Lynch gave a presentation on Obstruction of Justice and other Crimes. His presentation focused on the types of crimes that are committed in addition to the cartel infringement. Mr. Csépai had participants work through a mini hypothetical in which participants assessed the financial penalties stemming from a bakery cartel. His presentation was followed by an assessment of how the GVH would have assessed penalties in that case. Participants found all three presentations to be “very useful to their work”, of “very high quality”, and provided alternative ideas that would help make their investigations better.

During the merger portion of the seminar, three presentations were given. Ms. Katharina Krauss gave a presentation on The Main Elements of Merger Analysis, Mr. Danger gave a presentation on Assigning Market Shares, and Mr. David Elliott gave a presentation on antitrust analysis issues Beyond Market Definition. Of these presentations, the one by Mr. Danger was particularly well received. That presentation showed participants how to assign market shares in instances where the product is differentiated and where it is homogeneous as well as focusing on the type of data that would be most relevant in a particular situation.

Evaluations from the seminar indicate that it was highly valued by the participants. Participants were especially pleased to see a large number of high quality presentations by highly qualified panellists. Numerous participants pointed out that they found the mini hypotheticals to be highly useful and that more time should be devoted toward these during the seminar.

Participants also found the case studies to be particularly useful to their own work in that a large number of cases were closely and critically examined during the seminar. Although the preferences of the participants did not concentrate on any particular case strongly, there was some tendency in the evaluation responses indicating that the cases from Serbia, Bulgaria and FYR Macedonia were well received. The case from Serbia focused on monopsony power in milk



Workshop on competition policy and enforcement in regulated sectors: the EC Mastercard decision, the implementation of SEPA and other recent developments in the financial sector 8-11 December 2008, Budapest

processing. That case highlighted data collection and market definition issues. The case from FYR Macedonia detailed a margin squeeze in the telecommunications sector. Many participants commented that it was “well presented” and of value in terms of possible enforcement actions in their own country. Participants also found the Bulgarian case to be “well presented and interesting” and illustrated well the “appropriate enforcement of competition law” and the use of specific tools. That case focused on a cartel among sunflower oil producers.

In making suggestions for future seminars, participants commented on three areas. Participants suggested that in future seminars a more equal balance among lawyers and economists should be sought (unfortunately the panellists during the second week were all economists). Another idea was to have a horizontal week focused on mergers and cartels followed by a week focusing on abuse of dominance and vertical restrictions. Many participants also suggested that more time be spent discussing the materials brought in by the experts (be it either presentations or mini hypotheticals) perhaps even at the expense of time spent discussing case studies from the various authorities. Participants also suggested that a long hypothetical case study could be rolled out over the course of the two-week seminar. For this to work, it would mean that each day participants would need to work for perhaps two hours on a portion of that hypothetical.

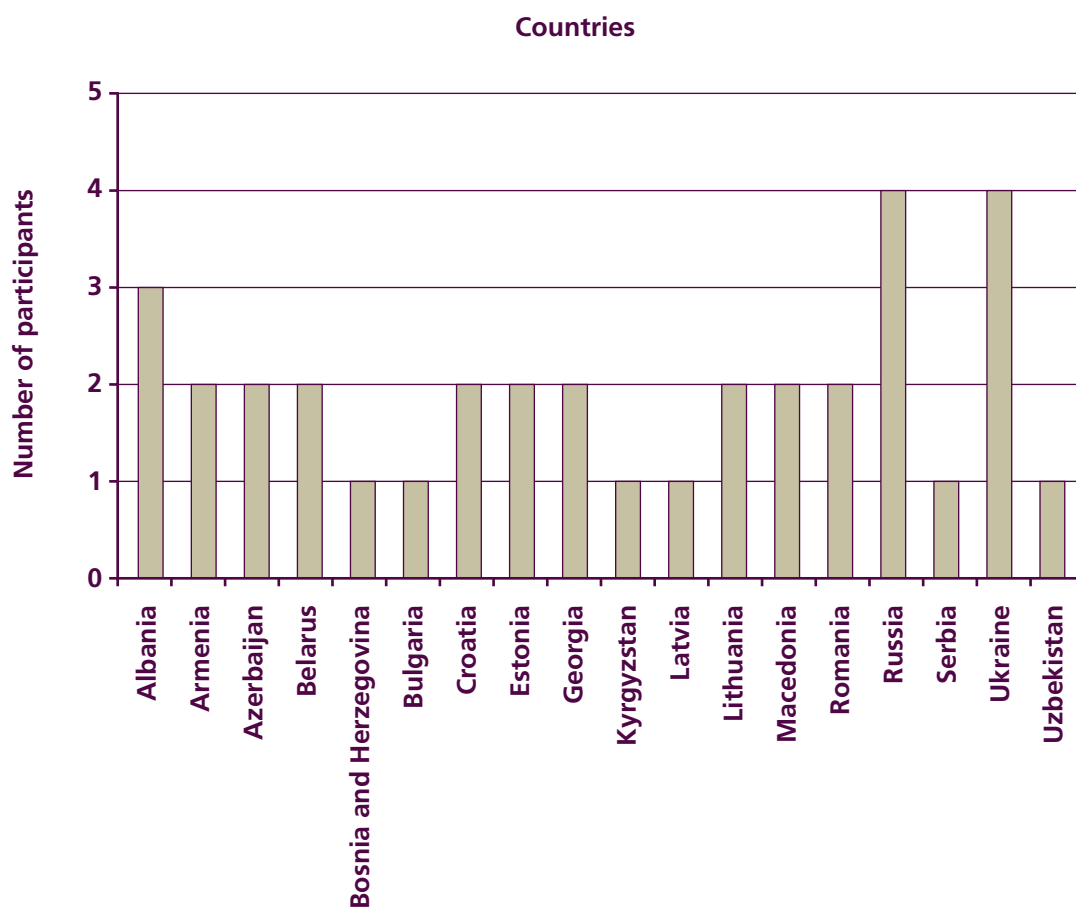
**Table N°5: Number of participants at the Topics in Competition Policy seminar**

Table N°5 gives an overview of the number of participants at the seminar on the Topics in Competition Policy.

| Country                | Number of Participants | Person-Days |
|------------------------|------------------------|-------------|
| Albania                | 3                      | 30          |
| Armenia                | 2                      | 20          |
| Azerbaijan             | 2                      | 20          |
| Belarus                | 2                      | 20          |
| Bosnia and Herzegovina | 1                      | 10          |
| Bulgaria               | 1                      | 10          |
| Croatia                | 2                      | 20          |
| Estonia                | 2                      | 20          |
| FYR of Macedonia       | 2                      | 20          |
| Georgia                | 2                      | 20          |
| Kyrgyzstan             | 1                      | 10          |
| Latvia                 | 1                      | 10          |
| Lithuania              | 2                      | 20          |
| Romania                | 2                      | 20          |
| Russian Federation     | 4                      | 40          |
| Serbia                 | 1                      | 10          |
| Ukraine                | 4                      | 40          |
| Uzbekistan             | 1                      | 10          |
| <b>TOTAL</b>           | <b>35</b>              | <b>350</b>  |



Chart N°3: Total number of participants per country at the Topics in Competition Policy seminar



#### **b) 9-10 May: Third programme planning meeting and Conference on European competition policy, with a special focus on electricity and banking**

High-level representatives from twelve countries' competition authorities from among the beneficiaries of the RCC's work participated on the programme planning meeting on 10th May. Participants were also invited to attend the International Competition Conference on "Current competition topics in Europe, with a special focus on the banking and energy sectors" organised by the Competition Culture Centre of the GVH on 9th May.

##### Conference on European competition policy

Hungary's Prime Minister Ferenc Gyurcsány opened the conference and spoke separately about the two main themes of the conference, the regulation of the bank and energy sectors, outlining current Hungarian issues in both and the role of the competition and regulating authorities.

Mr. Philip Lowe, Director General of the Competition DG of the European Commission emphasized in its opening statements that competition and the protection of consumers' interests are of high importance and outlined the two main topics' importance and actuality on European level.

Mr. Zoltán Nagy, President of the GVH, elaborated on the need of amending the Hungarian Competition Act, discussing the anticipated results in detail.



Workshop on merger analysis and procedures: The essentials of merger control  
10-14 March 2008, Budapest

*“We would like to acknowledge that the seminar on Competition Policy and Enforcement in Regulated Sectors, organised between the 8-11 December 2008, was very productive and efficient, as it gave us the opportunity to gain more experience and get useful information in the domain. We highly appreciate the idea of organising a workshop for regulators and the practice of examining some actual cases by the participant countries. The seminar also raised awareness on the importance of seeking a collaborative relationship between the National Bank of Moldova and the National Agency for the Protection of Competition in the competition area within the financial sector.”*

*Thank you.*

Emma Tabirta

Vice Governor | National Bank of Moldova | Moldova

and Ion Echim

Deputy Director | National Agency for the Protection of Competition | Moldova

There were two sections held in parallel on the conference. In her introductory speech in the section on switchover between banks, Ms. Júlia Király, Vice President of the Hungarian National Bank said that the careful sectoral regulation by the National Bank should go hand in hand, reinforcing each other, with the regulation of competition. In the course of the discussion, two subjects were touched upon: first, the question of switchover, second, the competitive investigations of multi-bank interchange fees.

The section on electricity discussed the questions of energy policy in the region. Topics have been dealt with, which represent the first steps towards a full market integration. The panel moderator was Mr. Gábor Szörényi, Vice President of the Hungarian Energy Authority.

The number of participants in the event organised by the Competition Culture Centre of the GVH was close to 200.

### RCC programme planning meeting

The primary goal of the meeting was to review on a high-level the RCC's work in 2007 and discuss the plans and the annual agenda for the following year. As the individual participants of the RCC seminar, so were the heads of the involved authorities satisfied with the RCC's achievements in the previous year. The most obvious indicator of the level of satisfaction is the number of competition enforcers interested in the RCC's work, which is constantly high.

During the agenda discussion session conclusions on three main topics were drawn:

- The seminar structure changed during the operation of the RCC: the former division of the seminars for SEE countries and seminars for CIS countries was abandoned. After this change any participant country was allowed to choose freely to send officials to any seminar offered (up to a maximum of two participants per country per event). In accordance with the expressed opinions the latter structure will be applied in the future.
- There was a debate about the possibility to organise two-part seminars for the same group of participants: one intermediate level course and then later another upper level seminar based on the previous one. Because this

new system would have limited the number of participants who could attend the RCC's workshops each year, and the authorities with smaller staff could have not been able to send the same person at two given dates, the topic was postponed.

- The question whether to emphasize either the practical or the theoretical aspects of the workshops was closed with an agreement: these both will occupy a balanced role in each seminar, as in the past.

#### **d) 21-22 November: Seminar in European Competition Law for Competition Law Judges**

The RCC and the Competition Division of the OECD jointly organised their fourth two-day long seminar for competition law judges. The seminar focused on the application of Article 82 to various pricing strategies applied by dominant firms, including excessive pricing, predation, and loyalty discounts/bundled rebates. The seminar also provided judges an opportunity to discuss judicial experiences in competition cases.

56 judges from 22 countries participated in the event. The majority of participants came from countries with newer competition regimes, and about one fourth of participants were from countries with longer traditions in competition law enforcement. Many of the participants had been at previous OECD/RCC judges seminars.

The presentations were divided among six speakers, including Mr. João Pearce Azevedo, OECD; Mr. Andreas Reindl, Fordham University, New York; Mr. Frédéric Jenny, Cour de cassation, France; Mrs. Ingeborg Simonsson, Stockholm City Court; Mr. Jeremy West, OECD; and László Szakadát, GVH. Speakers also led the discussion in breakout sessions. In addition, the seminar sought to provide increased opportunity for judges to contribute to the discussion, through the use of “judge discussants” who commented on presentations, and a panel of judges that discussed their experiences in litigation involving competition cases.

The seminar was designed to provide an in-depth overview over various pricing practices commonly encountered in Article 82 cases, including excessive pricing, predation, margin squeeze, as well as loyalty discounts and bundled rebates. This relatively narrow focus made it possible to emphasize similarities among various practices and the need to apply consistent analytical standards across a variety of practices.

*“The capacity-building activities organized by the OECD-Hungary Regional Centre for Competition in Budapest for the antitrust agencies in the region in 2008 were highly appreciated by the Romanian staff who attended the seminars. This kind of events create the premises for a higher expertise in enforcing and advocating competition rules and last but not the least, contribute to the development of a solid competition culture in the Eastern and South-Eastern European Countries”.*

Mr. Gheorghe OPRESCU  
President | Competition Council, Romania



Workshop on merger analysis and procedures: The essentials of merger control  
10-14 March 2008, Budapest

As in the previous seminar, the goal was to present competition law and competition economics as integrated concepts, which should help judges to better understand the relevance of economic concepts in competition law analysis. Thus, separate, longer session on microeconomics and on legal issues were avoided.

Short breakout sessions were used to discuss the application of some of the concepts mentioned in earlier presentations to hypothetical cases. The last sessions were used to discuss judicial aspects of competition cases, including the use of expert opinions in competition cases and the experience of judges in private litigation as well as administrative cases when reviewing competition authority decisions.

**Table N°6: Number of participants by country at the European Judges Seminar**

Table N°6 gives an overview of the number of participants at the seminar in European Competition Law for Competition Law Judges.

| Country          | Number of Participants | Person-Days |
|------------------|------------------------|-------------|
| Austria          | 2                      | 4           |
| Bulgaria         | 3                      | 6           |
| Croatia          | 3                      | 6           |
| Czech Republic   | 3                      | 6           |
| Estonia          | 4                      | 8           |
| Finland          | 2                      | 4           |
| France           | 1                      | 2           |
| Germany          | 1                      | 2           |
| Hungary          | 2                      | 4           |
| Israel           | 2                      | 4           |
| Italy            | 2                      | 4           |
| Latvia           | 1                      | 2           |
| Lithuania        | 3                      | 6           |
| FYR of Macedonia | 5                      | 10          |
| Montenegro       | 2                      | 4           |
| Poland           | 3                      | 6           |
| Romania          | 9                      | 18          |
| Serbia           | 3                      | 6           |



Workshop on exclusionary and discriminatory practices: refusal to supply, tying/bundling and loyalty rebates  
19-22 May 2008, Budapest

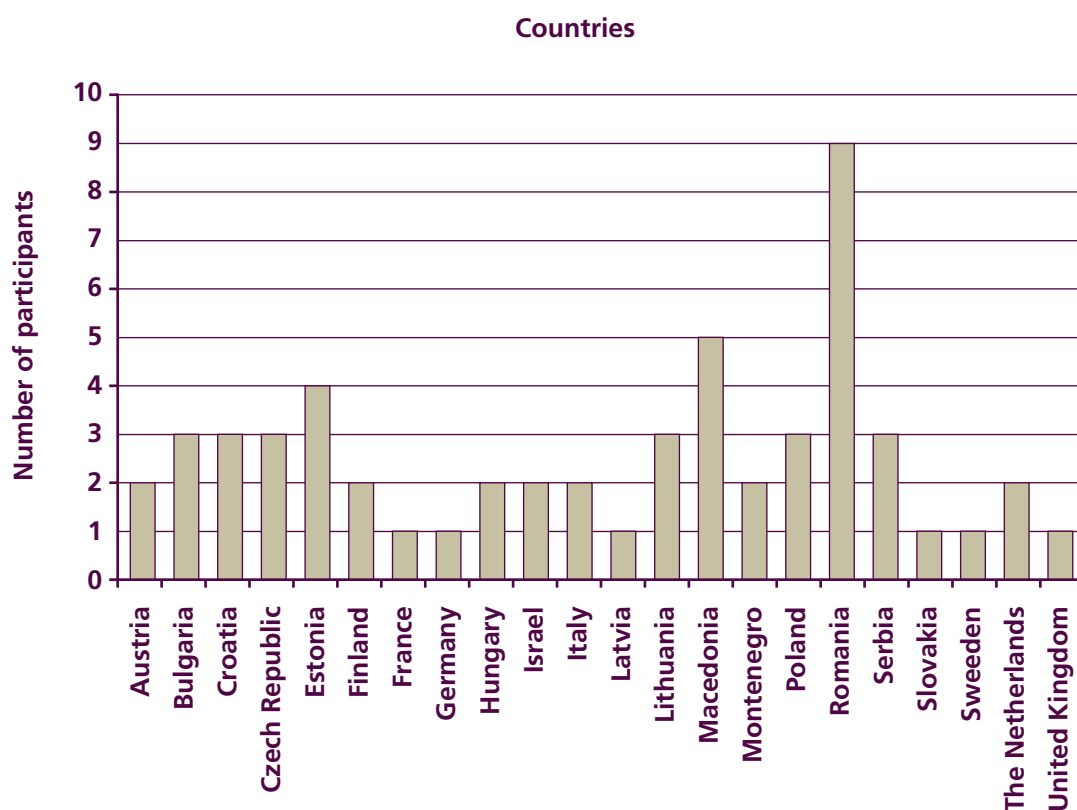
*"I found the RCC seminars to be a very useful combination of theory and practice, excellently organized in an appealing setting."*

Mrs. Lilla CSORGO  
Special Economic Advisor to the Commissioner  
Competition Bureau | Canada



| Country         | Number of Participants | Person-Days |
|-----------------|------------------------|-------------|
| Slovakia        | 1                      | 2           |
| Sweden          | 1                      | 2           |
| The Netherlands | 2                      | 4           |
| United Kingdom  | 1                      | 2           |
| <b>TOTAL</b>    | <b>56</b>              | <b>112</b>  |

Chart N°4: Total number of participants per country at the European Judges Seminar



### 3. Other issues

#### a) CECI enlargement

The CECI was established in 2003 by the competition authorities of the Czech Republic, Hungary, Poland, Slovakia and Slovenia. In the last couple of years the competition authority of Austria (Bundeswettbewerbshörde – BWB) has always delegated participants to the programmes organised in the CECI's framework. The Austrian participants contributed a lot by presentations and by other means to the success of these events. After the BWB expressed its desire to join the Initiative and to become its regular member, the enlargement procedure begun in the fourth quarter of 2008. The founding members of the CECI expressed their support towards the enlargement during the preliminary discussions, therefore, after the official approval by each party, the BWB will become a regular member of the CECI in 2009.



Workshop on abuse of dominance: essential facilities and refusal to deal  
1-5 September 2008, Budapest

*"I just wanted to tell you how great the seminar was.  
It was a perfect balance of theoretical knowledge  
and interesting case studies and discussions. Looking  
forward to our further cooperation."*

Mrs. Sona BAGHDASARYAN

Legal Counsel | Legal Department | Central Bank, Armenia

## b) Communication

Ms. Andrea Belényi held a presentation during the OECD Committee Meeting in June 2008, within the review of the Committee's international relations outreach section, on the programmes and activities of the RCC in Budapest in 2007. The presentation touched upon the target countries, financing, the statistics on experts and participants and the positive feedback from participants.

## c) Seminar structure

The two-speed structure of intermediate and upper level seminars, introduced in 2007, has proved to be a successful format and will remain in place. In other regards, the RCC made some modifications to the seminars in 2008. These modifications facilitated taking the participants' feedback into account and were aimed at providing capacity building events that reflect, as closely as possible, the requirements of the countries involved in the work of the RCC. The main features of the changes were:

- A seminar based on a hypothetical case study was introduced for the intermediate level seminar in September.
- A new system of case discussants was introduced: instead of asking all countries to present a relevant case from their country, only half were requested to do so, while the others were asked to act as case discussants, commenting on and analysing a case presented by one of the presenting countries. This benefits all the participants, by involving them more directly in the work, whilst making it clear that countries are not required to present cases if they do not have relevant cases or not in a specific area.

## d) Plans for future improvements

Arrangements are being made to organise some of the future seminars in one of the participant countries on a regular basis. This could lead to increased attendance, given that colleagues from the host authority would be able to participate in much higher numbers, without significantly increasing costs.

## 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 provided, participants found that the seminars provided theoretical and practical information highly relevant for their day-to-day work and they offered a good opportunity to exchange opinions between participants and experts. The average value of all answers for the entire year was 4,4.

In the fourth year of its operation the RCC offered various topics to representatives of the participating countries to the high standard they have now come to expect from the RCC. The changes introduced this year to the programme of the seminars were undoubtedly a great success and will be part of the seminar structure going forward.

Participants considered the quality of the programmes and relevance for their work to be either: very high or high. The questions concerning quality and relevance of the event received high scores. Participants found the exchange of experiences and learning about different competition policy systems to be particularly useful. According to the feedback, the seminars contribute to the creation of a network between colleagues of different authorities which can lead to further bilateral discussions.

As far as future topics are concerned, participants expressed their interest in the following: competition advocacy, private enforcement of competition cases, and assessing the harm in abuse of dominance cases. Throughout the evaluations, there was support for an even more case-oriented approach, both concerning an overview of cases decided at the EU level as well greater use of hypothetical cases in the discussions.

**Table N°7: Participants' evaluation of events organised by the RCC in the year 2008**

|                                                                                   | Distribution of answers |      |          |     |          |
|-----------------------------------------------------------------------------------|-------------------------|------|----------|-----|----------|
|                                                                                   | Very high               | High | Moderate | Low | Very low |
| Workshop preparations                                                             | 66%                     | 31%  | 2%       | 1%  | 0%       |
| Quality of conference facilities                                                  | 67%                     | 30%  | 2%       | 0%  | 0%       |
| Usefulness and quality of materials                                               | 56%                     | 41%  | 2%       | 0%  | 0%       |
| Usefulness of hypothetical cases/country contributions/case studies/tour de table | 35%                     | 48%  | 17%      | 0%  | 0%       |
| Quality of presentations                                                          | 37%                     | 50%  | 12%      | 1%  | 0%       |
| Overall usefulness of the topics                                                  | 50%                     | 44%  | 6%       | 1%  | 0%       |
| Overall usefulness of the event                                                   | 55%                     | 38%  | 7%       | 0%  | 0%       |

**Table N°8: Detailed participants' evaluation by events and by categories**

|                                                                        | Total number of chosen ratings |           |      |           |     |          |
|------------------------------------------------------------------------|--------------------------------|-----------|------|-----------|-----|----------|
|                                                                        | Average rating                 | Very high | High | Mode-rate | Low | Very low |
| <b>Workshop preparations</b>                                           | 4,6                            | 91        | 43   | 3         | 1   | 0        |
| 10-14 March, Workshop on Merger Analysis and Procedures                | 3,9                            | 2         | 5    | 1         | 1   | 0        |
| 14-25 April, Seminar on Topics in Competition Policy                   | 4,5                            | 15        | 11   | 1         | 0   | 0        |
| 19-22 May, Workshop on Exclusionary and Discriminatory Practices       | 4,4                            | 8         | 12   | 0         | 0   | 0        |
| 1-5 September, Workshop on Abuse of Dominance                          | 4,7                            | 11        | 4    | 0         | 0   | 0        |
| 21-22 November, European Judges Seminar                                | 4,9                            | 38        | 6    | 0         | 0   | 0        |
| 8-11 December, Competition policy and enforcement in regulated sectors | 4,7                            | 17        | 5    | 1         | 0   | 0        |

## Total number of chosen ratings

| Quality of conference facilities                                       | Average rating | Very high | High | Mode-rate | Low | Very low |
|------------------------------------------------------------------------|----------------|-----------|------|-----------|-----|----------|
|                                                                        | 4,7            | 95        | 43   | 3         | 0   | 0        |
| 10-14 March, Workshop on Merger Analysis and Procedures                | 4,2            | 3         | 6    | 1         | 0   | 0        |
| 14-25 April, Seminar on Topics in Competition Policy                   | 4,6            | 16        | 10   | 0         | 0   | 0        |
| 19-22 May, Workshop on Exclusionary and Discriminatory Practices       | 4,6            | 13        | 9    | 0         | 0   | 0        |
| 1-5 September, Workshop on Abuse of Dominance                          | 4,7            | 11        | 3    | 1         | 0   | 0        |
| 21-22 November, European Judges Seminar                                | 4,8            | 36        | 8    | 0         | 0   | 0        |
| 8-11 December, Competition policy and enforcement in regulated sectors | 4,6            | 16        | 7    | 1         | 0   | 0        |

| Usefulness and quality of materials                                    | Average rating | Very high | High | Mode-rate | Low | Very low |
|------------------------------------------------------------------------|----------------|-----------|------|-----------|-----|----------|
|                                                                        | 4,5            | 79        | 58   | 3         | 0   | 0        |
| 10-14 March, Workshop on Merger Analysis and Procedures                | 4,1            | 2         | 6    | 1         | 0   | 0        |
| 14-25 April, Seminar on Topics in Competition Policy                   | 4,5            | 13        | 13   | 0         | 0   | 0        |
| 19-22 May, Workshop on Exclusionary and Discriminatory Practices       | 4,4            | 11        | 9    | 2         | 0   | 0        |
| 1-5 September, Workshop on Abuse of Dominance                          | 4,8            | 12        | 3    | 0         | 0   | 0        |
| 21-22 November, European Judges Seminar                                | 4,7            | 30        | 14   | 0         | 0   | 0        |
| 8-11 December, Competition policy and enforcement in regulated sectors | 4,5            | 11        | 13   | 0         | 0   | 0        |

| Usefulness of hypothetical cases/country contributions/case studies/tour de table | Average rating | Very high | High | Mode-rate | Low | Very low |
|-----------------------------------------------------------------------------------|----------------|-----------|------|-----------|-----|----------|
|                                                                                   | 4,2            | 54,5      | 74   | 27        | 0   | 0        |
| 10-14 March, Workshop on Merger Analysis and Procedures                           | 3,6            | 0         | 5    | 4         | 0   | 0        |
| 14-25 April, Seminar on Topics in Competition Policy                              | 4,3            | 9         | 12   | 2         | 0   | 0        |
| 19-22 May, Workshop on Exclusionary and Discriminatory Practices                  | 4,1            | 15        | 19   | 9         | 0   | 0        |
| 1-5 September, Workshop on Abuse of Dominance                                     | 4,3            | 7         | 6    | 2         | 0   | 0        |
| 21-22 November, European Judges Seminar                                           | 4,1            | 13        | 23   | 7         | 0   | 0        |
| 8-11 December, Competition policy and enforcement in regulated sectors            | 4,3            | 11        | 9    | 3         | 0   | 0        |

| Quality of presentations                                               | Average rating | Very high | High | Mode-rate | Low | Very low |
|------------------------------------------------------------------------|----------------|-----------|------|-----------|-----|----------|
|                                                                        | 4,2            | 197       | 264  | 63        | 4   | 0        |
| 10-14 March, Workshop on Merger Analysis and Procedures                | 4,2            | 19        | 47   | 4         | 0   | 0        |
| 14-25 April, Seminar on Topics in Competition Policy                   | 4,2            | 76        | 137  | 30        | 2   | 0        |
| 19-22 May, Workshop on Exclusionary and Discriminatory Practices       | 4,2            | 53        | 53   | 23        | 1   | 0        |
| 1-5 September, Workshop on Abuse of Dominance                          | 4,6            | 9         | 6    | 0         | 0   | 0        |
| 21-22 November, European Judges Seminar                                | 4,5            | 29        | 11   | 4         | 1   | 0        |
| 8-11 December, Competition policy and enforcement in regulated sectors | 4,4            | 12        | 10   | 3         | 0   | 0        |



| Total number of chosen ratings                                         |                |           |      |           |     |          |
|------------------------------------------------------------------------|----------------|-----------|------|-----------|-----|----------|
| Overall usefulness of the topics                                       | Average rating | Very high | High | Mode-rate | Low | Very low |
|                                                                        | 4,4            | 70        | 61   | 8         | 1   | 0        |
| 10-14 March, Workshop on Merger Analysis and Procedures                | 4,1            | 3         | 5    | 0         | 1   | 0        |
| 14-25 April, Seminar on Topics in Competition Policy                   | 4,4            | 11        | 14   | 1         | 0   | 0        |
| 19-22 May, Workshop on Exclusionary and Discriminatory Practices       | 4,3            | 8         | 12   | 2         | 0   | 0        |
| 1-5 September, Workshop on Abuse of Dominance                          | 4,5            | 7         | 8    | 0         | 0   | 0        |
| 21-22 November, European Judges Seminar                                | 4,6            | 28        | 13   | 3         | 0   | 0        |
| 8-11 December, Competition policy and enforcement in regulated sectors | 4,5            | 13        | 9    | 2         | 0   | 0        |
| Total number of chosen ratings                                         |                |           |      |           |     |          |

| Total number of chosen ratings                                         |                |           |      |           |     |          |
|------------------------------------------------------------------------|----------------|-----------|------|-----------|-----|----------|
| Overall usefulness of the event                                        | Average rating | Very high | High | Mode-rate | Low | Very low |
|                                                                        | 4,5            | 77        | 53   | 10        | 0   | 0        |
| 10-14 March, Workshop on Merger Analysis and Procedures                | 4,0            | 1         | 7    | 1         | 0   | 0        |
| 14-25 April, Seminar on Topics in Competition Policy                   | 4,6            | 16        | 9    | 1         | 0   | 0        |
| 19-22 May, Workshop on Exclusionary and Discriminatory Practices       | 4,3            | 10        | 9    | 3         | 0   | 0        |
| 1-5 September, Workshop on Abuse of Dominance                          | 4,4            | 7         | 7    | 1         | 0   | 0        |
| 21-22 November, European Judges Seminar                                | 4,6            | 28        | 13   | 3         | 0   | 0        |
| 8-11 December, Competition policy and enforcement in regulated sectors | 4,6            | 15        | 8    | 1         | 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 in the Memorandum of Understanding signed by the parties in 2005, when the RCC was established. The split between the financial contributions and the intellectual contributions can be seen from the inception of the RCC. The financial backing is ensured mainly by the GVH, whilst the intellectual basis is provided mainly by the Competition Division of the OECD. In addition, the accumulated experience and expertise of the OECD members also contributes to these training programmes.

The dedicated funding for the operation of the RCC appears completely separately in the annual budget of the GVH. This amount is determined on a yearly basis by the Hungarian Parliament when voting on the annual budget of the GVH.

**Table N°9: Total number of speakers per country or institution**

| Country             | Speakers |             |
|---------------------|----------|-------------|
|                     | Number   | Person-days |
| Canada              | 1        | 3           |
| European Commission | 3        | 10          |
| France              | 1        | 4           |

| Country                   | Speakers |             |
|---------------------------|----------|-------------|
|                           | Number   | Person-days |
| Germany                   | 1        | 5           |
| Hungary                   | 2        | 6           |
| Italy                     | 1        | 3           |
| Portugal                  | 2        | 7           |
| Sweden                    | 1        | 2           |
| United Kingdom            | 7        | 26          |
| United States of America  | 5        | 20          |
| GVH                       | 9        | 31          |
| OECD Competition Division | 9        | 31          |
| Aggregate                 | 42       | 148         |

The RCC had an allocated budget for 2008 as of 530 000 EUR. This includes funds made available by the Hungarian Parliament and from the co-financing provided by the OECD.

The following tables provide details on the total costs of operation of the RCC in 2008 by sources of funds, by events and by major categories of costs.

**Table N°10: The sources of funds**

| Sources of funds (EUR)   |                |
|--------------------------|----------------|
| Gazdasági Versenyhivatal | 500 000        |
| OECD                     | 30 000         |
| <b>Total funds</b>       | <b>530 000</b> |

**Table N°11: Breakdown Total Expenses by items**

| Breakdown Total Expenses (EUR)                                                                                                       |                |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>A) Non-staff costs</b>                                                                                                            |                |
| I. Workshop on merger analysis and procedures: The essentials of merger control (intermediate level)                                 | 33 145         |
| II. Topics in competition policy                                                                                                     | 73 979         |
| III. Third programme planning meeting and Conference on European competition policy, with a special focus on electricity and banking | 17 523         |
| IV. Workshop on exclusionary and discriminatory practices: refusal to supply, tying/bundling and loyalty rebates (upper level)       | 34 125         |
| V. Hypothetical case on abuse of dominance                                                                                           | 35 982         |
| VI. European judges seminar                                                                                                          | 37 737         |
| VII. Competition policy and enforcement in regulated sectors: Financial services                                                     | 36 851         |
| <b>Total non-staff costs</b>                                                                                                         | <b>269 342</b> |
| <b>B) Overhead costs RCC</b>                                                                                                         | <b>18 658</b>  |
| <b>C) Dedicated staff costs</b>                                                                                                      |                |
| Staff costs transferred by the GVH to OECD Paris (see comment 1)                                                                     | 157 000        |
| Staff costs at the GVH                                                                                                               | 45 000         |
| <b>Total staff costs</b>                                                                                                             | <b>202 000</b> |
| <b>TOTAL EXPENSES 2008</b>                                                                                                           | <b>490 000</b> |

Total costs of operation of the RCC in 2008 were 490 000 EUR. The positive difference between the allocated budget and the costs of operation was 40 000 EUR. This amount was devoted to the organisation of two smaller seminars, which were cancelled during the year. Remaining funds were carried over to 2009.

Comment 1: On the basis of the Memorandum of Understanding, the GVH made a contribution to the OECD of 157 000 EUR (40 000 000 HUF) for staff-related purposes.

## VI. RCC DEDICATED STAFF

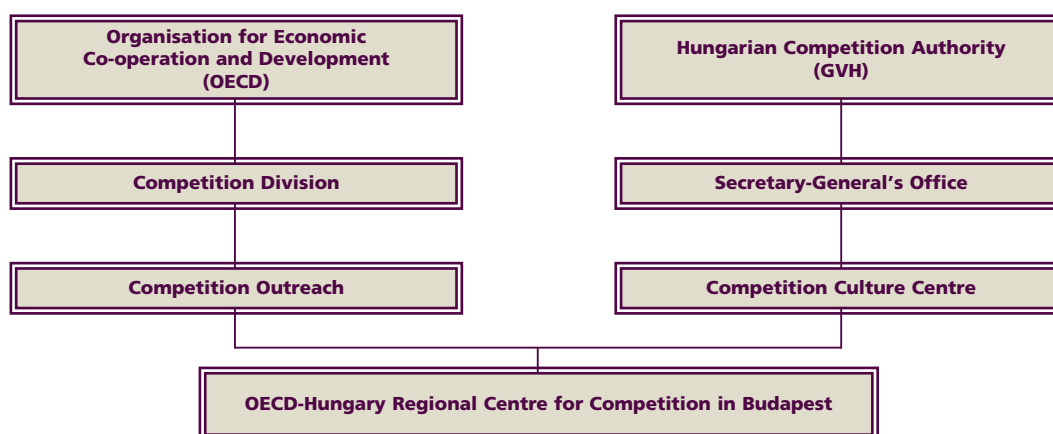
The RCC is a “virtual” centre, thus it does not have a central office but it is accommodated in the headquarters of the GVH. The RCC is run by two full-time people who are at the same time employees of the GVH in Budapest, and by a full-time senior competition expert at the OECD headquarters in Paris. The virtual existence of the RCC allows it to concentrate funds on the real purpose of its setting-up, that is, organising seminars, inviting and training more and more participants. The virtual structure also facilitates adapting 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 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 at each event. Other speakers are invited from different OECD member states.

Structurally the RCC is located in the Competition Culture Centre within the GVH’s Secretary-General’s Secretariat. The head of the RCC is Ms. Andrea Belényi, Secretary-General of the GVH. Within the GVH, Ms. Emese Borza is responsible for the organisational part of the events, supported by one full time assistant, Mr. István Fekete. Other staff of the GVH also assists with the work of the RCC on a part-time basis.

Mr. João Pearce Azevedo, based in Paris, is responsible for the development and delivery of the RCC programme and chairing the events. He is assisted by an administrative assistant Ms. Lydia Anthenor on a part-time basis.

Chart N°5: Organigram of the RCC



## SEMINARS' SPEAKERS OF THE YEAR 2008



**Ms. Ágnes BORDA**  
Consumer Protection Department  
Hungarian Financial  
Supervisory Authority  
Hungary



**Mrs. Lilla CSORGO**  
Special Economic Advisor  
to the Commissioner  
Competition Bureau  
Canada



**Mr. David ELLIOTT**  
Director  
PricewaterhouseCoopers,  
Valuation & Strategy  
United Kingdom



**Ms. Patricia BRINK**  
Deputy Director of Operations  
U.S. Department of Justice  
United States



**Mr. Kenneth DANGER**  
Senior Economist  
Competition Division  
Directorate for Financial  
and Enterprise Affairs  
OECD



**Mr. Peter FREEMAN**  
Chairman  
Competition Commission  
United Kingdom



**Mr. Manuel CABUGUEIRA**  
Deputy Director  
Restrictive Practices Department  
Portuguese Competition Authority  
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**Mr. Gergely DOBOS**  
Economist  
Competition Policy Section  
Hungarian Competition Authority  
Hungary



**Mr. Patrick GREENE**  
Project Leader  
Markets and Projects Group  
Office of Fair Trading  
United Kingdom



**Mr. Balázs CSÉPAI**  
Lawyer  
Hungarian Competition Authority  
International Section  
Hungary



**Mr. Attila DUDRA**  
Economist  
Network Industries Section  
Hungarian Competition Authority  
Hungary



**Mr. António Ferreira GOMES**  
Head, Mergers and  
Acquisitions Department  
Autoridade da Concorrência  
Portugal





**Ms. Anna HORVÁTH**  
Consumer Protection Department  
Hungarian Financial Supervisory  
Authority  
Hungary



**Ms. Anita KOVÁCS**  
Head of Section  
Network Industries Section  
Hungarian Competition Authority  
Hungary



**Mr. Zoltán NAGY**  
President  
Hungarian Competition Authority  
Hungary



**Mr. Haris IRSHAD**  
Economic Advisor  
Markets and Projects Group  
Office of Fair Trading  
United Kingdom



**Mrs. Katharina KRAUSS**  
Case Handler  
Bundeskartellamt  
Germany



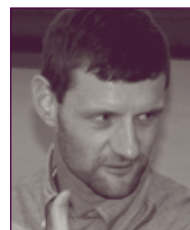
**Mr. Thomas PIQUEREAU**  
Deputy Head  
Merger Task Force  
Direction Générale de la  
Concurrence, de la Consommation  
et de la Répression des Frauds  
France



**Mr. Frédéric JENNY**  
Chairman of the OECD  
Competition Committee  
Conseiller Extraordinaire  
à la Cour de Cassation  
France



**Mr. Niall LYNCH**  
Assistant Chief  
Antitrust Division  
U.S. Department of Justice  
United States



**Mr. Andreas REINDL**  
Director  
Fordham Law School  
United States



**Mr. Ioannis KOKKORIS**  
Economic Advisor/  
Principal Case Officer  
Office of Fair Trading  
United Kingdom



**Mrs. Andrea MÁGER**  
Member of Competition Council  
Hungarian Competition Authority  
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**Mr. David RUCK**  
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**Ms. Melanie SABO**  
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Anticompetitive Practices Division  
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**Mrs. Ingeborg SIMONSSON**  
Judge  
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**Ms. Dovile VAIGAUŠKAITE**  
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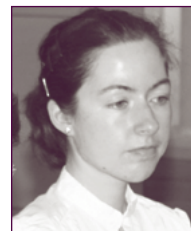
**Mr. Jeremy WEST**  
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**Ms. Barbara ZUBRICZKY**  
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## RCC TEAM



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Secretary-General  
Hungarian Competition Authority  
Hungary



**Ms. Hilary JENNINGS**  
Head  
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Competition Division  
Directorate for Financial  
and Enterprise Affairs  
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**Mr. Edward WHITEHORN**  
Former Head  
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**Mr. João Pearce AZEVEDO**  
Senior Economist  
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**Ms. Emese BORZA**  
Senior consultant  
Hungarian Competition Authority  
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**Mr. István FEKETE**  
Assistant  
Hungarian Competition Authority  
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## INTERPRETERS OF THE RCC'S EVENTS



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