

## DECLARATION

of the

### CENTRAL EUROPEAN COMPETITION INITIATIVE

a Joint Initiative for Co-operation between the Competition Authorities of a Group of Central European Countries

The representatives of the competition authorities of the Czech Republic, Hungary, Poland, Slovakia and Slovenia,

Recognising the indispensability of the co-operation between the competition authorities of the Central European region,

Recognising the existence of unexploited opportunities in the co-operation between the competition authorities in the Central European region,

Desiring to contribute to the creation of a Central European network of competition authority experts in order to add to a better understanding of each other's competition regimes, this being a precondition for further effective co-operation in law enforcement between the authorities in question,

Considering the fact that the initiative is in line with the preparation of the countries in question for the accession to the European Union,

Declaring that the initiative, in medium term is principally open for the competition authorities of other countries in the region,

Have decided to launch the Central European Competition Initiative as described in the Annex of this Declaration.



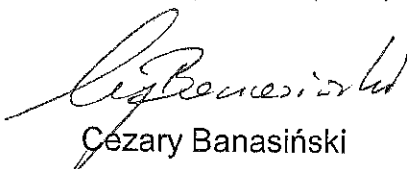
Josef Bednář

Chairman of the Office for the Protection of  
Competition (Czech Republic)



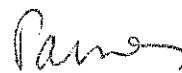
Zoltán Nagy

President of the Gazdasági Versenyhivatal (the  
Hungarian competition authority) (Hungary)



Cezary Banasiński

President of the Office for Competition &  
Consumer Protection (Poland)



Danica Paroulková

Chairman of the Antimonopoly Office of the  
Slovak Republic (Slovakia)



Andrej Plahutnik

Director of the Competition Protection Office (Slovenia)

Brno-Budapest-Warszawa-Bratislava-Ljubljana, April 1., 2003.

# ANNEX TO THE DECLARATION

of the

## Joint initiative for Co-Operation between the Competition Authorities of a Group of Central European Countries

### (Central European Competition Initiative)

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#### 1. Introduction

1. The document describes an initiative of the competition authorities of the Czech Republic, Hungary, Poland, Slovakia and Slovenia aiming the creation of a network of competition authority representatives in the Central European region, this being a precondition of an effective co-operation in cases involving these countries.

2. The purpose of this document is to explain the background and the reasons behind such an initiative, as well as the basic idea, as agreed during the informal preliminary consultations between the authorities in question.

#### 2. Current situation

3. International co-operation between the competition authorities of Central European countries is not a new idea; there exist certain forms of co-operation, although this is an exception rather than a rule. The most important forms of co-operation – workshops, exchange of experience or building connections between colleagues of different authorities is missing because of the lack of a network of colleagues who know each other and can communicate with each other. Formal agreements or other arrangements channelling co-operation are also missing. In brief, some forms of co-operation exist, but they are insufficiently developed.

4. The EU reaction on the initiative was very positive, stating that the EU would gladly welcome a joint action of smaller groups of associated countries in the field of co-operation and training with a possibility of granting financial support.

### 3. Need for further co-operation – fields of co-operation

5. There is a special need for co-operation with respect to particular competition cases because of their very nature – often the same entrepreneurs are involved, geographic markets overlap, etc. Under the current legal framework, international co-operation is reduced to exchange of non-confidential information. A more extensive and regular co-operation would be extremely useful, especially that it would serve as learning process and practising before EU accession, when co-operation will become an everyday task. Furthermore, an opportunity to develop a network of experts and authorities before accession would ease the co-operation within the Community after the enlargement.

6. Training is another field of co-operation that should be addressed. National competition authorities provide training on individual basis, although co-operation in this area seems to be the best solution due to large economies of scale. First of all, costs of training stay constant no matter the size of the group. Secondly, in most cases only western teachers are competent to teach, which causes further increase of costs. As a result, bringing together people from several small competition authorities and sharing the cost between the authorities would be a more efficient way to organise trainings of this kind.

7. Exchange of experience constitutes another important field of co-operation where further development is required. It is similar to training to some extent, but can also be some preliminary stage of co-operation in particular competition cases. Exchange of colleagues for short term internship in each other's authorities, or experts' visits would have beneficial effects on the development of the above-mentioned network and would be an additional form of sharing experience.

8. In summary, several fields of co-operation requiring for further development can be identified: co-operation in particular cases, trainings, exchange of experience, and exchange of experts. The involvement of colleagues from DG Competition or from EU Member States' competition authorities would also be useful.

### 4. Difficulties and solutions

9. Clearly, every form of co-operation can create difficulties. The financial side however is apt to become the biggest and most threatening problem. Trainings, workshops, and meetings require personal presence and thus, travel and accommodation. Taking into account the financial possibilities of the competition authorities in question, it is a challenge. These authorities have a budget only for the basic travel needs; otherwise they participate in events where they are invited and financed, or at least co-financed.

10. Language is another challenge. Any co-operation requires sufficiently good knowledge of English from all of the potential participants, and a lack of this knowledge can create a bottleneck.

11. Based on the above, further development of existing forms of co-operation is justified, however, potential difficulties also have to be taken into consideration. Therefore, a gradual approach will be followed, according to which easier and simple forms of co-operation will later be followed by more substantial and more direct forms of co-operation.

12. Small size at the first stage reduces some of the potential problems and fits with the "pilot project" approach of the first stage. This modest approach will influence the number and size of the projects, the number of participants, and the number of countries involved. A relatively small group of countries will start co-operation, and this group will gradually be enlarged within the region if it is justified. The initial group of the Czech Republic, Hungary, Poland, Slovakia, and Slovenia is sufficiently small, and the countries are basically in the same stage of development of the market

economy and of the development of competition law enforcement. Furthermore, they have more or less the same experience and traditions, similar kinds of needs for further development, and they belong to the same geographical region. Countries belonging to other regions, such as the Baltic countries or the countries of South-East Europe, also have the opportunity to co-operate.

13. As the first step, the competition authorities of Central European countries will organise regular workshops to share antitrust law enforcement experience. Sharing experience in forms of workshops is the most appropriate form of co-operation at the first stage. Co-operation in form of workshop has tradition, has already proved fruitful, and can facilitate other subsequent forms of co-operation.

14. The co-operation should operate on a low budget basis, focusing on professional results rather than representation. Nevertheless, EU co-funding is fully justified considering the joint interest of the countries involved and the obvious connection with the accession process.

15. In summary, certain difficulties are expected, but they can be tackled with careful and modest first steps, keeping in mind the intention of later extension. EU co-funding is essential for the whole action to start.

## **5. Expected results**

16. Exchange of experience is a direct and independent benefit of the initiative. Participants can meet colleagues from other countries, dealing with similar topics and discuss diverse issues together. The experience of the countries in question may be more relevant for the participants than experience coming from countries with different traditions, market structures, etc.

17. However, there will also be numerous indirect benefits. Workshop discussions are expected to substantially contribute to the creation of a network of colleagues and authorities, which is a precondition of an effective co-operation in competition cases. They will be in a better position to decide when and who should be addressed in order to get adequate information concerning a particular case, or what kind of questions is worth to be asked. Another indirect benefit is related to the fact that during the discussions some issues may emerge which would require training - possibly joint training.

18. In the case of positive feedback and available financial resources, this first step in the form of workshops should be followed by other forms of co-operation, such as exchange of experts or expert visits.

19. The co-operation will improve the knowledge of English among the participants and their capability to co-operate in a foreign language.

## **6. The starting point**

20. Workshops will be the first stage of further co-operation between the authorities. The regular workshop discussions are expected to contribute to the sharing of antitrust law enforcement experience between the competition authorities of Central European countries. The workshops will be dealing with case studies from the repertory of the relevant competition authorities and will also provide a forum for informal consultation between the representatives of the relevant competition authorities to learn about each other and each other's cases. Participants will prepare their cases for presentation, present them and lead active discussions.

21. The workshops will initially be organized once a year, and will start modestly with small size. One of the countries involved will host the workshop and the role of the host country will rotate event

by event. It would be a low budget project: the host authority will provide suitable premises and facilities of appropriate quality at reasonable cost either in its own building or in other suitable way; the comfort of the participants will be reasonable but not luxurious. No expensive and longstanding social events will play a major role, although a welcome drink or a joint lunch will ease integration of the participants. Each workshop will last a full working day. Each authority will bear the cost of its delegation, however the host authority will bear some extra costs (such as lunch or dinner). The working language of the workshop will be English.

22. The character of the workshop is intended to be very informal, however well arranged. The preparatory work will include writing and circulating written materials of the presentations well before the event. Neither joint declarations nor similar kinds of results would be produced, and there would not be any welcoming speeches or presentations by high-ranking government officials, nor press conferences, etc.

23. Each year the thematic workshops will deal with a different topic decided in advance. Each country will be supposed to produce a case study related to the topic selected earlier and present it at the workshop. Case studies to be presented should deal with competition law enforcement, but exceptionally case studies in competition advocacy could be accepted as well. The workshop will be composed of detailed presentations of the case studies and a discussion. It should be organised in a way, which requires active participation from each participant. In other words, the moderator or chair will perform very actively to encourage lively discussion on the individual issues involved.

24. Each national delegation is assumed to be composed of one or maximum two delegates dealing with a particular issue, plus one general or international person in order to keep the continuity. Nevertheless, the decision on the composition of the national delegations is entirely at the discretion of individual competition authorities, which should naturally keep in mind the practical and informal character of the workshops. The delegation of the host authority could be larger. The active participation of an (or a few) expert on the topic from DG Competition or EU Member State competition authority would be also useful.

25. Decision-makers will discuss and decide on issues such as the place, the topic and the date of the next workshop in written form. They will personally talk using events such as the Annual Conferences or the OECD CLP meetings, where they usually meet.

26. In spite of the fact that the workshops are designed to share the experience instead of learning EU competition law, they evidently will serve EU accession in many ways. Workshops will deal with domestic law enforcement, keeping in mind that the national competition laws are designed to be extremely close to that of the EU. Moreover, similarly to EU Member State authorities, the Central European competition authorities keep on using EU case law as an analogy while working on their cases. This fact combined with the presence of EU or EU Member State competition officials at the workshops, assures that the workshops will extensively deal with the EU competition law, especially with the case law. Most of all, the workshops will improve the capability and the skills for further co-operation within the Community after accession.

27. In the case of EU co-funding, the initiative could function in its optimal way. EU co-funding is indispensable for any further co-operation, other than yearly workshops. However, the absence of such co-funding should not lead to the complete dismissal of the initiative, one workshop a year will still be organised and financed by the countries in question. This approach makes possible to start the initiative, even in a smaller volume, and to keep it going in order to take advantage of its benefits without substantial delay.

28. DG Competition could contribute to the workshops by sending colleagues to participate, assist in shaping the event, and it could also assist in lobbying for EU co-funding.

29. These workshops could become more complex and larger with time, as well as other forms of co-operation may emerge. This can be the case even after the EU accession, following the example of co-operation between the Nordic countries.

30. This proposal offers a relatively easy start. The authorities in question have some experience with workshops and roundtables dealing with case studies. Therefore, such workshops could be easily and cheaply organised and held.

31. In summary, this proposal makes it possible to start for the initiative with an activity which is familiar for the authorities in question. In addition, as a result, it facilitates further forms of co-operation by network building, joint discussions, and getting used to organisation and technical issues.

32. The Central European Competition Initiative does not affect any other activity of the national competition authorities, nor the ability of individual competition authorities to cooperate with TAEX or to receive other EU funding for their needs or priorities not connected with the Initiative.