



LIETUVOS RESPUBLIKOS
KONKURENCIJOS TARYBA

SHORT ANNUAL REPORT 2022

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Main results

1:6.9 1 euro allocated to the authority's activities brought 6.2 euros of expected benefits

EUR **18.5 m** average direct expected benefits to consumers in 2020–2022

2 infringements of the Law on Competition identified

EUR 74,346,570 fines imposed

EUR 15,083,200 fines paid to the state budget by the infringers

453 draft legal acts examined

75 percent of the authority's proposals taken into account by decision-makers

17 mergers cleared, one of them subject to remedies

2 mergers prohibited

21 state aid schemes notified to the European Commission or extended

77 percent of the decisions of the authority fully or in part approved by courts



Main achievements and events

We identified 2 infringements of the Law on Competition:

- **Lithuanian Pharmacy Association and 8 pharmaceutical companies** restricted competition when agreed on the margins of reimbursable medicines before submitting it for approval to the Ministry of Health;
- **Lithuanian Association of Real Estate Agencies and its 39 members** agreed not to solicit each other's clients and brokers, and thus restricted competition.

We reviewed mergers occurring in the markets:

- **issued 17 clearances**, one of them subject to remedies in the market of electronic diary services;
- **5 cases led to an in-depth legal and economic analysis** of the transactions concerning the markets of ticket distribution, pharmaceutical trade, production of flour, pasta and other products, electronic diaries and sanatorium treatment services;
- **refused to clear the merger** in the manufacturing sector of flour, pasta, and other grain products, to avoid creation or strengthening of a dominant position or significant restriction of competition in the relevant markets.
- **after applying the merger control procedure on our own initiative** and establishing that the transaction might have created or strengthened a dominant position or significantly restricted competition in the market of the distribution of tickets to various events in Lithuania - blocked the merger;
- **applied one merger control procedure on our own initiative** to assess whether the transaction had created or strengthened a dominant position or significantly restricted competition in the market of lifting equipment maintenance services in Lithuania.

We supervised the activities of public institutions and submitted proposals concerning draft legal acts:

- **the Government took into account our proposal and determined that**, in order to mitigate the rise in electricity and natural gas prices, state compensation must be provided for household consumers, but not for electricity and/or natural gas suppliers to gain economic benefits that they would not receive under normal market conditions;
- Ministry of Transport and Communications, while making changes to the Road Transport Code and other legal acts, **took into account our recommendations to refuse the carrier licensing conditions**, which grant unreasonable privileges to some economic operators;
- we proposed to the Ministry of Health and the Government **to amend the Law on Pharmaceuticals and other legal acts**, establishing, among other things, clear and transparent criteria for determining the margins of reimbursable medicines.

We proposed and contributed to the drafting of the amendments of the Law on Public Procurement of the Republic of Lithuania, according to which, starting from 2023, after the decisions of the Competition Council on agreements restricting competition in public procurements come into force, procuring organisations will be obliged to demand compensation from infringers.

We repeatedly proposed to the Ministry of Economy and Innovation to ensure a greater balance of the interests between food and drink suppliers and major retail chains by:

- extending the list of prohibited unfair practices and establishing the prohibition for retail companies to require from the suppliers the delivery of goods if both parties have not agreed upon their quantity and delivery time in writing.

We advised state institutions which submitted 21 notifications to the European Commission on the new state aid measures or the extension of the existing ones, 10 of which were intended to support Lithuanian business sectors affected by the war in Ukraine.





Courts upheld the authority's decisions in significant cases where:

- in the public tender of Vilnius city cemetery maintenance services, the firms *Būsto aplinka* and *Naujininkų ūkis* assisted by *City Service Engineering*, concluded a cartel, which restricted competition: **the companies agreed to rig their bids, including the prices**, and just imitated competition in the public tender;
- film distribution company *Theatrical Film Distribution* and *Forum Cinemas* as well as *NCG Distribution* (belonging to the same group of companies as *Forum Cinemas*) **agreed to apply the same pricing** when distributing films in order to limit the application of lower prices (special offers, discounts) in cinemas;
- *UAB Palink*, one of the major retail companies in Lithuania, infringed the Law on the Prohibition of Unfair Practices of Retailers by **performing prohibited actions regarding food and drinks suppliers**.

Considering the development of e-commerce, in cooperation with the Latvian competition authority, we conducted surveys of participants in this sector in order to find out whether the business faces possible competition restrictions in online marketplaces and what problems could be relevant for companies operating in both Baltic States.

We carried out competition advocacy activities:

- **provided trainings and consultations for procuring organisations** on how they could contribute to ensuring competition in public procurements, for public authorities - on the application of state aid rules and how to ensure fair competition;
- advised individuals on **what information would be considered a reasonable evidence of a possible cartel agreement** and encouraged them to report infringements to us;
- we drew attention of business representatives to the fact that **participation in the activities of associations should not be used as a cover for concluding agreements** restricting competition;
- **informed suppliers about legal changes** on how they can protect their interests if they encounter unfair trade practices;
- invited competition law experts, business, academic community representatives, and politicians to **an international conference dedicated to the 30th anniversary of the Competition Council**.