



LITHUANIAN
COMPETITION COUNCIL

**SHORT
ANNUAL
REPORT**

2021

I. MAIN RESULTS



4 identified
competition
law
infringements

18 fined
infringers

EUR 13 063 680

imposed fines

EUR 3 112 557

fines paid to the state
budget by the infringers

27

state aid schemes notified to
the European Commission or extended

410

examined
draft legal acts

74

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

19

cleared mergers,
one of them
subject to
remedies

64

per cent of
the decisions
of the authority
approved by
courts

1:6.2

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

EUR 15.6m

average direct expected benefits
to consumers in 2019-2021



II. MAIN ACHIEVEMENTS AND EVENTS



We identified 4 infringements of the Law on Competition:

- the Lithuanian Basketball League and 10 basketball clubs concluded an anti-competitive agreement when they decided to terminate the 2019–2020 championship due to the COVID-19 pandemic and agreed not to pay salaries and remuneration for basketball players for the remaining part of the season;
- the food wholesalers *Sanitex*, *Sotėja*, *Selnera*, *Maistulis* and *Egilėja* coordinated their bids, including the price, in public procurements for the purchase of food products organised by (or for the benefit of) educational institutions and social service providers;
- Palanga City Municipality restricted competition when it authorised its municipal company to provide the services relating to the administration, construction and design of buildings and exceeded the exemption applied for in-house contracts;
- the telecommunications service provider *Cgates* failed to provide correct and complete information on essential aspects of the transaction during the merger review process.



We reviewed mergers occurring in the markets:

- issued 19 clearances, one of them subject to remedies submitted by the merging parties in order to safeguard effective competition in the healthcare sector;
- 5 cases led to an in-depth legal and economic analysis of the transactions concerning the markets of healthcare, telecommunications, cinemas, agriculture and information technology;
- refused to clear the merger in the markets of pay-TV re-

transmission services and Internet access services in the city of Šiauliai ensuring that competition is not restricted;

- in one case we decided to apply the merger control procedure on our own initiative after suspecting that the transaction might have created or strengthened a dominant position or significantly restricted competition in the market for the distribution of tickets to various events in Lithuania.



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

- evaluated the proposed amendments to the Law on Electricity and recommended to the Ministry of Energy to ensure that the activities of the public supplier and independent supplier related to it are separated. Our proposals were taken into account;
- submitted proposals to the Committee on Budget and Finance of the Seimas regarding the regulation of the activities of notaries and expressed doubts as to whether some aspects of it are reasonable and proportionate, namely: the restriction of the number of notaries, the prohibition of advertising of notary activities, the exclusive competence of notaries to provide certain services, the mechanism of self-regulation and its risks. On the basis of these proposals, no legislative changes were initiated or adopted in 2021, however, we hope that they will be made in the future and our suggestions will help to ensure that there is more competition in this area;
- proposed to the Ministry of Environment to change legal regulation of the activities of architects so that to avoid a conflict of interest. The Ministry took into account the suggested recommendations and initiated amendments to the Law on Architecture and the Law on Architects' Chamber.

We contributed to the transposition of the provisions of the European Union Directive on unfair trading practices in business-to-business relationships in the agricultural and food supply chain.

II. MAIN ACHIEVEMENTS AND EVENTS

We 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.

Together with the Bank of Lithuania we conducted a market study into the small and medium-sized enterprise financing:

- assessed the possibilities of the companies' access to the sources of financing and identified the factors limiting them;
- proposed recommendations and measures aimed at increasing the availability of financing services.



We provided advice for state institutions which submitted to the European Commission 27 notifications on new state aid measures or on the extension of the existing ones, 22 of those measures were intended to support business, agricultural, cultural and other sectors affected by the COVID-19 pandemic.



We improved the Register of Granted State Aid and De Minimis Aid, which allowed to reduce the administrative burden for the granting and administering authorities and use the resources of the competition authority more efficiently.

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

- 26 driving schools and their association agreed to set the prices of driving lessons in three cities of Lithuania;
- the Lithuanian transport safety administration restricted competition by extending contracts with 42 regular road passenger transport services for a number of years, thereby limiting potential firms' ability to enter the market;
- the retail chains *Norfos mažmena* (including its related undertaking *Rivona*) and *Maxima LT* engaged in unfair commercial practices against food and drink suppliers and infringing the Law on the Prohibition of Unfair Practices of Retailers.



We undertook the following competition advocacy activities:

- advised individuals on what information would be considered reasonable evidence of a possible cartel and urged persons to report suspected anti-competitive conduct;
- provided training and consultations on the application of state aid rules for state institutions;
- drew the attention of undertakings warning that COVID-19 pandemic should not serve as an excuse for competitors to conclude anti-competitive agreements;
- informed suppliers about legal amendments, i.e., that more food and drink suppliers can defend their interests if they experience pressure from major retail chains.

We initiated a survey of the Lithuanian businesses' understanding of the rights and obligations established in the Law on Competition, which was conducted by Kaunas University of Technology. The survey involved 302 companies and its results will help to strengthen our advocacy activities in the future.