

The Competition Council adopts a decision imposing interim measures regarding waste management in Riga

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News

On September 9th the Competition Council of Latvia (the CC) adopted a decision imposing interim measures on Riga Municipality and the limited liability company owned by it – SIA Getliņi EKO, – ordering, inter alia, to immediately suspend the concession agreement in so far as it affects the collection and transportation of separately collected and unsorted household waste in Riga.

On June 14th, 2019, Riga Municipality, SIA Getliņi EKO, and AS Tīrīga entered into a concession agreement regarding the implementation of a waste management system in Riga. On July 18th the CC initiated the infringement proceedings against Riga Municipality and SIA Getliņi EKO regarding the possible abuse of a dominant position set forth in Article 102 of the Treaty on the Functioning of the European Union. In order to maintain competition on the household waste management market in Riga during the case investigation, the CC adopted a decision imposing interim measures.

The interim measures decision provides several obligations for Riga Municipality and SIA Getliņi EKO, including the suspension without delay of the concession agreement in so far as it affects the collection and transportation of separately collected and unsorted household waste in Riga. This means that AS Tīrīga is currently not entitled to provide the above-mentioned services and Riga municipality has until September 12th to withdraw the termination notices sent out to the four operators that provided waste collection and transportation services in the city prior the conclusion of the concession agreement. These operators, therefore, may continue to provide services.

The CC also imposed on the municipality the obligation to inform the waste generators – consumers and enterprises – until September 12th at the latest about the household waste managers it had concluded agreements with before entering into the concession agreement. The CC recommends waste generators to contact the four market participants, which provided waste management services in Riga before, regarding further waste collection possibilities, in accordance with the previous agreements. As the CC suspends the concession agreement, such activities shall refer also to the clients, who have concluded an agreement with AS Tīrīga.

Furthermore, the CC imposes an obligation on Riga Municipality and SIA Getliņi EKO to submit until November 12th to the competition authority a plan ensuring compliance with competition rules on the market of collection and transportation of separately collected and unsorted household waste in Riga.

Riga Municipality and SIA Getliņi EKO may turn to the Administrative Regional Court with a complaint within ten days from the day of receipt of the interim measures decision adopted by the CC. Meanwhile, the CC continues its investigation of the case.

By establishing the public-private partnership Riga Municipality aims to entrust waste management services in Riga for a 20 year-period to one market participant – AS Tīrīga. Prior entering into a concession agreement, such services provided four undertakings. Riga is considered as a significant part of the waste management market in Latvia.

AS Tīrīga is a joint venture established by SIA CREB Riga and SIA Getliņi EKO. SIA CREB is created by two private waste managers – SIA Clean R un SIA Eco Baltia vide.

<https://www.kp.gov.lv/en/article/competition-council-adopts-decision-imposing-interim-measures-regarding-waste-management-riga>