

The Competition Council of Latvia publishes the Annual Report 2019

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In its latest [Annual Report](#) the Competition Council of Latvia (the CC) has compiled the most significant achievements of the authority and topicalities of application of the competition law in Latvia in 2019.

In the last year, significant resources of the authority were devoted to prevention of activities of public administrative bodies that restrict development of fair competition. In spring of 2019, the CC detected bid-rigging by several companies in price quotations organised by SIA "Rīgas satiksme", which is owned by Riga City Council. Moreover, the official of the public administrative body was not only aware of these competition distortions, but even initiated the bid-rigging. Also, last year, the CC took action against efforts of Riga City Council to eliminate competition on the household waste collection market. To prevent market monopolization for a period of 20 years, the CC imposed interim measures for the first time, which were aimed at preservation of the competition structure on the household waste management market until adoption of the final decision by the authority.

In the previous year, 75 applications were received related to competition distortions caused by public administrative bodies. Therefore, the year 2019 was notable for the fact that following several years of discussions the CC finally has obtained more efficient powers to fight against competition distortion caused by public administrative bodies. On 1 January of this year, amendments to the Competition Law came into effect, imposing an obligation on public administrative bodies to follow the principle of competition neutrality, i.e., to refrain from creating any advantages to themselves and their capital companies that are not available to players of the private sector.

In 2019, the CC detected in total four infringements, additionally also used "Consult at first" principle in its operation. Last year, six warnings were issued to 13 legal entities regarding alleged coordination of action in various procurements. For obtaining evidence on alleged prohibited agreements, inspections at 13 legal entities were carried out in 2019.

In the previous year, the authority also detected one infringement, where a company failed to provide essential information in a merger case, as well as two procedural infringements. In total, the CC imposed fines on five companies for the total amount of 3 152 549 euros.

Last year, five court proceedings were terminated and the decisions adopted by the authority remained effective in all cases, 10 sector inquiries were carried out, incl. a study on the pricing mechanism of reimbursable and non-reimbursable medicinal products in the Baltic states, which is very significant for the pharmacy sector and consumers, and also three guidelines documents for improvement of the competition environment in Latvia were developed.

The performance of the CC in ensuring of fair competition environment was also appreciated on a global scale. For the fifth year, the prestigious competition publication Global Competition Review listed the authority among 37 best competition authorities in the world, giving three stars. Also the work of the CC on combating of cartels in the period from 2016 to 2019 was announced as the third most active among all jurisdictions of the European Economic Area. In addition, the CC received the highest award in the Competition Advocacy Contest, organised by the International Competition Network and the World Bank Group, for the proposed solution to open the vehicle technical condition control market for free competition.

Skaidrīte Ābrama, the Chairwoman of the CC: "This Annual Report is the last for me in the position of the Chairwoman of the Competition Council. I am pleased that in the course of approximately eight years of working with my colleagues – true peers – we have managed to transform the Competition Council into an open, efficient, internationally highly appreciated and development-oriented authority."

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