

CC creates Public Benefits 52 Times Higher than its Funding

Published: 14.03.2016.

[News](#)

The Competition Council (CC) of Latvia has summarized its operational results of 2015, as well as for the first time in its history has estimated financial influence from the averted and prevented competitive harm. The calculation shows that over the past three years the CC has created benefits averagely in the amount of 51 million per year. Thus, each euro from the state budget for the CC's operation creates public benefit in the approximate amount of 52 euros.

In the calculation of public benefit, the CC particularly for Latvia adopted internationally recognized methodology developed by the OECD and used by Great Britain, USA and other professionally highly evaluated competition authorities. The calculation is based on the assumption that the public benefit is any potential loss that is not caused to consumers because particular infringements are stopped or averted by the authority. Due to competition restrictions and unjustified price increase, consumers face losses.

Fines imposed by the CC are not included within the estimated public benefit because of their primary goal – prevention and damage reduction of the infringement.

For calculation purposes, the CC summarized its decisions adopted in 2013-2015, determined characteristic price increase of the infringement type, potential duration without interference of the competition authority, and the size of the segment or significance to consumers.

Ms Skaidrīte Ābrama, the Chairperson of the CC, said: “As the state administrative institution, the Competition Council directly responds to the society for its operation. During the previous years, we have searched for ways to assess the financial public benefit from implementation of competition policy. With this estimation we provide for quantitative assessment on both the operation of the CC and the effectiveness of the use of our budget.”

[Methodological approach for estimating public benefits](#) (in Latvian)

For media inquiries:

Inita Kabanova

Head of Communication Division

The Competition Council of Latvia

E-mail: inита.kabanova@kp.gov.lv

Ph: +371 67365210; Mob: +371 20219048

<https://www.kp.gov.lv/en/article/cc-creates-public-benefits-52-times-higher-its-funding>