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ANNUAL REPORT ON COMPETITION POLICY DEVELOPMENTS IN NORWAY

-- 2007 --

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1. Executive Summary

1. Though there were significant developments in many aspects of competition policy in Norway in 2007, cartel activity curtailment is arguably the area that experienced the most exciting and important developments.

2. In the course of the year, the Norwegian Competition Authority reinforced its focus on the detection and curtailment of cartel activities. The Authority's budgetary allocation for the year was increased. A substantial portion of the increased financial resources was channeled into upgrading of staff competence with the aim of conducting more professional investigations into possible cartel activities.

3. Simultaneously, the Authority intensified its cooperation with the National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim), the police service and other control bodies. Cooperation between the Authority and Økokrim resulted in a declaration on Norway's leniency program which was issued on the 6th March 2008.

4. By virtue of this declaration, undertakings which apply for leniency and fulfill the requirements thereof would normally benefit from derogation from criminal prosecution for the anti-competitive conduct which the leniency applies to. The same applies to officials of such undertakings

5. As a further step to forestall anti-competitive behaviour, the Competition Authority initiated a cooperation agreement with the Confederation of Norwegian Enterprise in order to improve advocacy.

6. The Authority also proposed the removal of companies convicted of violating competition regulations from ethical investment indices. We opine that illegal price cooperation, bid-rigging and market sharing are incompatible with social responsibility. Neither are they compatible with normally accepted and basic ethical principles. The importance of ethical funds and indices has increased, reflecting an increased awareness by investors of the ethical and environmental connotations of their actions. The aforementioned initiative sends out a strong message that anti-competitive crime is unacceptable.

7. The Authority has also raised the issue of whether such criteria should be incorporated into the ethical guidelines for the Government Pension Fund's investment operations abroad. This would have a positive impact far beyond our national borders. The combined effect of off-putting penalties and exclusion from ethical indices might provide a significant contribution towards the Competition Authority's battle against anti-competitive crime.

8. Apart from developments relating to the detection and curtailment of cartels, the Authority handled a large number of complex cases in 2007. In particular, cases relating to the TV market, grocery store market, poultry breeding and transport sector are worthy of mention.

1. Changes to competition laws and policies, proposed or adopted

1.1 Summary of new legal provisions of competition law and related legislation

1.1.1 Amendments to provisions on merger control

9. The Norwegian Competition Authority enforces the Norwegian Competition Act of 2004. The primary tools of the Act are sections 10 and 11 (equivalent to Article 53 and 54 of the EEA agreement and Article 81 and 82 of the EC Treaty) and section 16 concerning merger control (similar to Article 57 in the EEA agreement). Additionally, the Authority occasionally uses its powers granted in section 9 of the act to point out anti-competitive effects of public measures and proposals.

10. In 2007, work was started on the review of provisions of the Norwegian Competition Act pertaining to merger control. The process culminated in the adoption of changes to these provisions in 2008. Prominent among the adopted changes is the “hold separate” clause.

11. According to the newly approved merger control amendments, undertakings intending to carry out transactions which can be classified as concentrations, pursuant to section 17 of the Norwegian Competition Act, will now have to stay completion of the transactions while the Competition Authority completes its 15-day phase I merger review process. In this respect, merger control regime in Norway has been drawn even closer to the merger control regime in the European Union. The only significant exception is the lack of a general exemption from the rule on suspension for public bids or takeovers through stock purchases. Unlike most other European jurisdictions, those transactions require an individual exemption to go forward.

12. The Authority has commenced work on a regulation which, upon coming into force, will cover the aforementioned transactions. Prior to the completion of work on the regulation, the Authority will, on request, derogate from the rule on suspension on a case by case basis.

13. The amendments will also require companies to submit more detailed standard notification forms, including a list of the companies' most important competitors, customers and suppliers for each overlapping market, even if the overlap is marginal. Previously, the guidelines only required this information where the parties' combined market share exceeds 20 per cent. The new provision stands in contrast to what obtains in most other European jurisdictions where it is common with a market share threshold.

14. Last but not the least, the amendments will alter Norway's appeal system for blocked or altered mergers. The government may now intervene in mergers of national or cultural importance without waiting for the ministry to conduct additional competition analysis.

1.1.2 Regulation on frequent flier programs adopted

15. In 2002 the Competition Authority initiated a prohibition on internal frequent flyer schemes. The prohibition on SAS' frequent flyer scheme in 2002 has been instrumental in the restoration of competition on routes within Norway. SAS has undertaken costs cuts and prices have fallen by 15-20 per cent. It has been estimated that the prohibition has resulted in Norwegian consumers saving 1-2 billion NOK annually. Moreover, the resultant increased competition has led to improved service for travellers, including more departures.

16. The 2002 ban on SAS' frequent flyer program on Norwegian domestic routes expired in August 2007. The Ministry of Government Administration and Reform sent a proposal for public consultation on

the continuation of the prohibition. The deadline for consultation was May 21, 2007. The regulation on frequent flyer programs covering internal flights was adopted on 20th June 2007.

1.2 Government proposals for new legislation

17. At the end of June 2007, the EFTA court ruled that Norway's practice of the right of reversion was at variance with the EEA agreement. Later in the autumn, the government passed a provisional decree regarding reversion. The decree established that public ownership of hydropower resources at state, regional and local level shall be sustained, and that licenses will no longer be granted to private actors for acquisition of waterfalls and power stations. Private actors can still own up to a third of publicly owned hydropower stations. The Authority has earlier on in the year assessed the competition-related impact of the decree.

18. The Competition Authority has proposed the removal of companies convicted of violating competition regulations from ethical investment indices. The Authority is of the opinion that, such a measure would go a long way to deter firms from engaging in anti-competitive conduct, especially hard-core cartel activities.

2. Enforcement of competition laws and policies

2.1 Action against anticompetitive practices, including agreements and abuses of dominant positions

2.1.1 Dairy Producer Tine Fined for Abuse of Dominance

19. The dairy producer Tine was issued with an administrative fine of NOK 45 million in February 2007, for allegedly abusing its dominant market position in the market for cheese production in Norway and entering into a collaboration which potentially had a detrimental effect on competition. The Competition Authority concluded that the collaboration entered into by Tine had a high risk of foreclosure. Tine's only competitor in the market for cheese production in Norway, Synnøve Finden, could get squeezed out of the market as a result of Tine's behavior. The probable result of this behavior is reduced competition, higher prices, fewer choice options for consumers and ultimately reduced incentive for innovation.

20. The Authority's investigation showed that Tine and the supermarket chain Rema 1000 had entered into a supply contract in the autumn of 2004, which had resulted in Synnøve Finden losing shelf space in Rema. In return for using Tine as the only supplier of white cheese and brown cheese, Rema received increased discounts worth millions from Tine. Furthermore, Tine attempted in a similar manner to become the sole supplier to the supermarket chain Rimi through its annual negotiations with ICA Norge in 2004. The Competition Authority opines that Tine's conduct with respect to Rema 1000 also breached the Competition Act's prohibition against cooperation which restricts competition. Had Synnøve Finden been excluded from both Rema 1000 and Rimi stores, the company would have been at great risk of losing competitiveness and in the worst case scenario would have had to withdraw from the market.

2.1.2 SAS v Norwegian Competition Authority

21. On June 6th 2005, the Norwegian Competition Authority decided to impose a fine of NOK 20 million (2.5 million euro) on SAS air carrier group. The fine was imposed for breach of section 11 of the Norwegian Competition Act. The Authority opined that SAS had abused its dominant position through predatory pricing on a domestic air route between Oslo and Haugesund in May–June 2004.

22. According to the Authority's decision, predatory pricing by SAS had resulted in the small carrier Coast Air having to withdraw from the route. Coast Air was SAS' only competitor on this route.

23. SAS did not accept the fine, and brought the Authority's decision to court. On 28 July 2006 Oslo City Court concluded that SAS had not violated the relevant provisions of the Competition Act. The Authority's decision was consequently set aside. Subsequently, the Authority appealed against the decision of the High Court to set aside the Authority's ruling. In December 2007, the case was concluded by an out-of-court settlement.

2.1.3 *Combating cartel operations*

24. In 2007 the Norwegian Competition Authority intensified its efforts at fighting cartel operations. The Competition Authority's strategy to achieve its goals in this area focused on buffering the investigative capacity of the Authority. Measures which have been instituted include acquisition of state of the art electronic equipment to facilitate investigations and the upgrading of staff competence to enable them to handle investigations in a professional manner. Furthermore, the Authority has established a new computer laboratory for preparation and analysis of material.

25. As an additional measure in the fight against cartels, the Authority has intensified its cooperation with the National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim), the police service and other control bodies.

Leniency

26. Experience gathered within the EU and several other countries indicates that an effective leniency programme is the most important tool for the detection of cartel activity. This is because leniency will contribute to or increase instability within the cartel. The first member of the cartel who divulges information may be granted immunity from administrative fines. The remaining members who decide to cooperate may, at best, be able to reduce penalties by half.

27. In Norway, the regulation regarding leniency was adopted in 2004. In 2007, the Competition Authority received its first request for leniency. In total, the Authority received two applications in 2007. This number is a bit lower than expected. The Competition Authority is therefore working to make this regulation more effective. This involves improvements of the scope of legislation and regulations, increased cooperation with prosecuting authorities and external information.

Cooperation on Kystbussen abrogated

28. On 15 May 2007, the Competition Authority decided that Tide Reiser AS and Veolia Transport Sør AS no longer could cooperate on the Kystbussen express bus route between Bergen and Stavanger. The Authority had ruled that the cooperation restricted competition, in violation of Section 10 of the Norwegian Competition Act. This decision followed a statement of objections issued in March 2006. (Tide ASA was formerly known as HSD Buss AS and Gaia Reiser AS, while Veolia Transport Sør AS is the former Connex Vest AS.)

Competition and Public Procurement

29. 2007 has been a year for strengthening the Competition Authority organization. The main focus this year has been on illegal price-fixing, tendering collusion and market sharing. In this context, we wish to develop cooperation between the Authority's ordinary responsibilities in the area and the work of the secretariat of the Public Procurement Complaint Board (KOFA), which is now a part of the Authority. Every year public purchases amount to between NOK 200 and 300 million. From the point of view of

competition it is important that the rules for public purchases are complied with. However, effective enforcement of the Competition Act's prohibition of competition-restricting cooperation will contribute towards ensuring real competition for public contracts. Effective competition for public contracts will also contribute towards reducing the risks associated with, and therefore the extent of, corruption and other forms of economic crime.

2.1.4 Cases resolved by ceasure of anticompetitive conduct

30. In 2007, the Norwegian Competition Authority handled two cases related to possible violation of the Competition Act which were resolved through dialogue between the parties and the Authority. In both cases, the parties gave the Authority the assurance that they would endeavor to cease the anti-competitive conduct. The Authority did not therefore consider it necessary to initiate a decision-making process.

31. The first case where this method was employed involved the exchange of price information among grocery store chains via the agency ACNielsen.

The AC Nielsen Case

32. Through studies conducted in connection with the report "Payment for shelf place – effects on the competitiveness in the grocery store market" the Authority gained access to information, that the grocery store chains had in their possession detailed information about each other's prices and turnover. The Norwegian grocery store market is a highly concentrated market dominated by four nationwide groups, which together account for more than 98 % of turnover. The high concentration problem in the sector is compounded by entry barriers.

33. It is common knowledge that under certain circumstances, exchange of information among competitors may prove to be harmful to competition. Exchange of information normally increases the transparency of the relevant market. This could be beneficial to consumers if they are privy to the information. Exchange of information enables suppliers to react quickly to price changes on the part of competitors. It is noteworthy that in this case, customers were not privy to the information. One could therefore not argue that there existed any demand-side benefits from the exchange of information.

34. The Competition Authority examined closely the agreements between AC Nielsen and the grocery store chains. Among other things, the nature of information, the level of detail and the frequency of exchange were examined. As a further step in the investigations, the Authority held meetings with the grocery store chains and AC Nielsen. The Authority came to the conclusion that there was a high probability that the information exchange could be adjudged illegal and harmful to competition on the market. The Authority decided to present its temporary findings to the parties so that the parties could be availed the chance to make the necessary alterations to the agreements. Among other things, the parties agreed that the level of detail of the information should be reduced and data be presented on a more aggregate level. On the basis of the assurances given, the Authority decided to close its investigation.

35. Exchange of information among competitors may be adjudged a breach of section 10 of the Norwegian Competition Act. For information exchange to be adjudged a breach of section 10 of the Competition Act, a number of conditions¹ should be fulfilled.

¹ Section 10 of the Norwegian Competition Act is a replica of article 81 of the EC treaty. The conditions necessary for adjudging a case of information exchange as illegal are analogous to what obtains in the EU.

Microsoft's application of discounts

36. The second example of a resolution of a case achieved as a result of the Authority's dialogue with the parties, involved a complaint against Microsoft's application of discounts in framework and cooperation agreements with a number of Norwegian county authorities.

37. With regards to the Microsoft case, the Norwegian Competition Authority received a complaint from LinPro AS (LinPro) on 2 March, 2006. LinPro alleged that Microsoft had abused its dominant position through the agreement that it had contracted with Norwegian county administrations ("Fylkesavtalen" or "Counties Agreement") and the "School Agreement" which was based on the county agreements.

38. LinPro specifically pointed out that the structure of the discounts in the Counties' Agreement restricted competition by compelling county administrations to buy a so-called desktop package consisting of several different products in order to obtain the discounts provided under the agreement. LinPro also pointed out that the licensing model in the Counties Agreement was a so-called site licence with a fixed license fee based on the number of PCs in the school. According to the complaint, payment of the license fee was not linked to whether the programs were actually installed on the PCs or not.

39. LinPro requested that an order be issued to Microsoft pursuant to § 12 of the Competition Act to modify certain elements of the Counties Agreement.

40. The Competition Authority initiated an investigation of the Counties Agreement and Microsoft's implementation of the agreement. The investigation focused on both the requirements regarding site-licensing and the licensing of several types of programs as conditions for receiving a discount under the Counties Agreement.

41. In the summer of 2007, Microsoft informed the Authority that an agreement had been entered into with the county administrations to modify the Counties Agreement. The suggested modifications comprised, among others, the removal of the requirement regarding licensing of the desktop package as a prerequisite for a discount under the Counties Agreement. The second modification allowed individual schools to remove PCs from the agreement and allow usage of competing programs on the PCs without having to pay a license fee to Microsoft for those PCs.

42. The suggested modifications implied that the Counties Agreement had been changed substantially in the two areas where the Authority focused its investigation and as a result, the Competition Authority closed its investigation.

43. Although no formal decision was adopted in the two cases, the Authority performed detailed and thorough casework before ACNielsen and Microsoft amended their agreements.

44. The Authority carefully assessed both the facts and the technical issues raised by these cases. The parties were given the opportunity to present their views during the process. The Authority presented its findings to the parties, who subsequently chose to amend the agreements and practices rather than go through a procedure that could result in formal decisions.

45. The method chosen in the ACNielsen and Microsoft cases is perhaps most relevant in cases where complicated legal and economic assessments are required, and where the issues are more or less unsettled under Norwegian and EU competition law.

2.2 *Mergers and acquisitions*

46. In 2007 the Norwegian Competition Authority received 561 standard notifications of concentrations. This corresponds to a decrease of 311 from the previous year. The rather high decrease in the number of standard notifications can be attributed to the increase in threshold values for standard notifications which was implemented in January 2007.

47. Of the 561 standard notifications, the NCA intervened in five cases. In 17 cases, the NCA issued administrative fines to companies for failure to submit or late submission of notifications of concentrations. Undertakings which fail to notify concentrations are liable to fine which cannot exceed 1 percent of the previous year's turnover.

48. The table below gives an overview of the Authority's activities in the area of merger control in the period 2005-2007.

| Mergers and acquisitions in 2007 | | | |
|---|-------------|-------------|-------------|
| | <u>2005</u> | <u>2006</u> | <u>2007</u> |
| Notifications of mergers and acquisitions | 623 | 872 | 561 |
| Interventions against mergers and acquisitions | 6 | 2 | 5 |

49. In the ensuing paragraphs, a brief summary of some of the major concentrations handled in 2007 is given.

2.2.1 *Taxi Merger prohibited*

50. The Competition Authority prohibited a planned merger between two taxi companies in Sør-Trøndelag county. The planned merger was between Trøndertaxi AS and Sør-Trøndelag Taxi AS. The Authority was of the opinion that the planned merger would create or strengthen a significant restriction to competition in the Taxi sector in Trøndelag County. The Authority opined that the taxi market in Sør-Trøndelag was prior to the merger highly concentrated. An appeal was raised against this decision. However, the appeal was rejected by the Ministry of Government Administration and Reform.

2.2.2 *Telenor's acquisition of Talkmore*

51. In July 2007, Telenor Mobil AS purchased the independent mobile company Talkmore. The Norwegian Competition Authority decided after a phase 2 investigation not to intervene in the acquisition. The Authority took into account the decline in Telenor's market shares in recent years, the small size of Talkmore, the high number of operators in the market and the decline in prices. With respect to the wholesale market, the fact that Network Norway and Tele2 had entered into a comprehensive cooperation agreement to develop a mobile network, the third network in the Norwegian market, rendered Telenor's acquisition of Talkmore less problematic.

2.2.3 *Merger of Cappelen and Damm*

52. On 27th August 2007, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004 by which the undertaking Egmont Holding A/S proposed to acquire within the meaning of Article 3(1)(b) of the Council Regulation control of the whole of the undertaking Bonnier Forlagene A/S .

53. The Norwegian publishing houses Cappelen AS and Damm AS were affected by the larger merger between Egmont Holding A/S and Bonnier Forlagene A/S. The Norwegian part of the

concentration was referred to Norway from the EU at the request of the parties. After an examination of the relevant facts, the Norwegian Competition Authority decided not to intervene in this merger. Although the parties would, as a result of the merger, achieve a high market share in certain categories of books, an overall evaluation taking into account, among other factors, the ability of competitors to respond indicated that the merger would not create or strengthen a significant restriction of competition.

2.2.4 *Behavioural conditions attached to Nortura's acquisition of Hå Rugeri*

54. The Authority ruled that Nortura's acquisition of Hå Rugeri would result in a significantly higher market share for Nortura in the market for the sale of day-old broilers. The Authority opined that competition in this market, which was already significantly restricted, would as a result of the concentration be further reduced. As at the time of the acquisition, there were only three hatcheries in Norway which deliver day-old chicks to farmers who produce broilers. Nortura owns the largest of these, Samvirkekylling. As a direct consequence of the acquisition, one of Nortura's competitors would exit the market. To secure competition in the market, the Authority imposed on Nortura the condition that, all existing and potential competitors of Nortura should be supplied day-old chicks at the same price etc. This decision is applicable to the year 2012.

2.2.5 *Strict conditions for Media Norge Merger*

55. In January 2007, the Norwegian Competition Authority received notification of a merger among four major newspapers and one printing house to form Media Norge ASA, of which Schibsted had controlling ownership. The Norwegian Competition Authority imposed strict conditions for the approval of the merger.

56. The parties to the merger were all owners of major media organizations, with companies ranging from publishers of both paper and Internet newspapers to local radio and TV stations. The parties involved claimed that, as media groups, they faced a number of challenges. Circulation numbers for the newspapers were declining and the Internet newspapers were being challenged by news portals with search engines but with no news desk. The parties wanted to merge so that they could develop products which were better suited to meet these challenges.

57. The Norwegian Competition Authority carried out an in-depth analysis to identify which markets would be affected by this merger. Among other things, potential effect of the merger on competition was given priority. The Authority's analysis indicated that the merger would create or strengthen a significant restriction of competition in the market for printing of national newspapers and major regional papers in southern and western Norway. Subsequently, the Authority imposed a number of conditions to secure non-discriminatory access to printing services for current and future customers. The Authority's decision is valid for 10 years.

2.2.6 *Imposition of obligation to submit reports*

58. The Competition Authority imposed on Statkraft AS, Agder Energi AS, BKK AS and Skagerak Energi AS an obligation to submit reports on acquisitions of shareholdings in power plants. The decision takes effect from 1st January 2008 and is applicable to all acquisitions undertaken till the year 2012.

59. The power market in Norway can be classified as a market with high ownership concentration. Moreover, the market bears features of direct and indirect ownership relationships among companies in the market. The imposition of the obligation to submit reports on acquisitions is to enable the Authority to be able to have an effective control of competition in the market.

3 The role of competition authorities in the formulation and implementation of other policies, eg. regulatory reform, trade and industrial policies.

3.1 Advocacy activities

60. The Norwegian Competition Authority is often used as a hearing body by other public authorities. This provides an opportunity to influence decision processes. By acting as a hearing body, the Authority ensures that the competition perspective is given due consideration when new policies are being adopted. The Norwegian Competition Authority made 58 hearing submissions of significance in 2007. In addition, the Authority issued five formal letters regarding public regulations which are detrimental to competition. Last but not the least, the Authority was instrumental in the adoption of measures to increase competitiveness in markets. Notable among these were measures initiated to stimulate the demand side of markets. This was done mainly through the adoption of measures which increased the awareness of consumers.

3.2 Simpler procedures for changing banks

61. In June 2007, a report on initiatives and schemes which could diminish negative consequences for customers who wish to change banks was presented to the Ministry of Finance. The working group responsible for this report comprised representatives from the finance sector and various authorities, including the Norwegian Competition Authority. The report recommended the introduction of a “Switching code,” a scheme which makes it easier for customers to change bank.

3.3 Financial web site providing customer assistance

62. A new financial web site, Finansportalen.no, was launched on 14 January 2008 to provide assistance to consumers searching for the best offer regarding loans, daily banking services, savings and general insurance. The Competition Authority believes that this web site will help increase competition within the financial market.

3.4 New reports and studies on competition policy issues

3.4.1 The Competition Authority’s report on the Norwegian TV market

63. In light of the changes in the TV market, the Norwegian Competition Authority concluded that it was important to assess the potential effect of exclusive distribution agreements. In order to shed light on the possible effect of such agreements, the Authority ordered a report from Professors Hans Jarle Kind, Guttorm Schjelderup and Lars Sjørgard, all from the Norwegian School of Economics and Business Administration. The Authority aimed at evaluating different market mechanisms which influence the use of exclusive distribution agreements. The report focused on how the broadcasting companies and the distributors proceed rationally in order to achieve maximum profit. All evaluations are based on the assumption that the negotiations take place between a dominant broadcasting company or TV channel and two distributors. The resulting analysis in the report is applied to a situation where the nationwide commercial TV channel, TV 2, chooses to broadcast exclusively via satellite on either Canal Digital or Viasat. The report also evaluates the reasons for exclusive distribution in such a situation, and whether there are end-user benefits.

3.4.2 Report on the functioning of the Nordic electricity market

64. In September 2007, the Nordic competition authorities presented a new report on the functioning of the Nordic electricity market: “Capacity for competition – Investing for an Efficient Nordic Electricity Market”. The report is the product of a joint Nordic working group with members from Norway, Sweden,

Denmark, Finland and Iceland. The Norwegian Competition Authority has chaired the group and provided the secretariat. An earlier report on the power market was published in 2003.

65. The report concludes that the Nordic electricity market functions well, but there is room for improvement. In the report, the Nordic competition authorities call attention to several competition challenges. Among these, we find owner concentration, cross-ownership and the transmission capacity among the Nordic countries. It is pointed out that ownership concentration in the Nordic power market is still high, and is aggravated by widespread cross-ownership and joint ownership of generating plants. The report expresses support for the reduction in the extent of cross-ownership and joint ownership.

66. It is also emphasized in the report that, in order for the power market to function satisfactorily, the transmission capacity among the Nordic countries needs to be strengthened. The Nordic system operators have agreed to carry out five major projects that are supported by the Nordic competition authorities. It is recommended that, the system operators should work to improve the effective utilisation of the capacity.

67. It can also be noted that the Nordic competition authorities are engaged in on-going cooperation with respect to the power market. This implies, among other things, that the authorities consult each other when they examine important cases related to that market, and that they exchange information on major competition problems.

68. EFTA's Surveillance Authority, the ESA, has investigated the conditions for competition in the electricity markets in the EFTA countries, which include Norway, Iceland and Liechtenstein. The report focuses on the energy market in Norway. The investigation was carried out simultaneously as an analogous examination of the energy sector in the EU countries. The report concludes that competition in the wholesale market for electric power functions relatively well in Norway. Integration with markets in other countries, transparency and liquidity in the market are relatively good. Nonetheless, ESA points out that the high market concentration, such as the increasing market share of Statkraft, might restrict competition.

4. Resources of competition Authorities

4.1 Resources overall

4.1.1 Annual budget

69. For its operations, the Norwegian Competition Authority had a budget of NOK 86.2 million (approximately US \$15.7 million) in 2007.

70. The Public Complaints Board (KOFA), which is closely linked to the Authority, had a budget of NOK 6.3 million (over US \$1.1).

4.1.2 Number of employees (person-years)

71. As at the end of 2007, the Norwegian Competition Authority had a total of 93 employees, including those on leave.

72. Since 2003, there has been considerable turnover within the Competition Authority due to the relocation of the Authority from Oslo to Bergen. The Authority therefore has a high number of employees with short tenure of service. As high as 47% of the employees have worked for the Competition Authority for 2 years or less while 32% have a period of service between 2 and 5 years. Only 21% of the employees have a period of service of 5 years or more.

73. The table below gives an overview of the distribution of employees according to gender and position as at 31st December 2007.

| Position | Total | Women | Men |
|---------------------------|--------------|----------------|----------------|
| Managers | 20 | 7 (35%) | 13 (65%) |
| Senior advisors | 27 | 10 (37%) | 17 (65%) |
| Advisers | 25 | 13 (52%) | 12 (48%) |
| Higher executive officers | 14 | 9(64%) | 5(36%) |
| Executive officers | 7 | 7(100%) | 0(0%) |
| Total | 93 | 46(49%) | 47(51%) |