

**Directorate for Financial and Enterprise Affairs
COMPETITION COMMITTEE**

Annual Report on Competition Policy Developments in Poland

-- 2016 --

21-23 June 2017

This report is submitted by Poland to the Competition Committee FOR INFORMATION at its forthcoming meeting to be held on 21-23 June 2017.

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

1. Summary of new legal provisions of competition law and related legislation/Government proposals for new legislation

1.1. New law on counteracting unfair use of bargaining power in trade of food and agricultural products

2. The year 2016 has brought new powers for the Polish Office of Competition and Consumer Protection (hereinafter “UOKiK”; “the Office”), as UOKiK was entrusted with enforcing the provisions of the adopted Act on counteracting unfair use of bargaining power in trade of food and agricultural products. The primary objective of this new legislation is to effectively resolve conflicts between the suppliers and the recipients of agricultural and food products and eliminate unfair trading practices from the food and agriculture supply chain. Bargaining power occurs in cases where there is a significant disparity in economic potential between two parties taking part in a negotiation, and where the weaker one lacks sufficient capacity for selling or purchasing agricultural or food products from other undertakings. The new legislation will apply to unfair use of bargaining power by both suppliers and acquirers of food and agricultural products.

3. According to the law, UOKiK will be the authority responsible for enforcing the new provisions. Any undertaking with reasonable suspicion of being subjected to any practices which involve unfair use of bargaining power will be able to submit a complaint to the Office of Competition and Consumer Protection. The powers and procedures will be similar to the ones specified in the Polish competition law. In cases of unfair use of bargaining power, UOKiK will be able to institute proceedings *ex officio*, issue prohibition as well as commitment decisions and impose a maximum fine of 3% of the turnover generated in the financial year preceding the year in which the fine is imposed. However, UOKiK will be entitled to intervene only where the total value of the turnover between the supplier and the recipient exceeded 50 thousand PLN during any of the two years preceding the year in which the proceedings were initiated and where the turnover of the supplier or recipient exceeded 100 million PLN during the year preceding the year in which the proceedings were initiated. Furthermore, the proceedings shall only be instituted in justified circumstances and shall be completed within the period of 5 months. The new law will enter into force on 12 July 2017.

2. Enforcement of competition laws and policies

2.1. Action against anticompetitive practices

2.1.1. Summary of activities of competition authority and courts

4. In 2016 UOKiK received **547** notifications, launched **44** preliminary and **14** antitrust proceedings.
5. The table represents the structure of the proceedings in detail:

Table 1. Structure of proceedings

	Total	Closed in 2016
Antitrust proceedings:	54	27
Antitrust proceedings concerning horizontal agreements including:	30	9
conducted pursuant to Article 101 TFEU	1	0
Antitrust proceedings concerning vertical agreements including:	4	4
conducted pursuant to Article 101 TFEU	0	0
Antitrust proceedings concerning abuses of a dominant position including:	19	14
conducted pursuant to Article 102 TFEU	0	0
Preliminary proceedings:	166	107

Table 2. Structure of the decisions issued by UOKiK in 2016

	Horizontal agreements	Vertical agreements	Abuse of a dominant position
Decisions finding the practice to be competition-restricting and ordering its discontinuation	0	0	0
Decisions finding the practice to be competition-restricting and recognising that it has been discontinued	7	3	5
Commitment decisions	0	0	4
Proceedings discontinued in total, including due to:	2	1	2
- finding no competition-restricting practice	2	0	2
- other reasons	0	1	0

2.1.2. Court decisions in antitrust matters

6. Entrepreneurs may lodge appeals against UOKiK's decisions and complaints about UOKiK's resolutions to the Court of Competition and Consumer Protection at the Regional Court in Warsaw (SOKiK). Appeals against decisions of the Court of Competition and Consumer Protection may be heard by the Warsaw Court of Appeals. It is also possible to file a cassation complaint to the Supreme Court.

7. The statistics of judgements in antitrust proceedings are the following:

Table 3. Statistics of judgements in antitrust proceedings

	Court of Competition and Consumer Protection	Court of Appeal	Supreme Court
Number of judgements issued in 2016 in antitrust and merger cases including:	55	64	4
concerning vertical agreements	28	33	2
concerning horizontal agreements	3	15	1
concerning abuses of a dominant position	13	4	0
merger control	11	12	1

Table 4. Conclusions of the judgements of the Court of Competition and Consumer Protection in competition cases

Overruling the decision of the President of UOKiK	2
Changing the decision of the President of UOKiK	1
Dismissing the enterprise's appeal	25

8. In 2016, the Court of Competition and Consumer Protection (SOKiK) maintained UOKiK's decision to fine BP Europa for failing to notify a concentration, which took the form of a lease of petrol station, shop and restaurant from another entity. The Court also confirmed UOKiK's decision in the case of abuse of a dominant position by the manufacturer of helicopter spare parts (PZL-Świdnik), as well as in the case of predatory pricing applied by Arriva Bus Transport Polska in the local market for bus transportation.

9. In turn, the Warsaw Court of Appeals upheld UOKiK's decision to fine PKP Cargo for failing to implement its commitment decision from 2012. The Court of Appeals also confirmed UOKiK's decision to sanction Poczta Polska, the postal incumbent for abuse of dominant position through imposition of excessive prices for posting letters up to 20 gram. Same ruling was given in the case of collusion between a producer of paint and its distributors.

10. Furthermore, on 21 April 2016 the Supreme Court quashed the judgments of the Court of Competition and Consumer Protection and of the Warsaw Court of Appeals in the Inco-Veritas case, which had UOKiK imposing upon the company a fine of more than 2 million Polish zlotys for lack of co-operation during an inspection. In November 2011 after UOKiK's inspectors had commenced operations at the company's premises, a manager attempted to remove from a laptop a document that showed that the price of two dishwashing soaps and one brand of shoe polish had been fixed. For the attempt, UOKiK had fined the undertaking for failure to cooperate during an inspection. Both SOKiK and the Court of Appeal rejected the Office's arguments. They ruled that the employee had not failed to cooperate during the inspection, because the file was not permanently deleted, but moved to the trash folder, from which it was recovered and therefore readable. Moreover, the Court pointed to the fact that the inspectors received a paper version of the document. UOKiK filed a cassation appeal, which in April 2016 the Supreme Court ruled as justified. In its ruling, the Court stated that it is not important whether the file was deleted permanently or just moved to another location. The company is required to actively cooperate in an inspection and should therefore immediately furnish the document. The act of denying UOKiK access to data should be construed as lack of co-operation. That a paper copy of the document was provided is immaterial because it was not possible to verify that it was identical to the electronic version. The Supreme Court remanded the case for reconsideration by SOKiK.

2.1.3. Successful application of soft measures in antitrust cases

11. In addition to UOKiK's hard enforcement are the soft measures applied by the competition authority. In September UOKiK was dealing with a case of mandatory installation of remote water meters in houses. The water utilities companies forced inhabitants to purchase remote meters, by imposing additional costs should they chose a traditional cheaper type. Because such behavior could be construed as abuse of a dominant position, UOKiK contacted the water utilities companies informing them of the anticompetitive nature of their behavior and asking them to modify the contested practice.

In response to the Office's request both companies under investigation voluntarily amended the challenged provision. UOKiK resorted to such soft measures also in the case of limitation of free entry and parking in airports. Instead of right away instituting antitrust proceedings, UOKiK issued a notice to airports' management companies, calling upon them to drop competition-restricting practices. Once again this soft intervention was met with a positive reaction from the companies. In total in 2016 UOKiK sent 44 requests asking undertakings to withdraw competition restricting practices. In 23 cases the undertakings voluntarily abandoned the challenged practices.

2.1.4. Use of economic analysis in antitrust proceedings

12. In 2014 UOKiK launched an investigation into the supply of vaccines against rabies for wild foxes in Poland and possibility of price collusion on this market. The supplier of one type of vaccine Lysvulpen on the one hand and the supplier of Fuchsoral another brand, on the other hand had won nearly the same number of tenders, supplying a similar number of vaccines with similar value. Within the course of its proceedings UOKiK performed an extensive analysis of data concerning public procurement proceedings in the period 2008-2012, which showed that the price of Lysvulpen in Poland was significantly higher than in other Member States and had been regularly raised, while in other countries it decreased. In-depth economic assessment proved that the suppliers' behavior was a textbook case of tacit collusion, facilitated by the way the tenders were organised and after pro-competitive changes in the organization of the tenders, effective competition was restored and prices fell significantly. In consequence, as the behavior of the parties was apparently not a result of ant-competitive agreement, UOKiK's proceedings were discontinued.

2.1.5. Description of significant cases

UOKiK fines the Association of Polish Centres for Infertility Treatment and Reproduction Development (Decision RŁO - 4/2016)

13. In September 2016 UOKiK's issued a decision stating the Association of Polish Centres for Infertility Treatment and Reproduction Development (ZPOLNiWR) had infringed competition law provisions by fixing prices offered by the members of the Association. ZPOLNiWR is an organization that voluntarily brings together providers of medical services. During a competition organised by the Ministry of Health to run its IVF Treatment of Infertility 2013-2016 programme, the Association had issued recommendations on prices their members were to offer during the contest. Guidelines were made at Association's meetings and through channels of electronic communication. Because the majority of bidders constituted members of the Association, who were coordinating their behaviour, the results of the tender were compromised and more public funds needed to be spent.

Bid-rigging on the bread supply market (Decision RKR – 10/2016)

14. In November UOKiK uncovered bid-rigging practices on the market for bread supply. Antitrust proceedings instituted in June 2016 enabled UOKiK to discover that three producers of bread had colluded within the framework of six tenders organised by public detention centres, healthcare and education facilities. Bid-rigging consisted in the supplier, who offered the lowest price and was selected, withdrawing from the tender to force the selection of the second offer, which was more expensive and consequently

brought about an increase in public spending. Identical errors in the submitted documentation or the fact that the offers were sent from a single post office at the same time confirmed that the observed behaviour was indeed coordinated. In its decision, UOKiK decided to fine the bid-rigging participants over 35 000 Polish zlotys.

UOKiK counteracts a vertical agreement between producers and distributors of gas boilers and water heaters (Decision RKT-8/2016)

15. In December 2016 UOKiK uncovered a vertical agreement concluded between Termet, a manufacturer of gas boilers and water heaters and its distributors, forbidding selling the products at prices below a pre-determined threshold. The distributors would instruct the retailers on the level of retail prices recommended by the manufacturer. They would also report anyone that refused to comply with Termet's resale price maintenance. UOKiK concluded that the practice in question was restrictive of competition. Termet was able to prevent its distributors from determining the prices of the products sold. This in turn had a direct impact on Termet's customers and later consumers, who could have purchased the products at lower prices, had the competition process not been disturbed. Because within the course of proceedings, the distributors discontinued the prohibited practices, UOKiK refrained from imposing upon them sanctions; as opposed to Termet, the initiator of the agreement, which was fined nearly PLN 213 thousand. The decision is not final as the company has lodged an appeal to the Court of Competition and Consumer Protection.

UOKiK uncovers price-fixing of ski equipment (DOK-1/2016)

16. Also in December, UOKiK established the ski equipment wholesaler, Fordex, together with the Intersport store network, fixed minimum selling prices of ski equipment and accessories made by Nordica. UOKiK gained information about price fixing after inspecting the premises of one of the entrepreneurs and directly from Intersport, which decided to co-operate with UOKiK under the leniency programme. It turned out that the agreement lasted from 2007 to 2012. The undertakings agreed on prices at a sporting gear fair in Munich and by e-mail. UOKiK imposed upon Fordex a fine amounting to 72 344 Polish zlotys. Intersport as leniency applicant was granted immunity.

2.1.6. Collusion on the market for hygiene products (Decision DOK-2/2016)

17. In 2016 UOKiK issued a prohibition decision regarding an anticompetitive agreement that had been concluded between the producers and distributors of cleaning cloths and hygienic materials (paper towels, liquid soap or toilet paper). SCA Hygiene and SCA Hygiene Products, together with their distributors were fixing minimum resale prices for products sold to institutional customers such as companies, agencies, hotels, shops and restaurants. Within the course of conducted proceedings UOKiK established the agreement was in place since at least 2010. This and other information on this case was obtained from the parties during an oral hearing held at the competition authority's premises. The total amount of fines imposed upon the parties to the proceedings exceeded 3.2 million Polish zlotys. One of the distributors, having submitted a leniency application, was granted total immunity.

Proceedings into market sharing on the market of cattle feed

18. UOKiK concluded the year 2016 by launching two sets of antitrust proceedings in order to investigate a possible collusion between sellers of industrial cattle feed. The

undertaking Polmass and two of its competitors Ekoplon and Agro-Netzwerk Poland are suspected of engaging in market sharing practices. The Office's extensive analysis of the animal feed market conducted in the years 2015-2016 precede the investigation. UOKiK also conducted searches at the offices of the undertakings involved. According to the information obtained so far, it appears that two anti-competitive agreements might have been concluded by Polmass one with Ekoplon and the other with Agro-Netzwerk Poland. In both cases, the Polish Competition Authority suspects that the undertakings have agreed to share the domestic animal feed market, in particular, with respect to the sale of milk replacers for cattle. The agreements seem to consist in non-delivery of products to those customers who are being supplied by the other colluder. In UOKiK's view such practice might limit access to animal feeds in particular to cattle farmers and feed distributors, while at the same time have a direct impact on prices for these products.

2.2. Mergers and acquisitions

2.2.1. Statistics on number, size and type of mergers notified and/or controlled under competition laws

19. In 2016, **252** cases concerning merger and acquisition (M&A) control were conducted, of which **225** were new cases. **215** were closed with the following result:

Merger cases handled by UOKiK in 2016 including:	252
concluded in 2015	215
Types of conclusions reached in merger cases in 2016:	
1. total clearances including:	194
consents to transactions which will substantially lessen competition - waivers of merger prohibition (Article 20 section 2. of the Act of 16 February 2007 on competition and consumer protection)	0
2. conditional clearances	2
3. prohibitions	0
4. discontinued merger proceedings	4
5. returned merger notifications	15
6. withdrawal of the notification	4
7. fine for failure to notify transaction	0

20. In 2016 the **average length** merger review proceedings completed in the first stage amounted to **30 days**. 10 cases were further examined in the second stage, out of which 7 were concluded by means of a decision.

2.2.2. Summary of significant merger cases

UOKiK clears transaction on the market for ATMs (Decision DKK-114/2016)

21. In 2016 UOKiK approved the concentration between Diebold-Wincor Nixdorf. Both companies sell and service ATMs and offer software and business services for the financial sector. Under the terms of the transaction, Diebold was to use a public tender to acquire all of Wincor Nixdorf's shares. This transaction was moved to II stage to verify by means of market study that the information provided by the two companies was accurate. The analysis showed that while the two companies' combined share in some markets exceeds the statutory threshold of 40 per cent, competition will not be restricted. In assessing the transaction, UOKiK took into account the individual character of the markets and particularly the existence of concentrated demand, exerting significant

pressure on the market. It also looked carefully at the rules governing the market, which showed that suppliers are selected mainly through tenders. Their market share therefore depends on winning bids and may be highly volatile. The presence of a strong competitor, NCR group, which operates in 120 countries and offers a similar range of goods and services, was another important factor.

UOKiK greenlights a joint-venture on the energy market (Decision DKK-133/22016)

22. UOKiK also allowed the creation of a joint venture “ElectroMobility Poland” by Poland’s four largest energy companies Enea, Energa, PGE Poland Energy Group and Tauron Poland Energy. The aim of the joint entity is to create the foundation for building electro mobility in Poland. The company’s mission will be to develop the electric vehicle market and enable Polish companies to compete abroad. UOKiK decided the transaction posed no risk to competition on the market as the activity of the created entity and that of the founding companies would not overlap.

Clearance on the pharmaceutical market (Decision DKK-170/2016)

23. Furthermore, UOKiK approved a concentration in the pharmaceutical sector consisting in the takeover of Intra, wholesaler of pharmaceutical and veterinary products, by the Neuca group, whose core area of business is wholesale distribution of pharmaceuticals, as well as running medical clinics and warehousing medicines for other firms. Following an in-depth market study UOKiK issued competition concerns with regard to the transaction. UOKiK argued that as a result of the concentration, competition might be limited on the local market for wholesale of medicine to pharmacies. However, further analysis of the information provided by Neuca, as well as current market climate, led UOKiK to the conclusion that as result of the transaction no significant limitation of competition would occur, clearing the concentration.

Eurocash transaction cleared with remedies (Decision DKK-91/2016)

24. UOKiK’s first conditional consent issued in 2016 pertained to a transaction involving Eurocash. The undertaking applied for consent to acquire Eko Holding, a company dealing mainly with retail sale of fast moving consumer goods (FMCG). The collected material in the case showed that the concentration might have led to a restriction of competition in three local retail markets selling FMCG. UOKiK decided to greenlight the concentration provided specific conditions were fulfilled. First of all, Eurocash was obliged to sell the Eko Holding shops in those three local markets. Furthermore, the buyer was not to belong to the Eurocash capital group, nor be linked with it by means of a franchise agreement. The buyer was also to guarantee that the existing activity of the shops would be continued and that he possessed organisational and economic facilities to pursue this activity. Lastly, the potential buyer was to be accepted by the Office.

Conditional consent on the market of alcoholic beverages (Decision DKK-188/2016)

25. The second conditional consent of 2016 concerned the takeover by Eurocash of seven warehouses belonging to the Polish Alcohol Distribution (pl. Polska Dystrybucja Alkoholii – PDA). PDA owned specialised warehouses located in seven Polish cities selling primarily alcoholic beverages. Eurocash on the other hand is engaged in the wholesale and retail sale of fast-moving consumer goods (FMCG), including sale of

alcoholic beverages, tobacco and press products, as well as franchise and partner networks management. Review of the concentration showed that implementation of the concentration would result in a significant restriction of competition on one local market. As a result, in order to maintain competition, UOKiK decided to grant its consent to the transaction provided Eurocash abandoned the purchase of PDA's warehouse in that area.

Competition concerns and subsequent withdrawal of construction of the Nord Stream 2 pipeline by Gazprom

26. In cases where a merger may substantially limit competition, the enterprises can, while the proceeding is ongoing, be informed of the ruling the Office anticipates making, including the finding of a competition concern. In 2016, UOKiK expressed such reservations towards 7 transactions. As a result, 2 cases were cleared with conditions (described in detail above), 2 received greenlight to go ahead with the concentration and in 3 cases the parties withdrew from the transaction altogether among them was the planned takeover of Silicate Group by Xella Poland, producer of cellular concrete and silicate, a transaction between owners of shopping centers in Warsaw (Unibail/Rodamco) and the case of construction of the Nord Stream 2 pipeline by Gazprom.

27. In December 2015 UOKiK was notified by six undertakings (PAO Gazprom from the Russian Federation, Uniper Global Commodities SE from Germany, ENGIE SA from France, OMV Nord Stream II Holding AG from Switzerland, Shell Exploration and Production (LXXI) B.V. from the Netherlands, and Wintershall Nederland B.V. from the Netherlands) of their intention to set up a company which would design, finance, construct, and operate an offshore twin pipeline system running from the Russian Baltic coast to an exit point near Greifswald, Germany. UOKiK decided to perform an extensive analysis of the market in question and extend the proceedings to second stage. The Office sought the views of firms active in the natural gas market in Poland, the Energy Regulatory Office (URE) was also asked to give its opinion on the deal. The study confirmed UOKiK's initial concerns with regard to implementation of the transaction. Due to the fact that Gazprom holds a dominant position on the Polish market of gas supply, the concentration could have further strengthened the company's bargaining power with regard to users in Poland. In light of the objections raised by UOKiK, the parties to the transaction decided to withdraw their merger application, which resulted in UOKiK discontinuing merger control proceedings in this case.

28. Furthermore, in 2016 UOKiK issued 3 competition concerns, one of which reached its conclusion in 2017 (consent to sale of goods at airports Lagardere Duty Free/ Inflight Service Poland), while two are still subject to in-depth review (transaction on the market of sale of railway coaches between Greenbrier Europe Holdings/Astra Rail Management and concentration of Calypso Fitness/Benefit Systems on the market of provision of sport and recreation services including provision of additional employee benefits).

3. The role of competition authorities in the formulation and implementation of other policies

29. UOKiK not only enforces competition law but also performs its mission by taking part in legislative procedures concerning effective protection of competition and consumers interests. This task is mainly realised by drafting legal acts and participating in inter-departmental consultations. In 2016 UOKiK was involved in works on 1795 projects and opinions on the acts drafted by the Parliament. The Authority's experts were

analysing the documents trying to identify how the new regulations could possibly influence competition and consumers.

30. In 2016 UOKiK contributed to the law-making process by conducting the legislative works on (i.a.):

- implementation of the EU damages directive;
- draft law on counteracting unfair use of bargaining power in trade of food and agricultural products;
- draft law amending the law on rail transport
- draft law amending energy law
- draft law amending the Code of Administrative Procedure

3.1. Water Law

31. In 2016 the Polish Council of Ministers assigned UOKiK to draft the bill that will establish a water sector specific regulator. The draft text of the law was approved by the Council of Ministers on 18 October 2016 and submitted to the Ministry responsible for the amendment of the water law. It was decided that the entity Państwowe Gospodarstwo Wodne "Wody Polskie" established under the new water law will perform the functions of water regulator. It will act locally through a number of branch offices. The regulator will be responsible for approving water/sanitation tariffs and issuing opinions on regulations. It is important to note that the entity will not be setting the ultimate price for water and sanitation services. It will only ensure the prices are not excessive and unjustified. Moreover, the sector regulator will establish information points and resolve disputes.

3.2. UOKiK's statement on Uber's activity

32. In 2016 UOKiK also took part in the public debate on benefits and potential threats to competition and consumers of online platforms used on the passenger services market, and released an official statement on the activity of the company Uber. Having carefully assessed the market for local passenger transportation services, UOKiK concluded Uber's entry has contributed to the development of competition and has had a positive impact on consumers. For consumers, emergence of a new provider means wider choice, while for other market players it presents a challenge to raise quality of their services. UOKiK argued that Uber puts competitive pressure on the traditional taxi service market by using modern information technology, which on the one hand allows consumers access to functionalities that traditional taxi services do not provide, and on the other lowers the costs of the core service due to more efficient use of a fleet of vehicles.

4. Resources of competition authorities

4.1. Resources overall (current numbers and change over previous year)

4.1.1. Annual budget (in your currency and USD)

	2015		2016	
	PLN	USD*	PLN	USD*
Total annual budget:	64.743 mln	17.227 mln	66,796 mln	17.203 mln
Expenditure structure:				
(a) UOKiK	62.066 mln	17.047 mln	64,119 mln	16.514 mln
(b) funding for non-governmental associations carrying out governmental consumer protection tasks	2.675 mln	0.71 mln	2.675 mln	0.68 mln
(c) Tasks connected to national security	0.002 mln	0.0005 mln	0.002 mln	0.0005 mln

*USD = 3,8744 PLN (11/05/2016)

4.1.2. Number of employees (person-years)

	Persons	Posts
1 January 2016	462	458,55
31 December 2016	498	487,8
Average per year	488,17	478,66

Staff turnover in 2016

	Persons	Posts
Employed	59	57,5
Terminated employment	39	37,5

Staff's roles:

Lawyers	Economists	Others
189	91	131

Staff's average age:

Age	Number of persons	% of total employees
Below 30	94	18,88
31-40	227	45,58
41-55	122	24,5
56 and above	55	11,04

5. Summaries of or references to new reports and studies on competition policy issues

5.1. Market Studies

33. Examining the condition of competition on the Polish market has two major objectives: to collect evidence for the investigations conducted by the competition authority and to review the concentration processes taking place in the economy to detect any possible infringements or the risk of their occurrence. The results of the largest and -

from an economic standpoint - most important market analyses are presented to the public during debates organised by the Office and involve the participation of experts. In 2016, UOKiK conducted a total of **21** inquiries - **18** concerned the national market and **3** the local market.

5.1.1. Selected market research carried out by UOKiK in 2016:

UOKiK's study of the market for heating oil

34. In 2016, prompted by numerous signals from market participants UOKiK performed an analysis of the state of concentration on the market of sale of heating oil. Depending on application one can distinguish between light heating oil, which serves as fuel for boilers located in small and medium sized surfaces and heavy heating oil, which is used to heat up industrial halls or in steam boilers for ships for example. UOKiK concluded that both markets face high level of concentration with one dominant entity enjoying a market share between 50 – 70%.

UOKiK's analysis of the market for cash registers

35. Once again having received a significant number of complaints regarding possible competition distortion UOKiK decided to look into the market of servicing of cash registers. As a result of conducted proceedings, the Office came to the conclusion that the market for cash registers is dominated by two undertakings, which jointly possess a 70-90% market share. The relevant market may be divided into two segments: cash registers and registering printers. The former is the most concentrated, with one entity dominating the market. The latter also faces high concentration, slightly lower, but still with one undertaking possessing the highest market share. Furthermore, the market was also identified as highly regulated, which might also reinforce practices detrimental to competition.

UOKiK performs analysis of the market for issuing permits for amateur fishing

36. In 2016 upon receiving signals from the Ombudsman regarding the procedure and level of fees imposed when issuing permits for amateur fishing in inland waters, UOKiK decided to launch a market study to verify whether there was a case of abuse of a dominant position on this market. After performing an extensive analysis of regulations in force, UOKiK came to the conclusion that entities authorised to issue fishing permits do in fact enjoy a dominant position on local markets. There is also indication of abuse of that dominant position by means of exploitative practices: imposition of excessive fees upon non-members of the Polish Fishing Association, imposition of unfair trading conditions by bundling different types of permits or failing to introduce diversified offers with permits of various durations. Meetings with representatives of local branch of the Polish Angling Association showed that use of competition-restricting practices stems mostly from a lack of awareness of competition rules. Therefore, before undertaking enforcement actions UOKiK decided to first educate market participants and so handed over to the local branches of the Association the results of the study together with a set of guidelines on how to comply with antitrust provisions when issuing fishing permits.

5.2. Information and educational activities

5.2.1. Relations with media

37. Mass media play an extremely important role in conveying UOKiK's message to the general public. Therefore the Office strives to be often present in the media and is involved in active co-operation with the journalists. The following numbers illustrate UOKiK's efforts in that respect: 213 press releases published by the Office in 2016 (among others 35 on antitrust issues, 112 on consumer protection, 24 on merger control); the decisions and verdicts of UOKiK were the subject of 4 475 press articles, 32 936 internet publications, 30 555 posts on social media). Moreover, the Office's activity was discussed in 2 670 radio and TV emissions.

5.2.2. Conferences

38. In 2016 UOKiK continued its practice to organise yearly conferences during which representatives of public administration, law-makers, lawyers-practitioners, academics, entrepreneurs, journalists can discuss the most current and important questions of competition law.

UOKiK organises a series of workshops on bid-rigging

39. Within the course of the year 2016 UOKiK organised a series of workshops for employees of the Polish Social Insurance Institution ("ZUS") – public administration body in charge of social security in Poland - to provide them with knowledge on bid-rigging practices and give them practical tips for their detection. The workshops were conducted at ZUS's head office as well as its local branches. Given the success of this advocacy measure, in 2017 UOKiK intends to conduct more workshops on respecting competition in the process of public procurement.

International Cartel Workshop on Information Exchange and Leniency

40. On 25 October 2016 UOKiK organised an International Cartel Workshop on Information Exchange and Leniency. The event accompanied the meeting of the ECN Cartel Working Group, which was hosted by the Polish Competition Authority. The Workshop was dedicated to recent and expected developments in the field of cartel detection and elimination of these competition-restricting agreements. Participants included representatives of the European Commission and national competition authorities, as well as practitioners and academics from Poland and abroad. The first panel tackled anticompetitive information exchange between undertakings. The discussion pertained not only to direct exchanges between companies, but also covered price signalling through public announcements and other mediums, including modern technology tools. During the second panel, the participants shared their experience with leniency programmes and debated whether other detection tools might be more effective in combating cartels.

5.2.3. UOKiK receives award in ICN competition advocacy contest

41. Published in 2016, UOKiK's guidebook regarding competition compliance on the water and sanitation services market was recognised as best implemented advocacy strategy at multiple levels in the competition advocacy contest organised in 2017 by the ICN and the World Bank Group.

42. Spurred to act by the sheer number of irregularities in the water and sanitation services market, on 13 July 2016 the Polish Office of Competition and Consumer Protection decided to clarify applicable rules on competition in this sector and published the "Guidebook on Water and Sanitation Services Market". The Guidebook was circulated among water utilities companies, local governments across Poland supervising the providers of these services, as well as consumers (direct recipients of the services) who are often directly affected by illegal practices and must bear the consequences, mostly financial ones, of anticompetitive behaviour. The guidebook provided general information on competition protection law and policy, taking into consideration the specificity of the water-sanitation market. It then outlined typical infringements in the water and sanitation services sector, covering irregularities in contract design and enforcement and the most problematic issue identified by UOKiK — building networks and connecting them to customers. The aim of this publication was for providers and users of water and sanitation services to be aware of the regulations in force and the rights they may derive from them. The guidebook in its form designed in a way to be as user-friendly as possible and accessible to a large audience, not professionals only. Ever since the publication of the guidebook, UOKiK has been informed about new practices on the market. This shows that UOKiK' advocacy initiative raised awareness on competition rules, but also pushed consumers to report illegal activity to the Office.