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COMPETITION COMMITTEE

Annual Report on Competition Policy Developments in Costa Rica

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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. COPROCOM

1. As part of the work carried out in 2017, it is necessary to emphasize that this Authority focused on reformulating and assessing the strengths and weaknesses of the body through an interdisciplinary roadmap that will comprise substantial changes at the level of a Competition Commission with twenty-year experience supervising the behaviors that used to cause market failures. The above in contrast to all the recommendations the Commission received during the peer review conducted by the OECD in 2014.

2. From the assessment of all these recommendations, it was possible to clearly identify which of the suggestions made were priorities and were linked to a structural change in the Law for the Promotion of Competition and Effective Consumer Protection, Law No. 7472, given that since 2012, the regulation changed radically in terms of notification of economic concentrations. Further, the authority assumed new powers that required a more effective and concrete materialization that depended to a large extent on the budgetary collaboration the body could receive and the need for a latent change.

3. Thus, as a result of this approach, the process of proposing the reform of the Competition Law was initiated, incorporating key aspects such as: the Commission's budgetary and functional independence, being clear that the change that had to lead the reform and that involved deep variations in its integration, would result in the Authority emerging from a more ministerial structure to a proposal of broad independence. In other words, this led us to a process of reformulating aspects related to the number of members that would make up the Council, changing the body's name to National Competition Council, expanding the powers of action closely associated with the efficiency and the diligent growth of functions under an autonomy profile, incorporating market studies as a tool for analysis, variations in the amount and criteria for evaluating sanctions, as well as defining the Commission's scope of action and its relations with other entities of the Administration among other relevant aspects.

4. Finally, as indicated in the report of the previous year, Congress is still studying the reform project, awaiting the decision of the plenary, which responds to the reality of the Costa Rican legal system; therefore, under radical changes of legislation, it is normal to receive motions to modify the project proposed by other interest groups that could refer to the proposed form or fund.

1.1.2. SUTEL

No new legal provisions of competition law and related legislation to report.

1.2. Other relevant measures, including new guidelines

1.2.1. COPROCOM

5. It is worth highlighting that during 2017 no particular guide was created; however, we continue applying the market research guide developed for Latin America as part of the guidelines and the orientation set to study various sectors of the Costa Rican market with particular nuances in terms of competition.

6. This tool has guided the process of ordering concepts and core issues to identify weaknesses or aspects that require study from the point of view of competition and to what extent the best performance of the matter could be compromised by a precept of legality, technical, or incorrect interpretation or understanding of the laws.

1.2.2. SUTEL

7. In 2017 the Competition Affairs Bureau of the General Directorate of Markets of SUTEL continue working in the analysis of the competition level in the telecommunications market according to the methodology issued by SUTEL's Council and published in the Official Journal on June 1, 2015.¹

8. Those analysis were about the following markets: mobile telecommunications (including mobile telephony and mobile broadband) and unbundled access to the local loop². This process allowed SUTEL to eliminate some ex ante regulations, as price controls in retail mobile telecommunications.

1.3. Government proposals for new legislation

1.3.1. COPROCOMe

9. As mentioned, the reform proposal remains in the legislative current, so we are waiting to have relevant information on the project's progress and, if necessary, assess those observations that may arise from legislative work.

1.3.2. SUTEL

10. SUTEL continue participating in meetings with the Ministry of Economy, Commerce and Industry (MEIC) and the Ministry of Foreign Trade (COMEX) in order to amend the Law 7472 for the Promotion of Competition and Effective Consumer Protection base upon on the recommendations of the *Peer Review of Competition Law and Policy in Costa Rica* done by the OECD / BID in 2014.

2. Enforcement of competition laws and policies

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

2.1.1. COPROCOM

11. This Commission continues to reinforce Competition Advocacy tasks; precisely during 2017, collaboration was provided to health-related public institutions, particularly to the Costa Rican Social Security Fund, regarding the competition that must exist in the processes of public purchases and how to achieve the acquisition of quality products and services with the best prices as well as contracting of services that respond to market needs. In the same way, suppliers were guided in their activities and on how to interact in the market according to the postulates of the competition legislation.

¹ Electronic version of Supplement N° 39 of the Official Journal La Gaceta N° 104

² See the following Council decisions available at: RCS-191-2017, RCS-248-2017
http://www.sutel.go.cr/sutel/resoluciones?field_tipo_documento_tid=All&=Aplicar

12. In addition, three studies have been carried out in the gasoline, alcohol and postal service sectors, whose scope and content will facilitate knowledge of the markets and the changes that must be made to have more competitive, efficient and informed sectors regarding competition promotion.

13. Currently, the provision of paid transport services in the taxi modality reflected in the innovation that has caused the use of disruptive technologies in Costa Rica and the offer of private transport services provided by an international company with a software with mobile application, continues to be assessed. In this case, what is relevant is that the Government has always been in charge of providing this service and we currently have another private agent that competes in terms of service quality, prices, response time, agility, comfort, security and other standards that reflect the need to modernize the service, among other aspects.

14. The above is reflected in the goal of this Authority to promote competition and ensure that the public, private sector and in general the community is aware of how competition legislation works and how it benefits consumers to have greater options in the market.

15. Finally, the initiatives were aimed at raising awareness among the population on the economic benefits that competition promotes to the administered in general and how to achieve best results, precisely by raising awareness on the issue, which could perhaps work better than law enforcement.

2.1.2. SUTEL

16. No actions to report

2.1.3. Summary of activities

COPROCOM

17. Competition authorities and Courts: Currently, dossier 09-001871-1027-CA involving pension operators for the infringement of Article 12 of the Competition Law, is still in the Court of Cassation for Contentious-Administrative Matters.

18. Dossiers 13-003925-1027-CA and 13-007009-1027-CA, related to the infringement of Article 12 Clause d) that investigates the ICE-Huawei case, case 030-12 that involves the bidding (Bullfight Arena) and finally, case 07-09 -D, which is related to the Association of Importers of Vehicles and Machinery (AIVEMA), 007-17-CE regarding Concentration involving the Pharmacy sector, are all being studied by the Contentious-Administrative Court and pending the respective ruling.

SUTEL

19. In 2017 there were the following Court actions to report in the telecommunication sector:

- Case number (file) 15-005029-1027-CA: Action brought against SUTEL by ICE because of the fine imposed on the company of USD 4.010.829,37 (¢2.157.826.200,00) for margin squeeze in the service of termination of national mobile phone calls. The judge of the administrative court in sentence number 108-2017-VII nullify SUTEL's resolution RCS-088-2015. The court consider SUTEL's indictment was imprecise because it should have included an explicit

mention on “margin squeeze”. The court also considered SUTEL did not give ICE the opportunity to refer to the “as efficient competitor test”. The Court considered both circumstances caused a violation to ICE’s right of defense. On December 2017 SUTEL appealed the sentence number 108-2017-VII. The appealing is under study by the second instance court.

2.1.4. Description of significant cases, including those with international implications

COPROCOM

Mergers

20. In March 2017, the Bayer company notified COPROCOM about the acquisition of the Monsanto agent, which is a company dedicated to the production of genetically modified herbicides and seeds. Once the review procedure was completed, the company that would prevail would be the Monsanto company, the latter becoming a wholly owned subsidiary of Bayer.

21. As part of the analysis, the impact that companies could have on the economy and the Costa Rican market was assessed. In Bayer’s case, the company was present through multiple sales companies and Bayer’s businesses in the national territory, together with the commercial activity of the companies dedicated to manufacturing products for export among other subsidiaries.

22. Monsanto’s incidence was in the commercial activity carried out by its subsidiary company D & PL, Semillas, Ltda., (domiciled in Cañas, Guanacaste) and the sales of other companies, also subsidiaries of the selling/acquired company, one of them being Monsanto Comercial, S. de RL of C.V., among others.

23. The analysis of the relevant market focused on two structural dimensions, which corresponded to the product’s market and the geographic market. Basically, from the characterization of the offer of goods and services of the interest groups involved in the economic concentration, it was determined that Bayer is a global company active in the industries related to life sciences and Monsanto is also a global company, with operations in the agricultural technology industry. It was emphasized that the buying company had four business units that responded to commercial operations in pharmaceutical products, consumer health, agricultural technology and environmental health and, on the other hand, the selling/acquired company, had two divisions: seed genomics and agricultural productivity.

24. Considering that there was a convergence of commercial activities among the agents, it was determined that the seed and crop protection industry responded to the product’s relevant market given the coincidence of operations by the buying company and the selling company in those markets and the substitution capacity of those demanding the goods offered by both companies within these segments. Regarding the geographic market, the demand for the products was centered in the national territory.

25. Regarding the issues associated with evidence of pre-existing coordination, market stability (low complexity and homogeneous products), degree of concentration of the relevant market, entry barriers, access to Inputs and power of competitors, all these variables were analyzed in order to determine if the concentration proposed could harm or affect free competition in the seed and crop protection industry.

26. It must be stressed that it was only recognized that the registration procedure for agrochemicals represented a significant entry barrier for the crop protection industry, which reinforces the thesis that the geographic delimitation of said market corresponded to the national territory. However, the existence of such a barrier does not pose a commercial advantage for the economic agents involved in the transaction.

27. Finally, it was indicated that it was an operation with international implications precisely because it was notified in multiple jurisdictions, and Costa Rica was not the exception, for which it was approved after exhaustive analysis of the information contained in administrative dossier 019-17- EC. It was not possible to identify indications of possible facts derived from the Bayer-Monsanto economic concentration contrary to the competition legislation.

Unilateral Conduct:

28. During 2017, no illustrative case was presented with international scope or greater presence or repercussion on the law.

SUTEL

29. In the telecommunication sector, the following four cases were concluded in the year 2017:

Table 1. Number of cases that were reviewed during the year 2017

N°	N° VOTE	BUSINESSES INVOLVED	DATE OF RESOLUTION	TYPE PRACTICE
1	RCS-196-2017	COOPERATIVA DE ELECTRIFICACIÓN RURAL DE SAN CARLOS R.L.	21.07.17	REFUSAL TO DEAL
2	RCS-208-2017	CLARO CR TELECOMUNICACIONES S.A., COMPAÑÍA NACIONAL DE FUERZA Y LUZ	09.08.17	DISCRIMINATION
3	RCS-240-2017	TELEVISORA DE COSTA RICA S.A.	13.09.17	EXCLUSIVITY
4	RCS-282-2017	TELECABLE S.A., TELEVISORA DE COSTA RICA S.A.	08.11.17	EXCLUSIVITY

- In the first case a local television broadcaster complains because a subscription television provider refuses to include Channel 28 in his grid. The Council concluded that after an initial investigation there were no merit to proceed with the open of any administrative process in accordance with Articles 13, 14 and 15 of Law 7472 ant the provisions of paragraph 54 of Law 8642.
- In the second case, *Claro CR Telecomunicaciones S.A.* presented a complaint against *Compañía Nacional de Fuerza y Luz*, company that is owned by the incumbent operator (*ICE*), for presumably committing a relative monopolistic practice (discrimination) in the access to some telecom towers. The Council concluded after an initial investigation that there was no merit to open any administrative process in accordance with Articles 13, 14 and 15 of Law 7472 ant the provisions of paragraph 54 of Law 8642.
- In the third case a consumer presented a complaint against *Televisora de Costa Rica S.A.* alleging this company has subscribed an exclusive contract with the developers of condominium *Sportiva Sky Homes* to block the access to others

telecom providers to this condominium. The Council concluded after an initial investigation that there was no merit to open any administrative process in accordance with Articles 13, 14 and 15 of Law 7472 and the provisions of paragraph 54 of Law 8642.

- In the fourth case *Telecable S.A.* presented a complaint against *Televisora de Costa Rica S.A.* alleging this company has subscribed an exclusive contract with the developers of condominium *Avicennia Norte* to block the access to others telecom providers to this condominium. The Council concluded after an initial investigation that there was no merit to open any administrative process in accordance with Articles 13, 14 and 15 of Law 7472 and the provisions of paragraph 54 of Law 8642.

30. No significant cases with international implications to report in the telecommunications sector.

2.2. Mergers and acquisitions

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

COPROCOM

31. In 2017, approximately 37 economic concentrations associated with various sectors were notified and reviewed, namely: crop protection industries, real estate leasing, commercialization of construction products, tourist real estate development, glass industry, retail fuel, chemical and clinical analysis laboratories, among others. If we compare it to 2016, the concentration review activity grew even more and the markets studied are newer and respond to other important needs for the population. Consequently, the concentration notification process is further activated each year, which in a way requires this Authority to rethink other variables that assist the procedure and whose strengthening is essential to continue providing an efficient service and quality.

Table 2. Commission for the promotion of competition (COPROCOM)

2017 Resolved Concentrations					
VOTE NO.	COMPANIES INVOLVED	NOTIFICATION DATE	RESOLUTION DATE	MARKET	
1	02-2017 China National Agrochemical Corporation, given the acquisition of 40% of the company shares of Adama Agricultural Solutions, Ltda. to Koor Industries, Ltda.	12-29-2016	01-17-2017	National Crop Protection Industry	
2	09-2017 UPS Corporate Finance, S.A.R.L and Maze 1, Ltd. (Maze 1)	01-02-2017	02-07-2017	Global Industry of Logistic Services and Distribution of Clinical Trials	
3	10-2017 Abbott Laboratories and St. Jude Medical, Inc.	01-11-2017	02-07-2017	Global Medical Devices Industry	
4	11-2017 Koch Equity Development LLC and Golden Gate Capital	11-18-2016	02-07-2017	Global Industry of Business Applications Software	
5	16-2017 Servicios Médicos del Continente, Emergencia Médicas del Continente S.A., Camdenton Inc, S.A., Vehículos Médicos UTIM S.A., Traslados Médicos S.A., Transportes Médicos S.A., Administraciones Médicas S.A. and Telefonía Médica, S.A.	01-25-2017	02-28-2017	National Industry of Outpatient Emergency Services	
6	17-2017 Compañía Inmobiliaria Centroamericana CICCRR, and others	02-07-2017	02-28-2017	Leasing Market of Real Estate, Commercial, Office assets and Parking, and they belong to the same economic group. The operation did not correspond to a concentration under the terms of Article 16 bis of the Law for the Promotion of Competition and Effective Consumer Protection; therefore, management was rejected	
7	20-2017 Materiales El Lagar S.A and limited company Los Constructores Rojas y Monge	01-30-2017	03-07-2017	Retail Marketing Industry for Construction Materials, Hardware and Finishing Materials	
8	23-2017 CPG Real Estate LLC, IFP Holding Costa Rica S.A., SHI Hospitality Holdings Costa Rica S.A., El Gran Sueño LLC, Transporte Dos DCR S.A., Alonorange S.A. Aloguz Overseas Corporation S.A., Inversiones Valdepino S.A., Envases Comeca S.A., Conservas del Valle S.A., and Metales Flix S.A.	01-09-2017	03-21-2017	National Industry of Tourist Real Estate Developments and Hospitality Industries in 4 and 5 star establishments in the Central Valley and Mid Pacific area	
9	24-2017 HAPP Investors Ltd. and SHI Hospitality Holdings Costa Rica	01-26-2017	03-28-2017	Ownership or Concession of real estate destined to the development of Hotels included in the of 4 and 5 star category in the North Pacific Region	
10	27-2017 Reckitt Benckiser Group Plc (RB) and Mead Johnson Nutrition Company (MJ)	03-07-2017	04-04-2017	Health, Hygiene and Household Child nutrition, for children and mothers	

11	30-2017	KGIC Merger Corporation and Guardian Industries Corp.	02-08-2017	04-18-2017	Global Products Industries-Glass Solutions and Automotive Electroplating Supplies and the American Construction Products Distribution Industry
12	31-2017	Conopco, Inc. and Living Proof, Inc.	12-22-16	04-18-2017	Shampoo and Creams Industry - Conditioners at a National Level
13	36-2017	Petróleos Delta C.R., S.A. and Total Petróleo C.R., S.A.	03-31-2017	05-09-2017	Retail Fuel
14	38-2017	3-101-731314 subsidiary of the company "Cuestamoras Salud Costa Rica, S.A. and La Bomba pharmacy chain	01-31-2017	05-16-2017	Retail Distribution of Medicines with Restricted Sale in the GMA
15	39-2017	Siemens AG and Gamesa Corporación Tecnología, S.A.	04-17-2017	05-23-2017	Commercialization of wind turbines on land
16	40-2017	KKR & Co., L.P. and Hitachi Koki, Co., Ltd.	04-05-2017	05-23-2017	Power tools in the National Territory
17	41-2017	ICU Medical Inc., and Pfizer	02-08-2017	06-06-2017	Global Medical Devices Industry used in infusion/intravenous therapies, oncology and critical care applications
18	42-2017	Henkel AG & Co. KGaA, GCP Applied Technologies, Inc.	05-02-2017	06-06-2017	Industry of the Chemical Products used to Manufacture Metal Containers at an International Level
19	44-2017	Bayer Aktiengesellschaft and Monsanto Company	03-16-2017	06-13-2017	Seed and Crop Protection Industries in the National Territory
20	45-2017	Pollos de Mi Pais S.A., Chakana S.R.L., Ángel Fedeli Milanta and Silvia Fedeli Rivera and Corporación Multi-Inversiones Hispania S.L	04-28-2017	06-20-2017	Chicken Meat Production and/or Commercialization (fresh or frozen, whole or clean) and Cold Cuts
21	50-2017	3-101-675402 S.A and Calakial KSB, S.A.	05-29-2017	07-11-2017	Clinical Laboratories for Chemical Analyses involved in the transaction
22	57-2017	Deere & Company, Wirtgen Group Holding GmbH	06-28-2017	08-22-2017	Industries of the Manufacture and supply of Machinery used in the construction/maintenance of Roads and Mining at an International Level
23	58-2017	Yara Internacional ASA., CORDEX HOLDINGS CR.S.A.; DUWEST INC. and CAFESA	07-05-2017	08-22-2017	Crop Protection Industry at a National Level
24	60-2017	Companies known as "Farmacias La Bomba" and the company 3-101-731314, subsidiary of the company Cuestamoras Salud Costa Rica, S.A.	01-31-2017	08-25-2017	Retail Distribution of Medicines with Restricted Sale in the GMA
25	62-2017	Hamburg Südamerikanische Dampfschiffahrts-Gesellschaft KG and MAERSK LINE A/S.	04-28-2017	08-29-2017	Maritime Transport Market of Line Containers in the High Seas
26	64-2017	SCA Group Holding, B.V. BSN Medical Luxembourg Group Holding, S. à R.L.	12-23-2016	08-29-2016	Paris Manufacturing and Marketing Industries, Adhesive Tapes for Medical Use, Compression Therapy Devices, Neuromuscular Adhesives, Synthetic Fiberglass for Medical Use and Soft Orthopedic Products in the Costa Rican Territory

27	66-2017	MEXICHEM SOLUCIONES INTEGRALES HOLDING S.A. and NETAFIM LIMITED	08-11-2017	09-29-2017	Micro-Irrigation System Industry in the National Territory
28	70-2017	Synnex and Datatec Limited	08-21-2017	10-03-2017	Global Technology Distribution Industry
29	72-2017	Abonos del Pacifico S.A. and Fertilizantes NORDIC de Costa Rica S.A.	06-15-2017	10-06-2017	Fertilizers have as main objective the contribution of essential Nutrients to the Plants.
30	73-2017	China National Agrochemical Corporation, Syngenta, A.G., China National Chemical Corporation	05-25-2017	10-06-2017	Seed and Crop Protection Industries in the National Territory
31	78-2017	Inversiones Farmacéuticas Santa Lucía, S.A., Fralni del Oeste, S.A., FSL and Farmacias Chavarría, S.A.	07-17-2017	11-14-2017	Retail Distribution of Medicines with Restricted Sale
32	79-2017	Grupo Empresarial Cooperativo de Costa Rica, R.L., Cooperativa Nacional de Educadores, R.L., Cooperativa de Ahorro and Crédito Alianza de Pérez Zeledón, R.L.	02-10-2017	11-14-2017	It was filed by virtue that the notified transaction does not comply with the provisions of Articles 16 and 27 bis of Law No. 7472
33	80-2017	Financiera G&T Continental Costa Rica, S.A. and Soluciones Empresariales SOLEM, R.L.	07-20-2017	11-14-2017	It was filed by virtue that the notified transaction does not comply with the provisions of Articles 16 and 27 bis of Law No. 7472
34	81-2017	AMVAC de Costa Rica, SRL., Agricenter, S.A., AMVAC Netherlands, BV.	09-18-2017	11-14-2017	Fertilizer and Crop Protection Industries
35	82-2017	Costa Rica contact Center CRCC S.A. and Teleperformance Costa Rica S.R.L. S.A.	10-09-2017	11-14-2017	Call Center Market. The dossier was filed, given that both companies belong to the same economic interest group
36	84-2017	NAE HK –Shepherd WW. (Country Day School)	11-17-2017	12-12-17	Industry of Private and Semi-Private Education Services at the Preschool, Primary and Secondary Level in the GMA
37	85-2017	Proxis, S.A., Wipro Technology W.T., S.A. and SERH Costa Rica, S.A.	11-02-17	12-19-17	It was filed by virtue that the notified transaction does not comply with the provisions of Articles 16 of Law No. 7472.

SUTEL

32. In the year 2017, the SUTEL review one merger in the telecommunications market.

Table 3. Number of Mergers that were reviewed during the year 2017

N°	N° VOTE	BUSINESSES INVOLVED	DATE OF RESOLUTION	TYPE OF OPERATION
1	RCS-294-2017	UFINET TELECOM S.A.U. & TRANSDATELECOM S.A.	07.011.17	VERTICAL

2.2.2. Summary of significant cases

COPROCOM

33. It should be noted that in this period, the number of concentrations presented increased considerably compared to 2016 and it could even be said that the diversity of the sectors reviewed leads us to determine that in some cases we found more technical and specialized markets, which increased the degree of complexity in its assessment. Moreover, without further doubt, it justifies the need to have a fully strengthened Competency Authority at the level of powers and with minimum budgetary independence to reinforce and grow in those areas when required.

34. In fact, most of the concentrations were approved because the transactions did not present any inconveniences or structural effects; however, it is necessary to point out that only one operation was conditioned in the medicines market, but not in a structural way but rather in terms of future behaviors that could be reflected in behaviors of doing, not doing or stop doing, but no structural problems were actually identified.

35. This operation was appealed in court; however, it is awaiting judgment.

SUTEL

36. Merger between a company that provides data transfer services through its own fiber optic network (*Ufinet Costa Rica S.A.*) and a company that provides retail broadband access and subscription television (*Transdatelecom S.A.*). The operation implies the acquisition of the stocks of *Transdatelecom S.A.* by *Ufinet Costa Rica S.A.* The Council approved the merger (Decision N° RCS-294-2017, case file CN-01497-2017).

37. No significant cases with international implications to report in the telecommunications sector.

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

3.1. COPROCOM

38. Regarding this issue, COPROCOM has sought to perform advocacy functions aimed at the public and private sectors, preparing information requirements or pronouncing itself on the points of attention.

39. Precisely, last year the complaint made by an economic agent of the private sector was transferred. Such complaint requested the protection of Law No.7472 on the issue of collusive tenders and how this figure works when anticompetitive behaviors occur damaging the market and also limiting the possibility for agents to offer their goods and services.

40. In the aforementioned case, the guideline that affected the possibility of participation came from a decision issued by the Executive Power, motivating hiring between public entities in compliance with a national law. The foregoing led us to formulate some information requirements for the Ministry involved, which was the one

that dictated the order at that moment. As a matter of fact, one of the multiple questions asked was if there was an earlier evaluation of the competition that led them to establish the parameters of the guideline by virtue of their compliance being mandatory, and other questions whose purpose was to check whether the fundamental principles that the legislation foresees for this type of behavior was actually observed.

41. Finally, a document was received from the institution explaining certain details of the case and we were told that the guideline used had been derogated. Currently, that order has no effect and this Authority has simultaneously prepared some recommendations towards that matter and the importance of carrying out studies before issuing laws, decrees, instructions and other orders that could misrepresent the precepts of competition and their application in the Costa Rican market. It is worth mentioning that the results obtained with the annulment of the aforementioned guideline are fundamental for this body because in some way positive results were achieved since that decision has currently no effect.

42. Conclusively, all these issues have an origin that is part of the advocacy work we are doing with the conviction that it is essential for the community to understand the issue and be able to eradicate lack of information and identify the tools in the legislation to promote competition with an option for development and real and innovative economic growth for the country.

3.2. SUTEL

SUTEL as a competition authority has not participated in the formulation or implementation of other policies related to competition.

4. Resources of competition authorities 1

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

4.1.1. Annual budget (in your currency and USD):

COPROCOM

Table 4.

Year	Budget
2017	485.782.735 (\$871,617.90)
2016	¢408.096.0673 (\$736,635.00)
2015	¢375.520.357 (\$688,358.76)
2014	¢402.898.000 (\$762,000)

Note: As per the valid exchange rate on January 2017, that is, ¢557.5 colones per US dollar.

43. It is important to note that the increase in the budget is due to the hiring of three officials who are part of the agency's staff, among the persons hired are: a lawyer, a criminologist and a computer specialist. It should be mentioned that the Competition Directorate and the Commission have additional resources from the MEIC's budget to pay for the leasing of their offices and other related accounts (eg. electricity, water, private security, etc.). These types of payments are not included in the Commission's annual budget.

SUTEL

44. The annual budget of SUTEL for 2017 was US\$19.145.853,10 (C11.364.404.049,57) of that amount the budget of the General Directorate of Markets was US\$2.602.108,00 (C1.544.533.221,00)⁴

4.1.2. Number of employees (person-years):

COPROCOM

- Economists
- Lawyers
- Other professionals
- Support Group
- Total members

Table 5.

Period 2012-2017	Number of employees	COPROCOM Members ⁵
Director	1	
Economists	6	5
Lawyers	6	4
Other professionals	2	0
Support Group	1	0
Total members	16	9

⁴ The total budget it is up to USD 26.1 million, in accordance with the provisions of the letter DFOE-IFR-0493 issued by the Controller General of the Republic in December 1st, 2017.

*SUTEL***Table 6. Number of employees (person-years)**

SUTEL		
Period 2017	Number of employees	Member of Council
Economists	6	
Attorneys at Law	8	
Support Group	0	
Engineers	6	2
Accountants	3	
Finance	2	
Statistic	2	
Political Science	0	1
Total of Members	27	3

45. In 2017, the SUTEL had 128 employees, of which 27 are from the General Directorate of Markets and 6 from the Competition Affairs Bureau.⁶

4.2. Human resources (person-years) applied to:**4.2.1. COPROCOM**

- Enforcement of Competition Laws
- Concentrations review and practices prevention
- Competition Promotion Activities

4.2.2. SUTEL

- Enforcement against anticompetitive practices
- Merger review and enforcement
- Advocacy efforts

46. According to the institutional structure, the General Directorate of Markets through its Competition Affairs Bureau does all those actions, and allocates additional human resources according with specific needs.

4.3. Period covered by the above information:**4.3.1. COPROCOM**

47. Year 2017

4.3.2. SUTEL

48. The above information covers actions performed from January to December of 2017.

⁶ It is worth to mention that not all the resources of the General Directorate of Markets are devoted to competition matters.

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

5.1. COPROCOM

49. During this year, we continued with the application of the Administrative Contracting Guide, by virtue of the follow-up and the interest granted to the prevention of collusive practices as well as the challenge of involving the administered regarding the scope and effects that can result at a social level with this type of behavior and the importance of knowing the matter and the benefits that can be achieved when the procurement of goods and services promotes healthy competition through the reasonable use of Government resources.

5.2. SUTEL

50. In 2016 SUTEL finished its work with the OECD in the drafting of the *Guidelines for Market Studies*⁷ that was adopted by the Council of SUTEL⁸

51. Then in 2017 SUTEL launched his first market study, “Access to essential facilities in vertical and horizontal properties in condominium”. Since 2015, SUTEL started facing many complaints from consumers, who believed their right to choose freely a telecom provider could have been affected by the decisions of the developers and managers in properties developed under the Condominium Property Law regime. The main objective of this study is to identify which are the more common restrictions operators face in the access to common areas of a condominium, for example ducts, poles, telecom room and other essential facilities, and then propose solutions to solve these problems to guarantee the protection of consumer right to choose his telecom provider. It is expected this market study would be concluded in 2018.

⁷ https://sutel.go.cr/sites/default/files/guia_de_estudios_de_mercado_ei_vf.pdf

⁸ Council Decision 014-004-2016 January 27, 2016.