

**Directorate for Financial and Enterprise Affairs
COMPETITION COMMITTEE****Annual Report on Competition Policy Developments in Sweden****-- 2019 --****10-12 June 2019**

This report is submitted by Sweden to the Competition Committee FOR INFORMATION at its forthcoming meeting to be held on 10-12 June 2020.

JT03461633

Table of Contents

Sweden.....	3
Executive Summary	3
Anti-competitive agreements	3
Abuse of dominance	3
Mergers	3
Anti-competitive sales activities by public entities.....	3
Advocacy and competition research	4
1. Changes to competition laws and policies, proposed or adopted	4
1.1. Summary of new legal provisions of competition law and related legislation	4
1.2. Other relevant measures, including new guidelines.....	4
1.3. Government proposals for new legislation	5
2. Enforcement of competition laws and policies.....	5
2.1. Action against anticompetitive practices, including agreements and abuses of dominant positions	5
2.2. Mergers and acquisitions	10
3. The role of competition authorities in the formulation and implementation of other policies, e.g. regulatory reform, trade and industrial policies	11
3.1. Advocacy	11
3.2. Conferences and workshops	16
3.3. Communication and knowledge	16
3.4. International work.....	18
4. Resources of the SCA.....	19
4.1. Resources overall (current numbers and change over previous year).....	19
4.2. Human resources (person-years) applied to:.....	20
4.3. Period covered by the above information	20
5. Summaries of or references to new reports and studies on competition policy issues	20

Tables

Table 1. Number of cases	10
--------------------------------	----

Sweden

Executive Summary

Anti-competitive agreements

In its first interim decision since 2012, the SCA prohibited a company that sells training services via a mobile app from applying exclusive agreements with its fitness studio partners. The Patent and Market Court confirmed the SCA's decision, and the Patent and Market Court of Appeal did not grant the parties leave to appeal.

An investigation into an exchange of information regarding production volumes between companies operating in the asphalt industry was concluded in November 2019 after the SCA approved voluntary commitments from the companies.

Abuse of dominance

The Patent and Market Court confirmed the SCA's finding that Svenska Förpacknings- och Tidningsinsamlingen AB (FTI) had abused a dominant position by terminating an agreement with a competing company, TMResponsibility AB. However, the appeal court overturned the judgement in early 2020 stating that while FTI was dominant, no abuse of dominance had been established.

In June 2019, the Patent and Market Court of Appeal delivered the final judgement in the Nasdaq case. The court took a different view from the SCA and held that Nasdaq's actions against its competitor Burgundy's attempt to move into a data centre in Lunda in Stockholm did not constitute abuse of a dominant position.

Mergers

In the first decision of its kind since the SCA acquired decision-making powers for merger prohibitions in 2018, it prohibited a deal which was found to significantly impede effective competition with regard to well-known Swedish cheese brands. The decision was appealed, but owing to obstacles to the implementation of the merger arising from an arbitration decision, the court dismissed the case without making a ruling in substance.

Anti-competitive sales activities by public entities

In 2019, the SCA opened an investigation concerning whether the municipality of Gothenburg and the municipal company Göteborgs Stads Parkering AB had allegedly infringed the rules against anti-competitive sales activities by public companies. The case was eventually closed without taking any further action.

In March 2019, the Patent and Market Court delivered a judgement prohibiting the municipality of Hässleholm from denying access to land to private companies who wanted to establish and sell fibre connection to end customers in Hässleholm's municipality, as well as from applying practices that have similar effect. However, in early 2020, the Patent and Market Court of Appeal overturned the judgement and referred the case back to the Patent and Market Court, where it is now being decided.

Advocacy and competition research

In 2019, the SCA submitted replies to a large number of official consultations from the Government and other public bodies. In the autumn of 2019, the SCA launched a market study into digital platforms in an effort to illuminate the extent of competition, as well as to identify areas where measures might be required to improve competition.

Additionally, the SCA published several reports as part of its advocacy activities. One such report focused on car insurance and the market for car repairs. The report shows that Swedish cars are insured to a greater extent than in other countries. In Sweden, as in other countries, there is compulsory motor insurance, however, the so-called vehicle damage guarantee, included when purchasing a new car in Sweden, does not exist in other European countries. The report examines how these circumstances affect competition and consumer choice.

In addition to this, the SCA also continued to fund research into competition law and economics throughout the year.

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

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

1. No amendments to competition laws and policies have been proposed or adopted in 2019. However, in early 2020 the Swedish Government published a proposal for legislative amendments needed to implement the Directive (EU) 2019/1 of the European Parliament and of the Council of 11 December 2018 to empower the competition authorities of the Member States to be more effective enforcers and to ensure the proper functioning of the internal market (ECN+ Directive). Among other things, the proposed amendments include provisions granting the SCA decision-making powers for issuing competition fines, as well as other procedural fines resulting from the implementation of the ECN+ Directive. The Government is now consulting stakeholders on the proposal (see also section 1.3 below).

1.2. Other relevant measures, including new guidelines

1.2.1. Prioritisation policy

2. A large inflow of tip-offs and complaints demands that we have effective routines for prioritising the cases that we pursue. Therefore, the SCA has developed a prioritisation policy for its enforcement activities, which was last revised in February 2020, after a stakeholder consultation in the autumn of 2019.

3. The updated policy now includes language stating that a prioritisation decision may be influenced by the number and scope of other ongoing investigations, but at the same time it is explained that the SCA will not, for the purpose of resource management, refrain from investigating suspected serious infringements. Since the authority's resources are limited, this inevitably becomes an important factor in the prioritisation; however, this has not been reflected in the policy before. As far as competition enforcement is concerned, it has also been added that the SCA might prioritise cases relating to suspected exploitative abuses of dominance, where there are clear indications that a dominant company directly exploits customers and consumers as a result of non-functioning competition.

4. In addition, having taken into account the stakeholder's views, the SCA has removed corruption as a criterion in and of itself for prioritising competition cases. It is stated instead in the updated policy that corruption, conflicts of interest and other trust-damaging behaviour is detrimental to competition and consumers, and therefore, can still be taken into consideration under the criterion of whether the alleged conduct causes harm to competition and consumers.

1.2.2. Nordic agreement on co-operation in competition cases

5. At the Nordic competition meeting in Helsinki, in September 2017, Denmark, Finland, Greenland, Iceland, Norway and Sweden signed a new Nordic co-operation agreement on competition matters. The new agreement replaces a previous co-operation agreement that was more limited in scope, and provides greater opportunities for the Nordic competition authorities to gather information on behalf of each other, for example, through dawn raids, and to exchange information in connection with investigations. The new co-operation agreement is now in force in Sweden, Finland, Denmark and Norway.

1.3. Government proposals for new legislation

1.3.1. ECN+ Directive

6. The recently adopted ECN+ Directive aims to ensure that when applying the same legal basis – the EU competition rules – national competition authorities have the appropriate enforcement tools in order to bring about a genuine common competition enforcement area. To that end, the directive provides for minimum guarantees and standards to empower national competition authorities to reach their full potential, e.g. the power to impose fines for competition law infringements or the power to impose periodic penalty payments to ensure compliance with measures and decisions taken by national competition authorities. The Swedish Government has recently published a proposal to grant the SCA decision-making powers with regard to competition fines, as well as other procedural fines arising from the implementation of the ECN+ Directive. The proposal is now being consulted upon (see also section 1.1 above).

2. Enforcement of competition laws and policies

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

2.1.1. Summary of activities of the SCA

Anti-competitive agreements and abuse of dominant position

7. In 2019, the SCA closed four prioritised competition investigations into suspected infringements of Chapter 2, Articles 1 and 7 of the Swedish Competition Act, as well as Articles 101 and 102 of the Treaty on the Functioning of the European Union (TFEU). One of the investigations was closed with binding commitments, and one was closed after a change of behaviour by the investigated companies. The SCA also imposed interim measures in an ongoing investigation, which was the first time it has done so since 2012.

Anti-competitive sales activities by public entities

8. During 2019, no formal decisions were made in prioritised cases relating to anti-competitive sales activities by public entities. However, the SCA closed its investigation into certain aspects of one case at the end of 2019 and at the beginning of 2020, respectively (see section 2.1.2 below).

Tip-offs and complaints

9. During 2019, the SCA received 682 competition-related tip-offs and complaints from companies, customers and consumers, which is a slight increase compared to the year before. Five complaints were prioritised for in-depth investigations in 2019 (this number does not include leniency applications and ex officio investigations). Two of these complaints concerned alleged abuses of dominant position, one complaint concerned alleged horizontal anti-competitive co-operation, while the remaining two complaints were related to alleged vertical restraints.

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

Anti-competitive agreements

Training services

10. In December 2019, the SCA adopted an interim decision prohibiting Im with Bruce AB – a company that sells training services to consumers via a mobile app – from applying exclusive agreements with its fitness studio partners. The SCA found that the application of exclusive agreements is likely to constitute a violation of the competition rules. The SCA noted that there were particular grounds to prohibit the company from applying such agreements while the investigation is ongoing; in particular, the SCA stated that there could be serious consequences for competition and the development of the market if exclusivity agreements continued to be applied. The SCA's interim decision was appealed (see section 2.1.4 below). At the same time, the SCA has launched parallel investigations into whether similar exclusive agreements used by other companies in the industry may be in violation of the Swedish Competition Act. The investigations are still ongoing. (Ref. nos. 572/2019, 749/2019 and 750/2019)

Asphalt industry

11. The SCA investigated whether an exchange of information regarding production volumes between companies operating in the asphalt industry infringed the prohibition on anti-competitive agreements. During the investigation, the three largest producers of asphalt mass submitted voluntary commitments, which in essence meant that the companies in question would not provide the relevant information to competing asphalt producers. The case was closed in November 2019 after the SCA approved the proposed commitments. The commitments apply for a period of five years and are subject to a fine in the case of non-compliance. (Ref. no. 630/2017)

Fuel pricing

12. In September 2019, the SCA opened an investigation into suspected anti-competitive co-operation with regard to fuel pricing. The suspicion was based on media statements published following the attacks on Saudi Arabian oil facilities on 14 September 2019. Some of these statements included indications of the planned fuel price increases, as well as the extent of such increases. As part of the investigation, the SCA collected information on historical fuel price changes, monitored price changes that occurred during the course of the investigation, reviewed historical statements in the media as well as held several interviews. After having reviewed all the evidence, the SCA found that there were not sufficient grounds to prioritise the investigation further, and decided to close the case. (Ref. no. 589/2019)

Sale of cutting tools for the wood industry

13. The SCA investigated whether a manufacturer and three retailers of cutting tools used in the wood industry had entered into anti-competitive agreements. The SCA found that in 2012 the parties agreed on the exclusive rights to sell the manufacturer's products in certain parts of Sweden and to certain customer groups. Two of the three retailers later entered into an additional agreement, which had a connection to the first agreement. Both agreements expired in 2017, however, the manufacturer then introduced a mechanism to discourage the retailers from competing for each other's existing customers. During the course of the investigation, the manufacturer ceased to apply this mechanism. Since the anti-competitive effects of the agreements were limited and the mechanism in question had ceased to apply, the SCA decided to close the investigation. (Ref. no. 398/2018)

Musical instruments industry

14. The SCA investigated an alleged anti-competitive co-operation between companies active in the musical instruments industry. It was suspected that retailers, manufacturers and distributors had co-ordinated retail prices of musical instruments and their accessories. However, the investigation did not establish that the parties had explicitly agreed on fixed or minimum retail prices; nor did it support the claim that the retail pricing could be considered an expression of the parties' joint intention. The SCA therefore decided to close the investigation without taking any further action. (Ref. no. 187/2018)

Abuse of dominant position

Online sale of train tickets

15. In April 2018, the SCA launched an investigation into whether the state-owned railway company SJ AB's refusal to sell other train operators' tickets through SJ's online sales channels could amount to an abuse of a dominant position and/or could be prohibited under the rules against anti-competitive sales activities by public entities. After conducting its investigation, the SCA considered that identified competition issues could be resolved more effectively in other ways than through a competition investigation; for instance, by regulating how passenger train tickets are sold. The SCA raised this issue in a letter addressed to the Government (see section 3.1.3 below). As a result, the investigation was closed in June 2019. (Ref. nos. 230/2018 and 380/2018)

Gambling market

16. The SCA investigated whether the state-owned company AB Svenska Spel, which has a state monopoly on certain types of games, infringed the rules against abuse of dominant position. The Swedish gambling market was re-regulated in January 2019. In connection with the re-regulation, AB Svenska Spel was suspected of having abused its dominant position in certain sub-markets by allegedly using its position as leverage to grow in competitive markets (i.e. markets exposed to competition) by way of, for example, using a single brand and marketing its monopoly business together with its competitive business. The SCA decided to close the investigation in early 2020 without taking any further action. (Ref. no. 128/2019)

Anti-competitive sales activities by public entities

Mobile parking payment solutions

17. The SCA investigated allegations that the municipality of Gothenburg had abused its dominant position, as well as infringed the rules against the anti-competitive sales activities by public entities. The investigation was launched following complaints from two providers of mobile parking payment solutions, which claimed that the municipality of Gothenburg had excluded them, along with other actors, from collecting parking fees in the municipality's parking lots. Instead, the municipality chose to provide a mobile parking payment solution through the municipal company Göteborgs Stads Parkering AB. In light of the circumstances that were relevant to the case, the SCA decided not to continue with this part of the investigation and closed it without taking any action. As part of the same investigation, the SCA also looked into whether Göteborgs Stads Parkering AB's provision of a mobile parking payment solution in Mölndal municipality constituted anti-competitive sales activities by public entities. However, this part of the case was closed in early 2020 without taking further action. (Ref. nos. 304/2018 and 327/2018)

2.1.1. Summary of activities of courts

18. In 2019 and early 2020, the courts delivered final judgements in three cases, where the SCA was a party.

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

Anti-competitive agreements

Im with Bruce AB

19. In December 2019, the SCA adopted an interim decision prohibiting the company Im with Bruce AB from applying exclusive agreements with its fitness studio partners until the SCA has reached a final decision (see section 2.1.2 above). The company chose to appeal to the Patent and Market Court, which upheld the SCA's decision. The court stated that there were specific circumstances in the case which showed that the exclusivity agreements were likely to result in a significant restriction on the competitors' market access. The court also held that the market in question was in its initial phase and that there was a risk that Im with Bruce AB could gain an unassailable lead. The court's decision was appealed to the Patent and Market Court of Appeal. However, the appeal court did not grant the company leave to appeal. (Ref. nos. 572/2019 and 788/2019).

*Abuse of dominant position***Nasdaq AB**

20. In 2016, the SCA filed an action with the court requesting that the court order Nasdaq AB to pay administrative fines totalling almost SEK 31 million. The SCA claimed that Nasdaq AB had allegedly abused its dominant position by exerting pressure on a data centre provider in Lunda, Stockholm to prevent the competitor Burgundy from placing computers for its trading system in that data centre. In January 2018, the Patent and Market Court found that Nasdaq AB was dominant, but had not abused its dominant position. The SCA appealed to the Patent and Market Court of Appeal, which in June 2019 upheld the judgement made by the first instance court. (Ref. nos. 629/2010 and 406/2015)

Svenska Förpacknings- och Tidningsinsamlingen AB

21. The SCA received a complaint in 2016 that Svenska Förpacknings- och Tidningsinsamlingen AB (FTI) had allegedly abused its dominant position. FTI arranges the collection and recycling of household packaging waste on the assignment of producers, and operates the only Sweden-wide and public infrastructure for collection of packaging waste from households. Since 2012, TMResponsibility AB has had an agreement with FTI to use its infrastructure to offer collection and recycling services in competition with FTI. In June 2016, FTI gave notice of termination of the agreement. In February 2018, the SCA adopted an infringement decision against FTI for having abused its dominant position. The company was ordered to revoke the termination of the contract and the decision came with a penalty of SEK 20 million in the case of non-compliance. The company appealed this decision to the Patent and Market Court, which rejected the appeal and upheld the SCA's decision in January 2019. However, in early 2020 the Patent and Market Court of Appeal overturned the judgement made by the first instance court. The appeal court found that FTI held a dominant position, but that no abuse of that dominant position had been established. (Ref. nos. 583/2016 and 148/2018)

*Anti-competitive sales activities by public entities***Municipality of Hässleholm**

22. In September 2017, the SCA submitted an application to the Patent and Market Court to request that the court order the municipality of Hässleholm to cease denying private companies access to the municipality's land by not granting land agreements and permits for the laying of fibre-optic cables. The summons application was combined with a request of a penalty payment of SEK 25 million in the event of non-compliance. In March 2019, the Patent and Market Court banned the municipality from denying access to land to private companies wishing to establish and sell fibre connection to end customers in Hässleholm's municipality, as well as from applying practices that have similar effect. The municipality then appealed the judgement to the Patent and Market Court of Appeal, which in early 2020 ruled that the first instance court's judgement was unclear and open to different interpretations. According to the appeal court, it was unclear which practices were prohibited. The appeal court therefore referred the case back to the Patent and Market Court, where the proceedings are ongoing. (Ref. nos. 749/2015 and 469/2017)

2.2. Mergers and acquisitions

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

23. During the year, the SCA adopted 79 decisions in merger cases. Three mergers were subject to an in-depth investigation in 2019. Two of them were notified in 2019 and one was notified in 2018.

24. As of 1 January 2018, the SCA is competent to prohibit mergers that are harmful to competition, instead of having to raise an action in the courts. In April 2019, the SCA adopted the first decision of this kind.

25. The following table shows the number of new cases registered during 2019 under the Swedish Competition Act and the number of decisions during the same period.

Table 1. Number of cases

	Registered new cases		Decisions	
	2018	2019	2018	2019
Mergers	80	74	72	79

2.2.2. Summary of significant cases

Arla Foods AB, Norrmejerier och Falköpings Mejeri – Svensk Mjök AB

26. In April 2019, following an in-depth investigation, the SCA decided to prohibit Arla Foods AB, Falköpings mejeri and Norrmejerier's proposed acquisition of joint control over Svensk Mjök AB. The SCA found that the merger would significantly impede effective competition with regard to well-known Swedish cheese brands Präst, Herrgård and Grevé. It was the first time the SCA blocked a deal since it was granted enhanced decision-making powers in merger cases. The SCA's decision was appealed to the Patent and Market Court, which held its hearing in September 2019. Before the court issued its decision, obstacles arose to the implementation of the merger as a result of an arbitration decision. Because of this, the court found that there was no concentration under the competition rules, and the case was dismissed with no ruling made in substance. The court's decision was appealed, but only so far the litigation costs were concerned. The appeal court subsequently ruled that the parties were entitled to reimbursement of litigation costs. (Ref. nos. 661/2018 and 354/2019)

Karo Pharma AB – Trimb Holding AB

27. In September 2019, the SCA granted a conditional clearance to Karo Pharma AB's proposed acquisition of Trimb Holding AB. The SCA's investigation showed that both companies would have a very strong position with regard to hydrocortisone products for the treatment of certain skin conditions. The SCA was therefore concerned that the merger could significantly impede effective competition. In order to resolve competition concerns raised by the SCA, Karo Pharma AB submitted voluntary commitments in phase I, whereby it proposed to divest part of the acquired business. The SCA concluded that the proposed remedies were sufficient to remove the competition concerns identified during the investigation and conditionally cleared the deal. In late autumn, the SCA approved a buyer of the divested business. (Ref. nos. 457/2019 and 555/2019)

NEP Sweden AB – HDR Sweden AB

28. In October 2019, after carrying out an in-depth investigation, the SCA decided not to take any action against NEP Sweden AB's (NEP's) planned acquisition of HDR Sweden AB (HDR). Both parties were active in the provision of technical production services for so-called "outside broadcasting" (i.e. TV production that takes place outside a TV studio environment), as well as rental of TV studios for TV production. The SCA's investigation suggested that both NEP and HDR were by far the two largest suppliers of integrated solutions for technical production services with regard to outside broadcasting in Sweden, and that the merger would result in NEP gaining a significant market share. At the same time, the investigation showed a number of circumstances that were expected to counteract the adverse effects on competition (e.g. the existence of large and advanced customers, previous examples of suppliers expanding or entering the Swedish market by winning large production assignments, as well as low entry barriers for foreign players who, after the merger, are expected to have both incentives and the opportunity to compete in the market). The SCA's overall assessment was that the merger was not likely to significantly impede competition and it was therefore left without action. (Ref. no. 435/2019)

Alumeco Sverige AB – Metallservice in Gothenburg AB

29. In August 2019, following an in-depth investigation, the SCA decided not to take any action against Alumeco Sverige AB's proposed acquisition of Metallservice in Gothenburg AB. Both parties were active in the market for wholesale of metals in Sweden. The SCA's investigation showed that the merging parties' combined market share in the market for wholesale of aluminium products in Sweden did not suggest that the merger would significantly impede effective competition. In addition, it was found that the Swedish aluminium wholesalers could relatively quickly and easily expand their product range and that the foreign aluminium wholesalers exerted an actual competitive pressure on the Swedish wholesalers. (Ref. no. 374/2019)

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

3.1. Advocacy

30. One of the SCA's tasks is to identify obstacles that may restrict or distort effective competition in public and private operations. The SCA presents proposals with the aim of opening up markets to competition, initiating regulatory reforms, as well as monitoring developments within the area of competition. The SCA makes proposals for improving competition in reports, responses to official consultations and official communications to the Swedish Government. The SCA also provides comments and opinions to other public authorities that seek the SCA's views on a particular investigation or changes to the regulatory framework.

3.1.1. Reports

Report on the SCA's competition and public procurement supervision in 2018¹

31. In March 2019, the SCA published a report accounting for the authority's strategic priorities, investigations and decisions in 2018 regarding competition enforcement and public procurement supervision. Among other things, the report includes qualitative and quantitative assessments of investigations, decisions, appeal outcomes, case handling times and resource allocation. The enforcement report is also an important tool for promoting transparency and communicating the results of the SCA's work with stakeholders. (Report series 2019:1)

Power over the car: a report on car insurance and the market for car repairs²

32. The report shows that Swedish cars are insured to a greater extent than they are in other countries. As in other countries, in Sweden motor insurance is compulsory. However, in Sweden it is not possible to buy a new passenger car without a so-called vehicle damage guarantee, something that does not exist in other European countries. The report examines how these circumstances affect competition and consumer choice. (Report series 2019:2)

Financing on equal terms: an analysis of municipal housing companies' guarantee premiums to municipalities³

33. The report highlights the difference in the specific conditions for financing of public housing companies and describes how common it is for municipal housing companies to receive municipal guarantees, and to what extent this can be an advantage for the municipal companies. The report aims to identify possible distortions of competition, which later can be drawn upon both in individual investigations and advocacy work. (Report series 2019:4)

3.1.2. Market studies

34. In November 2019, the SCA launched a market study on the functioning of competition on digital platforms in Sweden. The purpose of this study is to highlight the extent of competition and to identify any potential need for measures to promote competition. The results of the study will be published in a report in the autumn of 2020.

3.1.3. Responses to official consultations

35. In 2019, the SCA issued 123 responses to official consultations (79 of which were requested by the Swedish Government and 44 – by other public authorities). By providing opinions on proposals made in reports and other inquiries, the SCA can assist the Government and other authorities in the preparation of proposed legal amendments and decisions. Below is a selection of the SCA's responses to official consultations in 2019.

¹ http://www.konkurrensverket.se/globalassets/publikationer/rapporter/rapport_2019-1.pdf

² http://www.konkurrensverket.se/globalassets/publikationer/rapporter/rapport_2019-2.pdf

³ http://www.konkurrensverket.se/globalassets/publikationer/rapporter/rapport_2019-4.pdf

Construction and housing sector

36. The SCA answered a number of consultations on proposed changes in the Swedish Planning and Building Act concerning the municipalities' responsibility for spatial planning. Among other things, the SCA recommended to shorten the implementation period for detailed construction plans. (Ref. no. 581/2018) In addition, the SCA endorsed the proposals in the report "Right to private initiative – the stakeholder's involvement in detailed planning", but recommended that the issue of how to increase the efficiency in detailed planning process should be addressed in a broader perspective, rather than solely through considerations of the right to private initiative. (Ref. no. 202/2019)

Financial services

37. The SCA has commented on the proposed E-krona project, i.e. a new state-owned electronic payment service suggested by the Swedish National Bank. The SCA questioned the actual necessity of the E-krona as an alternative to cash, since there are already existing electronic and cashless payment services on the market. The SCA also requested a more elaborate analysis and description of how e-krona in practice would contribute to more competition, a higher degree of innovation and lower costs, as stated in the Swedish National Bank's report. (Ref. no. 596/2018)

Telecommunications sector

38. The SCA has responded to a number of consultations on rules and regulations in the telecommunications sector, several of which concerned frequency allocation. In its response submitted to the Swedish Post and Telecom Authority (PTS), the SCA suggested that permits should be conditional upon the requirement for frequency utilization within a certain time period. (Ref. no. 199/2019) In addition, the SCA has recommended that the fee for permits to use radio spectrum should be set at a level that contributes to an efficient allocation of spectrum and that permits for spectrum that is not utilized should be returned and advertised again. The SCA has also pointed out that the possibility for authorities and municipalities to use the commercial telecommunication networks should be investigated more closely. (Ref. no. 227/2019)

Pharmaceutical industry

39. The SCA has taken a negative view on the new law proposal concerning reimbursement of medicines, which would enable the regional authorities to conclude secret reimbursement agreements with pharmaceutical companies for drugs that are not subject to competition. In particular, the SCA questioned whether the proposal was compatible with the EU Transparency Directive (Council Directive 89/105/EEC). On the other hand, the SCA has endorsed the proposal to allow setting different prices for the same drug depending on the type of treatment it is used for, meaning that it would be possible to set different prices depending on whether a drug is used in combination with another product or technique. (Ref. no. 126/2019)

Health and social care

40. The SCA has taken a negative view on the proposal to introduce a protected professional title for assistant nurses, as it could lead to recruitment issues and increased costs for municipalities, regions and private healthcare providers, because a number of people currently working as assistant nurses may leave their profession. The SCA has

pointed out that protected professional titles generally lead to entry barriers in markets, which can be negative for competition. (Ref. no. 396/2019)

Railway infrastructure

41. The SCA has endorsed the proposal to replace the current Swedish Railway Act with four new laws for increased transparency and a more direct connection between the respective Swedish law and the underlying EU regulation. However, the SCA has taken a negative view on the proposal to allow the regional transport authorities to exploit the possibility of directly awarding contracts for passenger transport by trains, justified by “exceptional circumstances”. (Ref. no. 480/2019)

Train ticketing system

42. In June 2019, the SCA sent a letter to the Government concerning access for new train operators to the incumbent rail operator’s online ticketing system. The SCA suggested the appointment of a Government investigation to consider other means than using competition law to solve the observed problems, e.g. a regulation on train ticket sales. An ongoing investigation is currently looking into these questions and the SCA have been consulted and asked for input (the report is due in April 2020). (Ref. nos. 230/2018 and 380/2018)

Energy sector

43. The SCA has generally welcomed a number of proposals to change the Swedish Electricity Act aimed at simplifying and speeding up the construction of electricity grids by allowing exemptions from the concession duty to a greater extent. However, the SCA has refrained from taking a final position on the specific proposals, as they would be affected by the Swedish Energy Markets Inspectorate’s forthcoming proposal for a new unified electricity market regulation. (Ref. no. 434/2019)

3.1.4. Research

44. The SCA has a mandate from the Swedish Government to grant funding for research related to competition and public procurement. In 2019, the Government’s letter of appropriation allocated approximately SEK 13 million to conduct such research. The research allocation is divided up into funding for researchers at higher education institutions and funding for projects that the researchers initiate themselves. The SCA primarily finances research within competition and procurement law and economics. As part of its activities, the SCA also arranges conferences, seminars and workshops with the aim of presenting information about the research and its findings. In addition to this, each year, the SCA organises an essay competition for students.

Projects that received funding in 2019

45. In 2019, the SCA received 50 applications requesting funding for research within the fields of competition and public procurement. The SCA granted a total of SEK 5.5 million to nine new projects, six of which were in the field of competition research. The SCA also granted SEK 5.6 million to eleven ongoing projects. In total, the SCA paid over SEK 11.1 million to different research projects in 2019.

46. The following is an account of new and ongoing research projects in the area of competition law and economics:

New competition-related research projects

- Thomas Tangerås, Nordic Workshop on Industrial Organization 2019;
- Marcel Garz, Media competition and media slant in Swedish newspapers;
- Konstantinos Stylianou, Goals and Purposes of EU Competition Law: What does the data say?
- Thomas Broberg, Competition for garbage – an analysis of the market for waste incineration;
- Catarina Marvao, Cartel, Managerial Incentives and Merger and Acquisitions;
- Björn Lundell, Sustainable digitisation and OpenSym 2019.

Ongoing competition-related research projects

- Ulf Bernitz, Access to the European Commission's Files in Cartel Cases – Promoting or Preventing Effective Enforcement of the European Competition Rules?
- Matilda Orth, Investments, productivity and competition in the broadband market;
- David Granlund, Price effects of competition from parallel imports and therapeutic alternatives for patented drugs.

Commissioned research

47. The SCA commissions research when it sees a direct need to investigate or highlight specific issues within competition and/or procurement. The results are then published in a special report series for commissioned research. The SCA assigns a reference group to each project to provide quality assurance for the study. The reference groups consist of individuals with special expertise in the field in question. The SCA's ambition is for the reports to be founded on solid academic grounds and to be written in such a way that non-specialists can also understand the content. In 2019, a total of SEK 1.7 million was allocated for commissioned research within the fields of competition and procurement.

48. In 2019, the SCA published the following commissioned research reports on competition:

- Niklas Rudholm & Charlie Lindgren (2019), *Price dispersion in e-commerce markets with low search costs* (Commissioned research report series 2019:1);
- Lars Persson & Pehr-Johan Norbäck (2019), *Market concentration and cross-ownership of companies* (Commissioned research report series 2019:3);
- Pontus Lindblom (2019), *Blockchain technology from a competition perspective* (Commissioned research report series 2019:4);
- Vladimir Bastidas (2019), *Counterfactual tests and assessment of abuse of dominance* (Commissioned research report series 2019:6).

Council for Research Issues

49. The SCA has a designated Council for Research Issues, which consists primarily of external academic researchers within the fields of economics, law and business administration. The Council's task is to stimulate research in the fields of competition and procurement, and to provide the SCA and the National Agency for Public Procurement with findings from developments, primarily in the economic and legal sciences, which may be of significance to the agencies' activities.

3.2. Conferences and workshops

3.2.1. Pros and Cons

50. To share and advance knowledge about current competition-related matters, the SCA holds an annual international research seminar entitled "Pros and Cons". Since the first seminar in 2002, researchers and experts have discussed the pros and cons of compelling questions in the field of competition law. The theme of the 2019 seminar, which was held on 8 November, was "More Pros and Cons of Vertical Restraints". Around 120 researchers, academics, lawyers and representatives of competition authorities participated in this event.

3.2.2. Essay contest

51. In an effort to promote interest in competition and procurement matters among students, the SCA holds an annual essay contest. The contest is open for all topics that are relevant to the activities of the SCA. In 2019, there were 26 entries submitted, and five of these were awarded prizes and shared a total of SEK 95 000.

3.3. Communication and knowledge

52. Part of the SCA's task is to promote competition and provide appropriate information for companies and other stakeholders regarding important decisions, implementation of the rules and the content of these rules.

3.3.1. Ongoing focus on digital communication

53. The SCA has continued to prioritise digital communication throughout 2019. It has communicated via its website, through digital newsletters, podcast and social media, through traditional media, meetings and industry forums, and in several different arenas both in Sweden and internationally.

3.3.2. Digital newsletter: Procurement and competition

54. During the year, the SCA has published a newsletter that addresses both public procurement and competition issues. The newsletter is published bi-weekly and provides almost 1700 subscribers with up-to date information.

3.3.3. Podcast

55. As part of its efforts to develop and refine its digital communication, the SCA continued to develop its podcast throughout 2019. Entitled "Konkurrenten" (The Competitor), the podcast addresses relevant competition and procurement-related issues. A total of eight new episodes were published in 2019. In addition to the participation

of staff from the authority, the SCA has on several occasions invited external guests to participate in the podcast interviews.

3.3.4. Interactive guidance

56. The SCA's interactive digital guidance is a fast way to help the target audience with various different issues. The guidance promotes a better understanding of rules and regulations and is greatly appreciated by its users. The SCA's digital guidance package is accessible on its website and includes guidance on distribution agreements, anti-competitive sales activities by public entities, direct award contracts, collaboration in public procurement process as well as guidance for industry associations.

3.3.5. Web-based customer service

57. Questions and complaints to the SCA are primarily submitted via the SCA's "tip-off" function. To make it easier for the SCA's target audience to find the right answers to its questions, the SCA has, during the year, continued to develop its work with a web-based question forum. In addition, the SCA has an anonymous online whistle-blower tool.

3.3.6. Almedalen week

58. In July 2019, for the seventh consecutive year, the SCA arranged two seminars in Visby, Gotland, during a week dedicated to public policy discussions called Almedalen week. The theme of the seminars was construction (housing) and corruption. In addition, two seminars were arranged in collaboration with the initiative "Together Against Corruption", a platform for both private and public actors engaged in work against corruption.

3.3.7. Media

59. The SCA has actively taken part in the public debate about competition-related issues. The authority distributed 28 press releases during 2019, and was mentioned in 5068 externally published articles.

3.3.8. The general public's attitudes to competition

60. Part of the SCA's mission is to provide information on competition and public procurement and to promote a competitive approach. It is therefore important for the SCA to know how the public awareness and confidence in the authority, as well as understanding of competition and public procurement issues is developing among various stakeholder groups. These trends are also one of the performance indicators the SCA has chosen to monitor the efficiency of its activities.

61. In 2019, the SCA carried out a survey of the general public's attitudes to competition. It was a follow-up to the poll conducted in 2017. The survey's results showed, among other things, that all target groups have a positive attitude towards competition between companies and that the attitude to public procurement is more positive in all groups in 2019 compared with 2017. Knowledge about the Swedish Competition Act and public procurement rules remains quite limited, although the general awareness has slightly increased since the first survey. Similarly, the results revealed that there is still a lack of understanding that the SCA is responsible for ensuring that the rules above are being followed. At the same time, the share of respondents with a favourable attitude towards the SCA has increased from roughly 40 percent in 2017 to over 50 percent in 2019.

3.4. International work

3.4.1. *European Competition Network*

62. Within the European Competition Network (ECN), the SCA works closely with the European Commission and the competition authorities of the EU member states in the application of Articles 101 and 102 of the TFEU. The national competition authorities are obligated to consult the Commission before reaching decisions under Articles 101 and 102 of the TFEU. In 2019, the SCA consulted with the Commission on one such matter. In addition, the SCA took part in the Commission's review of the Vertical Block Exemption Regulation (VBER) by providing comments on the need for changes.

3.4.2. *Co-operation on merger control*

63. During 2019, the SCA participated in eight meetings organised by the Advisory Committee on mergers regarding the Commission's merger control procedures. In addition, the national competition authorities and the Commission have a special working group that is tasked with promoting greater co-operation in merger review. In 2019, the SCA took part in three meetings organised by this working group.

3.4.3. *EU competition policy*

64. Throughout the year, the SCA actively participated in discussions on the future of EU competition policy. In the public debate regarding possible changes to the EU merger rules in order to allow the creation of so-called "European Champions", the SCA's director general, together with the other heads of Nordic competition authorities, published an article in which they argued in support of a strong and politically independent merger supervision at the EU level, as well as at the national level.

65. The SCA also hosted a breakfast seminar on the role of competition policy in the globalised and digitised economy. The participants discussed, among other things, how competition policy should be developed to promote competition and innovation in the digital economy, as well as to contribute to a level playing field both within the EU and globally.

3.4.4. *Nordic co-operation*

66. The Nordic competition authorities have enjoyed close co-operation for many years. In September 2017, a new Nordic co-operation agreement was signed by the competition authorities in Denmark, Finland, Greenland, Iceland, Norway and Sweden. The new agreement enhances the Nordic competition authorities' ability to collect information on behalf of each other, for example, through dawn raids, and to exchange information in conjunction with investigations. The agreement is now applicable in Sweden, Finland, Denmark and Norway (see also section 1.2).

67. In 2019, the SCA participated in the annual Nordic competition meeting, held in Bergen, Norway, which marked the 60th anniversary of the Nordic collaboration. During the meeting, the Nordic competition authorities discussed topics such as digitalisation and its implications for consumers, as well as efficient and effective investigation process. In addition, the Nordic competition authorities initiated a joint project on digital platforms from a consumer perspective.

68. Nordic co-operation also takes place within special working groups. In 2019, the SCA hosted a meeting of the Nordic cartel network, whose members are Nordic competition authority employees working specifically with cartel investigations.

69. In September 2019, the SCA organised a conference in collaboration with the regional initiative W@CompetitionNordic, a network for women working with competition law and economics in the Nordic and Baltic countries. The conference discussed current competition issues in the Nordic and Baltic regions, including questions related to the digital economy.

3.4.5. OECD

70. In 2019, the SCA participated in two meetings of the OECD Competition Committee. In June 2019, the SCA submitted two written contributions on digital disruption in financial markets, as well as vertical mergers in the technology, media and telecom sector. In December 2019, the SCA submitted one written contribution concerning hub-and-spoke arrangements. In addition to this, the SCA actively participated in the OECD Competition Committee's work in drafting two new recommendations on competitive neutrality as well as transparency and procedural fairness in competition law enforcement.

3.4.6. International Competition Network

71. The SCA actively participates in the International Competition Network's (ICN's) five working groups. Since April 2018, the SCA has been a co-chair of the Agency Effectiveness Working Group (AEWG). During 2019-2020, the SCA shared the chairmanship of AEWG with the Canadian Competition Bureau and the Competition Authority of Botswana. Within the framework of this working group, the SCA has led, among other things, a project aimed at exploring the correlation between different organisational design choices and agency effectiveness in order to identify various strategies for competition agencies to achieve the desired outcomes. The results of the project were outlined in the Report on Agency Effectiveness through Organisational Design, which was published in 2019, and presented at the 2019 ICN Annual Conference, held in Cartagena, Colombia.

72. In May 2019, the SCA joined a new Framework on Competition Agency Procedures (CAP), adopted by ICN in an effort to promote procedural fairness in competition law enforcement. By joining the framework, competition authorities commit to dialogue and co-operation, as well as to informing each other about competition laws and procedural regulations applicable in their countries. For this purpose, in November 2019, the SCA submitted a standard template with information about its competition law investigation and enforcement procedures.

4. Resources of the SCA

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

4.1.1. Annual budget⁴ (in SEK and USD)

- 2018: SEK 145.8 million / USD 16.4 million⁵;

⁴ The numbers provided below also include public procurement supervision.

⁵ Exchange rate at 2018-12-31.

- 2019: SEK 153 million / USD 16.4 million⁶.

4.1.2. Number of employees (person-years)

73. There were 141 full-time equivalent employees at the SCA during 2019. 113 employees worked on competition issues, of whom 102 were non-administrative staff (49 of them had the role of lawyer, 42 had the role of economist, and 11 had other roles [IT specialists and analysts]).

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

4.2.1. Enforcement against anticompetitive practices / Merger review and enforcement

74. Hundred and two non-administrative staff (number of employees in Cartels and Mergers Unit, Market Abuse Unit, Communications and IT Unit, Legal and International Affairs Unit, Litigation Unit, as well as Chief Economist's Unit).

4.2.2. Advocacy efforts

75. Twelve (number of employees in Advocacy and Research Unit).

4.3. Period covered by the above information

76. 2019.

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

77. Reports issued during 2019 with references to where they can be downloaded and a brief description of their contents are found in section 3.1.1 Reports.

⁶ Exchange rate at 2019-12-31.