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Directorate for Financial and Enterprise Affairs
COMPETITION COMMITTEE

Annual Report on Competition Policy Developments in Croatia

-- 2021 --

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Croatia

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

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

1. The Act on the Amendments to the Competition Act was published in Official Gazette 41/2021 on 16 April 2021 and entered into force on 24 April 2021. Namely, the Republic of Croatia was obliged to transpose 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 OJ L 11, 14.1.2019 (ECN+ Directive).

2. The Revised Competition Act 2021, by the transposition of the ECN+ Directive into the national legal system, means that the complete national legal framework in the area of competition law and policy has been fully harmonized with the EU acquis and put in place. In addition, the ten-year-application of the Competition Act in practice has indicated the need for some fine tuning regarding certain provisions with the view to resolving any possible doubts in the interpretation thereof.

3. Thus, the Revised Competition Act 2021 ensures a greater degree of independence of the Croatian Competition Agency (the Agency; CCA) as a national competition authority in the Republic of Croatia and additional resources for the implementation of its powers. In line with the ECN+ Directive it also introduces some new powers of the CCA, such as the power to impose fines and periodical penalty payments for the infringements so as to ensure a uniform and effective application of Articles 101 and 102 TFEU.

4. The Revised Competition Act 2021 establishes the CCA as a general, national **regulatory authority** in charge of competition in all markets. This brings into compliance the legal status of the CCA with the nature of the tasks that it actually performs.

5. The Revised Competition Act 2021 defines the frequently used terms, such as “cartel”, “secret cartel”, “leniency programme”, “leniency statement”, “applicant authority”, “requested authority”, whereas the definition of “undertaking” particularly explains the term “association of undertakings” and defines the notion “undertakings concerned” in merger assessment.

6. In addition, the Revised Competition Act 2021 introduces new legal tools, such as: “interview”, “periodic penalty payment”, “uniform instrument”, “settlement in cartel cases”, and elaborates “access to leniency statements and settlement submissions”. It also specifies the imposition of fines where the infringement is committed by an association of undertakings.

7. Furthermore, the Revised Competition Act 2021 elaborates in more detail the cooperation between the applicant authority – a national competition authority which makes a request for mutual assistance and the requested authority – a national competition authority which receives a request for mutual assistance. With respect to certain issues of mutual assistance the principles include the powers of these authorities and the applicable law in case of a dispute.

8. With the view to eliminating any doubts in the interpretation of the Competition Act, the Revised Competition Act 2021 ensures proper application of Article 9 of the Council Regulation (EC) No 139/2004 where the Commission may refer a notified

concentration with EU dimension to the CCA. In such a case the CCA shall assess the compatibility of the concentration concerned within the meaning of the Competition Act regardless of the fact whether the parties to the referred concentration meet the criteria regarding the turnover thresholds within the meaning of the Competition Act or not, on the account of the fact that higher turnover thresholds defined under the Council Regulation (EC) no 139/2004 are fulfilled.

9. Additionally, the Revised Competition Act 2021 in the part relating to the proposals for the appointment of the president of the Competition Council and its members provides that the Government of the Republic of Croatia shall make a public call for the proposals of the candidates for the president of the Competition Council and its members to ensure transparency. The selected candidate from the public call shall be proposed by the Government of the Republic of Croatia to the Croatian Parliament that appoints them.

10. Finally, for the sake of harmonization of the national competition rules with the EU acquis, the Revised Competition Act 2021 repeals the Regulation on block exemption granted to insurance agreements OG 78/11 reflecting the fact that the Commission Regulation (EU) No 267/2010 of 24 March 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to certain categories of agreements, decisions and concerted practices in the insurance sector, with which the Croatian provisions in that area had been harmonized, expired on 31 March 2017. For the purpose of convergence and the supremacy of the application of Articles 101 and 102 TFEU on agreements with cross-border effect in the internal market pursuant to Article 3 of the Council Regulation (EC) No 1/2003 the application of the above-mentioned regulation is not appropriate any more.

1.2. Other relevant measures, including new guidelines

11. For the purpose of bringing its legal framework in the area of unfair trading practices in business-to-business relations in the agricultural and food supply chain into compliance with the Directive (EU) 2019/633 of the European Parliament and of the Council of 17 April 2019 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain, and taking into account some necessary fine tuning of the existing Croatian Act on the prohibition of unfair trading practices in the business-to-business food supply chain (UTPs Act) OG 117/17, Croatia adopted the Act on the Amendments to the Act on the prohibition of unfair trading practices in the business-to-business food supply chain (Revised UTPs Act 2021), OG 52/2021, 14 May 2021.

12. The Revised UTPs Act 2021 entered into force on 1 September 2021 and became fully applicable on 1 March 2022, providing the addressed actors the 6-month transitory period.

13. Croatia adopted its first UTPs Act as early as in 2017, whose full application started on 1 April 2018, and that had been to a large extent already brought into compliance with the Directive (EU) 2019/633 of the European Parliament and of the Council of 17 April 2019 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain OJ L 111/59. The newly adopted Revised Unfair Trading Practices Act 2021 now ensures a common approach with respect to the application of the rules set out in EU Directive.

14. In comparison with the existing UTPs Act the Revised UTPs Act 2021 brings about a number of terminological adjustments but also introduces a series of novelties based on the experience gained from the three-year application of this piece of legislation in Croatia.

15. Thus, the Revised UTPs Act 2021 introduces a wider scope of agricultural and food products found in business transactions between suppliers and buyers that are subject to these revised rules. Second, it introduces the notion of a “buyer” and re-defines the notion of “strong bargaining power”, which considerably extends the pool of addressed actors – entities that are subject to these rules. Third, it introduces a new power of the Croatian Competition Agency to carry out unannounced on-site inspections within the framework of its investigations, in accordance with national rules and procedures. Next, it lists a number of new unfair trading practices and extends the now existing list of 33 unfair trading practices to 43, where 25 thereof are absolutely prohibited. In addition, it regulates the cooperation between enforcement authorities – the national enforcement authority, the Commission and the Member States enforcement authorities.

16. It must also be noted that the Revised UTPs Act 2021 by lowering the threshold of the total annual turnover of the buyer extends the scope of application to more actors active in the market. Concretely, within the meaning of the Revised UTPs Act 2021 superior bargaining position will be held by any buyer with total annual turnover exceeding HRK 15 million realized in the Republic of Croatia, but where the buyer has connected companies, the threshold will be increased by adding the total annual turnover of its connected companies worldwide. At the same time, the sanctions that the Croatian Competition Agency imposes for minor or negligible infringements of the rules concerned, can be reduced taking into account the gravity, scope, duration and the consequences of the infringement for the supplier and the public interest.

17. Finally, where the complainant so requests, the Croatian Competition Agency shall take the necessary measures for the appropriate protection of the identity of the complainant and for the appropriate protection of any other information in respect of which the complainant considers that the disclosure of such information would be harmful to the interests of the complainant or suppliers.

1.3. Government proposals for new legislation

Following the legal obligation arising from the above mentioned Act on the Amendments to the Competition Act, the Government of the republic of Croatia will upon the proposal of the CCA adopt two revised regulations, namely Regulation on the method of setting fines and Regulation on immunity from fines and reduction of fines. The work on drafting the regulations is currently ongoing.

2. 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:

- competition authorities;
- courts;

18. In 2021, the CCA solved the total of **724 cases** in the area of competition and unfair trading practices.

Table 1. Number of cases solved in 2021

| | Competition | Unfair trading practices | Total |
|----------------------------------|---|--------------------------|-------|
| Substantive | 33 | 10 | 43 |
| Other (non-administrative cases) | 68 (expert legal opinions and answers to queries) | 60 | 682 |
| Total | 554 (other) | | |
| | 655 | 70 | 725 |

19. Against the decisions of the CCA no appeal is allowed but the injured party may bring a claim before the High Administrative Court of the Republic of Croatia. However, in the case of a no-infringement decision or a decision on termination of the proceeding, the complainant or the person enjoying the same procedural rights as the complainant can also take action.

20. During 2021 the High Administrative Court of the Republic of Croatia issued **six judgments** in relation to the decisions of the Agency, in all of which it confirmed the decisions of the Agency and rejected applicants' claims.

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

21. During 2021, the Croatian Competition Agency handled 17 cases of alleged abuse of dominant position and assessment of agreements between undertakings, for which purpose there were 14 different markets analysed.

22. Here we give a summary of an established prohibited agreement, in which case a fine was also imposed on the relevant undertaking.

Prohibited agreement

23. The Croatian Competition Agency found that the undertaking Spinnaker distribucija d.o.o. breached competition rules in the distribution market for POV action cameras in the territory of the Republic of Croatia by the conclusion of the Standard Selective Distribution Agreement with ten authorised retailers in effect from 1 April 2018 to 31 March 2019. The Standard Selective Distribution Agreement contained provisions that constitute hard core restriction of competition by object and therefore are prohibited within the meaning of Article 8 paragraph 1 of the Competition Act and Article 9 paragraph 1 item d) of the Regulation on block exemption granted to certain categories of vertical agreements, given the fact that it contained the restriction of cross-supplies between distributors within a selective distribution system.

24. The challenged provisions imposed on the appointed dealers to purchase the GoPro cameras exclusively from Spinnaker but also imposed an obligation causing the authorised dealers not to sell to other authorised dealers but exclusively to end users. In order to ensure the authorised dealers' compliance in practice, Spinnaker imposed a quantitative restriction on its authorised dealers by requiring a fixed number of cameras per sales.

25. The restriction of cross-supplies between distributors within a selective distribution system is a restriction of competition by object, which does not require any further analysis of the relevant market that would justify such a behaviour. In other words, selected distributors must remain free to purchase the contract products from other appointed distributors within the network, operating either at the same or at a different level of trade. Therefore, it was not necessary to conduct an individual assessment in order to demonstrate concrete restrictive effects in the market and whether these effects were significant or not.

In this particular situation, the vertical agreement concerned could not be granted block exemption, which makes it *ex lege* void.

26. For the serious infringement of competition rules Spinnaker was fined HRK 350,000 (approx. EUR 46,000) and prohibited any such behaviour in the transactions with the authorised dealers (retailers) of GoPro products in the future.

27. When setting the fine the CCA took fully into account the type of infringement, the way of participation in the prohibited agreement, the geographic area in which the infringement had or might have produced effect and the fact whether the infringement was actually committed in practice or it was merely likely to have happened. It is the view of the CCA that the fine in the amount specified above will have a sufficiently deterrent effect, not only in order to sanction the undertaking concerned but also in order to deter other undertakings from engaging in, or continuing, behaviour that is contrary to the provisions of the Competition Act.

2.2. Mergers and acquisitions

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

28. During 2021, the total of **16 cases** were handled in the area of control of concentrations between undertakings. In order to process the cases, almost 40 different relevant markets were investigated during 2021. There were no prohibited concentrations and also none of the cases received relied on arguments which would be related to the corona crisis.

2.2.2. Summary of significant cases.

Phase-I assessment (examples)

29. The Croatian Competition Agency cleared in the first phase the concentration between the undertakings Telemach Hrvatska d.o.o. and OT-Optima Telekom d.d. By this transaction the CCA achieved the objective laid down in its decisions of 19 March 2014 and 9 June 2017 on conditionally approved concentration between HT and Optima and its decision of 9 June 2017 on conditionally approved concentration between Optima and H1, which entrusted the management over Optima to HT with the view to retaining Optima's position in the market or creating a new operator that would be the third operator in the Croatian telecommunication market. Until July 2021 Optima's businesses were managed by the undertaking Hrvatski telekom d.d. based on the decision of the CCA that defined the commitments in order to retain Optima's position in the relevant market as the third rival.

30. Telemach Hrvatska is part of United Group controlled by the undertaking BC Partners with its seat in London.

31. This is a vertical integration given the fact that both Telemach and Optima are active in vertically connected and complimentary markets.

32. By the implementation of this concentration Telemach enters the market in electronic communication in fixed-line network services where exclusively Optima has been present and thereby takes the market shares of Optima. The concentration will lead to minimum horizontal overlap with Optima, that is to say, in retail fixed broadband access market and subscription television market, where Telemach has been marginally present. It has been accordingly assessed that by the implementation of the concentration concerned market shares will not be increased in any of the relevant markets. By the acquisition of

Optima, Telemach will provide integrated telecommunication services in fixed and mobile telephony able to offer convergent services as the third integrated telecommunication services rival competing in the Croatian telecom market.

33. Besides the electronic communication market where the concentration will produce most effects, through its connected undertakings, first of all the broadcaster Nova TV, Telemach is present in the TV advertising market where most significant competitors to its integrated undertakings are RTL and HRT. Telemach is also present as a wholesaler in distribution TV channels in the Republic of Croatia, where Optima and other electronic communication operators participate as buyers.

34. Therefore, taking into the consideration the potential effects of the implementation of the concentration concerned and the market share of Nova TV in the TV advertising market, the CCA analysed the potential unilateral vertical effects i.e., unilateral practices that are likely to foreclose competitors in the TV advertising market as a consequence of the implementation of the concentration concerned.

35. The CCA received one reply to the request for information of 1 December 2021 that was submitted by one of the competitors (telecom operators) regarding the TV advertising market, carried out the necessary analysis of the matter concerned and found that it could be reasonably assumed that the providers of electronic communication services Telemach and Optima, by its presence in the TV advertising market as a downstream market of the electronic communication market through its connected undertaking Nova TV, could not threaten the position of the leading rivals HT and A1, given that Optima and Telemach were the smallest mobile and fixed-line operators in the Croatian market.

36. In the course of the assessment the CCA also sought expert opinion of the Croatian Regulatory Authority for Network Industries (HAKOM) as a specific regulator in the electronic communication market. HAKOM found in its opinion that in the future synergies are expected to be achieved of the integration concerned in the context of sustainability and trade-offs in the development of the Croatian electronic communication market.

37. In the case concerned the CCA also sought the expert opinion of the Agency for Electronic Media (AEM) as a specific regulator in electronic media markets. AEM confirmed that the implementation of the concentration concerned did not contravene with the provisions on media mergers under the Electronic Media Act ensuring pluralism and diversity of the electronic media, taking into account the relatively small market share and effect of the provider of media services Optima on the market concerned.

38. The TV advertising market in the Republic of Croatia will remain under scrutiny of the CCA within its scope of action.

39. Taking everything into account, it is expected that the concentration concerned will have positive effects based particularly on the fact that the third rival is retained in the electronic communication fixed-line network market and that the third integrated operator in mobile and fixed-line network will be created, that will be able to more effectively compete with the incumbent leading operators by offering convergent services. The creation of the third fully integrated competitor in the electronic communication sector ascertains potential efficiencies based on the ability of the integrated operators in mobile and fixed-line networks to offer convergent products, ensuring a counter-balance to already existing competitors to the advantage of the consumers. The creation of the third rival in the market where there have been only two competitors for a significant period of time will therefore produce efficiencies, contribute to strengthening of competition and consequently benefit the consumers.

40. The concentration between the undertakings KONČAR-ULAGANJA and CONSTRUCTION LINE LIMITED / DALEKOVOD will predominantly affect two relevant markets: the provision of services relating to design, construction and maintenance of substations and the manufacturing and sale of transformers.

41. The implementation of this concentration will lead to a partial horizontal overlap regarding the activities of the undertakings concerned in the provision of services in the design, construction and maintenance of substations in the territory of the Republic of Croatia.

42. However, this relevant market is defined by customers, predominantly publicly owned enterprises that make their purchases subject to public procurement rules. In addition, besides the undertakings concerned, the customers have a choice to turn to a number of alternative sources of supply, home and abroad, which proves that this market is open and that the concentration concerned will not produce significant effects on their business deals and competition in this relevant market. This was also confirmed by the customers themselves during the assessment procedure.

43. Finally, no replies to the request for information that was published on the web site of the CCA with respect to the concentration concerned and its possible effects on competition have been received.

44. By the implementation of the concentration PETROL D.D. / CRODUX DERIVATI DVA D.O.O. the acquiring company Petrol takes over the following businesses of Crodux Derivati Dva: the wholesale in petroleum products (petrol and diesel engine oils, extra-light heating oil) and the retail in petroleum products (petrol and diesel engine oil and LPG).

45. For a certain period of time after the implementation of the concentration Petrol intends to keep the brand Crodux for the brand loyalty reasons.

46. Concretely, the economic and legal analysis showed that the concentration will result in spreading of the Petrol's retail network in the territory of Croatia by acquisition of the retail outlets of Crodux Derivati Dva, which means that Petrol would hold a market share of some 20 % to 30 % in the territory of Croatia measured by the number of petrol stations, whereas INA d.d. as the leader in the market concerned would keep the market share of some 40 % to 50 %.

47. The relevant data on the size and the structure of the relevant markets and the analysis investigating both the horizontal and vertical effects of the concentration concerned, indicate that the wholesale petrol products market in Croatia is open and easily accessible to international competitors, meaning, that there are no significant entry barriers for potential participants and no barriers that would impede the growth of the already existing participants in the market. There is significant available and well spread storage capacity in the Croatian territory and the region that ensure the supply for all parts of Croatia and from diversified supply channels. The analysis of the sources and volumes of purchase of petroleum products in the last three years showed that the volumes but also the sources of import of petroleum products significantly varied indicating the fact how the import quickly reacts to the changes in demand and supply.

48. Besides the market shares, the analysis of the effects of this transaction on the retail petroleum products market also applied the UPP (Upward Pricing Pressure) tool to estimate the risk of this merger giving rise to unilateral effects at individual petrol stations (local effect), which indicated very unlikely possible influence on price increase. In other words, in all the areas there will be a sufficient number of petrol stations of the rivals, which would exclude the possibility of post-merger unilateral price increase by Petrol.

49. The existing possibility of easy and quick entry of international competitors in case of any price changes in the territory of Croatia represents an element that would destabilize any coordination of behaviour in an anti-competitive way of the existing participants in the market.

50. In the wholesale market there will be no possibility of exclusionary practices by Petrol given the fact that the buyer can easily purchase necessary volumes from other participants in the market and can relatively easily enter the wholesale market alone. The coordination in the retail market is less likely given the asymmetry of the market shares and the structure of costs of the leading companies. Given its features, the market itself is not susceptible to coordination, taking into account its openness at the wholesale level and weekly price adjustments at the retail level that makes any agreements on coordination of behaviour between buyers impossible or significantly less likely. The post-merger integration will keep INA in the leading position in the market and it will remain the significant source of supply in petrol products.

51. The Croatian Competition Agency approved the acquisition of controlling interest over the undertaking ELKA d.o.o., Zagreb, Croatia by the undertaking ISKRA d.o.o. with its seat in Ljubljana, Slovenia, based on a simplified merger notification.

52. The concentration concerned will have effects in the relevant markets in the production and sale of industrial cables in the territory of the EU, where ELKA has been present as a manufacturer of power cables, telecommunication, shipboard and offshore and railway cables.

53. ISKRA is primarily present on the road and railway traffic automation, telecommunication transmission system solutions and energy solutions.

54. The implementation of the concentration is expected to produce significant synergies relating to both companies, taking into account the former acquisition of the controlling interest of ISKRA over the Šibenik Shipyard. Besides, the transaction is going to produce positive effects on the buyers of industrial cables in the internal market where ELKA has been present and taking into consideration ISKRA's investment into the new intelligent industrial solutions, new technologies and cutting-edge products. At the same time, the synergy of production technologies and specific know-how of the undertakings concerned will make their products more accessible to the buyers and contribute to quality improvements.

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

55. The CCA continued with its intense activities involving competition advocacy and development of competition culture in general. The aim of these activities has been the strengthening of competition culture for the purpose of creating of the institutional and economic environment that would ensure market access to all undertakings, removing the factual and administrative barriers to the development of competition.

56. Among 16 expert legal opinions issued in 2021, there were, for example, 5 expert opinions issued by the Croatian Competition Agency on the request of the Croatian Regulatory Authority for Network Services (HAKOM). Moreover, with the view to facilitating the cooperation in the area of competition policy, particularly in the area of telecommunications, postal and railway services and digital markets, the presidents of the CCA and HAKOM signed the revised agreement of cooperation between the two

authorities, committing themselves to ensuring effective competition in the Republic of Croatia. The parties endeavour to join forces and contribute to innovation and introduction of new technologies at the same time ensuring free access for entrants to these markets and preventing all forms of possible distortions of competition. The two regulators will continue to cooperate in the area of competition policy with the view to strengthening of competition in these markets, taking into account the importance of these markets for the Croatian economy.

57. Concretely, in case of possible distortions of competition, within the meaning of the Competition Act, the Electronic Communications Act, the Postal Services Act, the Railways Act and the Act on regulation of the railway services market and protection of passengers in railway transport, any of the parties may seek expert opinion from the other party to this cooperation agreement about the compliance of a particular behaviour in the market with general and specific rules. At the same time, an expert opinion will be sought and provided where any of the parties requires specific knowledge that the other party has in handling a specific case.

58. The cooperation between the two institutions will be continued by the provision of mutual assistance, expert and technical, in concrete cases handled by any of the authorities, expert opinions upon the request of any of the parties and by the exchange of relevant information and data in the area of competition in the markets concerned.

59. The cooperation will also include necessary trainings of the experts from both parties in the area of competition and related areas, particularly by participating in workshops organized by other authorities and institutions and by organisation of joint trainings, events, round tables and conferences. This agreement continues a long-term cooperation in the area of competition on the basis of mutual benefit for both regulators.

60. During 2021, the Croatian Competition Agency initiated the conclusion of similar agreements with the regulatory authorities in the fields of energy, electronic media, financial services, public procurement, as well as with the Croatian National Bank.

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):

61. Planned resources for carrying out activities within the competence of the Agency in the State Budget for 2021 remained about the same compared to the previous year and amounted to HRK 13.866.662 (1.978.492 USD). Execution of expenditures amounted to 99% of the plan.

4.1.2. Number of employees (person-years):

- economists - 16
- lawyers -21
- other professionals – 4 (IT and PR)
- support staff - 8
- all staff combined - 49

62. The work in 2021 was carried out most of the year by the total of 49 employees (for both competencies).

63. Following the proposal of the Government of the Republic of Croatia in the mandatory procedure carried out after it had published a public call for applications, the Croatian Parliament adopted on 1 October 2021 the decision on the appointment of Mirta Kapural PhD, president of the Competition Council. Preceding this decision, the Croatian Parliament relieved Mirta Kapural PhD from duty of the member of the Competition Council.

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

- Enforcement against anticompetitive practices: 16
- Merger review and enforcement: 5
- Advocacy efforts: 1

4.3. Period covered by the above information:

64. 1 January-31 December 2021

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

65. In 2020, the Agency completed three in-depth sectoral market researches, i.e. its regular annual market researches on press publishing media, groceries retail market and insurance sector in the Republic of Croatia in 2020.

66. The market study of the **press publishing market** in 2020 included a total of 33 newspaper publishers and distributors and led to the conclusion that there is an unceasing fall in paid circulation. The market study included the following markets: press circulation (general information dailies and weeklies), print advertising in general information dailies and weeklies and press distribution in the territory of the Republic of Croatia. It included a new weekly Imperial that was less than in year present in the market and discontinued in the relevant report year. The market shares in the relevant markets were defined on the basis of paid circulation – the number of copies sold and revenues realized by the undertakings concerned in the press advertising market, press wholesale and press retail.

67. In 2020 there were five publishers less than in 2019. Some of them like the BnM published by Croata d.o.o. were discontinued while the regional general information daily the Bjelovarski list changed the publisher and since 1 January 2020 it has been published by Mozaik-Media d.o.o. from Bjelovar. The weekly Virovitički list published by Informativni centar Virovitica d.o.o. started to publish semi-monthly in March 2020 (like the former weekly Globus that started to publish semi-weekly in the beginning of 2019). Narodni list discontinued its print edition in March 2020.

68. A more detailed overview in English language may be found at CCA's website¹.

69. In the **groceries retail market** investigation (including food, beverages and sanitary products for households) in Croatia for 2020, the total sample included 51 undertakings. Compared with the previous year there were two undertakings that have been

¹ <https://www.aztn.hr/en/cca-groceries-retail-market-inquiry-for-2020-retail-turnover-exceeds-hrk-40-billion-konzum-plus-remains-leading-groceries-retailer/>

subject to acquisitions (Sonik Trgovina was acquired by Studenac, Sloga Podravska Trgovina by Lonia) whereas there was one new undertaking included in the sample – Eurospin Hrvatska that opened its first supermarket in Zadar in August and six more later in 2020.

70. The realized turnover of all the undertakings that were included in the market investigation for 2020 amounted to more than 40 billion Kuna, which actually means that the groceries retail turnover has risen by HRK 306 million in comparison with 2019 despite the global covid-19 pandemic and partial lock-downs. The rise was moderate (in 2019 compared with 2018 it had been HRK 2.25 HKR billion or 6 %).

71. The market inquiry indicated the rise in the total number of outlets by 0.3 % (4.707 outlets or 14 more than in 2019) and the fall in the net sales space by 1 % (1.44 million m²) compared with 2019.

72. The retail market investigation for 2020 indicates that the highest nominal rise in the realized turnover in the amount of almost HRK 227 million compared with 2019 was recorded by small shops. For the sake of comparison, the rise had been HRK 65 million in the reference year of 2019 compared with 2018. This is undoubtedly caused by the change in the habits and preferences of the consumers in the time of the pandemic and the restrictions that made them turn to the convenience stores around the corner.

73. Big format shops have been keeping the lead both regarding the realized turnover and the net sale space they occupy. The consumers still tend to shop in hypermarkets and supermarkets – more than two thirds or 71 % of the total groceries retail turnover was realized in big format shops, some 49 % in supermarkets and 22 % in hypermarkets.

74. Similar as in the previous year, self-service stores held the share of 43 % of all retail outlets, 39 % share was held by the small shops, 15 % by the supermarkets and 3 % by the hypermarkets.

75. The market inquiry for 2020 indicated that the net sales space was taken predominantly by supermarkets – 47 % of the total net sales space, followed by the hypermarkets with 23 % of the total net sales space. This is not surprising given the fact that supermarkets and hypermarkets logically occupy the largest net sales space in general. The self-service shops held the share of 22 % and small shops 8 % of the total net sales space.

76. For the first time 2020 CCA's Groceries Retail Market Inquiry has been extended to include web shops and loyalty programmes of the grocery's retailers included in the investigation.

77. The results of the inquiry showed that groceries on-line shopping did not make a significant share in the total turnover structure of the groceries retail shops. The highest amount in the on-online groceries retail turnover was recorded by Konzum plus. However, it must be noted that only six retailers submitted their on-line sales data i.e., the figures realized on their own digital platforms. However, compared with 2019, the on-line sales in 2020 have risen significantly for the biggest retailer with its own web shop Konzum plus.

78. A more detailed overview in English language may be found at CCA's website².

79. The **insurance market** investigation focused on the insurance distribution channels, particularly on digital platforms used by insurance companies. The insurance market investigation covered the life and non-life insurance market including the

² <https://www.aztn.hr/en/cca-groceries-retail-market-inquiry-for-2020-retail-turnover-exceeds-hrk-40-billion-konzum-plus-remains-leading-groceries-retailer/>

automobile insurance market. The market shares held by the undertakings in certain market segments have been determined on the basis of the total gross written premium.

80. In 2020 there were 15 insurance companies active in the Croatian insurance market. Two insurance companies with their place of establishment in another EU Member State – Sava osiguranje d.d. – Subsidiary Croatia and Adriatic Slovenica d.d. – Subsidiary Zagreb (acquired by Generali zavarovalnica d.d.) were also present in the Croatian insurance market.

81. The changes in the insurance market in 2020 were clearly reflected from the survey submitted by the insurers. Global pandemic and earthquakes in Croatia significantly affected the insurance market. On one hand, some of the insurers reported a rising trend in online sales of insurance policies due to the covid pandemic, whereas on the other hand, several earthquakes in the region generated a significant rise in claims for damages but also the upward trend in earthquake insurance.

82. A more detailed overview in English language may be found at CCA's website³.

³ <https://www.aztn.hr/en/total-gross-written-premium-amounts-to-hrk-10-68-billion-in-2020/>