

Unclassified

English - Or. English

15 May 2023

Directorate for Financial and Enterprise Affairs
COMPETITION COMMITTEE

Annual Report on Competition Policy Developments in Colombia

-- 2022 --

This report is submitted by Colombia to the Competition Committee FOR INFORMATION.

JT03518906

Table of contents

1. Changes to competition laws and policies, proposed or adopted	3
1.1. Summary of new legal provisions of competition law and related legislation	3
1.1.1. Law 2195 of 2022:.....	3
1.1.2. Decree 253 of 2022:	3
1.1.3. Decree 092 of 2022:	3
1.2. Other relevant measures, including new guidelines	3
1.3. Government proposals for new legislation	3
2. Enforcement of competition laws and policies	4
2.1. Action against anticompetitive practices, including agreements and abuses of dominant positions	4
2.1.1. Summary of activities of the Competition Authority	4
2.1.2. Description of significant cases, including those with international implications.....	5
2.2. Mergers and acquisitions.....	6
2.2.1. Statistics on number, size and type of mergers notified and/or controlled under competition laws;	7
2.2.2. Summary of significant cases.....	8
3. The role of competition authorities in the formulation and implementation of other policies, e.g., regulatory reform, trade and industrial policies	9
4. Resources of competition authorities	10
4.1. Resources overall (current numbers and change over previous year):	10
4.1.1. Annual budget (in your currency and USD):.....	10
4.1.2. Number of employees (person-years):.....	10
4.2. Human resources (person-years) applied to:	10
4.3. Period covered by the above information: January 2022 to December 2022.	11
5. Summaries of or references to new reports and studies on competition policy issues.....	11
5.1. Effectiveness competition advocacy (Activity report)	13

Tables

Table 1. Complaints received and resolved 2020 – 2022	4
Table 2. Preliminary inquiries commenced and resolved 2020 – 2022 (ex officio and complaints)	5
Table 3. Competition cases resolved 2020 – 2022	5
Table 4. Competition Law Enforcement by Violation Type and Outcome 2022	5
Table 5. Merger applications reviewed by SIC 2022	7
Table 6. Merger applications and resolved pre-evaluations 2022	7
Table 7. Average duration of phase 1 merger review process 2019-2022	7
Table 8. Phase 2 merger reviews 2022	8
Table 9. Average duration of phase 2 merger review process 2019-2022	8
Table 10. SIC's Funds Available for Allocation: Amounts and Sources 2021-2022 (COP / Thousands of millions)	10
Table 11. Roles of non-administrative competition (NAC) staff – 2022	10
Table 12. Deputy Superintendence Staff by Groups 2022	11

Figures

Figure 1. Types of assessment conducted by the Mergers and Acquisitions Group 2022	8
--	---

Colombia

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. Law 2195 of 2022:

1. Increases the fines to be imposed, both for market agents and facilitators (up to 20% of last year income or assets, 30% of contract value in bid rigging cases or 300% of illegal profits). Also establishes a series of aggravating factors.
2. Modifies the Leniency Program to strengthen the guarantee of confidentiality for the participants and the evidence provided by them until the end of the administrative process.
3. Grants benefits in the framework of civil proceedings for damages.

1.1.2. Decree 253 of 2022:

4. Modifies benefits arising from Leniency Agreements with SIC depending on the timing of the application.
5. The benefit of full exoneration will be available only for market agents who decide to participate within the Leniency Program up to the day before the SIC issues the decision formally opening the investigation.

1.1.3. Decree 092 of 2022:

6. Colombian Government creates the Compliance Directorate of the Superintendence of Industry and Commerce.
7. It supervises compliance programs that have been created according to accepted warranties or remedies imposed on mergers and other administrative cases.
8. SIC have also started campaigns to invite companies to receive support in the implementation of their compliance programs.

1.2. Other relevant measures, including new guidelines

9. As ordered by the Decree 092/2020, the Compliance Direction began operating in 2022, with the aim of creating a good practices culture in competition matters.

1.3. Government proposals for new legislation

10. Due to the government transition, a new bill project was filled that drafts the Development National Plan for 2022-2026. The bill 274/2023 is currently advancing through its legislative process in the Colombian Congress.

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 Competition Authority

Internal procedure to determine the existence of anticompetitive practices.

11. Pursuant to article 52 of Decree 2153 of 1992 (partially modified by article 155 of Decree 019 of 2012), the administrative sanctioning procedure in matters of anticompetitive practices is divided into three stages: **i)** preliminary investigation; **ii)** investigation, and **iii)** decision. The first two are headed by the Deputy Superintendent for Competition Protection (Deputy Superintendence), while the third one is headed by the Superintendent of Industry and Commerce.

- **Preliminary investigation:** The main objective of the preliminary investigation is to verify if there is sufficient merit to initiate an investigation, that is, to determine the significative probability of the existence or not of an infringement of the rules on competition protection (facts, characteristics of the possible affected market and identifying potential offenders). Considering the purpose of this preliminary stage, during its development there are no persons (natural or legal) to whom the status of investigated has been properly attributed.
- **Investigation:** The investigation stage supposes the beginning of a formal administrative procedure. It begins with the formulation of the statement of charges, followed by the evidentiary debate and ends with the issuance of the Motivated Report by the Deputy Superintendent, in which, once the investigation has been exhausted, and after an oral support hearing, recommends to the Superintendent of Industry and Commerce to declare the corresponding administrative responsibility and issue the sanction or, if applicable, dismiss the investigation.
- **Decision:** In the decision stage, the Superintendent of Industry and Commerce makes the final decision after studying the Motivated Report, the file, and the observations submitted by those investigated regarding the report. When the Superintendent concludes on the need to impose a sanction, he must convoke and hear the Competition Advisory Council (whose concept is not binding), after which he issues the sanction resolution. If the violation is not proven, the Superintendent dismisses the investigation.

12. In these terms, during 2022, the number of new complaints decreased in 159 compared to the ones received in 2021.

Table 1. Complaints received and resolved 2020 – 2022

	2020	2021	2022
Complaints pending at beginning of period	737	722	195
New complaints received during period	680	910	751
Complaints resolved by dismissal	507	544	559
Complaints resolved by opening a preliminary inquiry	12	15	10
Complaints pending at end of period	722	792	639

13. Table No. 2 contains information regarding the preliminary inquiries that were conducted from 2020 to 2021.

Table 2. Preliminary inquiries commenced and resolved 2020 – 2022 (ex officio and complaints)

	2020	2021	2022
New preliminary inquiries opened during period	12	15	14
Preliminary inquiries resolved by dismissal	6	16	14
Preliminary inquiries resolved by opening a formal investigation	7	8	8

14. The disposition of formal investigations since 2021 is shown in the following table:

Table 3. Competition cases resolved 2020 – 2022

	2021	2022
Formal investigations pending at the beginning of the period	16	9
New formal investigations opened during period	12	8
Formal investigations resolved by dismissal	11	2
Formal investigations resolved by orders/sanctions	8	7
Formal investigations resolved by settlement	1	2
Formal investigations pending at the end of period	20	15

Table 4. Competition Law Enforcement by Violation Type and Outcome 2022

Year	Formal Investigations	Horizontal Agreements	Vertical Agreements	Abuse Of Dominance/ Unilateral Conduct	Unreported Mergers	Other Conduct	Total
2022	Opened	1	1	2	1	3	8
	Dismissed	0	0	0	0	2	2
	Settled	1	0	1	0	0	2
	Orders/sanctions	5	0	0	0	2	7
	Total monetary sanctions imposed	\$53,076'541,356	0	0	0	\$23,089'558,225	\$76.166'099.581 (COP)*

Note: * This amount corresponds to the addition of fines before solving eventual administrative appeals.

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

15. As indicated above, the office of the Deputy Superintendent is in charge of heading the preliminary investigation and the formal investigation. Consequently, the following are some of the most relevant investigations carried out during 2022:

Agent	Relevant Market	Anticompetitive Conduct	Decision
SAYCO II	Management of the economical content of the rights of the authors and composers of musical works (Copyright)	Abuse of Dominance	The investigation hypothesis is that SAYCO would have abused of its dominant position in the relevant market by obstructing the access of third parties to forms of right's management other than collective. Particularly, because SAYCO prevents the access of individual managers to the market, as well as rights holders to individual management.

BUENAVENTURA'S PORT	Port operations	General prohibition	The investigation hypothesis is that SPRBUN (the manager of the port) implemented an anti-competitive system aimed at preventing and hindering the provision of port operation services carried out by port operators in the Buenaventura's Port. SPRBUN would have taken advantage of its role as administrator of the port infrastructure to implement a set of behaviors and strategies that would allow it to unduly increase its participation and that of its affiliated companies (ZELSA and TECSA) in the port operation activities that are provided within the Port.
VIVA AIR - AVIANCA	Air transport	Unnotified merger	Presumably, Viva Air and Avianca would have materialized a merger without prior authorization from the competent authority.

16. In the other hand, the Superintendent of Industry and Commerce is the authority that issues decisions after proven the anticompetitive conducts in administrative investigations.

17. In 2022, the most significant case issued was PAE-PREB, taking into consideration the fine amount (\$28.434.103.236 COP). The **SIC** decided to fine the companies AERODELICIAS, SERVICIAL, LA CAMPIÑA, CATALINSA, DISERAL, IBEASER, LIBER, SPRESS y SURCOLOMBIANA and 16 natural persons for bid rigging practices in public procurement procedures oriented to provide lunch and snacks to the public schools' students in Bogota.

2.2. Mergers and acquisitions

18. It is important to consider that, in Colombia, when the parties to the transaction are engaged in (i) the same economic activities (horizontal overlap) or (ii) the same value chain of a relevant market (vertical effect) they may be subject to merger control.

19. The **SIC** establishes a threshold to review these mergers depending on the interested parties' assets and/or operational income for the previous year. This threshold varies each year, being based on the minimum wage rate for the country. For 2022 the threshold is set at 60,000 monthly salaries at the minimum wage, which amounts to \$ 60.000.000.000 COP (roughly USD 15.5 million). In the event that the assets or operational income held by the companies (individually or jointly) equals or exceeds this amount, the transaction must be reviewed.

20. There are two kinds of merger applications the **SIC** reviews, namely:

- **Notifications:** Mergers in which the interested parties jointly hold less than 20% of market share. In this case the transaction is considered authorized, and the parties need only to provide notice of the transaction to **SIC** prior to the closing. The **SIC** issues a letter within ten (10) business days that "acknowledges receipt" of the notice. In the letter the **SIC** states that it reserves the right to review the information presented.
- **Pre-evaluations:** Mergers in which the interested parties jointly hold 20% or more of market share. This procedure is divided into two stages: 'phase 1' and 'phase 2' (in depth analysis) and may take between 2 – 9 months depending on the complexity of the transaction. Additionally, the parties are subject to a standstill obligation, which means the transaction cannot close before the **SIC** issues authorization.

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

21. In 2022 the **SIC** reviewed and resolved 256 merger applications. These include notifications, phase 1 and phase 2 pre-evaluations. Also, whenever there is a merger that affects the financial market, the **SIC** releases a non-binding concept to the Colombian Superintendence of Finance (**SFC**). In 2022 there were 2 of such concepts issued by the **SIC**. Table 5 summarizes the merger reviews approved, conditioned, objected or dismissed for the year 2022.

Table 5. Merger applications reviewed by SIC 2022

Type of Procedure	Authorized without Remedies or Conditions	Authorized with Remedies or Conditions	Objected	Desisted	Total
Notificaciones	194	N/A	N/A	5	199
Pre-evaluation Phase 1	44	N/A	N/A	0	44
Pre-evaluation Phase 2	7	4	0	0	11
Concepts to SFC	2	N/A	N/A	N/A	2
Total	247	4	0	5	256

22. Table 6 shows the information related to the volume of merger applications (pre-evaluations) received, processed, and resolved for 2022 (We included the concepts issued to the **SFC** as phase 1 pre-evaluations).

Table 6. Merger applications and resolved pre-evaluations 2022

Year	Pre-Evaluations Pending at Beginning of Period	Pre-Evaluations Received in Period	Pre-Evaluations Resolved in Phase 1	Pre-Evaluations Resolved in Phase 2	Pre-Evaluations Pending at End of Period
2022	11	240	44	11	12

Note:

23. Table 7 shows a slight decrease in the average duration of phase 1 merger review processes, with an average of 36.6 days in 2022 as opposed to 40 days in 2021. The following statistics are developed counting the term from the moment the companies file the complete information required by the Authority to address a decision.

Table 7. Average duration of phase 1 merger review process 2019-2022

Year	Days	Months
2019	48,1	1,60
2020	39,1	1,30
2021	39,8	1,33
2022	36,6	1,22

24. Table 8 shows the volume of mergers initiated, processed, and resolved under Phase 2 for the year 2022.

Table 8. Phase 2 merger reviews 2022

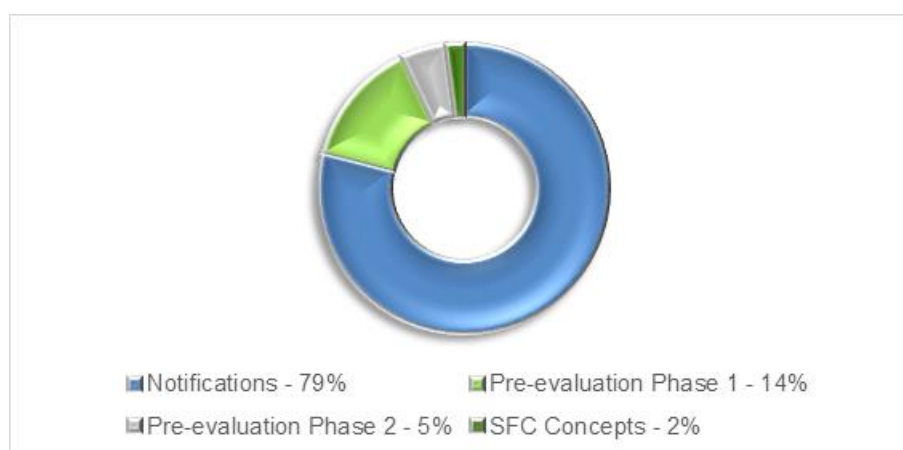
Year	Phase 2 Pre-Evaluations Pending at Beginning of Period	Phase 2 Pre-Evaluations Initiated in Period	Phase 2 Pre-Evaluations Resolved in Period	Phase 2 Pre-Evaluations Pending at End of Period
2022	5	11	11	2

25. The average duration of phase 2 merger review processes in 2022 was 168.4 days, which represents 17 days more than the average duration in 2021. The complexity of some cases (like SOCIEDAD DE APOYO AERONÁUTICO S.A. - SERVICIOS AEROPORTUARIOS INTEGRADOS SAI S.A.S., which lasted 242 days; and GLOBAL LAYER DISTRIBUTION – PRODUCTORA NACIONAL AVÍCOLA S.A., which lasted 232 days) contributed to the increase of the average duration of pre-evaluation processes during 2022, due to the complexity of the definition of relevant markets in this merger requests.

Table 9. Average duration of phase 2 merger review process 2019-2022

Year	Days	Months
2019	188	6.3
2020	118	3.9
2021	151	5.0
2022	168,4	5.6

26. The following chart shows the types of assessment that were conducted by the Mergers and Acquisitions Working Group during 2022, with their respective percentage:

Figure 1. Types of assessment conducted by the Mergers and Acquisitions Group 2022

2.2.2. Summary of significant cases.

27. Due to the size of the companies, market share and potential impact to the consumers, the SIC highlights the following cases as the most significant in 2022:

Intervening companies	Affected market (s)	Type of remedies
BANCOLOMBIA S.A., ADMINISTRADORA DE FONDOS DE PENSIONES Y CESANTÍAS PROTECCIÓN S.A., GRUPO DE INVERSIONES SURAMERICANA S.A., SURA ASSET MANAGEMENT S.A., SEGUROS GENERALES SURAMERICANA S.A., SEGUROS DE VIDA	Insurance services; Trust business; Collective investment funds; voluntary pension funds; Stockbroker services; Financial services; Mandatory pension funds; Services focused on	Behavioral

SURAMERICANA S.A. and OPERACIONES GENERALES SURAMERICANA S.A.S.	the elderly population and retirement plans.	
BIOMAX S.A., GRUPO EDS AUTOGAS S.A.S. and FUELTRANS S.A.S.	Wholesale and retail distribution of gasoline, diesel and lubricants and transportation of liquid fuels by land.	Behavioral and structural
ENERGÍA INTEGRAL ANDINA S.A. and SOL CABLE VISIÓN S.A.S.	Bearer service and fixed internet access services.	Behavioral
SOCIEDAD DE APOYO AERONÁUTICO S.A. and SERVICIOS AEROPORTUARIOS INTEGRADOS SAI S.A.S.	Airplanes ground handling services.	Behavioral

28. There were no objected operations during 2022.

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

29. The SIC's Competition Advocacy Group focuses its advocacy strategy on three main goals: (i) to promote a competition culture by educating society on the benefits of economic competition; (ii) to reach more regulators by explaining them the importance of informing all regulatory drafts with potential anticompetitive effects on the markets in order to allow the SIC to issue advocacy legal opinions; and (iii) to ensure that regulatory drafts be consistent with the competition law through the exercise of ex officio advocacy legal opinions.

30. In addition, the Competition Advocacy Group is ready to provide legal advice for requests made by the Congress with the purpose of averting potential anticompetitive effects from pending legislation.

31. The following are three relevant advocacy opinions issued by the Colombian Competition Authority last year. These opinions are classified below by agencies and governmental bodies:

- The Ministry of Mines and Energy shared a regulatory proposal in which the SIC issued recommendations on projects that promote long-term contracting of electric power generation projects and the call for long-term contracting auctions for power generation projects (Competition advocacy concept identified with file No. 19-137026).
- The Ministry of Health, Ministry of Agriculture and Rural Development and Ministry of Commerce, Industry and Tourism presented a regulatory proposal in relation to licenses, quotas and authorizations for safe and informed access to the use of cannabis and the cannabis plant, its derivatives and products (Competition Advocacy Concept identified with file No. 22-22196), as well as with respect to foreign trade operations of seeds, cannabis plants, cannabis and related merchandise (Competition Advocacy Concept identified with filed No. 22-67271).
- Project issued to promote an open financial architecture (open banking) in Colombia (Competition advocacy concept identified with file No. 22-78728).

32. The initiative analyzed by the Competition Authority introduced provisions regarding (i) the processing of personal data of financial consumers; (ii) the offering of products and services through remote channels of entities supervised by the SFC; (iii) the network use contract; (iv) the offering of financial products and services through non-face-to-face channels of unsupervised third parties and (v) the activity of initiating payments within the framework of the low value payment system.

4. Resources of competition authorities

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

33. The following table presents the Annual Budget of the SIC and the SIC's Competition Division in 2021 and 2022:

Table 10. SIC's Funds Available for Allocation: Amounts and Sources 2021-2022 (COP / Thousands of millions)

Year	2021 (COP / Thousands of millions)	2022 (COP / Thousands of millions)	2022 (USD)
SIC Total Funds	232.872	249.349	55,662,788,79
Competition-related budget	34.842	43.508	9,712,509,24

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

34. The total SIC's budget for 2022 was \$249.349'617.100 (COP) / 55,662,788,79 (USD). This budget was distributed in two main areas. The first one is the "Investment Budget" which is approximately \$138.060.809.826 (COP) / 30,819,576,89 (USD) and the second one is the "Functioning Budget" that is approximately \$111.288.807.275 (COP) / 24,843,211,90 (USD).

35. The total SIC's competition-related budget for 2022 was \$43.508.608.061 (COP) / 9,712,509,24 (USD). This budget was distributed in two main areas. The first one is the "Competition Investment Budget" which is approximately \$24.229.951.097 (COP) / 5,408,898,02 (USD) and the second one is the "Competition Functioning Budget" that is approximately \$19.278.656.964 (COP) / 4,303,611,22 (USD).

4.1.2. Number of employees (person-years):

- Economists: Twenty – nine (29) workers and contractors had economist roles during 2022.
- Lawyers: Eighty – six (86) workers and contractors had the role of lawyer during 2022.
- Other professionals: 16 workers and contractors had different roles during 2022.
- Support staff: 7 workers and contractors had support staff roles during 2022.
- All staff combined: 159 workers and contractors during 2022.

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

Table 11. Roles of non-administrative competition (NAC) staff – 2022

Staff of the Deputy Superintendence for Competition Protection discriminated by roles 2022						
Role	Lawyers	Economists	Data Scientist	Others (Engineers, Business Managers, Public Counters)	Support Staff	Total
Deputy Superintendence for Competition Protection	86	29	5	16	23	159

Table 12. Deputy Superintendence Staff by Groups 2022

Area	Contractors	Employees	Total
Deputy Superintendence for Competition Protection	5	9	14
Advocacy Working Group	7	4	11
Mergers and Acquisitions Group	0	9	9
Compliance Direction	10	17	27
Anti-cartel and dominance-related issues	70	28	98

4.3. Period covered by the above information: January 2022 to December 2022.**5. Summaries of or references to new reports and studies on competition policy issues**

36. During 2022, the Economic Studies Working Group produced the following sectorial studies:

- Copyright and related rights market: The Collective Management of Copyright and Related Rights serves as a tool that seeks to guarantee greater efficiency in the administration and distribution of the collection generated by the use of the works of copyright holders. Hence, the Collective Management Societies arise as private non-profit associations, constituted by the holders of Copyright, whose main purpose lies in the defense of their interests and objectives. In the Colombian case, there are seven Collective Management Companies whose operation is regulated by the Chapter III of Law 44 of 1993, in accordance with the Decisión Andina 351 de 1993. Now, considering the qualitative and quantitative information provided by each of the Collective Management Societies, through a descriptive statistical analysis, it was evidenced that, for the period 2010-2020, and despite the effects generated by the Covid-19 pandemic, the aforementioned companies have registered a stable behavior in terms of collection, expenses and distribution of profits (https://www.sic.gov.co/sites/default/files/documentos/102022/ES-SGC_Version-publica.pdf).
- Travel agencies in Colombia: This document characterizes the travel agencies in Colombia during the period 2015 – 2021. Starting from an exploratory analysis of the existing literature, the reader is contextualized about the origins, roles, requirements and types of service offered by these agencies. Subsequently, through a related relationship with the tourism sector, this document shows from an international perspective and at the country level, a series of general aspects linked to the operation and behavior of the sector and the agencies, as intermediary figures between the suppliers and the final consumers. From a quantitative perspective, statistical evidence shows the positive evolution of the performance of travel agencies sector. Finally, through an analysis of industrial organization, this study shows the degree of competition of these establishments in terms of concentration, dominance and asymmetry between 2019 and 2021. In general terms, including the effects caused by Covid-19 and the restrictions imposed by the National Government, the sector has been characterized by having a low degree of concentration, with a medium level of barriers to entry and a relatively high degree of competition (<https://www.sic.gov.co/sites/default/files/documentos/082022/Caracterizacio%C%81n%20de%20las%20agencias%20de%20viaje%20en%20Colombia%202015-2021%20VF.pdf>).

- Games of luck and chance operated by Internet in Colombia:** The aim of this study is to determine and analyze how the levels of competition, advertising and illegality influence the consumers' welfare in the online gambling market in Colombia between 2017 and 2021. Starting from a complete characterization of the above-mentioned sector, a review of literature and regulations is carried out. Then, based on official information sources, it presents an analysis in aggregate on industrial organization and consumer protection. The results show that two companies have concentrated more than 70% of the total monthly deposits. Likewise, the different types of games offered by the web pages have high levels of concentration and dominance. On the other hand, it was found that advertising plays a fundamental role in the market value chain. In fact, monthly average expense in publicity increased from \$2,834 million in 2018 to \$26,666 million in 2021 which represents an increase of 840.9% over a period of three years. Finally, it was found that illegality in the market represents a limitation to the growth of the sector (https://www.sic.gov.co/sites/default/files/documentos/082022/ES-Apuestas-en-linea_Version-Publica.pdf).
- Steel market:** Starting from a series of qualitative and quantitative technical inputs, this study aims to analyze the behavior of the steel market segment destined for housing construction in Colombia between 2015 and 2021. In this case, taking into account the evidenced and typical dynamics of the market, this study emphasizes on the relevance that steel has in the construction sector considering the relationship between this material and housing construction. The analysis carried out for the segment shows that the installed production capacity was greater than the capacity used by the steel companies. In terms of prices, costs and profits, it was evidenced that most of the products registered increasing trends in these variables. Likewise, it shows the relationship between the steel companies and the identified meshwork, figuration and wire agents. In terms of georeferencing the destination of sales of products destined for the construction of housing and infrastructure, most of the sales are concentrated in the north central part of Colombia, but specific behaviors are evidenced by steel company. In matters of industrial organization, the results show a moderately concentrated segment, characterized by the non-presence of a dominant agent and by a fair degree of competition given the number of steel companies (https://www.sic.gov.co/sites/default/files/documentos/082022/ES_ACERO-2.0_Version-Pu%CC%81blica.pdf).
- Telecommunications in Colombia:** Investment in network infrastructure stands as one of the most important determinants in new technologies adoption and, therefore, in the benefits propagation. Although important efforts made in Colombia, to guarantee greater coverage and access to mobile telecommunication technologies, the infrastructure development for above-mentioned services provision has not been largely studied, considering the difficulties to find public information. Based on data from ColombiaTIC and requirements information to mobile service operators and to the Ministry of Information Technologies and Communications (MinTIC), this document carries out a descriptive analysis of this kind of infrastructure in Colombia. The results indicate that the number of towerco has grown significantly in the last five years and, also, that they have diversified their participation in different economic activities. Furthermore, the participation of the operators in terms of antennas differs from those of subscribers and income from telephony and mobile internet. Finally, this document carries out an industrial organization analysis in terms of concentration and dominance. The results show high levels of concentration and dominance in voice and mobile internet

https://www.sic.gov.co/sites/default/files/documentos/042022/ES-Infraestructura-de-Telecomunicaciones-Moviles-en-Colombia_VF_Publica.pdf).

- **Dairy market:** The objective of this study is to provide a complete analysis on the composition and operation of the Dairy Sector in Colombia between 2010 and 2020. For this purpose, the study considers a complete characterization of the above-mentioned sector, including a legal review. Then, based on official sources information, it presents an analysis in aggregate and industrial organization terms for the formal milk collection link. The results show that 53,6% of milk production in Colombia did not enter to this transforming channel and generator of added value. In addition, it was found that Region 1 contributed, on average, with 79,8% of the total raw milk captured and processed by the industry. Regarding the price paid to the producer per liter of raw milk with and without bonus, it was evidenced that, for the period under analysis, the aggregate growth was 52,0% and 51,8%, respectively. Finally, in terms of formal stockpiling, despite the existence of more than 15 active agents in the market, it was found that, for the period analyzed, three companies had 65.8% average market shares, respectively, for the last 10 years. Performing the analysis, discriminating by installed and used capacity for processed milk, cheeses and derivatives, high levels of concentration, dominance and asymmetry was evidenced (https://www.sic.gov.co/sites/default/files/documentos/032022/ES-SLC_Version-publica.pdf).

5.1. Effectiveness competition advocacy (Activity report)

37. On December 2022, the **SIC** issued a report addressing in detail the effectiveness of its competition advocacy activity. As part of the report, the **SIC** conducted an in-depth analysis on the approach of state entities to advocacy opinions and individual recommendations issued by the **SIC** during 2022.

38. The report studied two different types of data: (i) the approach given by regulators to competition advocacy opinions, in which regulators could fully incorporate recommendations, partially incorporate recommendations or fully depart from the recommendations issued in each individual opinion and (ii) the approach given by regulators to individual recommendations, where regulators could either incorporate or depart from each individual recommendation, regardless of the approach given to the corresponding advocacy opinion as a whole.

39. The proposed strategy was designed in order to confront several issues identified by the Agency regarding the role of competition advocacy. Among these issues, the **SIC** identified a need to attract more State entities in order for regulators to conduct a more in-depth assessment of their compliance with the legal competition advocacy procedure. In addition, the use of data analytics and AI were set forth as valuable assets that should be further implemented internally by the Agency, in order to optimize its competition advocacy function. Likewise, the Competition Authority determined that, through competition advocacy, the **SIC** needed to develop additional strategies in order to engage emerging markets, as well as new ways of allocating resources.

40. The results underscore the impact of competition advocacy on regulatory process, and identify reasons considered by regulators to depart from the recommendations, as well as distinguish those who most frequently departed from them. Thus, one of the most significant findings regarding the approach given by regulators to individual recommendations (regardless of the approach given to advocacy opinions as a whole), was

the fact that there was a 69% acceptance rate of individual recommendations out of the 72 individual recommendations issued from January 2022 to December 2022.

41. Since September 2018 to December 2022, the Advocacy Working Group issued over 652 competition recommendations. Of these, 353 were received by the regulatory authorities, thus obtaining 69% of reception of the recommendations formulated regarding free economic competition in the framework of administrative regulatory acts.

42. In addition, there is 68.49% adoption of the recommendations issued by the Competition Authority voluntarily. Link: <https://www.sic.gov.co/abogacia-de-la-competencia/documentos-de-analisis>